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Your submission for this review:

Gary Wallace General Manager Oberon Council 9 December 2024 To: Independent Pricing and Regulatory Tribunal (IPART)
Subject: Response to WaterNSW Submission on Prices for Regional and Rural Bulk Water Supply from July 2025 Dear IPART, Oberon Council appreciates the opportunity to comment on the submission from WaterNSW regarding the proposed prices for regional and rural bulk water supply from July 2025. Concerns Over Price Increases Oberon Council is deeply concerned about the proposed 14% annual increases (excluding CPI) over the next five years. Given the current costs and our proximity to the water supply source, these increases are excessive and unjustifiable. The Council has consistently sought information through the Customer Advisory Group (CAG) to understand the need for such significant price hikes, but the rationale remains unclear. Estimated Costs Based on our estimates, the Councils WaterNSW bill for 2024/25 will be \$749,579.64, comprising \$521,361.96 for access and \$228,217.68 for usage. By 2029/30, this bill is projected to rise to \$1,318,278.60, a 76% increase from 2024/25. This increase represents an additional \$568,698.96 over five years, averaging \$406.50 per account (1,399 accounts). Over the five years of proposed increases, the cumulative additional amount paid would be \$1,716,686.33 above the 2024/25 price, if it held steady. Access Charges The Council is charged access based on an annual amount of 1,064kL of raw water, while our actual usage for the past three years has been significantly lower (58.92%, 65.14%, and 71.5%, respectively). Council was requested to increase this allocation in 2011 following previous drought and it was indicated (at the time) that this increased allocation would 'drought proof' the Oberon LGA. As seen by the 2014-17 drought that this does not work. We request clarification on the methodology behind what work has been undertaken by WaterNSW to make sure this does not happen again. Capex vs. Opex The Council believes that some of the proposed capital expenditure (Capex) projects should be considered operational expenditure (Opex). Additionally, we question the absence of a maintenance fund within the NSW State Government, which could alleviate some of the financial burdens on local councils. Dividend to Shareholders The requirement for WaterNSW to return a dividend to the State of NSW is perplexing to the Council and its community. We believe that these funds could be better utilized to support WaterNSW operations, thereby reducing the need for such steep price increases. Raw Water Quality Analysis Oberon Council congratulates IPart for its decision to require WaterNSW (within its new license) to prepare a water quality policy for raw water within the system. Unknown to customers however is how proposal rests if raw water delivery sits outside these parameters in future years. Should WaterNSW be unable to meet their own quality standards the impost could be further felt by customers who already pay substantially higher rates than those in other valleys. In conclusion, Oberon Council urges IPART to reconsider the proposed price increases and to provide greater transparency and justification for these changes. The proposed prices are significant to a small Council the size of Oberon and these hikes substantially jeopardies our financial sustainability long term, without significant interjection through rate increases. We look forward to a constructive dialogue and request an individual conversation with IPart to ensure fair and reasonable water pricing for our community. Additionally, a separate response from the Central NSW Joint Organisation has the support from Council given the regional implications this current proposal has for communities within and beyond the Oberon LGA. Thank you for your consideration of this submission. Yours sincerely, Gary Wallace General Manager OBERON COUNCIL