



Welcome!

Please **mute** your microphone

Please **turn on your camera**
(webcam)

We will be **recording** and
publishing this recording on our
website

We will start at **9:32 am**



2025 WAMC & WaterNSW (Regional & Rural) price review

Public Hearing

14 November 2024

Agenda

9:30 am

Welcome and opening remarks (*20 min*)

9:50 am

Session 1 (WAMC)

- Presentation from WAMC and comments and questions (*40 min*)
 - Presentation from IPART and comments and questions (*60 min*)
-

11:30 am

Break (*30 min*)

12:00 pm

Session 2 (WaterNSW)

- Presentation from WaterNSW and comments and questions (*40 min*)
 - Presentation from IPART and comments and questions (*60 min*)
-

1:55 pm

Closing remarks (*5 min*)



Welcome

Acknowledgement of Country

Carmel Donnelly PSM

Chair

We are required to consider a range of matters



Are customers protected from abuses of **monopoly** power?



What are the impacts of prices on **quality, reliability and safety** standards?



Do the prices promote **environmentally sustainable** development?



What are the **social impacts** of the proposed prices on farmers, industry and local water utilities and their customers?



What are the **costs** of providing the services?



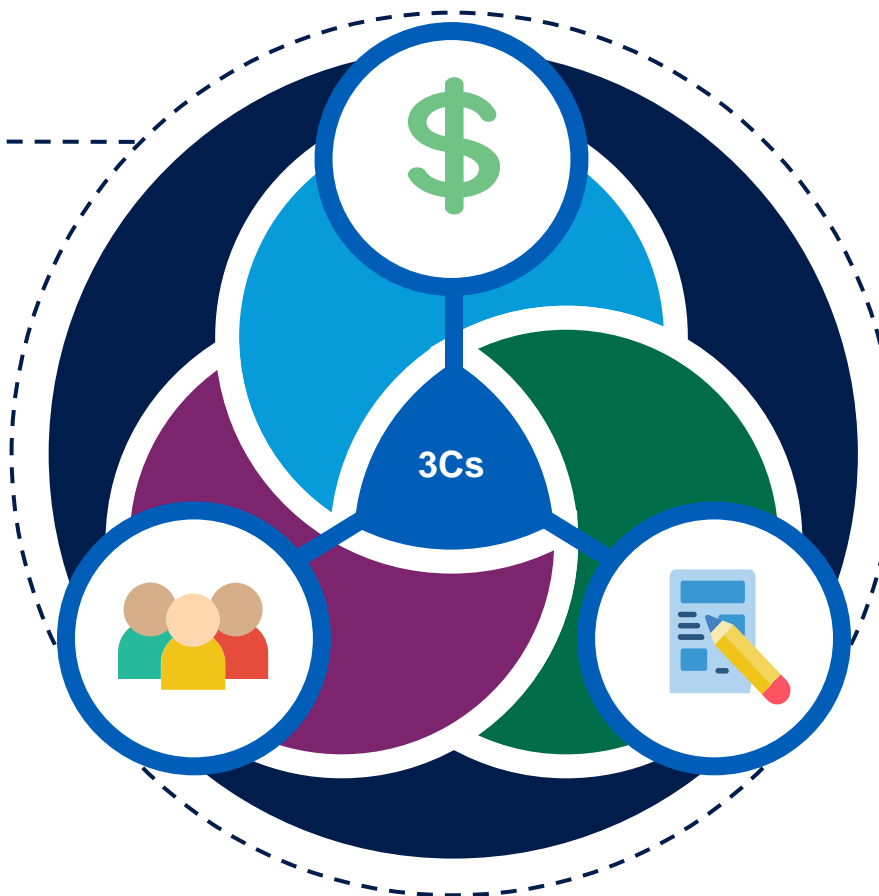
How cost **efficient** is the supply of services?

