

Feedback sought on Hunter Water's future prices

The Independent Pricing and Regulatory Tribunal (IPART) is seeking customer and community views on Hunter Water's plans to increase both expenditure and water bills over the next five years.

Releasing a paper outlining key issues for the review, IPART Chair Dr Paul Paterson said the focus will be on ensuring that Hunter Water's proposed expenditure appropriately balances the need for it to supply secure, reliable and sustainable water and wastewater services, while ensuring such services are affordable to customers.

"Hunter Water is proposing significant increases in capital expenditure, operating expenditure and depreciation costs, as well as funding to continue water conservation initiatives and reduce leakage," Dr Paterson said.

"We are interested in hearing what people in the Hunter think about those proposals, which would require an increase in water bills for most residential and non-residential customers."

Under Hunter Water's proposal, over the 5-year period, annual bills for a typical house would rise from \$1,316 in 2019-20 to \$1,635 in 2024-25. This represents an increase of \$129 or 9.8% above the rate of inflation by 2024-25.

For a typical apartment, bills would rise from \$984 in 2019-20 to \$1,316 in 2024-25, which is \$179 or 18.2% above the rate of inflation.

Bills for non-residential customers would also increase, though this would vary depending on the size of their meter connection. Hunter Water has proposed changes to the way it bills its trade waste customers, with some larger customers facing significant increases.

Dr Paterson said that the proposed increased capital expenditure, which is going up by 37%, may have long-term impacts on bills, which could worsen if interest rates rise.

"Our review of Hunter Water's pricing proposal is focused on ensuring that customers pay no more than necessary for the standard of water and wastewater services they need and want, both now and in the future, and that these prices are fair across all customer groups," Dr Paterson said.

Dr Paterson encouraged all stakeholders to make a submission to the review. IPART will consider all comments made on its website, in submissions and at the public hearing, before making its draft decisions on Hunter Water's prices. To help customers understand the impact of Hunter Water's proposal, a bill calculator is also available on IPART's website.

Submissions to IPART are due by 21 October 2019. A public hearing will be held in Newcastle on 19 November 2019. A Draft Report will be released for further comment in March 2020, before a Final Report and Determination is released in June 2020 and new prices come into effect from 1 July 2020.

IPART's Issues Paper, Hunter Water's pricing proposal, the interactive bill calculator, and opportunities for stakeholders to have their say are available on IPART's website at <www.ipart.nsw.gov.au>.