

## IPART Water submission

The Independent Pricing and Regulatory Tribunal (IPART)'s proposed draft price determination will cause many Hunter residents to pay an extra \$220 per year and pensioners an extra \$154 per year on their water bills. This would be a very large impost on the people of Newcastle and a much larger increase than that requested by Hunter Water.

Many families and pensioners in the electorate of Newcastle are currently struggling with cost of living pressures. Adding hundreds of dollars to water bills would create a large amount of stress on their household budgets.

Furthermore, IPART propose to reduce Hunter Water's capital expenditure budget by \$23 million over four years, meaning less money for Hunter Water to upgrade pipes, drains and other essential works.

The capital expenditure cuts will affect every project. Projects that have previously been viable will no longer be so. The Hunter community will lose.

IPART's draft determination on Hunter Water's prices will result in price rises of approximately double the rate of inflation, and will lead to an increase of \$223 for the average household by 2020, a 21 per cent increase. A pensioner would face a water and sewerage bill increase of \$154 a year (around 23 per cent).

Hunter Water's original submission to IPART had proposed that bills for the average homeowner would keep pace with inflation, and they forecast a \$1 billion, 10 year infrastructure plan to support growth in the area, and equalise the price disparity between home and apartment owners in the price they pay in fixed sewer charges.

While Hunter Water customers lose, Sydney's Treasury coffers appear to be the big winners. Hunter Water's Acting Managing Director confirmed during Budget Estimates in September last year that the government would be increasing the dividend taken from the corporation by more than 40 per cent.

In 2014-15 Hunter Water paid \$21.3 million to the State Government. This year it's forecast to be \$29.9 million, a massive increase of \$8.6 million. From 2014 to 2017 the NSW Government has demanded that Hunter Water hand over \$80 million in dividends from Hunter Water. This money will be taken from the Hunter and dropped into the NSW Government Treasury coffers.

I call on IPART to keep Hunter Water's proposed capital expenditure targets and to also keep Hunter Water's proposed price increases which keep pace with inflation.