We will use our 3Cs framework

Customers

Deliver services and expenditures that:

- Are **customer centric**
- Reflect **customer engagement** feedback
- Promote better **customer outcomes**
- Meet **community** needs
- Support **environmental** sustainability
- Promote **choice of services**



Costs

Pricing proposals demonstrate:

- **Robust costs**
- **Balance of risk and long-term performance**
- **Commitment to improve value**
- **Equitable and efficient cost recovery**

Credibility

Provide assurance through the proposal that the business is:

- **Delivering**
- Demonstrating **continuous improvement**



WAMC – Session 1

WAMC presentation

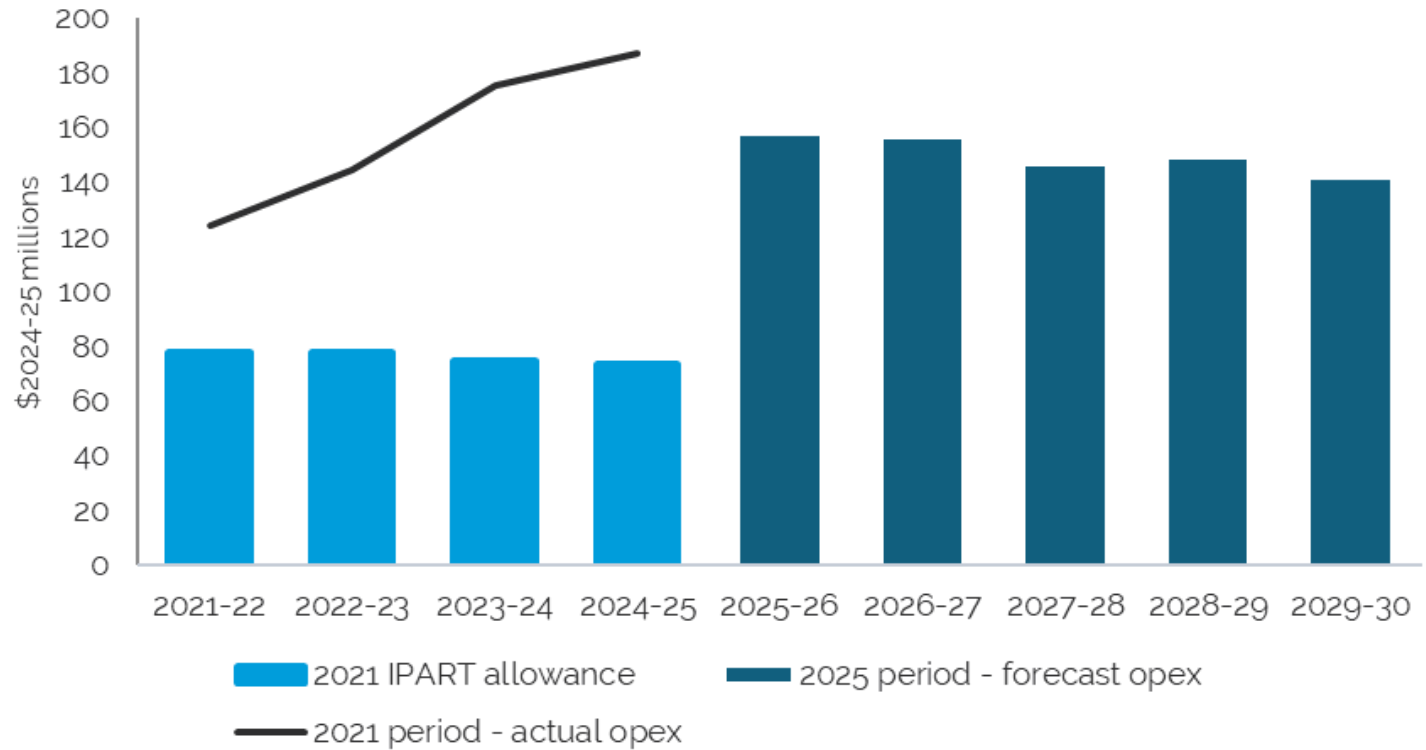
Amanda Jones (DCCEEW)

Andrew George (WNSW)

Craig Knowles (NRAR Chair)

