



IPART PUBLIC HEARING

Review of prices for Hunter Water from 1 July 2025

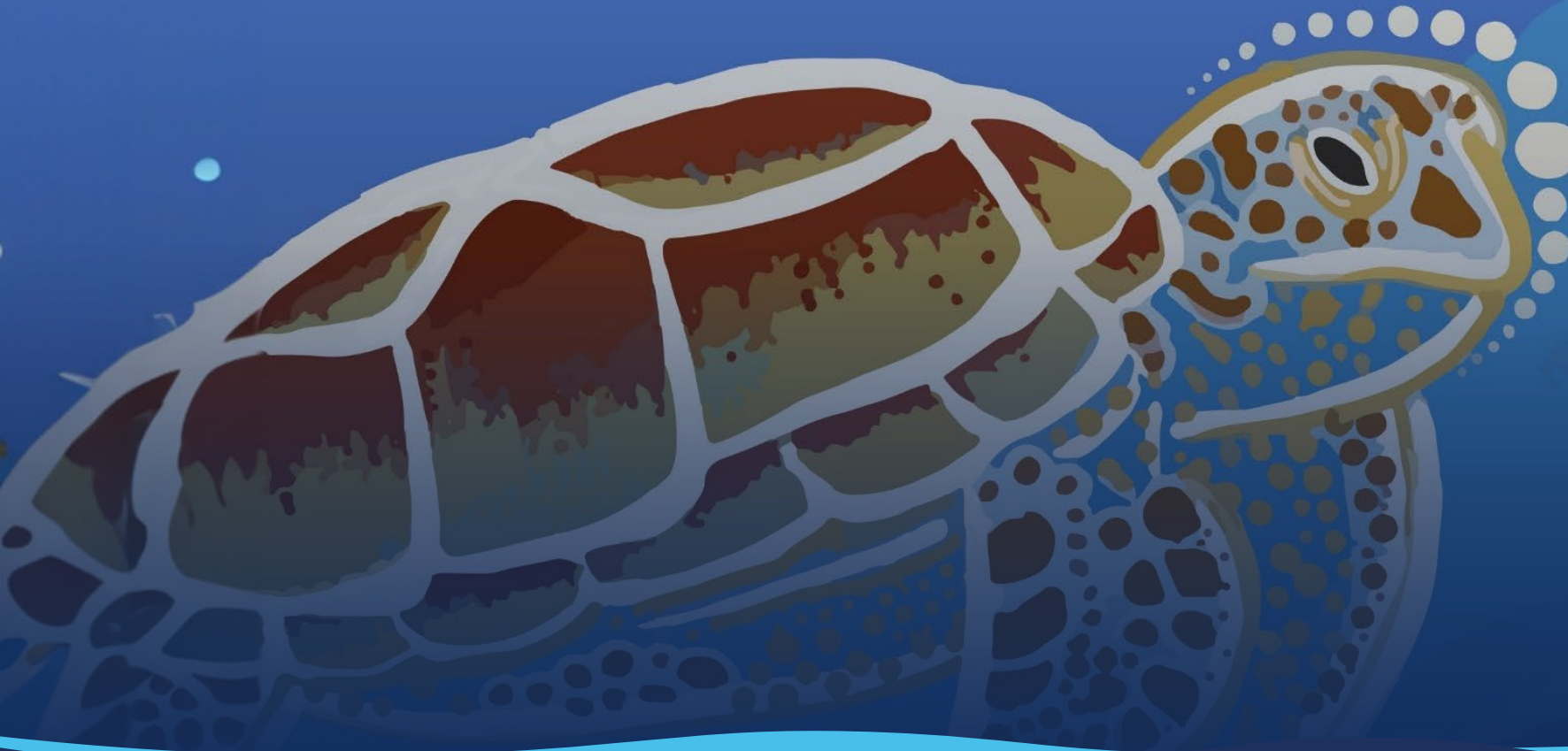
18 NOVEMBER 2024

ACKNOWLEDGEMENT OF COUNTRY



Hunter Water acknowledges the Traditional Countries of the Awabakal, Darkinjung, Geawegal, Wonnarua and Worimi peoples and the Countries on which we operate and beyond where our water flows.

We recognise and respect the cultural heritage, beliefs and continuing connection to the lands and waters of our Traditional Custodians and pay respect to their Elders past, present and emerging.





