



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

EMBARGOED UNTIL 1100 on Friday, June 17, 2005

Service Guarantee with higher prices for Hunter Water

The Independent Pricing and Regulatory Tribunal of NSW (IPART) proposes to increase maximum prices that can be charged by Hunter Water for water, wastewater and drainage services. The higher prices will apply from 1 November 2005.

IPART's draft determination, released today, will allow Hunter Water to provide greater surety of supply to its customers.

For Hunter Water's residential customers, the draft determination proposes to increase the water and sewerage bill of a customer with average consumption (206 kilolitres (kL) a year) by 11 per cent in real terms by 2008/09.

For around 80 per cent of customers the total real increase in the water and wastewater bill will be less than \$1 per week next year and less in subsequent years.

IPART is also proposing a restructure of water usage pricing in the Hunter Region to promote water conservation. The declining block tariff - which reduces the average price of water as consumption increases - for water consumed above 1000kL a year will be removed by July 2009.

Stormwater drainage charges will be restructured by 2008/9 and based on property size rather than property values.

IPART Chairman, Dr Michael Keating, said the new price structure reflects the growing need for water conservation.

"The existing structure where average prices fall as consumption increases does not make economic or environmental sense," Dr Keating said.

Dr Keating said that the additional revenue earned by Hunter Water was necessary to guarantee service delivery and would enable Hunter Water to:

- complete the Grahamstown Dam augmentation to increase water supply capacity and security
- replace the trunk water main between Tarro and Shortland to improve security of supply and cater for growth
- construct a new trunk main on Kooragang Island to cater for growth
- replace water delivery assets that have reached the end of their useful lives
- upgrade the wastewater transportation system to reduce overflows, and
- provide sewerage services to backlog areas

The draft determination will be open for public comment until July 15.

Further Information:

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