



**INDEPENDENT PRICING AND REGULATORY  
TRIBUNAL  
OF NEW SOUTH WALES**

**EMBARGOED UNTIL 11:00am on Friday, September 2, 2005**

**IPART releases final prices determination for Hunter Water**

The Independent Pricing and Regulatory Tribunal of NSW (IPART) today announced Hunter water price increases to encourage water conservation and fund service improvements. The Tribunal's determination will take effect from 1 November 2005.

Average residential customers using 206 kilolitres (kL) of water a year will pay \$41.04 (or 7.3 per cent including inflation) more for water and wastewater in 2005/06 than in the previous year. There will be further increases of \$43.96 (7.3 per cent) in 2006/07, \$31.98 (4.9 per cent) in 2007/08 and \$33.54 (4.9 per cent) in 2008/09.

Other water prices will be restructured to remove the declining block tariff, which reduces the average price of water as more is used.

IPART Chief Executive, Mr James Cox, said the new prices recognise the growing need for water conservation, as well as Hunter Water's requirement to provide more reliable services.

"The existing declining block tariff structure, where average prices fall as consumption increases, sends the wrong signals to customers about the importance of water conservation," Mr Cox said. "IPART's final determination has balanced the water conservation imperative with the reasonable expectation that water supplies should be consistent and reliable."

The location-based charge for very large water users will be retained, with prices increasing by 8.3 per cent in 2005/06, followed by additional rises of 4.4 per cent per year until 2008/09 (including inflation).

The wastewater service charge will increase by \$77.08 to \$316.43 in 2008/09.

The wastewater usage charge will increase at the same level as inflation over the four years of the determination.

The property-value-based stormwater pricing structure will be phased out from July 2006 and will be replaced by a more equitable and cost-reflective system.

IPART's final determination will allow Hunter Water to provide greater surety of supply to its customers.

Work to be funded through the additional revenue includes:

- completing the Grahamstown Dam augmentation to increase water supply capacity and security
- replacing the trunk water main between Tarro and Shortland to improve security of supply and cater for growth
- constructing a new trunk main on Kooragang Island to cater for growth
- replacing water delivery assets that have reached the end of their useful lives
- upgrading the wastewater transportation system to reduce overflows and cater for growth
- providing sewerage services to backlog areas at Fern Bay, Kitchener, Lochinvar, Millfield and Ellalong

**Further Information:**

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