

Media release

Tuesday, 16 April 2019

WATERNSW BULK WATER RURAL BULK WATER REGULATED CHARGES FOR 2019-20

The Independent Pricing and Regulatory Tribunal (IPART) is seeking information from rural water users and other stakeholders before finalising the regulated charges for bulk water services in the nine Murray Darling Basin (MDB) Valleys and rural customers for raw and filtered water in the Fish River Water Supply Scheme (FRWSS) to apply in 2019-20.

A draft decision released today would maintain prices at current levels in real terms for the next financial year, adjusting them only for CPI increases. This is in the absence of data that demonstrates any sustained or permanent shift in water demand or consumption.

Under the Water Charge (Infrastructure) Rules 2010, IPART is required to consider whether to vary regulated charges annually to account for changes in demand and consumption while balancing the objective of price stability. This is in addition to a comprehensive review and determination of regulated charges every four years. The next comprehensive review is due to occur in 2020-21.

IPART Chair Dr Paul Paterson said that although there had been some recent changes in consumption levels, it was not possible to determine whether these were likely to be sustained based on the information available.

“The data provided by WaterNSW shows a 3.73% decline in usage volumes across eight valleys due to lower rainfall or drought, which is in line with the year-to-year volatility we observed in WaterNSW’s sales volumes. Therefore, we are cautious to change prices in the short-term based on this, given the unpredictable nature of rainfall,” Dr Paterson said.

“Unless there is strong evidence to support a sustained or permanent shift in water consumption, we are inclined to maintain current prices for the next year to avoid price volatility and bill pressure during the drought. As part of our next comprehensive review of WaterNSW’s prices due to occur in 2020-21, we will consider how we forecast WaterNSW’s sales volumes, drawing on the latest and best available information on factors affecting water consumption in rural NSW.”

IPART is also seeking further information about a spike in water consumption in the FRWSS.

IPART is seeking comments from stakeholders on its Draft Report and Draft Approval. Submissions are due by 13 May 2019 and will be considered by IPART before final regulated charges are released in early June 2019, to apply from 1 July 2019 to 30 June 2020.

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More information is available at ipart.nsw.gov.au