

Rural water cost shares under review

The Independent Pricing and Regulatory Tribunal (IPART) is undertaking a comprehensive review of how the costs of providing rural bulk water services are shared between water users and the NSW Government.

Both the costs associated with WaterNSW's storage and delivery of bulk water to irrigators and other licence holders, and the Water Administration Ministerial Corporation's (WAMC's) management of water access licences and associated planning and monitoring services are being examined. These rural bulk water services are provided by WaterNSW, the Department of Industry (DoI) and the Natural Resources Access Regulator (NRAR).

IPART Chair Dr Peter Boxall said all interested stakeholders are encouraged to provide input to the review with a view to increase transparency of the costs of providing rural bulk water services and how they are shared between water users and the NSW Government.

"We are aiming to clarify, simplify and improve the current cost sharing arrangements to ensure that costs are appropriately allocated and that regulated bulk water prices are cost-reflective," Dr Boxall said.

This is the first comprehensive review of rural bulk water cost shares since 2001. The outcomes of the review will be a key input into the pricing of WAMC's water management services from 1 July 2020 and WaterNSW's bulk water prices to apply from 1 July 2021.

An Issues Paper outlining the scope and the proposed approach to the review is available from IPART's website. Submissions to this Issues Paper close on 5 June 2018, with a draft report to be released in August.

IPART is aiming to finalise any changes to cost sharing in February 2019.