



**INDEPENDENT PRICING AND REGULATORY TRIBUNAL  
OF NEW SOUTH WALES**

## **NEWS RELEASE**

### **NSW HOUSEHOLDS SUPPORT TWO-TIER WATER PRICES, SAYS NEW RESEARCH**

(Ref: 04/411-2)

New South Wales households support the introduction of a two-tier water pricing structure which charges heavy water users more, according to new research released by the Independent Pricing and Regulatory Tribunal (IPART).

Nearly two-thirds of respondents (63 per cent) believe two-tier pricing is fairer than the current system.

The majority (52 per cent) opposes a flexible system where prices are higher during a drought and lower when supplies are plentiful. Only 41 per cent were in favour.

According to the research study - a telephone survey of 2021 households in Sydney, the Hunter and the Central Coast conducted by Taverner Research - most people (59 per cent) do not expect to reduce their water consumption as a result of any price changes.

The survey shows one-in-four households believes our water is too cheap and more than 33 per cent said they would be prepared to pay more for water.

The research also provides overwhelming support for the current mandatory water restrictions. More than 60 per cent of respondents believe the restrictions are about right and 28 per cent want even tougher controls.

IPART Chief Executive Officer Jim Cox said the survey reinforces that the mandatory water restrictions are working, but consumers need more education to help them understand water pricing and their bills.

“The survey results show there is a need for stronger pricing incentives for consumers in larger households to save water and reduce their bills,” Mr Cox said.

Mr Cox said the Tribunal was investigating more efficient pricing structures and would consider approaches.

The study found that more than 55 per cent of respondents say they cannot easily reduce their household water usage, while 38 per cent believe their usage is low compared with others.

Nearly 70 per cent support some form of permanent water restrictions. Women and younger people tend to be more positive about water restrictions.

The study also revealed that more than half the people interviewed could not name any itemised charges on their water bill and 13 per cent had no idea how much they paid for their last bill.

IPART commissioned the survey as part of its price path review of water, sewerage and drainage charges to apply in the latter half of 2005.

The full report is available on the Tribunal's website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

The Tribunal recently completed an investigation of alternative pricing structures to reduce water usage in the Sydney basin.

**Further Information:**

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