Our area of operations



We provide services to **630,000 people** in **272,088 properties**



95% of properties served are households



5% are businesses or industry



69%

Home owners



28%

Renting



87% live in freestanding houses



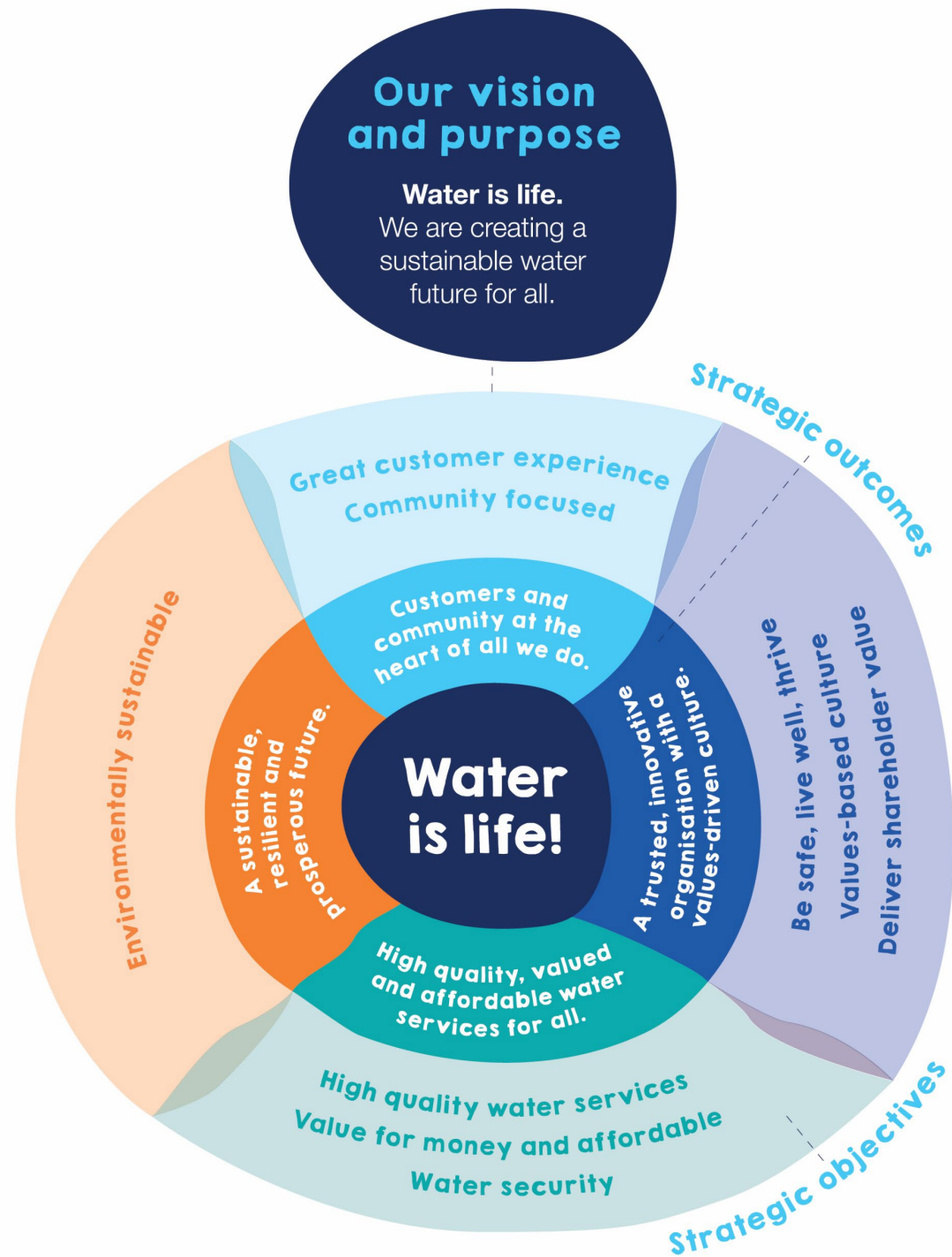
13% live in apartments, flats and units



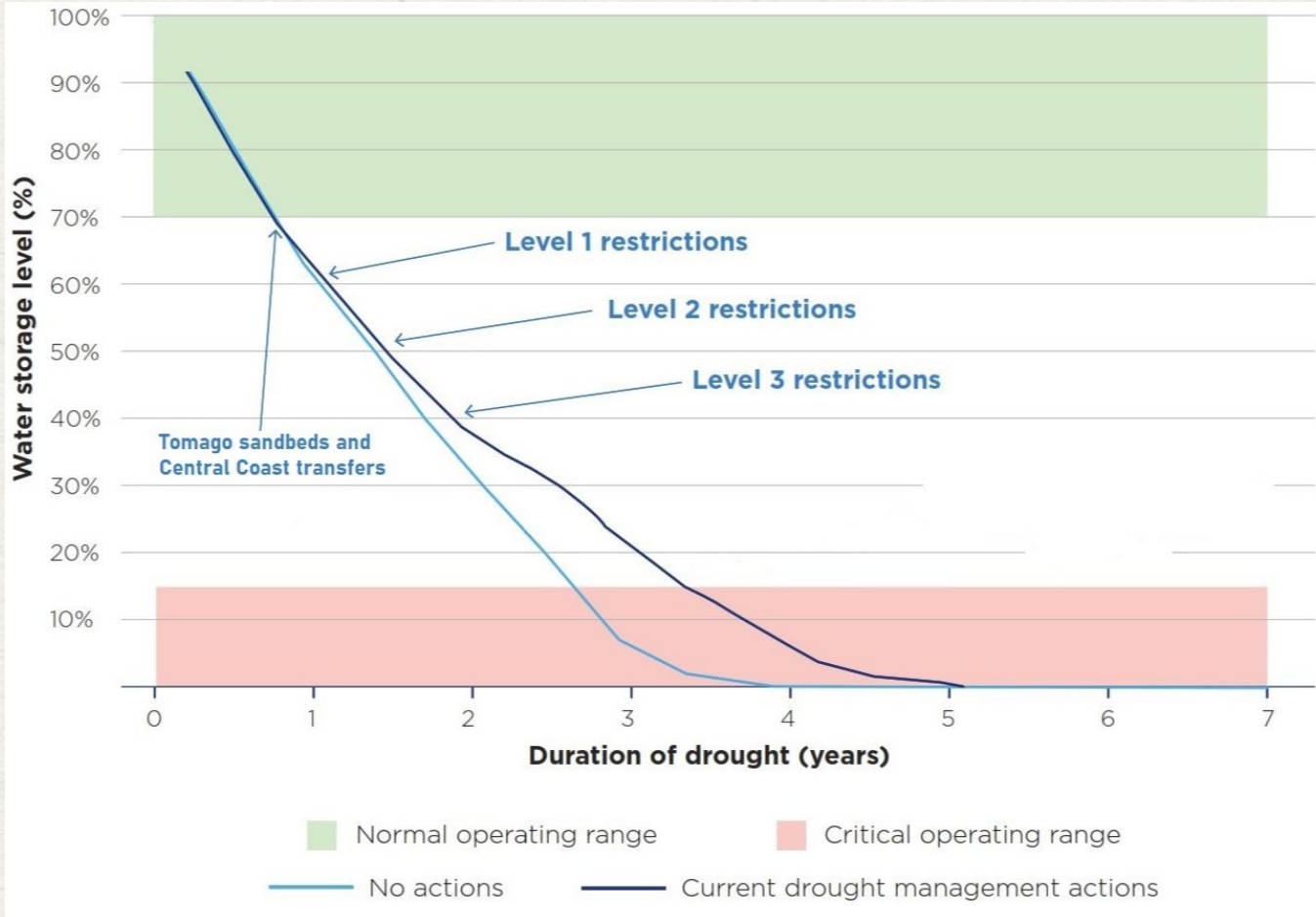
75,000 properties receiving stormwater drainage services. Around one third of our water and wastewater customers



Our Corporate Strategy: Miromaliko Baato



Our system is vulnerable to drought



LOWER HUNTER WATER SECURITY PLAN ENGAGEMENT OVERVIEW

WE LEARNED that our COMMUNITY SEEKS...

 A SAFE / RELIABLE WATER SUPPLY that CAN WITHSTAND DROUGHT	 CONSIDERATION of ALL OPTIONS	 INVESTMENTS to REDUCE DEMAND for DRINKING WATER	 INVESTMENTS to MINIMISE the ENVIRONMENTAL IMPACTS of WATER SUPPLY INITIATIVES	 A COLLABORATIVE APPROACH with STAKEHOLDERS to SUPPORT DELIVERY of WATER EFFICIENCY / ALTERNATIVE WATER SUPPLY OUTCOMES	 CONTINUED use of PERMANENT WATER CONSERVATION MEASURES / IMPLEMENTATION of WATER RESTRICTIONS in TIMES of DROUGHT	 UP FRONT WATER SECURITY INVESTMENTS as OPPOSED to ACTING REACTIVELY DURING DROUGHT
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and WE'RE PUTTING the COMMUNITY'S VALUES & ASPIRATIONS into ACTION by...

 ONGOING INVESTMENTS in CATCHMENT MANAGEMENT / PROTECTION	 CONTINUING to INVEST in REDUCING LEAKAGE and HELPING our CUSTOMERS CONSERVE WATER	 CONTINUING to WORK with CUSTOMERS and STAKEHOLDERS to FACILITATE INVESTMENTS in VIABLE RECYCLED WATER SCHEMES	 COLLABORATING with STAKEHOLDERS to DELIVER INTEGRATED WATER SOLUTIONS and MORE LIVABLE COMMUNITIES	 CONSIDERING use of RENEWABLE ENERGY or CARBON OFFSETS to REDUCE the ENVIRONMENTAL FOOTPRINT of the DESALINATION PLANT	 DELIVERING SUPPLY OPTIONS that HAVE BROAD COMMUNITY SUPPORT	 PROVIDING ONGOING ROBUST / RIGOROUS COMMUNITY ENGAGEMENT OPPORTUNITIES
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Customer engagement underpinning our pricing proposal



- Built upon several years of ongoing engagement
- Proposal shaped by insights from almost 9,000 customers, community and stakeholders.

We built on insights from engagement since 2018..