IPART presentation: IPART Secretariat

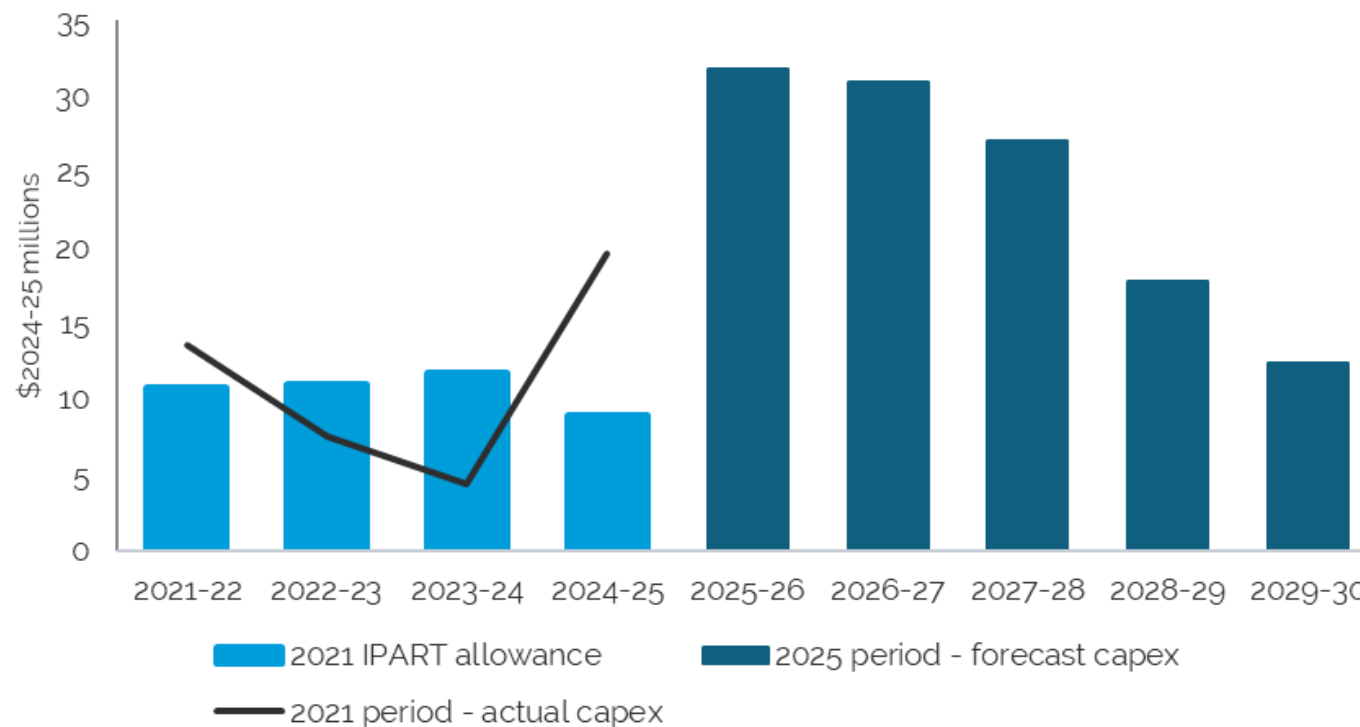
WAMC's proposed operating expenditure



What WAMC told us is driving this increase:

- Change in funding arrangements
- Increases in compliance and enforcement activity to meet statutory obligations
- Increases in water planning activities and workload

