



Date

02/12/2016

Title

Current IPART Section 16A Directions

Question on notice

The Hon. Penny Sharpe: Are you subject to other section 16As at the moment in relation to proposals that are on the table?

Response

This document outlines the current section 16A directions that apply to IPART's price determinations. All of the current directions apply to Sydney Water Corporation (Sydney Water). An overview and brief description of the directions is provided below.

Sydney Water

There are currently three Section 16A directions that apply to Sydney Water. These relate to:

- ▼ **Stormwater works at Green Square** - We are directed to pass through in prices Sydney Water's efficient costs of complying with requirements to undertake stormwater amplification works and construct interconnected stormwater infrastructure in connection with the Green Square development.
- ▼ **The Rosehill (Camellia) Recycled Water Project** - We are directed to pass through the difference between the charges paid by Sydney Water to the owner of the Rosehill (Camellia) Recycled Water infrastructure and distribution pipelines, and the revenue received by Sydney Water for the sale of recycled water to customers.
- ▼ **The Western Sydney Recycled Water Initiative Replacement Flows Project** - We are directed to pass through the efficient costs of construction and ongoing operation of the Replacement Flows Project.

The current section 16A directions that apply to Sydney Water are included in Appendix B of our recent final report on the *Review of Prices for Sydney Water Corporation*. This report is available on IPART's website: www.ipart.nsw.gov.au.

Sydney Desalination Plant

The funding of the desalination plant was the subject of a previous Section 16A direction, which has now expired. This direction related to the 2008 Determination of Sydney Water's prices.

On 5 July 2007, we received a letter from the Minister for Water Utilities directing IPART under section 16A of the *Independent Pricing and Regulatory Tribunal Act 1992* (the IPART Act) to include in the 2008 Determination an amount representing the efficient cost of complying with the requirements imposed on Sydney Water to arrange for:

- ▼ The construction of a desalination plant on the Kurnell Peninsula (and associated infrastructure) for the supply of an annual average production of up to 250ML of drinking water per day (scalable to 500ML per day); and
- ▼ The construction of distribution pipelines capable of delivering 500ML per day across Botany Bay.