

Review of recycled water prices for public water utilities

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing the pricing framework for recycled water, at a time of growing pressure on traditional water sources and an increasingly unpredictable climate.

The review is looking at the pricing arrangements that apply to recycled water, sewer mining and stormwater harvesting services provided by public water utilities including Sydney Water Corporation, Hunter Water Corporation, Central Coast Council and Essential Energy in Broken Hill.

IPART Chair Dr Peter Boxall said the existing pricing arrangements have worked well, but were established more than ten years ago when demand for recycled water was lower and there were fewer private providers.

“There is a lot happening in this space, and we need to make sure our regulatory framework remains sufficiently flexible to promote efficient investment in, and uptake of, recycled water,” said Dr Boxall.

“We also want to ensure that public and private water utilities compete on an as even footing as possible and have investment certainty so recycled water schemes can maximise community benefits and consumer choice.”

IPART is seeking feedback on a range of issues to be explored through the review, including how public water utilities should recover the costs of recycled water schemes serving new developments.

“A key issue in this review is to encourage investment in recycled water where it provides the greatest net benefit to the community,” Dr Boxall said.

“Our pricing arrangements need to support the most efficient solutions to meeting our communities’ water and wastewater needs, whether this is through recycled water or traditional solutions.”

The issues being looked at as part of this review are relevant to customers of recycled water and related services, developers, private and public water utilities and the wider community.

Submissions on the Issues Paper are due by 12 October 2018. This will be followed by a public hearing in December, with a further opportunity to comment on IPART’s Draft Decisions when they are published in 2019.