



Mr James Cox
Chief Executive Officer
Independent Pricing & Regulatory Tribunal of NSW
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Our ref: WS10/962

Dear Mr Cox

2006 BULK WATER PRICING DETERMINATION - INFORMATION RETURN FOR 2009-10

Please find the attached information return for the 2009-10 year, required under the 2006 Bulk Water Pricing Determination by 31 October 2010. I apologise for the fact that the return is some weeks late, but can assure you that the Office is making progress regarding its reporting capabilities, and expects to be able to report by the due date in 2011.

For the year 2009-10 the Office has reported a total expenditure on IPART activities of \$53.3 million against a budget of \$45.9 million, which will bring the total expenditure for the four year period of the determination to \$181.5 million, \$4.1 million over the IPART allowed target of \$177.4 million. The Office received \$25.1 million in revenue for 2009-10 against a target of \$29.6 million, a shortfall of \$4.5 million. This confirms the total revenue shortfall against target for the four years at \$17.3 million. Much of this shortfall was due to reduced use as a consequence of the continued drought resulting in low allocations.

The budget information shown in the attached reports is the IPART allowed cost from the 2006 Determination converted to the new activity codes as per our 2009 submission. The actual costs have been extracted from the 2009-10 NOW ledger and allocated to valleys and water sources in accordance with the method proposed in our 2009 submission.

I am pleased to report that bulk water bills are now up to date. Unregulated river surveyed users, the last cohort to be completed, were billed for the 2006-07, 2007-08 and 2008-09 year in September 2010 and for the 2009-10 year in November 2010.

Should your office require clarification of any of the attached information Debra Bock, Executive Director Strategy & Performance & CFO will be available on Ph: 8281 7309 or email: debra.bock@water.nsw.gov.au .

Yours sincerely,

David Harriss

Commissioner, NSW Office of Water