



Australian Government

Commonwealth Environmental Water Holder



Our ref: EC25-001758

Ms Carmel Donnelly PSM - Chair  
Independent Pricing and Regulatory Tribunal  
WAMC and WaterNSW price review  
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Dear Ms Donnelly PSM

**IPART draft determination of WaterNSW bulk water service prices from 1 July 2025**

As the Commonwealth Environmental Water Holder (CEWH), I welcome the opportunity to provide this submission in response to IPART's draft determination information paper on WaterNSW's bulk water prices for the 2025–28 period.

I support IPART's draft decision to adopt a shorter-term determination period of up to three years. This approach provides a pragmatic and flexible pathway to address the complex issues raised during the review, including the need for further work on cost efficiency, customer affordability, and broader challenges facing WaterNSW. It also allows time for meaningful engagement with stakeholders and the NSW Government on long-term sustainable pricing and service delivery models.

In supporting the interim price determination, I have also noted that the proposed real price increase of 1.9 per cent from 2025-26 acknowledges the need for WaterNSW to fund critical safety-related measures required to operate its infrastructure.

In a previous submission, dated 6 December 2024, my office raised several important considerations that remain relevant to IPART's future determination of WaterNSW's charges:

- **Different tariff structure for large environmental water users** – any proposal that provides a charging structure for large environmental water holders that is not available to all users must be carefully considered. I am concerned that this approach may lead to a perception that environmental water users are receiving preferential treatment. I am also cognisant that this separation may create a future opportunity for costs to be allocated to environmental water users in a manner which is inconsistent with National Water Initiative Pricing Principles. This also creates likely issues related to the trade of water between parties on differing tariff structures, as outlined below.
- **Deferred investment in fishways** – the continued deferral of fishway construction at Wyangala Dam, Marebone Break Regulator, and Gunidgera Weir risks undermining environmental objectives and increasing future costs. I urge IPART to consider how these obligations should be funded by

WaterNSW as a matter of priority. Our concerns were covered in more detail in the submission dated 6 December 2024.

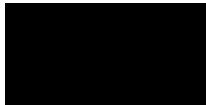
- **Transparency and accessibility of pricing proposals** – I support any move made by IPART to improve the clarity and accessibility of future pricing proposals brought forward by WaterNSW. The complexity of the current documentation presents a barrier to effective stakeholder engagement and limits the ability of entitlement holders to assess the financial impacts of the pricing proposal.

In making this submission, I would also like to raise the following matters for your consideration:

- **The impact of divergent tariff structures on water market trade** – I encourage IPART to explore the market implications for the trade of water products between parties that operate under different tariff structures. To maintain market integrity, it is important that tariffs associated with the use of water allocations are not charged more than once as the result of a trading activity between parties that operate under different tariff structures.
- **Maintaining adequate funding for environmental functions undertaken by the Murray-Darling Basin Authority (MDBA) and the Dumaresq-Barwon Border Rivers Commission (BRC)** – I support the retention of a tariff structure that transparently and adequately funds river operations, the maintenance of infrastructure and the joint venture operations of the MDBA and BRC, particularly in relation to their obligations to undertake activities to support environmental outcomes and objectives of the Murray-Darling Basin Plan.

Thank you for the opportunity to make a submission. Should you wish to discuss the submission further, please contact Daniel Church, Director Environmental Water Holdings and Trade section at

Yours sincerely



Dr Simon Banks

Commonwealth Environmental Water Holder

03 June 2025