

# Draft prices and bills from 1 July 2022

12 April 2022

We recently released our [Draft Report](#) and [Draft Determination](#) on the prices that the Central Coast Council as a Water Supply Authority (CCC Water) can charge its customers for water, wastewater and other related services from 1 July 2022 to 30 June 2026.

The examples below are for a typical household living in a house and using 170 kilolitres of water per year. Our [Bill Calculator](#) can help you see what the impact would be for you.

For the current year (2021-22) that commenced on 1 July 2021, the typical yearly household bill would be \$1,058 on average.

Under IPART's draft prices, the typical yearly household bill would increase by around \$200 (19%) on 1 July 2022. The bill would then increase by around \$49 (4%) and inflation on 1 July 2023, on 1 July 2024 and on 1 July 2025.

These increases would enable CCC Water to collect from customers what is necessary to efficiently provide better services. Service levels have declined in recent years.

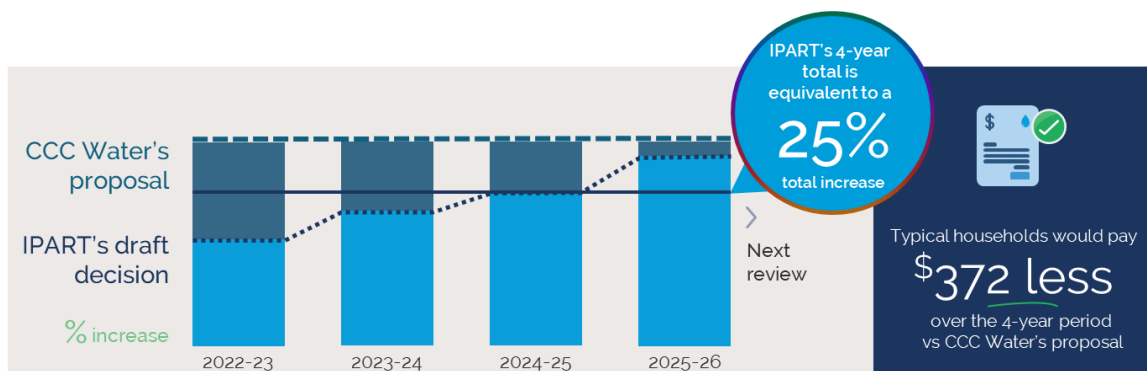
We estimate the typical household would still pay \$372 (7%) less over the next 4 years under our draft decisions compared to CCC Water's proposal.

## We have set a gradual rather than a one-off price increase

Our draft decision to gradually increase prices, rather than make a larger initial one-off increase is based on feedback to our [Issues Paper](#). The Tribunal is again interested in stakeholders' views on this.

Our draft price path allows CCC Water to collect the same amount of money over 4 years as if we had decided to allow a one-off increase of \$269 (25%) for 2022-23. This is lower than CCC Water's proposal for a one-off increase of \$370 for 2022-23. Under both these scenarios, prices would then only increase by inflation from 2023-24.

Increasing prices gradually allows customers to keep their money in their pockets for longer and provides them with more time to manage the impact of higher bills.



### Our draft bill increases in percentage terms

Our draft price path allows CCC Water to collect the same amount of money over 4 years as if we had decided to allow a one-off increase of 25% in 2022-23 then increasing only by inflation. This is lower than CCC Water's proposal for a one-off increase of 35% in 2022-23.

