

REVIEW OF PRICES FOR SYDNEY WATER CORPORATION – FROM 1 JULY 2016

30 June 2015

The Independent Pricing and Regulatory Tribunal (IPART) has started its review of the prices that Sydney Water can charge its customers from 1 July 2016.

Following receipt of Sydney Water's proposed prices for water, sewerage, stormwater drainage and other services today, IPART will now investigate whether the proposal provides the best outcomes for customers in terms of both the services required and the prices charged.

IPART Chairman, Dr Peter Boxall, said that we have not yet had an opportunity to analyse the proposal in any detail, but over the coming months we will be looking at all aspects of Sydney Water's costs, including movements in interest rates since the last review.

"We will examine Sydney Water's water, sewerage and stormwater drainage functions to ensure that its proposed prices reflect the most efficient costs of providing these services at the standards required to Sydney Water's customers." Dr Boxall said.

Dr Boxall said a significant input into Sydney Water's prices is its bulk water costs.

WaterNSW, which was formed by bringing together the Sydney Catchment Authority (SCA) and State Water, is responsible for catchment protection and providing bulk water supply to Sydney Water.

"We will be reviewing WaterNSW's Greater Sydney (Sydney Catchment) charges concurrently with Sydney Water's prices, and we expect to continue to allow Sydney Water to recover the cost of all bulk water charges in accordance with our determination of these charges," Dr Boxall said.

Prices charged in relation to the Sydney Desalination Plant (SDP) will be reviewed next year, with any new SPD charges to take effect from 1 July 2017. Provision is likely to continue to be provided in Sydney Water's prices to pass through the costs of SDP charges to Sydney Water's customers.

Dr Boxall said the review would include extensive consultation with customers and other stakeholders. Sydney Water and Water NSW's pricing proposals will follow the same consultation process and timetable. IPART's Issues Papers for each review will be available in early September at <http://www.ipart.nsw.gov.au>.

Timetable for Sydney Water and Water NSW's Sydney Catchment 2016 price reviews

Sydney Water and WaterNSW's submissions (pricing proposals) due	30 June 2015
IPART releases Issues Papers	7 September 2015
Submissions to Issues Papers due	5 October 2015
Public Hearing – Sydney Water and WaterNSW	10 November 2015
IPART releases Draft Reports and Determinations	March 2016
Submissions to the Draft Reports due	April 2016
IPART releases Final Reports and Determinations	June 2016

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