Vulnerability



Performance standards & rebates



Lower Hunter Water Security Plan



Customer journey mapping

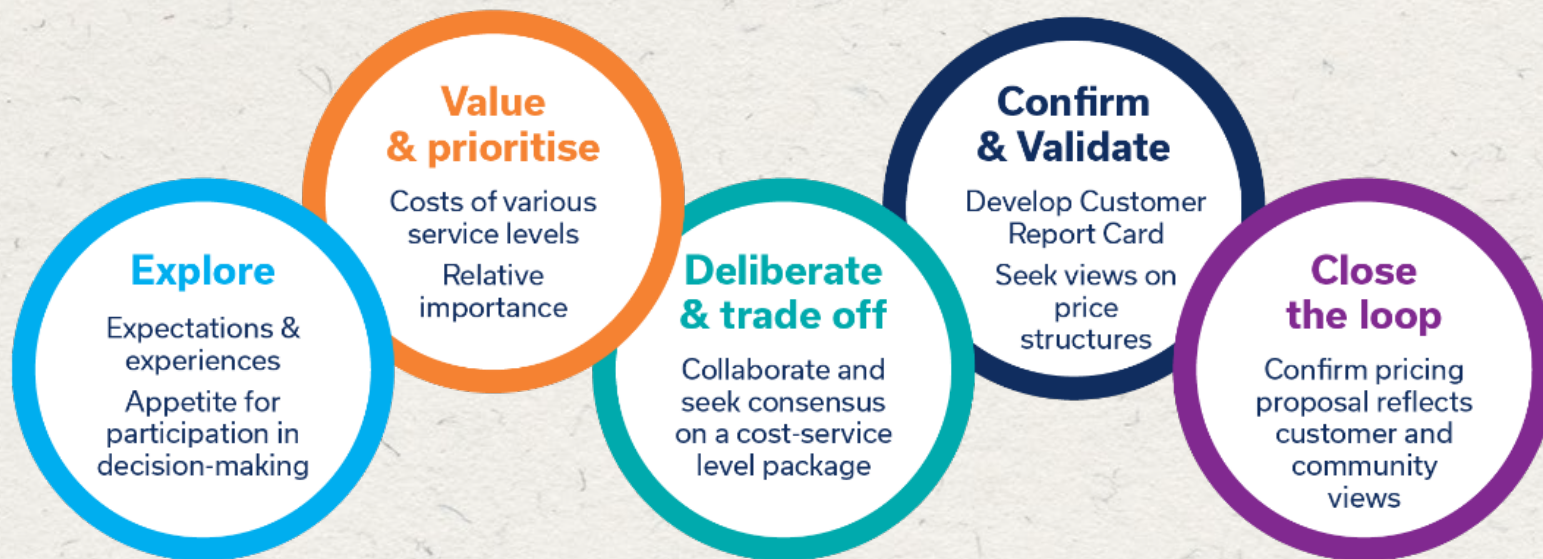
...and continue to reflect feedback from ongoing engagement



Customer experience monitoring



Quarterly community survey



STAGE 1
Jul – Nov 2022

STAGE 2
Feb – June 2023

STAGE 3
Nov 2023 - Mar 2024

STAGE 4
May 2024

STAGE 5
Aug 2024

Submit pricing proposal to IPART September 2024

We will deliver six outcomes that will create long-term value for our customers, community and the environment



Outcome	Progress
High quality services	<input checked="" type="radio"/>
Value for money, and affordable	<input checked="" type="radio"/>
Water security	<input checked="" type="radio"/>
Great customer service	<input checked="" type="radio"/>
Environmentally sustainable	<input checked="" type="radio"/>
Community-focused	<input checked="" type="radio"/>

Customers are experiencing cost-of-living challenges and it's a priority to keep bills as low as possible



43% identified their financial situation as just meeting basic expenses or don't have enough to meet basic expenses



31% of customers told us they struggled to pay either their water bill or another bill (electricity, gas, phone/internet, mortgage or rent) on time over the past year



We help around **1,300** customers each year who are experiencing temporary or permanent financial vulnerability and need assistance with their bills