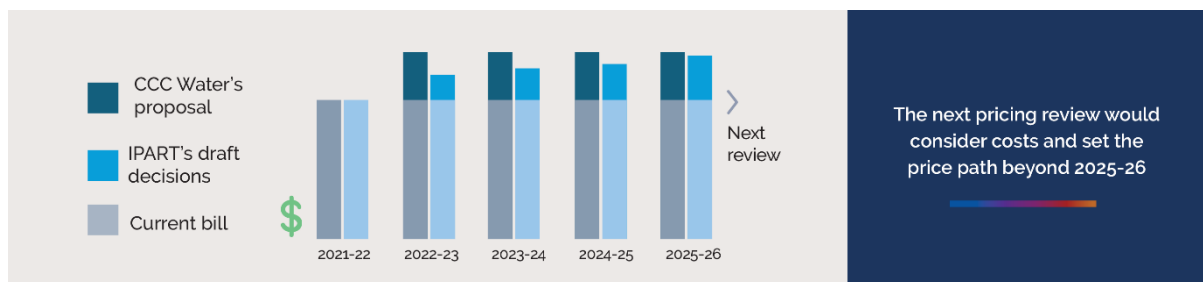
In 2025-26, the typical yearly household bill would become 33% higher than in 2021-22. However, it would not necessarily stay at that level after 2025-26.


Prices from 1 July 2026 would be subject to another Tribunal determination in 2026 that would take account of on-going efficiencies and better service CCC Water would be achieving.

### Our draft bill increases in dollar terms

Our draft decision would see the typical yearly household bill increase from \$1,058 for 2021-22 to \$1,258 for 2022-23, to \$1,301 for 2023-24, to \$1,350 for 2024-25 and to \$1,406 for 2025-26.

CCC Water proposed a typical household bill of \$1,428 in each year from 2022-23 to 2025-26.



 Our draft decision is to phase-in price increases over the next 4 years.

If our draft decision was to set a one-off increase, typical household bills would increase by 25% in 2022-23 and then by inflation only each year after that.

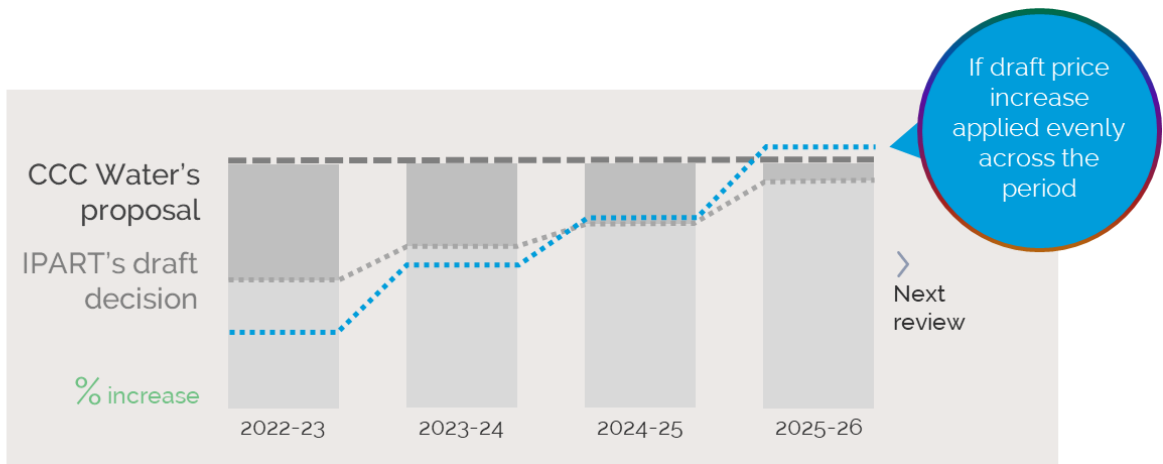
We would like to hear from you on how you would prefer price increases to be introduced.

### Bill impacts if we applied a smoother phase-in

Some stakeholders asked why our draft decision includes a larger bill increase in the first year followed by smaller increases, rather than more even percentage increases over the 4 years.

More even percentage increases in the bills would lead to a larger bill in the fourth year that is also higher than CCC Water proposed.

Our draft price path reduces the impact on customers in the fourth year as having a larger increase in the first year allows for smaller increases in the following 3 years. This softens the bill impacts in those years and lowers the bill in the last year of the determination period.



## We encourage you to have your say on our Draft Report

You can have your say on our Draft Report by:

- completing our [Have Your Say survey](#)
- making a [submission](#) via our website portal.

Submissions to our Draft Report are due by Thursday, 14 April 2022

