

## Final water and sewerage prices for Broken Hill released

The Independent Pricing and Regulatory Tribunal (IPART) today released final determinations that set the maximum prices for water, sewerage and trade waste services in and around Broken Hill. Our decisions will keep water and sewerage prices flat for most Broken Hill residents and businesses over the next three years, on average, excluding the effects of inflation. Final sewerage prices are marginally lower than those proposed in the draft report in April.

IPART Chair Dr Paul Paterson said that the typical residential water and sewerage bill will rise by \$4 next year for a customer consuming 300 kL per annum, with yearly prices rising by around \$35 per year thereafter until June 2022. This is less than inflation.

“Prices for water and sewerage services will remain broadly constant for almost all residential customers and decrease for most non-residential customers, excluding the effects of inflation,” Dr Paterson said.

Prices will increase for trade waste customers, who have not been charged for this service to date. There will also be gradual price increases for chlorinated water customers in Silverton and for some untreated water customers, so that these prices are more cost reflective and closer to prices paid by other customers.

IPART’s final decisions cover the prices that Essential Water can charge its customers for services in and around Broken Hill, and WaterNSW’s prices to Essential Water for the Murray River to Broken Hill Pipeline (the Pipeline), from 1 July 2019 to 30 June 2022.

IPART has assessed Essential Water’s total efficient costs to be \$140 million over the next three years. This includes the efficient cost of transportation services provided by the Pipeline, which IPART has assessed as part of its concurrent review of WaterNSW’s prices to Essential Water.

“In our determination of WaterNSW’s prices for the Pipeline, we have set WaterNSW’s revenue requirement based on our assessment of the efficient costs of transporting water through the Pipeline. Our decision on the level of revenue to be recovered from Essential Water is 21% lower than what WaterNSW initially requested. This is driven by WaterNSW’s actual capital expenditure coming in below the forecasts in its original proposal, IPART efficiency savings and updates in market parameters,” Dr Paterson said.

Under IPART’s determination, approximately \$71.1 million will be recovered from Essential Water’s customers via prices, and we recommend the remaining \$68.4 million in costs is funded by a NSW Government contribution to Essential Water.

“We believe our final decisions strike a good balance between promoting efficiency for Essential Water and WaterNSW, minimising customer impacts, and maintaining the revenue required to meet customers’ needs and regulatory standards in and around Broken Hill,” Dr Paterson said.

Copies of the final reports and determinations for Essential Water and WaterNSW are available on IPART’s website <<http://www.ipart.nsw.gov.au>>.

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More information is available at [ipart.nsw.gov.au](http://ipart.nsw.gov.au)