WAMC's proposed capital expenditure

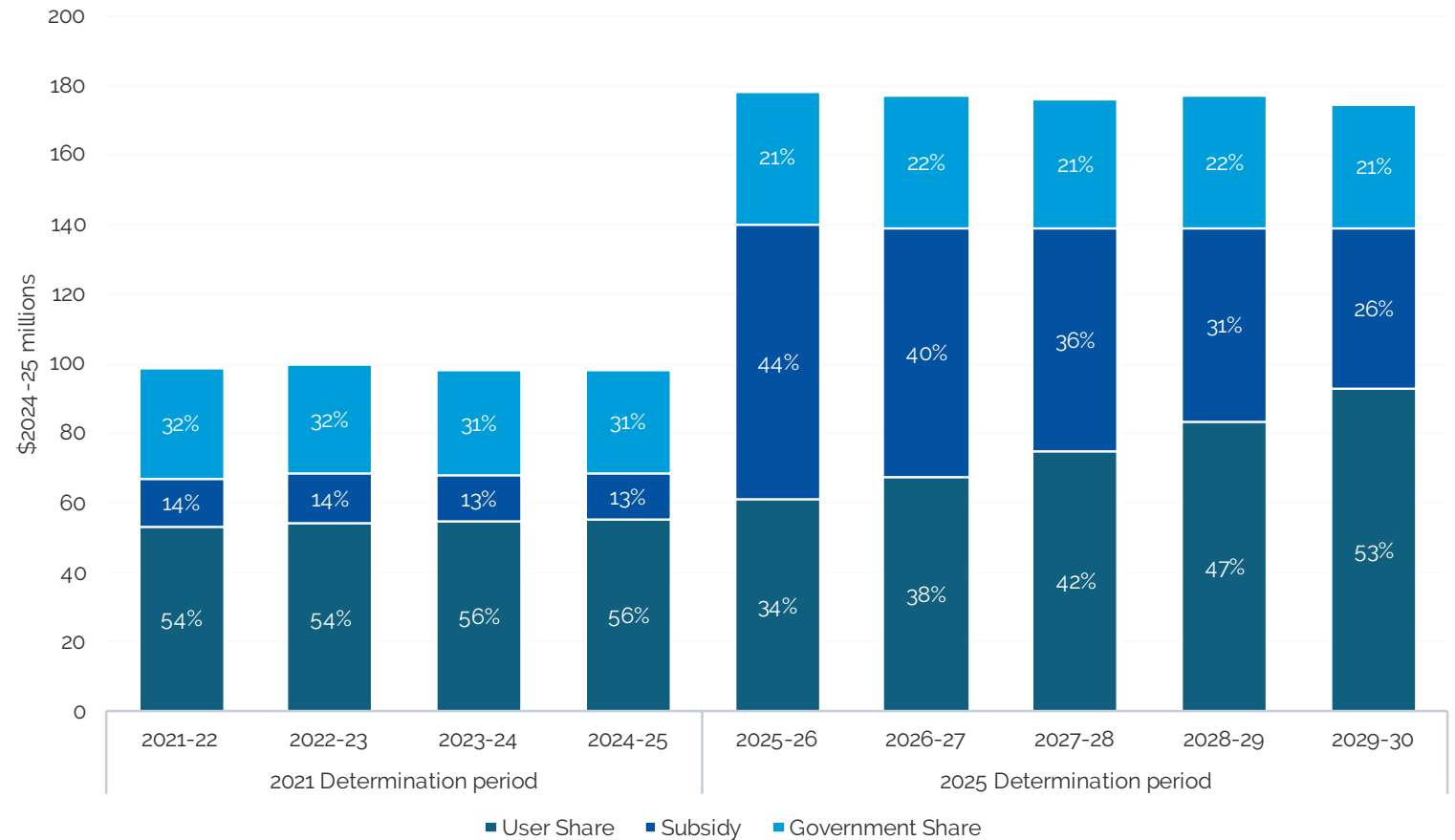


What WAMC told us is driving this increase:

- Digital business projects to enhance customer experience
- Surface water monitoring to improve asset resilience
- Groundwater monitoring to improve data reliability

WAMC's proposed transition to cost recovery

WAMC's notional revenue requirement split into government and customer shares (\$2024-25 millions) (percentages indicates share of contribution in year)



WAMC has proposed that the NSW Government pay a larger subsidy to reduce price shocks for the 2025 determination period.

Proposed Bills

Proposed WAMC & MDBA/BRC price increases by 2030

	Regulated rivers	Unregulated rivers	Groundwater
Border	39% (7%)	161% (21%)	
Gwydir	74% (12%)		
Namoi	79% (12%)	94% (14%)	
Peel	97% (14%)		
Far West	-	54% (9%)	98% (15%)
Murray	76% (12%)	96% (14%)	
Lachlan	89% (14%)		
Macquarie	86% (13%)	99% (15%)	
Murrumbidgee	72% (11%)		97% (15%)
North Coast		101% (15%)	
Hunter	101% (15%)		101% (15%)
South Coast		91% (14%)	

