

Feedback sought on draft water and sewerage prices for Broken Hill

The Independent Pricing and Regulatory Tribunal (IPART) has released draft determinations which would keep water prices in Broken Hill flat over the next three years, on average, in real terms.

IPART's draft decisions, now open for consultation, cover the prices that Essential Water can charge its customers for water and sewerage services in and around Broken Hill, and WaterNSW's prices for the Murray River to Broken Hill pipeline, from 1 July 2019 to 30 June 2022.

IPART Chair Dr Paul Paterson said that prices for water and sewerage services would remain broadly constant for most residential customers and decrease for most non-residential customers, if the draft decisions are adopted. Bills would be expected to rise for mining customers as their historical share of water usage has increased.

"Under our draft decisions, the annual treated water and sewerage bill of a residential customer consuming 200 kL a year would increase by \$7 in 2019-20 and then by \$31 per year. This is less than inflation. Small businesses would also see their bills increase by less than inflation, but this would depend on whether they pay trade waste charges," Dr Paul Paterson said.

"In line with the NSW Government's commitment that prices in Broken Hill would not increase in real terms as a result of the new pipeline, we are recommending a Government funding contribution of \$78m in total from 2019 to 2022.

IPART has assessed Essential Water's total efficient costs to be \$153 million over the next three years. This includes the efficient cost of transportation services provided by WaterNSW's Murray River to Broken Hill pipeline, which IPART has assessed as part of its concurrent review of the cost of the Pipeline. IPART's draft decision is that \$75 million would be recovered from customers via prices, and we recommend the remaining \$78 million should be funded by a NSW Government contribution to Essential Water.

"We have assessed the efficient costs of providing water and sewerage services and reduced the revenue requested by Essential Water for its existing network by 13% over the next three years. We have also assessed the efficient costs of transporting water through the Pipeline and reduced the revenue requested by WaterNSW by 8% over the same period," Dr Paterson said.

"We aim for both Essential Water and WaterNSW to be as efficient as possible in providing services that meet customers' needs and regulatory standards," Dr Paterson said.

"We believe these prices reflect the prudent and efficient costs of supplying water and sewerage services to Broken Hill and look forward to hearing feedback from the community and other stakeholders."

Public submissions can be made until 24 April 2019. IPART will complete its review and release its final decisions in late-May 2019.

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More information is available at ipart.nsw.gov.au