

## FACT SHEET

### Prices for the Sydney Catchment Authority

Based on *Determinations and Final Report June 2009*

From 1 July 2009

On 5 June 2009, IPART released its final report and determination on the prices that the Sydney Catchment Authority (SCA) can charge for providing water from Sydney's dams. The determination sets prices for three years, commencing 1 July 2009. The full report and determination are available on IPART's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)).

A public hearing was held at IPART's offices on 19 November 2008 and a draft report was released for comment on 20 March 2009.

### Overview

SCA's role is to:

- ▼ Manage and protect Sydney's drinking water catchments.
- ▼ Manage water storages (dams), pipelines and other catchment infrastructure.
- ▼ Supply its customers with high quality untreated bulk water. SCA's main customer is Sydney Water, which consumes about 99 per cent of SCA's water sales. SCA also supplies water to some Local Councils and some 'raw' and 'unfiltered' water customers.

IPART has maintained SCA's current price structure and increased all of SCA's prices to all of its customers by equal proportion. Relative to 2008/09 levels, this equates to an increase in SCA's prices of about 17 per cent by 2011/12.

SCA's prices are only one component of the costs of providing water and sewerage services to retail customers. This increase in SCA's prices will therefore have only a moderate effect on the water and sewerage bills paid by households and businesses. For example, this determination will increase the water and sewerage bill of a typical Sydney household by about 1.6 per cent plus inflation by 2011/12.

In setting SCA's prices, IPART had regard to SCA's service standards, impacts on water customers, SCA's financial viability, the environment and principles of economic efficiency.

SCA's prices need to increase to:

- ▼ Fund SCA's contribution to the upgrade of sewage treatment plants within Sydney's drinking water catchment, which is required to protect water quality.

- ▼ Upgrade and refurbish dams to provide for environmental flows and comply with dam safety requirements.
- ▼ Upgrade and/or replace other infrastructure, such as electrical wiring, fencing, roads, bridges and support assets to enable SCA to effectively carry out its catchment management and water supply functions.
- ▼ Maintain SCA's financial viability.

### SCA prices from 1 July 2009 to 30 June 2013

Table 1 lists SCA's prices for 2009/10 to 2011/12. These prices have been set to enable SCA to fully recover its efficient costs over the determination period.

**Table 1: Prices for SCA services from 2009/10 to 2011/12 (\$, real 2009/10)**

	2008/09 (current)	2009/10	2010/11	2011/12
<b>Charges to Sydney Water</b>				
Fixed availability charge (\$ per month)	5,818,941	6,301,913	6,562,810	6,833,854
Volumetric charge (\$/ML)	230.84	249.99	260.34	271.10
<b>Charges to Local Councils</b>				
Volumetric charge (\$/ML)	218.24	236.36	246.14	256.31
<b>Charges for Bulk Raw Water</b>				
Volumetric charge (\$/kL)	0.51	0.55	0.58	0.60
<b>Charges for Unfiltered Water</b>				
Volumetric charge (\$/kL)	0.87	0.95	0.99	1.03
<b>Fixed availability charge:</b>				
Fixed charge for 20 mm meter (\$)	77.93	84.39	87.89	91.52
Fixed charge for meter size > 20 mm (\$)		(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400	(Meter size) <sup>2</sup> x 20mm charge/400

Relative to the schedule of charges set at Sydney Water's 2008 determination<sup>1</sup>, this determination of SCA's prices will increase annual water and sewerage bills of a 'typical'<sup>2</sup> Sydney household from:

- ▼ \$933 to \$940 in 2009/10 – an increase of 0.7 per cent (plus inflation)
- ▼ \$974 to \$986 in 2010/11 – an increase of 1.3 per cent (plus inflation)
- ▼ \$997 to \$1,013 in 2011/12 – an increase of 1.6 per cent (plus inflation).<sup>3</sup>

<sup>1</sup> In 2008, IPART determined Sydney Water's prices for 2008/09 to 2011/12.

<sup>2</sup> A 'typical' Sydney household has a 20mm meter connection and is assumed to consume 200kL of water per annum.

<sup>3</sup> These are real 2008/09 dollars.