

Final Report on pricing arrangements for recycled water and related services

The NSW Independent Pricing and Regulatory Tribunal (IPART) has completed its review of pricing arrangements for recycled water, sewer mining and stormwater harvesting services provided by public water utilities, as well as the pricing methodology for recycled water developer charges levied by these utilities.

The urban water market in NSW has evolved since the last review of IPART's recycled water pricing arrangements in 2006. The regulatory framework needs to support efficient and effective water services that draw from dams, the desalination plant and recycled water plants as appropriate.

IPART Chair Dr Paul Paterson said the updated recycled water pricing arrangements and developer charges methodology recognise the key role recycled water can play within an integrated urban water system. It also ensures that all customers are protected from unwarranted price increases and will only contribute to the costs of recycled water services where they receive clear benefits or express a willingness to pay.

“In particular, our funding framework recognises that recycled water schemes can deliver cost savings to the public water utilities and enhanced liveability and environmental benefits to customers and the wider community”, he said.

“We have made our approach to price regulation more flexible and administratively simple. This provides the public water utilities with a wider range of options for how they deliver the services customers want,” Dr Paterson said.

This review does not set prices for recycled water and related services, except in respect to developer charges. Rather, it outlines our approach to regulating recycled water prices, which we would implement as part of a public water utility's broader retail price review or under scheme-specific price determinations, where required.

In coming to its decisions, IPART considered stakeholder feedback in response to its Issues Paper and Draft Report, and at a Public Hearing.

In reviewing the pricing arrangements for recycled water and related services, IPART also addressed the recommendations set out in [Infrastructure NSW's review](#) of regulatory barriers to cost-effective water recycling. IPART's full responses to these recommendations can be found in its Final Report, available on its website www.ipart.gov.au.