

IPART releases final decisions on water prices

The Independent Pricing and Regulatory Tribunal (IPART) has released its final decisions on the maximum prices that the Central Coast Council can charge for water, sewerage and stormwater services. Final prices are slightly lower than those proposed in the draft report in April.

IPART's decisions mean typical household bills will fall by 14% to 33% from 1 July 2019, and then only increase with inflation the following two years. It also includes a slightly lower \$103 per year cap, in real terms, for residential and farmland stormwater prices. Most non-residential customers will also see a bill reduction.

IPART Chair, Dr Paul Paterson, said all residential customers would have lower water bills as a result of reduced operating and capital costs.

"The exact savings depend on each customer's level of water usage, and which former Council area they are in. The annual water, sewerage and stormwater bill for a typical household in the former Gosford Council area will fall by about \$355 in 2019-20, an extra \$29 saving compared with the draft prices in April. A typical bill for a household in the former Wyong Council area will fall by \$169, up from \$146 in April," Dr Paterson said.

"Most prices will then increase with inflation over the following two years, until we review them again in 2022."

Dr Paterson said prices for a small number of non-residential customers will increase to better reflect the costs of providing services. Where this is the case, IPART has implemented a gradual transition to avoid bill shock.

IPART has now cut 10% from the Council's proposed revenue to be collected through water, sewerage and stormwater prices over the next three years, up from the 8.5% proposed in April. The reduction mainly reflects a lower cost of borrowing based on the most recent data.

It also changed the way prices are structured, to improve equity and cost-reflectivity, after analysing the Council's proposal and costs, as well as stakeholder feedback. This includes applying a fixed cap of \$103 per year for stormwater services, adjusted for inflation, for residential, farmland and other low-impact properties.

IPART has maintained its decision to align water and stormwater prices for the former Gosford and Wyong areas, but maintain separate sewerage prices to reflect different sewerage catchments and costs.

Dr Paterson said IPART is confident that the Council will continue to be able to meet the standards expected by customers and required under regulation, and become more efficient in its service delivery over time.