

WATERNSW (RURAL) PRICING REVIEW – ISSUES PAPER RELEASE

13 SEPTEMBER 2016

The Independent Pricing and Regulatory Tribunal (IPART) has outlined the key issues to be considered in its review of the maximum prices that WaterNSW (formerly State Water) can charge its customers for rural bulk water services. Prices set by IPART would apply for four years from 1 July 2017.

WaterNSW operates 42 large dams and weirs across NSW, as well as other infrastructure, to deliver water to its 6,300 rural customers.

IPART Chair, Dr Peter Boxall, said IPART will review WaterNSW's expenditure to ensure that its proposed prices reflect the most efficient costs of providing services to customers.

Under WaterNSW's proposal, the total cost of supplying its services will reduce in real terms. The lower overall cost is driven by reductions in operational expenditure and a lower return on capital. At the same time, WaterNSW's proposed capital expenditure allocated to water users is higher than the current level used to set prices.

WaterNSW's proposal also includes passing through costs of the Murray-Darling Basin Authority and the Border Rivers Commission to its customers in the Murray, Murrumbidgee and Border valleys.

"The Issues Paper released today highlights key aspects of WaterNSW's proposal, including a new cost allowance for WaterNSW to manage its risk of revenue volatility, and its allocation of costs between water users and the NSW Government," Dr Boxall said.

Submissions to the Issues Paper are due by 17 October 2016, and three public forums will be held in Moree, Sydney and Coleambally from late October to mid-November.

All comments made in submissions and at public forums will be considered by IPART before it releases a draft decision on WaterNSW's prices for further consultation in March 2017.

Copies of the Issues Paper and accompanying Fact Sheets are available on IPART's website <<http://www.ipart.nsw.gov.au>>.

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Timetable for WaterNSW price review for rural bulk water services

Pricing Proposal from WaterNSW received	30 June 2016
IPART Issues Paper released	13 September 2016
Public submissions due	17 October 2016
Public Hearing – Northern NSW - Moree	31 October 2016
Public Hearing – Sydney	7 November 2016
Public Hearing – Southern NSW - Coleambally	14 November 2016
Release Draft Determination and Draft Report	7 March 2017
Public Hearing – Sydney	4 April 2017
Receive submissions on Draft Determination and Draft Report	10 April 2017
Release Determination and Final Report	6 June 2017
