

## **SYDNEY WATER CORPORATION AND WATERNSW PRICE REVIEWS – ISSUES PAPERS RELEASE**

**7 September 2015**

The Independent Pricing and Regulatory Tribunal (IPART) is inviting public comment on the prices Sydney Water is proposing to charge its customers from 1 July 2016.

IPART today released an Issues Paper responding to Sydney Water’s pricing proposal for water, wastewater and stormwater drainage services in Sydney, the Blue Mountains and the Illawarra.

IPART Chairman, Dr Peter Boxall, said the Issues Paper summarises key elements of Sydney Water’s proposal, highlights issues for comment from stakeholders, and invites submissions from the public and other stakeholders by 5 October 2015.

“Sydney Water has proposed a drop in prices, which would lead to a reduction in the typical household bill of around \$100 a year, excluding inflation,” Dr Boxall said.

“With borrowing costs at record lows, one of the key questions we will look at is whether prices could be even lower. We are also seeking community views about Sydney Water’s proposal to introduce a late payment fee for the first time.”

“We will assess Sydney Water’s proposal over the next nine months to determine whether its expenditure program is efficient. Customers should pay no more than necessary for the standard of water and wastewater services they need, both now and in the future, and prices should be reasonable across all customer groups,” Dr Boxall said.

Dr Boxall said bulk water prices paid to WaterNSW (the former Sydney Catchment Authority) are a significant input into Sydney Water’s prices, and these prices are being reviewed concurrently so that Sydney Water can continue to recover the cost of bulk water charges.

The other bulk water provider for Sydney Water is the Sydney Desalination Plant (SDP).<sup>1</sup> Sydney Water has proposed a change to the way SDP charges are passed through to Sydney Water’s customers. Under its current operating rules, the SDP commences supplying water to Sydney Water when dam levels drop to 70% and continues to supply at its full capacity until dam level rise to 80%.

“Previously, if the SDP were operating, the additional costs of desalinated water were to be included in the fixed service charge,” said Dr Boxall.

---

<sup>1</sup> Prices charged in relation to the Sydney Desalination Plant (SDP) will be reviewed by IPART next year, with any new SDP charges to take effect from 1 July 2017.