We've challenged ourselves to keep bills as low as possible

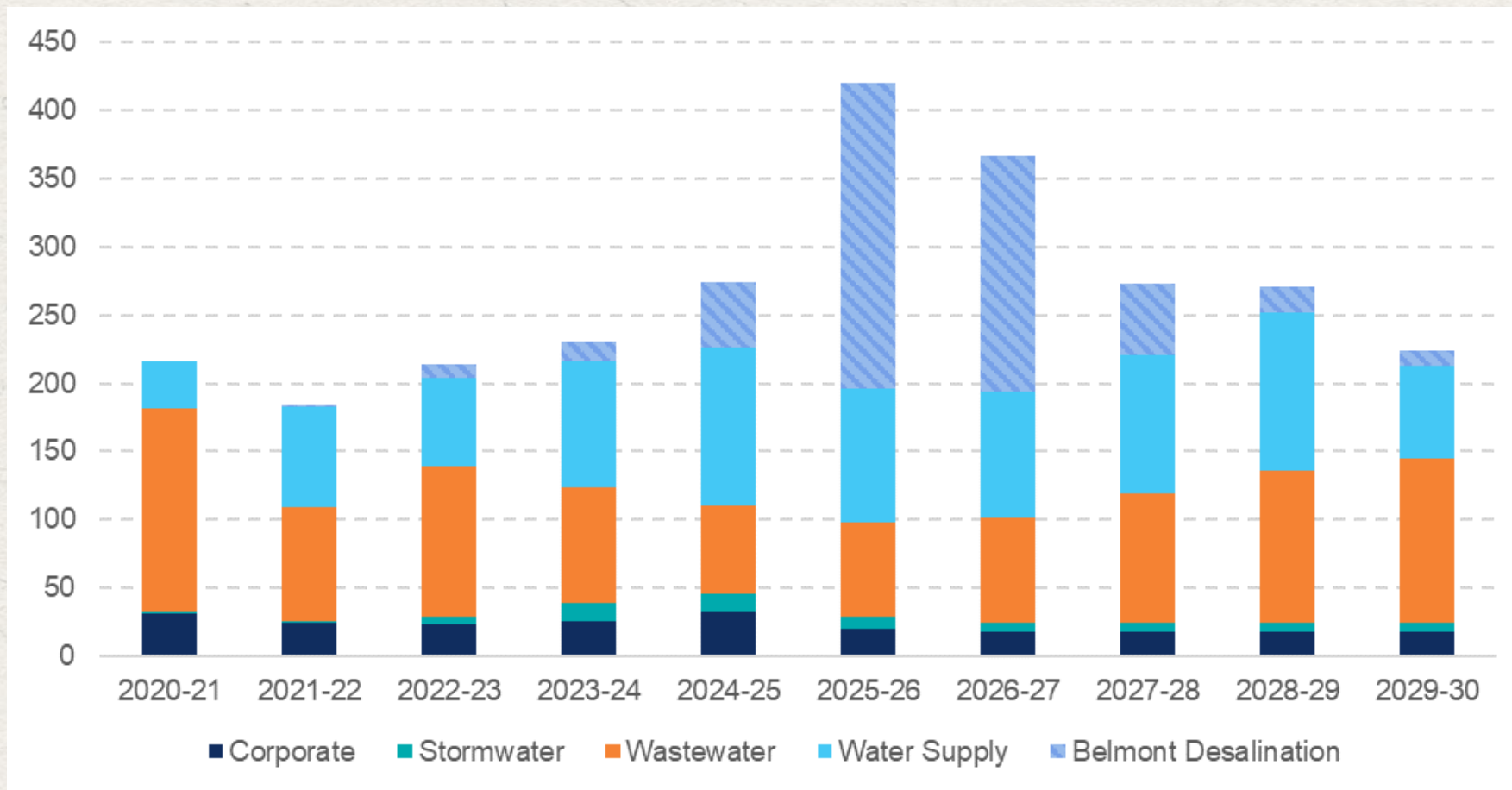


Prioritising investment to spend only what is essential

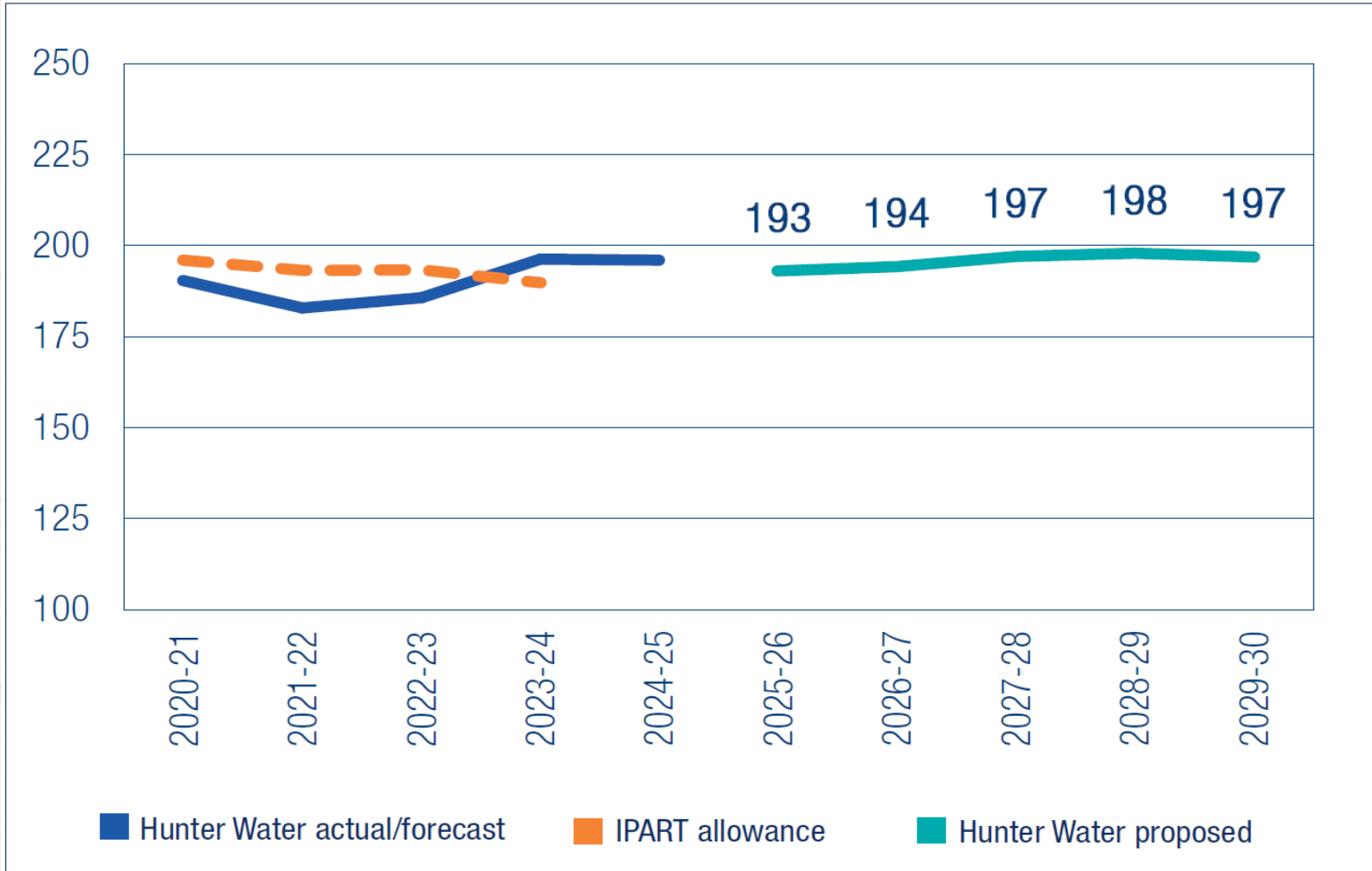
Taking on more risk in areas we can monitor and adapt

