

REVIEW OF PRICES FOR THE WATER ADMINISTRATION MINISTERIAL CORPORATION – NSW OFFICE OF WATER – FROM 1 JULY 2016

10am, 22 June 2015

The Independent Pricing and Regulatory Tribunal (IPART) is starting its review of prices that the NSW Office of Water (NOW) can charge for the monopoly water management services it delivers on behalf of the Water Administration Ministerial Corporation (WAMC). New prices will apply from 1 July 2016.

Releasing an Issues Paper for public comment today, IPART Chairman Peter Boxall said the review has several key steps and will involve extensive consultation with water users and other stakeholders.

“With water being a scarce resource, water management across NSW is critical to balance the needs of all users,” Dr Boxall said.

“But as a monopoly service, our role is to ensure that water management is undertaken in the most efficient way to reduce costs, and that these costs are recovered equitably.”

NOW is responsible for the planning and management of all surface water and groundwater resources across NSW. This includes the development of water sharing plans and the licensing and protection of water users’ rights to access water.

NOW’s charges are paid by those licensed to take groundwater or water from regulated or unregulated rivers. Licence holders include irrigators, mines and other industries, environmental water holders and water utilities supplying water to towns and cities. Users of water from regulated water sources face additional charges from Water NSW (formerly State Water) for the delivery of water from dams.

Water management charges currently differ for users of regulated and unregulated rivers and for accessing groundwater, and between NSW’s river valleys.

Dr Boxall said that key issues for the review will be identifying the water management costs that should be recovered from water users; whether to consolidate valleys into wider regions for tariff setting purposes and the structure of prices generally; and how to recover costs related to NOW’s metering program.

“The review will determine the cost of providing the water management services in the most efficient way across NSW, taking into account what is driving this expenditure and what water management outcomes are being achieved,” Dr Boxall said.

“We will also be considering what costs should be borne by taxpayers reflecting the benefits of water management for the broader community, and those that should be paid by water users.”

NOW is expected to provide details of its proposed prices and expenditure to IPART on 11 September 2015. Submissions on the Issues Paper and responses to NOW's proposals will be accepted until 9 October 2015.

"We are proposing extensive consultation with water users as part of this review," Dr Boxall said.

"Stakeholders have the opportunity to comment on NOW's performance since the last price review, and to consider and provide comment on its pricing proposals for the upcoming determination period."

"We hope stakeholder organisations and members of the public will take this opportunity to share their views so that we can consider these when making our decisions."

There will be three public hearings for stakeholders to present their views prior to the release of draft prices for public comment in March 2016:

- ▼ Monday, 16 November 2015 – Tamworth
- ▼ Monday, 23 November 2015 – Sydney, and
- ▼ Monday, 30 November 2015 – Griffith.

IPART will release its Final Report and Determination of prices in June 2016.

The Issues Paper is available on IPART's website <<http://www.ipart.nsw.gov.au>>.

Media Contact: Rebecca Lloyd 0477 300 222