

## DELAYS IN THE REVIEW OF HUNTER WATER CORPORATION'S PRICES

The Independent Pricing and Regulatory Tribunal (IPART) announced changes to its timetable for the review of Hunter Water prices today.

IPART now expects to release its Draft Report in April and its Final Report and Determination in late July 2009.

This means that new Hunter Water prices will not commence on 1 July 2009 as planned.

"IPART has revised its timetable for the Hunter Water price review following the late receipt of Hunter Water's original submission and subsequent revisions, the latest of which was received in January 2009," said IPART CEO Mr Jim Cox.

"According to Hunter Water's latest submission, if its proposed prices were accepted, the average annual water and sewerage bill would increase by \$412 from \$718 in 2008/09 to around \$1,130 in 2012/13. This is equivalent to a 57 per cent increase over the four years before any adjustment for movement in the consumer price index".

"The Government's recent decision to remove developer charges raises issues for this review that need to be examined before IPART can determine prices. This will take time. By way of illustration, Hunter Water has asked for a three per cent increase in bills to existing customers to offset the loss of funding from developers" Mr Cox said.

"This analysis on top of the earlier delays means we now expect to release the Final Report and Determination in late July. In the interim the current 2005 Price Determination will continue."

The timetable has also been revised to make provision for a second public hearing, if required, following the release of the Draft Report to receive feedback from stakeholders.

IPART released an issues paper for the review in July 2008 and held a public hearing in December 2008 to listen to the views of stakeholders.

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