

Media release

Tuesday, 14 March 2017

DRAFT BULK WATER PRICES RELEASED – MURRAY AND MURRUMBIDGEE

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on its draft determination of prices that WaterNSW can charge for its monopoly water management services in the Murray and Murrumbidgee valleys from 1 July 2017 to 30 June 2021.

Customers in the Murray and Murrumbidgee valleys pay WaterNSW bulk water charges and Murray Darling Basin Authority (MDBA) charges.

IPART Chair Dr Peter Boxall said the draft determination means significant reductions in the overall revenue that WaterNSW can collect from its customers, with bill impacts depending on location and the type of licence held.

“Most general security WaterNSW customers in the Murray and Murrumbidgee valleys would see their bills increase at or below the rate of inflation,” Dr Boxall said.

“However, high security customers in the Murray valley would see a significant increase in their bills of around 7.9% a year between 2016-17 and 2020-21 (with inflation), whilst high security customers in the Murrumbidgee valley would see their bills increase by 2.4% per year, which is approximately in line with inflation.”

Although WaterNSW’s operating costs have decreased, Murray Darling Basin Authority costs are rising. Our Draft Decision has been to make a downward efficiency adjustment to MDBA costs, although overall MDBA costs would still increase.

“The bills increases are primarily a result of rising Murray Darling Basin Authority costs, which are passed through to customers by WaterNSW, and changes to the high security premium to ensure high security customers are paying charges that reflect the security and reliability of the services they receive.”

IPART is seeking comments from stakeholders on its Draft Report and Draft Determination. Submissions are due by 17 April 2017 and will be considered before final prices are released in June, to apply from July 2017.

A public hearing will also be held in Sydney on 4 April 2017.