

Rewards for Hunter Water customers who conserve water

A typical Hunter Water household's bill will fall by \$48 per year or 3.6% from 1 July, as a result of decisions released today by the Independent Pricing and Regulatory Tribunal (IPART).

From 1 July 2020 the price you pay for water will depend on water storage levels. If water storage levels are above 60% as they are now, you will pay \$2.46 per kilolitre of water you consume. But when water storage levels fall below 60%, this price will rise to \$2.90 per kilolitre.

"This decision reflects the increased costs of supplying water during periods of scarcity, and provides a financial reward to households who conserve water during times of drought," said IPART Chair Dr Paul Paterson.

Fixed charges for water services are falling dramatically, from over \$100 a year to about \$24 a year for a typical household.

"We are giving customers more control over their bills. The substantial reduction in the fixed water service charge means people with low water use will have smaller bills than before," said Dr Paterson.

He said IPART's prices will allow for \$653 million in capital expenditure by Hunter Water over the next four years, a \$255 million increase compared to its capital expenditure over the last four years. This increase will allow Hunter Water to maintain its infrastructure and service standards, and improve environmental compliance and outcomes. The prices we have set for Hunter Water also allow it to fund the planning of future drought resilience projects.

"With many customers facing economic challenges, we are conscious of the need to ensure water bills are affordable while providing Hunter Water with the revenue it needs to maintain a safe and secure water supply."

"Our pricing decisions provide incentives for all customers to conserve water all of the time, while ensuring that customers only pay for the additional costs of drought when necessary", Dr Paterson said.

"It is important that Hunter Water and the NSW Government undertake joint planning for the future, to safeguard our water supplies against climate change and drought."

IPART's report on Hunter Water's prices and an interactive bill calculator are available on IPART's website at:

<https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Metro-Pricing/Prices-for-Hunter-Water-Corporation-from-1-July-2020>.