

IPART RESTARTS ITS REVIEW OF NSW OFFICE OF WATER CHARGES

Today, IPART announced that it has restarted its review of the prices charged by the NSW Office of Water for water planning and management. IPART has called for stakeholder submissions by 16 June 2010.

In January 2010, IPART decided to stop its review until enough information was available to enable meaningful participation by stakeholders.

"In January we asked the NSW Office of Water to publish the information that was missing from its first submission. Since that time, NSW Office of Water has provided further information, including information received today regarding a proposal to establish a metering charge. All this information is now available on IPART's web site," said Mr Jim Cox, CEO and Acting Chair of IPART.

On 30 April, IPART published the draft report of PricewaterhouseCoopers who have been investigating the efficient amount of expenditure that the NSW Office of Water needs to incur to undertake its water planning and management functions.

PricewaterhouseCoopers' Draft Report includes information about activities of the NSW Office of Water, identifies the major drivers of its costs and identifies weaknesses in some of the Office's cost control systems. The Draft Report also examines the methodology that the Office has used to allocate its costs to users in different valleys.

In their Draft Report the consultants recommend reductions to the NSW Office of Water's proposed operating expenditure of \$28.2m over 5 years or 11.8% by 2014/15.

"We consider that the publication of the additional information from the Office of Water and PricewaterhouseCoopers' Draft Report will mean that stakeholders now have adequate information to respond to the NSW Office of Water's proposal."

"We have allowed 6 weeks for the preparation of submissions so that stakeholders have sufficient time to consider the new information. Submissions are due 16 June. In addition, we will hold public hearings in July to learn more about stakeholders' views" said Mr Cox.

Submissions are invited on Office of Water's proposal and the Draft Report of PricewaterhouseCoopers. Public hearings will be held in Wagga Wagga on 19 July, Tamworth on 22 July and Sydney on 23 July.

Until the review is complete and the new price determination takes effect, water management prices set by IPART for the period 1 July 2009 to 30 June 2010 will continue and will not be increased for inflation.

NSW Office of Water's submission, its supplementary submissions, the PricewaterhouseCoopers' Draft Report *Review of the NSW Office of Water water management expenditure* are available at www.ipart.nsw.gov.au or can be obtained by contacting IPART on 02 9290 8472.

IPART Contact: Mr Jim Cox 9290 8411.