



INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

NEWS RELEASE
EMBARGOED UNTIL 12:00 NOON, 23 MAY 2003

IPART LIMITS PRICE INCREASES FOR WATER IN SYDNEY
(Ref: 02/31)

The Independent Pricing and Regulatory Tribunal today announced new prices for water, sewerage and stormwater services for Sydney Water Corporation's customers. For average customers overall bills will only rise in line with increases in inflation.

The Tribunal, in setting new prices for Sydney Water, has specifically ensured that the costs of the failed Customer Information and Billing System project will not be passed through to Sydney Water's customers.

The revised prices will apply from 1 July this year.

"Whilst an average customer's bill will rise in line with inflation the Tribunal has increased the proportion of bills that reflects actual water consumption - this is intended to send a small, but important, message to customers that they are using a scarce resource" Tribunal Chairman Dr Thomas Parry said today.

"It also gives all customers greater ability to control the size of their bills by taking steps to save water."

"The Tribunal is acutely aware of the water supply constraints facing Sydney; both the short term consequences of the drought and the longer term supply imbalance."

"A number of submissions to the Tribunal review suggested substantial price rises to encourage water conservation."

"However, before imposing significant price increases across the board the Tribunal needs to be satisfied that they will be effective in reducing demand and that they will not have an adverse impact on disadvantaged customers" Dr Parry said.

"At this stage the jury is still out on the best ways to use pricing to effectively reduce water consumption."

"The next price determination will be in two years. By then the Tribunal hopes to have better information about the likely limits on Sydney's water supply, the most effective means of using price to control demand and the impacts on Sydney Water's customers."

"As a part of the review just completed the Tribunal looked at Sydney Water's capital expenditure over the past three years, including the money spent on the failed billing system project. "

"The Tribunal, having considered the recent Auditor General's report, decided that these costs should not be passed on to Sydney Water's customers through prices."

The full Tribunal Report is available on the Tribunal's website at www.ipart.nsw.gov.au

Further information: Dr Thomas Parry Ph: (02) 9290 8411

INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

Water Pricing Determination Fact Sheet: Sydney Water Corporation

Indicative changes to household bills:

The changes to customers' bills will depend on the amount of water used. The following example is provided for illustrative purposes and shows the change in the total household water and wastewater bill for a customer with a house using the average amount of water consumed by household customers.

Average Annual Household Bill	At current prices (2002/03)	At Tribunal Determined 2003/04 prices	Change in Dollars	% Change
Average household consumption (285kL)	\$671.29	\$694.09	\$22.80	3.4%

Tribunal determined residential prices:

	2002/03	2003/04	2004/05*
Water			
- usage (\$/kL)	0.94	0.98	1.02
- service** (\$)	75	76.55	78.85
Wastewater			
- service** (\$)	328.36	338.54	348.7
Stormwater			
- residential service (\$)	23.72	24.46	25.19

* Assuming 3 per cent inflation in 2004/05. ** Assuming a 20mm water connection.

Notes

- These prices are for residential properties (houses) with individual metering. Some types of property such as home units may be charged differently if not individually metered.
- The prices listed in 2004/05 are calculated on the assumption that the rate of change in the Consumer Price Index (CPI), will be 3.0 per cent. In the event that the actual rate of change in the CPI is lower (higher) than 3.0 per cent in 2004/05, the prices in 2004/05 will be lower (higher) than stated above.
- The water service charge in each case is based on a 20mm water connection.
- Stormwater charges are paid by approximately 30% of Sydney Water's residential customers.