

## Hunter Water Draft Prices from 1 July 2020

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on its draft decisions, released today, on the prices that Hunter Water can charge its customers from 1 July 2020 to 30 June 2024.

Under IPART's draft prices, combined water, wastewater and stormwater bills for typical customers in houses, including pensioners, would fall in 2020-21, and then increase by around 3% per year until 2023-24. Bills for typical customers in apartments would also fall in 2020-21, and then increase by around 5% per year until 2023-24.

IPART Chair, Dr Paul Paterson, said that increased efficiencies and lower interest rates mean the draft prices would save Hunter Water's customers compared to what Hunter Water originally proposed.

"While the draft prices are lower than what Hunter Water had proposed, we have largely accepted Hunter Water's expenditure proposals with the additional savings coming primarily from lower interest rates," Dr Paterson said.

"We have accepted the need to boost Hunter Water's capital expenditure allowance so it can continue meeting environmental and service standards, service population growth, maintain the condition of its assets, and fund enhancements to its customers' experience, such as the introduction of digital billing."

Under the draft prices, a typical household using 189 kL of water per year would save around \$70 per year if it reduced its water consumption by 15%.

The structure of the draft prices would give customers more control over their bill, while at the same time encouraging water conservation.

"There is an increase to the water usage price, from \$2.37 to \$2.41 per kL, which allows for a lower annual fixed water service charge, falling from about \$100 in 2019-20 to about \$4 per year for households from 2020-21," Dr Paterson said.

For most non-residential customers, combined water, wastewater and stormwater bills would increase by up to 3% per year on average, though in some cases they may fall slightly.

We have also changed the way trade waste prices are set, to ensure customers are paying enough to treat the waste they produce. This will mean some trade waste customers experience significant bill increases. IPART has also made a draft decision to phase-out location-based discounts for large non-residential water users, to ensure equity amongst customers and promote water conservation.

Dr Paterson encouraged all stakeholders to make a submission to the review. IPART will consider all comments made on its website and in submissions, before making its final decisions on Hunter Water's prices in June, for new prices to apply from 1 July.

To help customers understand the impact of IPART's draft decisions on Hunter Water's prices, a bill calculator is also available on IPART's website.

Stakeholder feedback on the proposed prices for Hunter Water is due by 9 April 2020. IPART's Draft Report, and opportunities for stakeholders to have their say are available on IPART's website at <[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)>.