

## FACT SHEET

# Prices for the Hunter Water Corporation

Based on *Determinations and Final Report 17 July 2009*

### IPART

IPART (the Independent Pricing and Regulatory Tribunal) is the independent economic regulator of the NSW metropolitan and bulk water industry.

IPART has set the prices that Hunter Water Corporation (Hunter Water) can charge for its water, sewerage, stormwater, trade waste and miscellaneous services from the date of gazettal to 30 June 2012. IPART's full report and determination are available on IPART's website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)).

### New prices

Table 1 shows the impact of new prices on residential customers bills for various levels of water usage. The largest price increases will occur in 2009/10.

Under the new prices, the annual bill of a typical residential household using 200 kilolitres (kL) will increase in real terms by about \$220 from 2008/09 to 2012/13. Hunter Water proposed that typical residential bills should increase by \$412 by 2012/13.

The annual bill of an average pensioner customer using 139 kL, who receives the pensioner rebate, will increase in real terms by about \$157 by 2012/13. For information about eligibility for Hunter Water's pensioner rebate and hardship programs contact Hunter Water.

Bill increases for businesses will vary depending on their water use and sewage discharge. Information for businesses is available in IPART's report or from Hunter Water.

**Table 1 Increases in residential annual bills (\$2008/09)**

	Current (2008/09)	2009/10	2010/11	2011/12	2012/13	Change 2008/09 to 2012/13
100 kL pa	567.97	666.49	695.05	723.22	753.08	185.11
% increase		17.3%	4.3%	4.1%	4.1%	32.6%
200 kL pa	718.47	817.49	857.05	897.22	939.08	220.61
% increase		13.8%	4.8%	4.7%	4.7%	30.7%
300 kL pa	868.97	968.49	1019.05	1071.22	1125.08	256.11
% increase		11.5%	5.2%	5.1%	5.0%	29.5%

**Note:** Bills exclude stormwater drainage charges.

## Why are prices increasing?

Table 2 shows the key reasons for higher prices, including:

- ▼ Improvements in water supply and drought security for the Hunter region through the construction of Tillegra Dam.
- ▼ Upgrades to the sewerage system to comply with current Department of Environment and Climate Change (DECC) standards.
- ▼ Augmentation of water services to cater for forecast population growth.

In setting prices, IPART has balanced impacts on customers, service standards, Hunter Water's financial viability, the environment and principles of economic efficiency.

As part of this balancing, IPART made the decision to defer recovery of 60 per cent of the Tillegra Dam's costs, for inclusion in future prices. This means that the costs of the Dam will be spread over time to match population growth and increased use of the dam. If IPART had not adopted this approach, the bill for a typical residential customer would have increased by an additional \$70 by 2012/13.

**Table 2 Reasons for increase in a typical residential customer's bill**

<b>Increased operating expenditure</b>	<b>\$44</b>
<b>Capital investment:</b>	
Tillegra Dam	\$32
Subsidy for Kooragang Island Recycled Water Scheme	\$0
Sewer projects required to meet DECC standards	\$26
Sewer transport and treatment plant upgrades	\$53
Water supply system development and upgrades	\$19
Other system augmentation and capital expenditure	\$30
	<b>\$160</b>
<b>Removal of developer charges</b>	<b>\$16</b>
<b>Total</b>	<b>\$220</b>

**Notes:** Dollars 2008/09. Typical bills are based on households with water and sewerage services consuming 200kL of water per annum.