Including an ambitious cost efficiency target

Excluding the Belmont Desalination Plant, our proposed expenditure is about the same as in the current pricing period



Proposed operating expenditure



We continue to be a relatively low-cost water service provider

Water prices need to increase to ensure we can continue to deliver reliable, high-quality water services and secure the region's water future



Proposed water prices	2024-25	2025-26	2029-30
Water usage - \$ per kL	2.89	3.19	4.40
Water service (per dwelling or 20mm meter) - \$ per year	27.58	42.52	102.30
Proposed wastewater prices	2024-25	2025-26	2029-30
House	789.18	804.84	851.83
Apartment	730.00	768.25	818.68
Proposed stormwater prices	2024-25	2025-26	2029-30
House	97.04	111.79	170.81
Apartment	35.91	41.37	63.21
Small non-residential property area	97.04	111.79	170.81
Very large non-residential property area	6,404.36	7,378.03	11,272.73

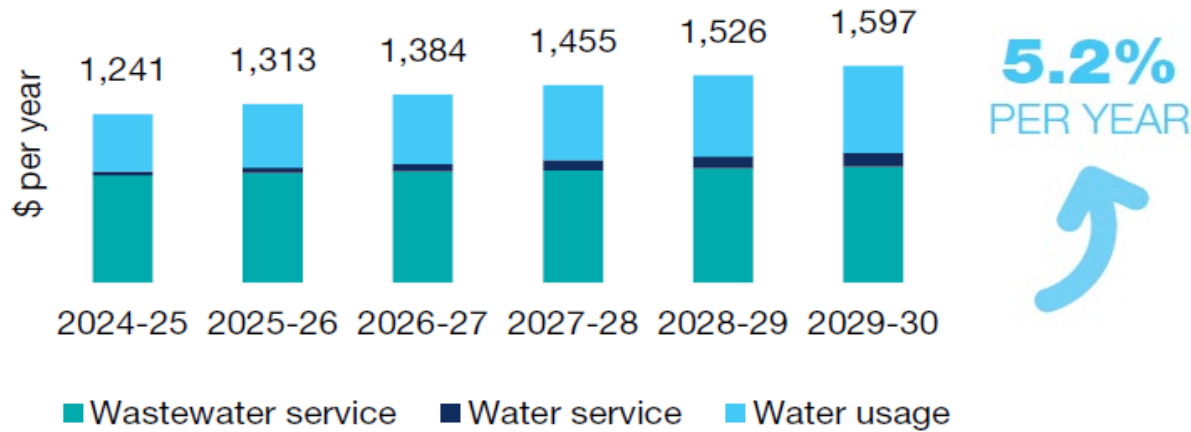
We listened to our customers who supported putting most of the water price increase in the variable charge

All prices are shown 'before inflation'

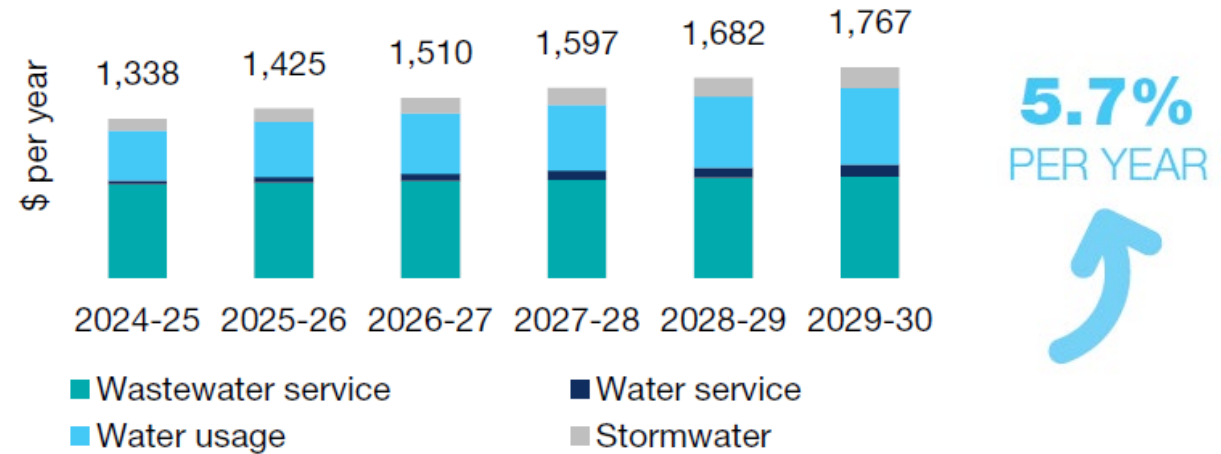
What this means for typical residential customer bills



