

IPART ASKS PUBLIC AND IRRIGATORS TO ATTEND HEARINGS ON NEW PRICES PROPOSED BY NSW OFFICE OF WATER

Sydney: July 9 2010: The Independent Pricing and Regulatory Tribunal (IPART) is encouraging irrigators and other interested stakeholders to attend public hearings in Wagga Wagga, Tamworth and Sydney on new water management prices proposed by the NSW Office of Water.

The hearings will be held at;

- ▼ **Country Comfort Hotel, Wagga Wagga at 9.30 am on Monday 19 July**
- ▼ **Quality Hotel Powerhouse, Tamworth at 9.00 am on Thursday 22 July**
- ▼ **IPART's Office, Level 8, 1 Market St Sydney at 9.00 am on Friday 23 July.**

IPART will review the water management prices charged by the Office of Water to surface water and groundwater licensees, as well as the Office's fees for license and approvals transactions.

In its submissions to IPART, the Office of Water is proposing significant increases in water management charges for most valleys and water sources. It's also proposing a change to the price structure. Charges would be based on entitlement only, replacing the current system of entitlement and usage prices.

Under the Office of Water's proposal, water management charges would increase by between 10 and 650 per cent per ML of entitlement by 2012/13, depending on the particular valley and water source. Prices for many entitlement holders would increase by more than 100 per cent.

The exceptions are unregulated river charges in the Hunter and South Coast valleys, where the Office of Water is proposing to reduce per ML entitlement charges over the next few years.

The proposed price increases by the Office of Water are primarily driven by the need to spend more on water management activities, as well as changes to the quantities of entitlements.

The Office of Water proposes to increase operating expenditure on its core water management activities by \$8 million or 16 per cent by 2012/13, and to increase its annual contribution to the Murray Darling Basin Authority from the current level of \$3.7 million to \$15.1 million by 2012/13.

IPART will also review the Office of Water's proposal to levy a meter service charge on all entitlement holders with a meter, which would range from \$33 per annum in areas where there is currently meter reading activity, to \$379 per annum where there is no meter reading activity.

Mr. Jim Cox, CEO and Acting Chairman of IPART said: "The Office of Water is proposing price increases for many users. It needs to explain its pricing proposal and answer questions from IPART, members of the public and invited stakeholders. These forums provide valuable opportunity for stakeholders to present their views to IPART."

IPART recently commissioned a review of the efficiency of the Office of Water's actual and proposed expenditure by PricewaterhouseCoopers (PwC). PwC recommended that the Office of

Water's operating expenditure should increase over the period to 2014/15, but at a rate lower than proposed by the Office of Water. In 2014/15, PwC recommends operating expenditure which is 13 per cent less than proposed by the Office of Water.

Water management prices set by IPART for the period 1 July 2009 to 30 June 2010 will continue until the new prices take effect and will not be increased for inflation.

NSW Office of Water's submissions, the PwC report on its *Review of the NSW Office of Water's water management expenditure*, and stakeholders' submissions are available at www.ipart.nsw.gov.au.

Those interested in attending the hearing are asked to register by ringing IPART on (02) 9290 8472.

IPART will release its draft determination and draft report for public comment in late 2010.

For further information, contact: James Cox, Acting Chairman and CEO on (02) 9290 8411.

For media enquiries call Tony Rasman 0418 209770.