



## WHAT

We have released a Discussion Paper as part of our review of the maximum wholesale water and sewerage prices that can be charged by Sydney Water and Hunter Water.

The Discussion Paper sets out our preliminary views and identifies options for how wholesale prices could be determined. We are seeking stakeholder feedback on the discussion paper.



## WHY

We are required to regulate the price of Sydney Water's and Hunter Water's water supply and sewerage services.

This discussion paper relates to the prices to apply to wholesale services provided by Sydney Water and Hunter Water.

We are conducting separate reviews of retail prices for Hunter Water and Sydney Water. In mid-June 2016, we will be releasing final reports and determinations for retail prices to apply from 1 July 2016.

We have recently decided to separate our review of wholesale prices from these retail reviews, and to extend the timeframe for the review.



## HOW

Our objective in determining wholesale prices for water and sewerage services is to create a level playing field, so that new entry in the water industry occurs where it is efficient. It is important to get wholesale prices right, otherwise prices may:

- ▼ encourage inefficient entry if the price is too low, and
- ▼ discourage efficient entry if the price is too high.



## WHO

Wholesale customers buy water and/or sewerage services from Sydney Water or Hunter Water and on-supply these services to end-use customers. Wholesale customers are typically licensed under the *Water Industry Competition Act 2006*.



## WHEN

The key dates for this price review are:

- ▼ 31 May 2016 – Submissions due in response to Discussion Paper
- ▼ End August 2016 – Release Draft Report and Draft Determination
- ▼ Mid- September 2016 – Hold Public Hearing
- ▼ Early October 2016 – Submissions due in response to Draft Report and Draft Determination
- ▼ Early December 2016 – Release Final Report and Final Determination.



## WHAT NEXT

Submissions to the discussion paper are due by 31 May 2016.

We prefer submissions via our online [form](#). You can also send comments by fax to (02) 9290 2061, or by mail to:

**Wholesale water pricing review**  
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Unless they are identified as confidential, we plan to put all submissions on our website soon after the closing date for submissions.