Water and wastewater (without inflation)



Water, wastewater and stormwater (without inflation)

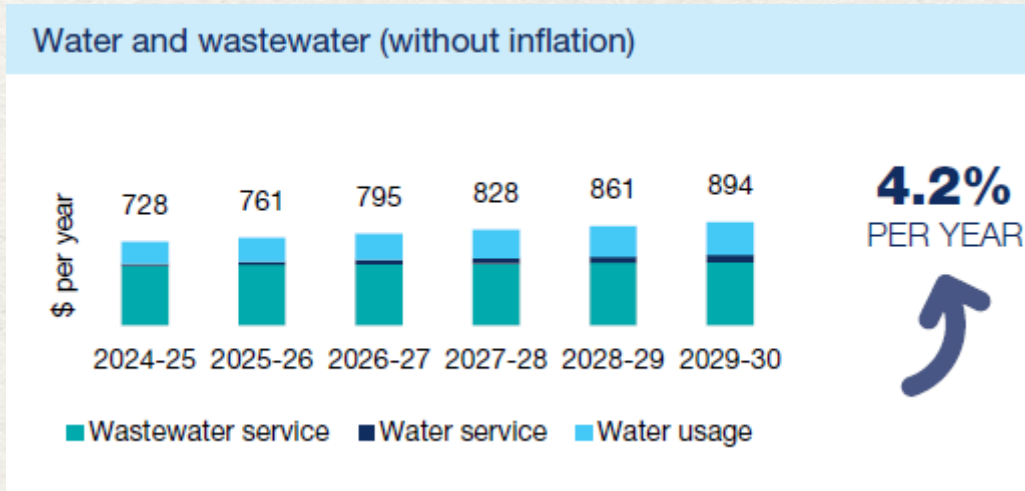


A typical household is three to four people who own their home, live in a house and have a mid-range water use (146kL per year)

