



10 March 2020

Draft pricing confirms increased investment and affordable water bills

Hunter Water customers will benefit from increased investment in the region's water and wastewater infrastructure, while gaining more control over their water bills from 1 July 2020, following the release of a Draft Determination of prices from the Independent Pricing and Regulatory Tribunal (IPART).

The Draft Determination proposes that Hunter Water will invest \$663 million on new and upgraded infrastructure, technology and services over the next four years to further improve services, customer experience and sustainably service growth.

"IPART's draft determination is welcome news for our residential customers," said Hunter Water's Executive Manager Customer Strategy and Retail, Victor Prasad.

"It shows the typical residential bill will decrease by 8% in the first year, followed by increases of 3% for the next three years, meaning the cost will remain relatively unchanged over the four years, even after forecast inflation of 2.5% is applied.

"In real-terms (before inflation), this means the typical bill is expected to go from \$1,318 in 2019-20 to \$1,200 in 2023-24, a decrease of \$118, which is a great result for our residential customers.

"Importantly, the Draft Determination continues the consumption-based water usage charge. This will provide an additional incentive for our customers to love water, with the majority of the typical household's water bill to come from the consumption-based charge of \$2.41 per thousand litres.

"IPART has given the initial green light to a range of infrastructure projects that support the growth of our region through upgrades to the water and wastewater network, as well as continuing our focus on water conservation and reducing leakage.

"It's also supported our proposal to spend \$6 million on new recycled water infrastructure, and an additional \$11.3 million on stormwater naturalisation works, helping to improve the liveability of our region.

"Not only will our customers benefit from our significant investment in infrastructure to maintain high quality services, but our prices will also decrease in real-terms due to lower than forecast borrowing costs that are reflective of current economic conditions.

"The release of the Draft Determination follows an extensive public consultation process and a public hearing in Newcastle last year. There's still time for our community to have their say and we encourage people to provide their feedback to IPART," said Mr Prasad.

Public submissions on the Draft Determination are welcome until Thursday 9 April 2020 via the IPART website at www.ipart.nsw.gov.au IPART's Final Determination is expected in June 2020 with new prices to start from 1 July 2020.



Proposed Typical Residential Customer Bills 2020-24

Customer bills before inflation

	Current Annual Average Customer Bill	Proposed Annual Average Customer Bills (Draft Determination – March 2020)					
	2019-20	2020-21	2021-22	2022-23	2023-24	\$ Change 2019-20 to 2023-24	% Change 2019-20 to 2023-24
House	\$1,318	\$1,185	\$1,190	\$1,194	\$1,200	-\$118	-9%
Apartment	\$979	\$860	\$ 880	\$ 898	\$918	-\$61	-6%
Pensioner (house)	\$748	\$676	\$677	\$678	\$680	-\$68	-9%

Customer bills including forecast inflation of 2.5%

	Current	Proposed					
	2019-20	2020-21	2021-22	2022-23	2023-24	\$ Change 2019-20 to 2023-24	% Change 2019-20 to 2023-24
House	1,318	1,214	1,250	1,286	1,325	\$6	0.5%
Apartment	979	882	924	968	1,014	\$34	4%
Pensioner (house)	748	693	712	731	750	\$2	0.3%

Note: These are based on average water consumptions for each property type and include water, wastewater and stormwater charges.