

Annual Review of WaterNSW's rural bulk water charges for 2019-20, Final Report

4 June 2019

WHAT

IPART has completed its Annual Review of the regulated charges that WaterNSW can charge for its rural bulk water services in the Murray Darling Basin (MDB) and the Fish River Water Supply Scheme (FRWSS) set under the *Water Charge Infrastructure Rules 2010* (WCIR) for the 2019-20 financial year.

IPART's decision is to maintain the regulated charges as set under its 2017 Determination, which includes making adjustments for CPI.

This means that WaterNSW's current (2018-19) charges will increase in line with CPI (1.3%) from 1 July 2019, for 2019-20.

We did not find strong evidence available of a sustained or permanent shift in water demand and it is therefore not reasonably necessary to update the charges to apply in 2019-20 from those we set in the 2017 Determination.

This decision is consistent with WaterNSW's Annual Review application, which proposed we maintain prices as set in the 2017 Determination (adjusted for CPI).

WHY

The WCIR requires WaterNSW to submit an annual pricing application for IPART's approval or determination of prices for 2019-20. The Annual Review provides an opportunity to vary charges for 2019-20, which were originally set in the 2017 Determination if this is reasonably necessary. When assessing if it is

reasonably necessary to vary charges, we consider price stability and changes in water demand.

WHO

WaterNSW delivers bulk water to irrigators and other licence holders on regulated rivers across NSW. It operates 42 large dams and weirs, and infrastructure to deliver water to its customers.

WHEN

The Final Report and Approval set out the regulated charges that will apply from 1 July 2019 to 30 June 2020.

WHERE

This review applies to all of the MDB valleys in NSW, and rural customers for both filtered and raw water in the FRWSS. It does not affect WaterNSW's North Coast, South Coast and Hunter Valley customers, for which prices are set under the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

WHAT NEXT

IPART will commence the next Annual Review of WaterNSW's charges in April 2020. This review will consider whether it is reasonably necessary to update charges to apply in 2020-21.