

PEEL VALLEY BULK WATER PRICES RELEASED

The Independent Pricing and Regulatory Tribunal (IPART) today released its final decisions on the prices that WaterNSW can charge for its monopoly rural bulk water services in the Peel valley from 1 July 2017 to 30 June 2021.

IPART Chair Dr Peter Boxall said these decisions will result in significant reductions in the overall revenue that WaterNSW can collect from its customers across the State, with bill impacts depending on location and the type of licence held.

“Typical general security customers in the Peel valley will see their bills fall by 57.4% across the determination period, while bills for typical high security customers will fall by 29.6%,” Dr Boxall said.

Bills for Tamworth Regional Council, which holds most of the high security licensed entitlements in the Peel valley, will decrease by around 1% by 2020-21, depending on its water usage.

“We considered a number of submissions on the most appropriate way to address high water usage charges in the Peel valley,” Dr Boxall said.

“Our final decisions in the Peel valley include retaining the current tariff structure for the first year, and then restructuring tariffs from 2018-19 onwards. This means that usage charges paid by irrigators and Tamworth Regional Council will fall by around 69% by 2020-21. This has been offset, in part, by increases in fixed entitlement charges.”

Dr Boxall said that this brought WaterNSW’s usage charges in the Peel valley more in line with other valleys in NSW, and was a better reflection of the mostly fixed cost structure of WaterNSW’s operations.

Tamworth Regional Council uses the bulk water to deliver its urban drinking water supply services to households and businesses. The change in tariff structure has been staged to occur in 2018-19, which gives Tamworth Regional Council one year to plan for the change. Based on its historical average water usage, Tamworth Regional Council will expect a 1% decrease in its total cost of water over the determination period.

The report for the WaterNSW price review is available on IPART’s website <<http://www.ipart.nsw.gov.au>>.