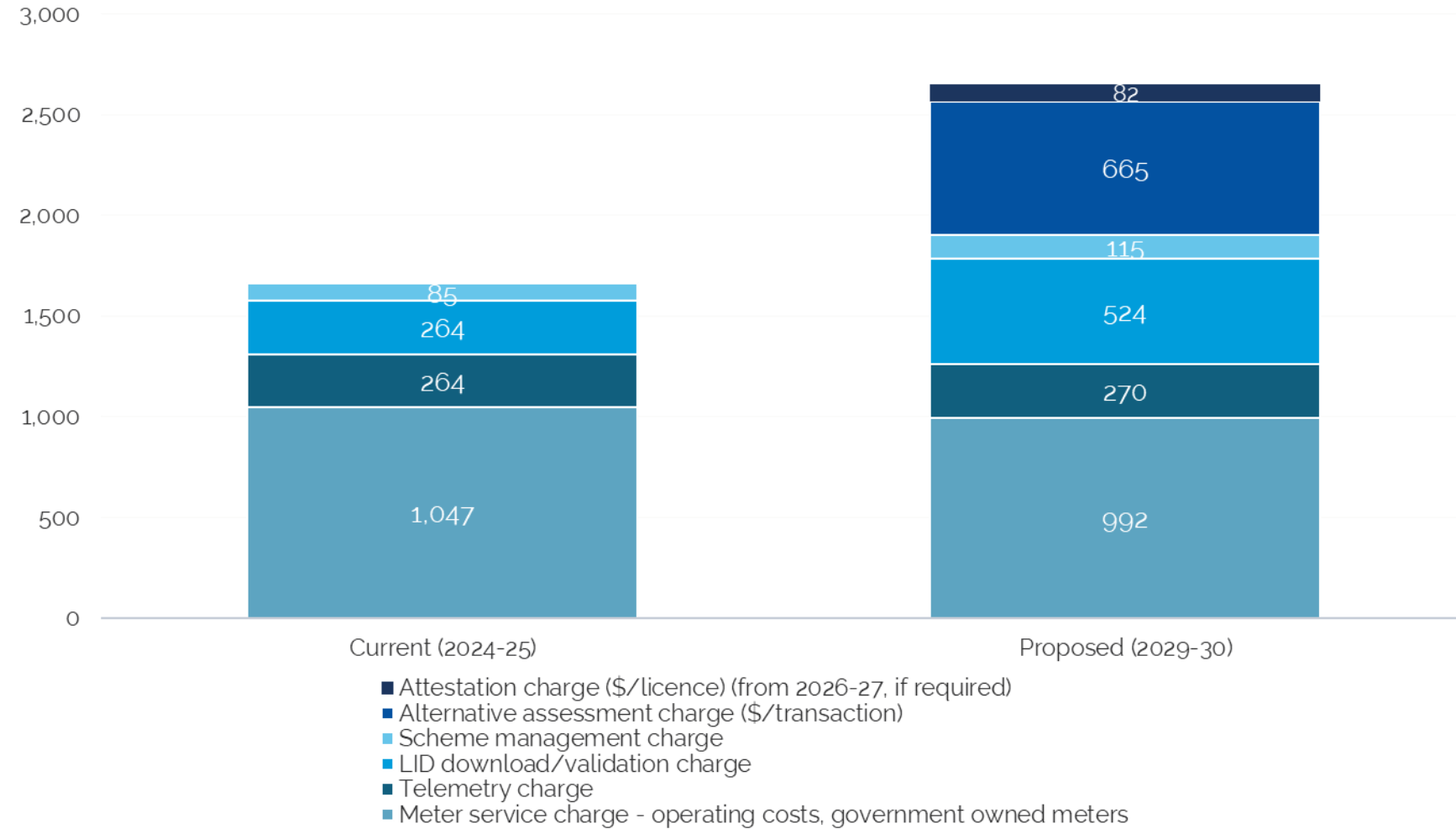
Notes:

Annualised increases in brackets – *prices are entitlement + water take per ML*

Groundwater bills for Border exclude BRC prices, because these are paid by a small number of customers in the Border valley.

