



INDEPENDENT PRICING AND REGULATORY TRIBUNAL  
OF NEW SOUTH WALES

## NEWS RELEASE

Under Embargo until 11am 5 August 2005

### MODEST INCREASES FOR BULK WATER PRICES

The Independent Pricing and Regulatory Tribunal (IPART) has increased the maximum prices that can be charged by State Water Corporation and the Department of Infrastructure Planning and Natural Resources (DIPNR) for bulk water services. Prices will increase by CPI for most water users. However, prices will increase by 10 per cent (plus CPI) where there are large shortfalls in cost recovery.

The higher increase will apply mainly to groundwater, unregulated rivers and coastal regulated rivers. The Tribunal's determination applies from August 2005 to June 30, 2006.

"The Tribunal has to carefully balance the impact of price rises on users - in particular irrigators - with the importance on environmental and economic grounds of users paying the full cost of providing them with water", says IPART Chairman, Dr Michael Keating.

"This determination means only modest price increases for many irrigators," Dr Keating says. Dr Keating says that for users in some valleys charges will increase in line with the movement in inflation, while for users in other valleys charges will increase by CPI + 10%. This is because the current level of cost recovery varies between rivers. As a result many users on unregulated rivers and groundwater sources, where recoveries are lower, will face bigger price increases.

The Tribunal plans to undertake a further detailed review of bulk water prices to establish a medium term price path. The next review will begin in September 2005 when State Water and the DIPNR make fresh submissions.

The full report is available on the Tribunal's website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

Dr Michael Keating AC  
*Chairman*

**Further Information:**  
**Jim Cox**  
**IPART Chief Executive Officer**  
**(02) 9290 8411 (w)**  
**(02) 9983 0450 (h)**

5 August 2005