

# Media release

Friday, 30 June 2017

## Final Report – Wholesale water and sewerage prices

The Independent Pricing and Regulatory Tribunal (IPART) today released its final decisions on prices for wholesale water and sewerage services provided by Sydney Water and Hunter Water.<sup>1</sup>

This is IPART's first review of wholesale water and sewerage prices as competition emerges in the water sector in NSW. Wholesale customers are typically new, smaller water utilities licensed under the *Water Industry Competition Act 2006* (NSW) to service households and businesses in a specific development area. They purchase wholesale water and sewerage services from Sydney Water or Hunter Water to supply drinking water, recycled water and/or sewerage services to their own customers.

IPART Chair Dr Peter Boxall said the final report follows extensive stakeholder consultation.

“Like our draft decisions outlined earlier this year, our final decisions are aimed at encouraging competition in the supply of water and sewerage services, to enhance innovation and efficiency for the benefit of end-use water and sewerage customers,” Dr Boxall said.

“The regulatory framework we have adopted supports entry of new suppliers and provides flexibility for market participants to negotiate outcomes, while also ensuring that Sydney Water and Hunter Water continue to have sufficient revenue to service their customers.”

The final report builds upon the proposed regulatory framework and draft decisions on pricing approaches outlined by IPART earlier this year. IPART has maintained its draft decisions on the pricing approaches to apply to certain services provided to wholesale customers.

In response to stakeholder feedback, IPART has made some changes to the framework for implementing these prices. The system-wide ‘retail-minus’ prices will apply to new on-selling schemes where there is no recycled water plant. IPART will consider prices for schemes with a recycled water plant on a scheme-by scheme basis. In addition, the final report outlines a streamlined process for IPART to undertake reviews of wholesale prices for individual schemes.

The system-wide Determinations will commence from 1 January 2018, providing time for stakeholders to prepare for their application. IPART will accept requests to undertake reviews of wholesale prices for individual wholesale schemes, with any subsequent determinations of scheme-specific prices to commence at the earliest on 1 January 2018.

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<sup>1</sup> Retail prices for the period 1 July 2016 to 30 June 2020 have been set by IPART through separate reviews.