WAMC's proposed changes to metering charges

Current and proposed metering charges (\$2024-25)





WaterNSW – Session 2

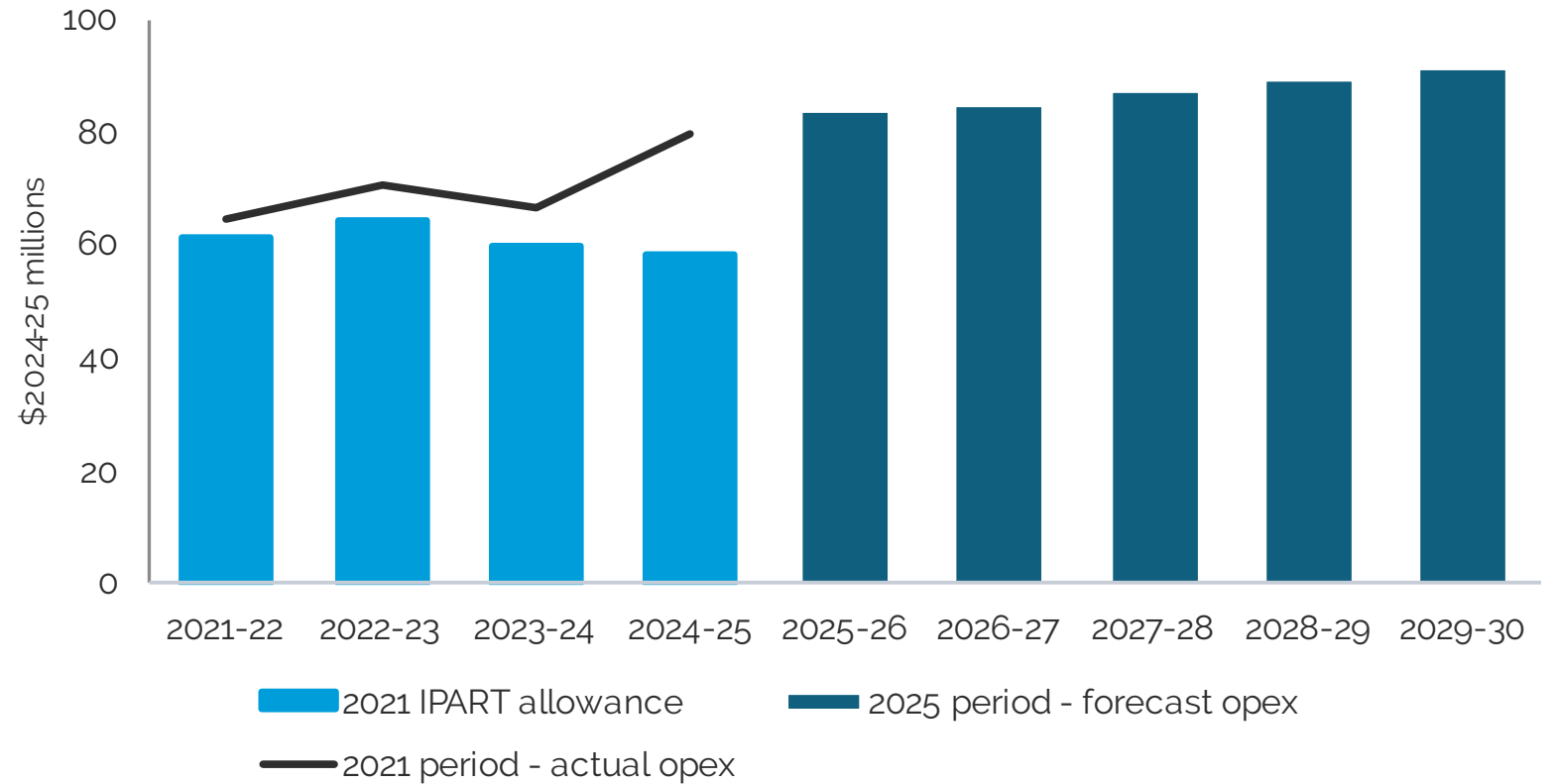
WaterNSW presentation

Andrew George (CEO, WaterNSW)

Michael Martinson (Economic Regulation, WaterNSW)