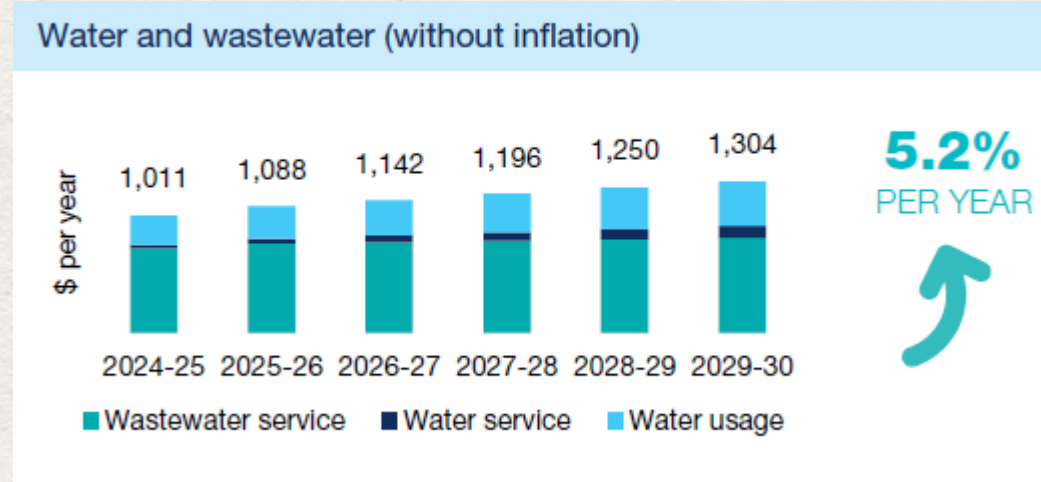
Other household types



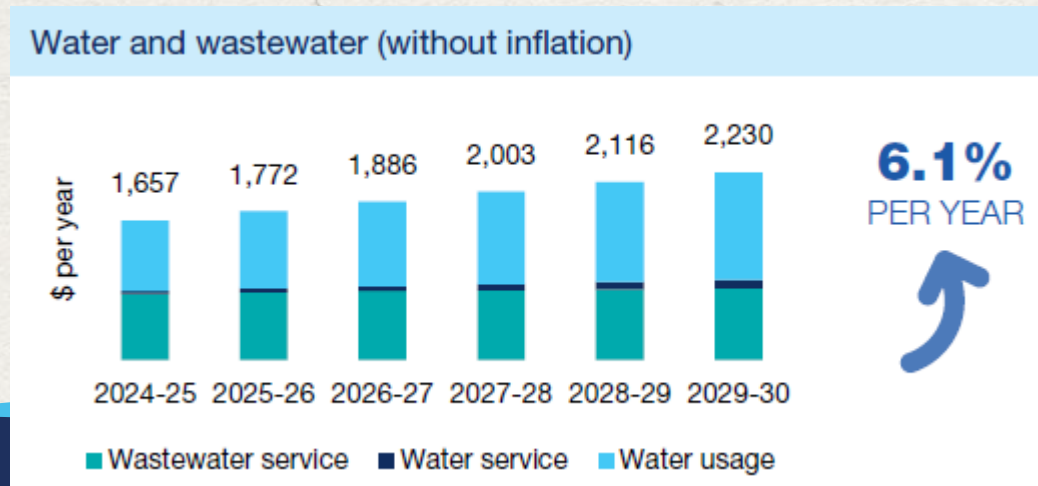
Pensioner Household



Small Household



Large Household



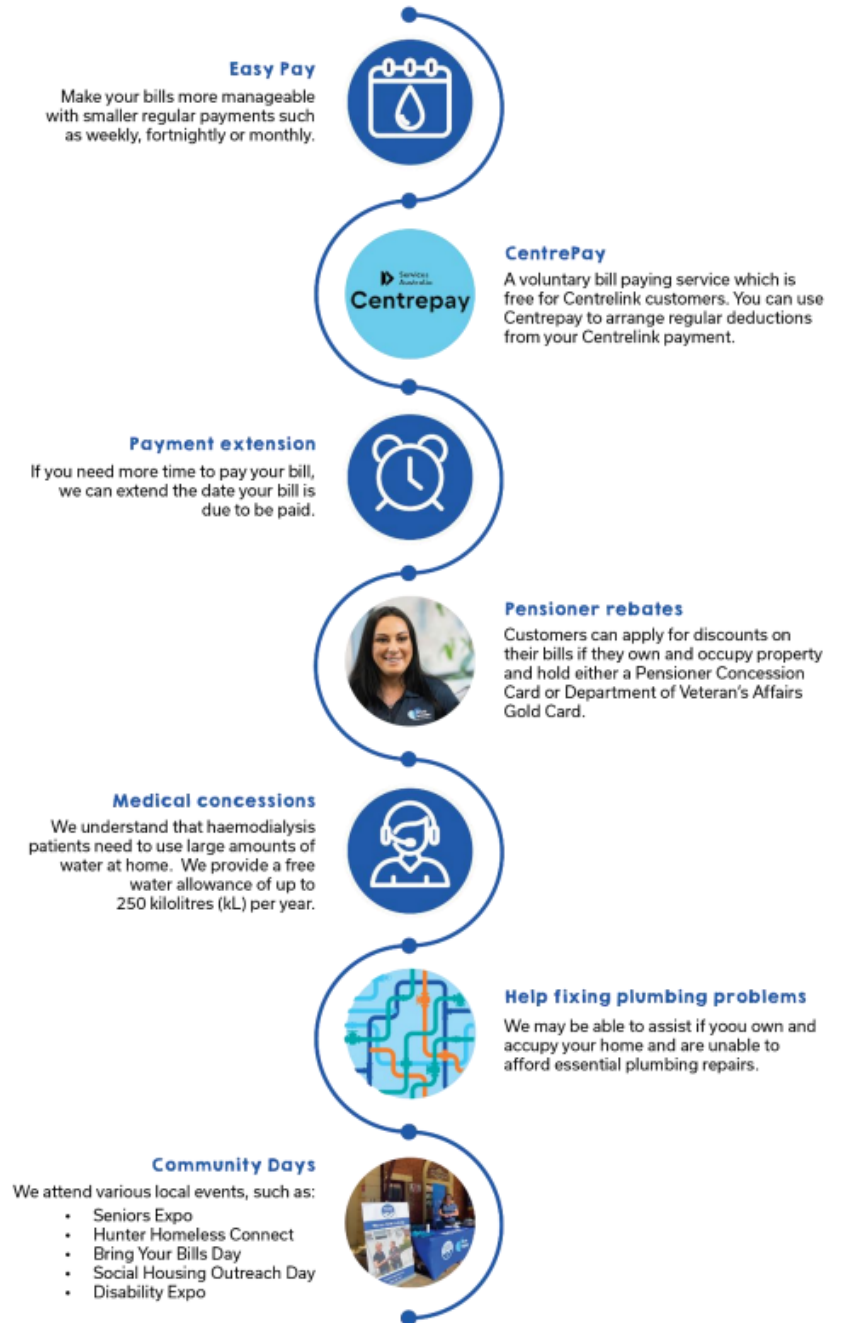
We have strengthened our overall support for customers

Enhancing how we proactively identify factors that could affect people experiencing vulnerability

Additional outreach and other awareness raising activities

Almost double the number of water audits to help find leaks and provide advice on ways to save water

Figure 9.17: Our customer assistance programs



THANK YOU

Any questions?



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