IPART presentation: IPART Secretariat

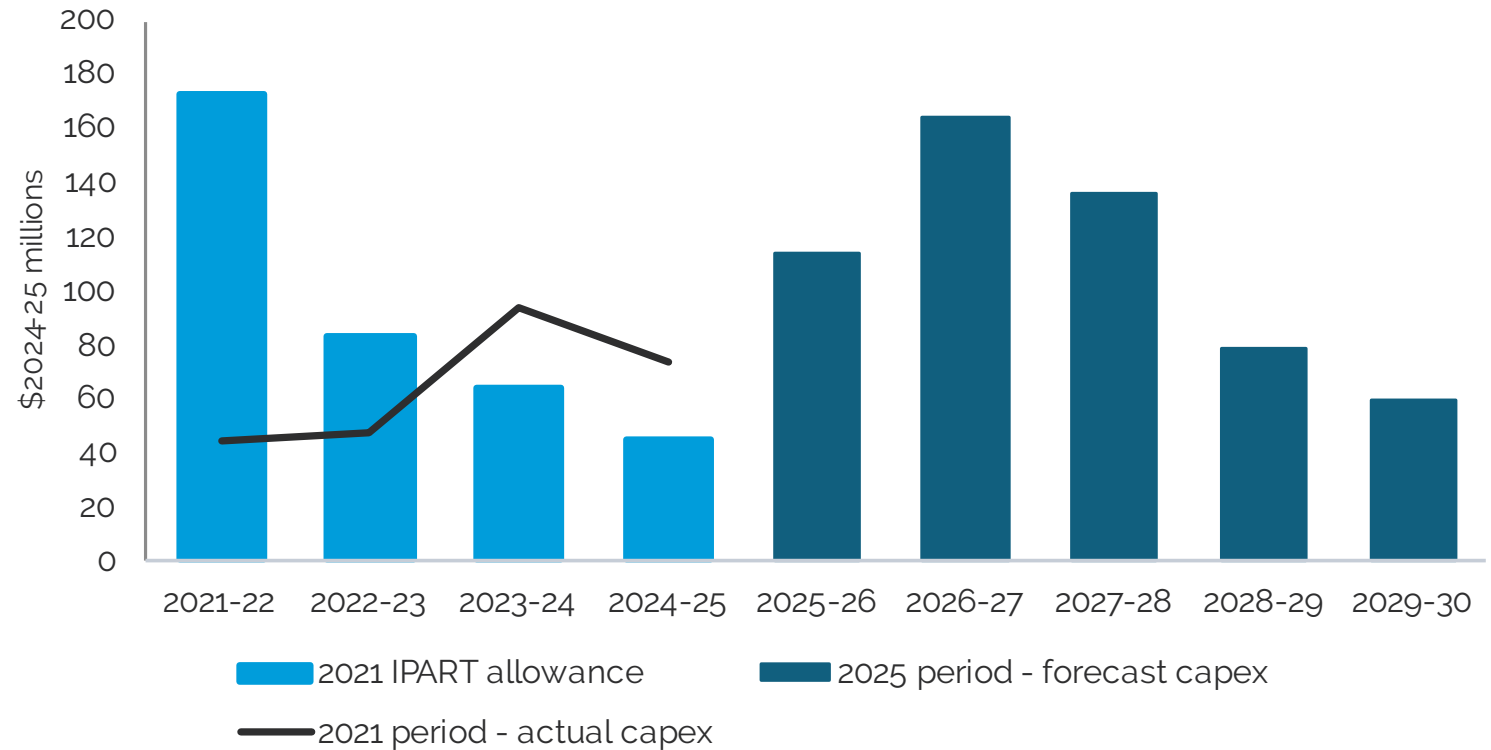
WaterNSW's proposed operating expenditure



What WaterNSW told us is driving this increase:

- New operating model and increase in workforce levels
- Higher costs in complying with regulatory conditions
- Cost increases in labour and materials

WaterNSW's proposed capital expenditure



What WaterNSW told us is driving this increase:

- Delivery and renewals of assets
- Addressing environmental standards in infrastructure
- Digital technology upgrades to uplift capabilities

Bill increases
based on
WaterNSW's
proposed cost-
reflective prices

Rural Valleys	General Security	High Security
Border	306% (32%)	310% (33%)
Gwydir	191% (24%)	177% (23%)
Namoi	162% (21%)	151% (20%)
Peel	379% (37%)	360% (36%)
Lachlan	158% (21%)	283% (31%)
Macquarie	196% (24%)	181% (23%)
Murray	219% (26%)	215% (26%)
Murrumbidgee	156% (21%)	159% (21%)
Lowbidgee	154% (20%)	-
North Coast	0% (0%)	0% (0%)
Hunter	121%(17%)	123% (17%)
South Coast	0% (0%)	0% (0%)
Fish River	Raw water	Filtered water
Major customers	44%-73% (8%-15%)	53% (9%)
Minor customers	64% (10%)	54% (9%)

Notes:

1. Prices include MDBA & BRC costs.
2. Annualised increases are in brackets.

WaterNSW's proposed options to mitigate price impacts

WaterNSW proposed a few options that all involve a price cap of 15% per annum (before inflation), which included:

- removal of certain projects
- regional-based pricing as opposed to valley-specific

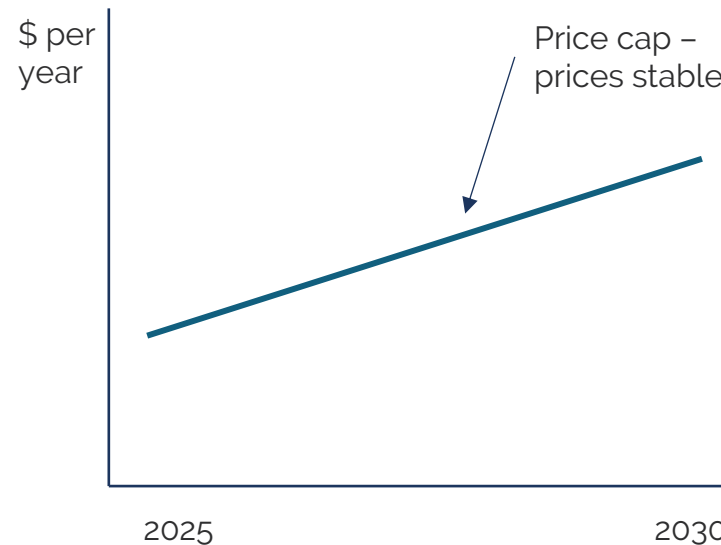
The business noted that none of these options would be fully funded.

WaterNSW's proposed revenue cap

Option 1: Price cap

(current arrangement)

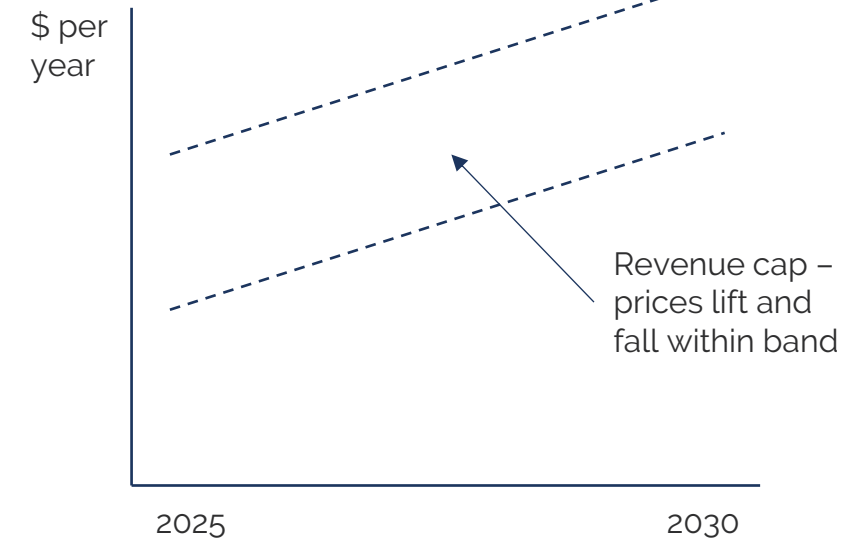
- Set a maximum price per unit
- Prices fixed over determination period
- Higher fixed prices and lower usage prices than in current period
- Bill certainty, but slightly higher prices (1%)



Option 2: Revenue cap

(proposed)

- Set the total revenue earned
- Prices fluctuate within a band over determination period
- Allow ratios of fixed and variable prices to shift to meet revenue target
- Bills vary in response to water usage patterns





Closing remarks and next steps

Next steps



Contact us

Water Pricing

 ipart@ipart.nsw.gov.au

Visit our website

[Prices for Water Administration Ministerial Corporation \(WAMC\) from 1 July 2025](#)

[Prices for WaterNSW regional and rural bulk water from 1 July 2025](#)