

Author name: Name suppressed

Date of submission: Wednesday, 4 December 2024

Your submission for this review:

██████████ InfraBuild Wire Pty Ltd. To the NSW IPART Tribunal and Committee, Please see the attached submission from InfraBuild in Newcastle regarding the proposed pricing arrangements. As one of Hunter Water's top 10 consumers of water we are seeking a different pricing structure than domestic consumers , given the revenue that we currently contribute to the Hunter Water network. Regards ██████████ 4th Dec. 2024.

[REDACTED]
InfraBuild Wire Pty Ltd.

PO Box 245c

Newcastle 2300

Date: 4 th December 2024.

Subject: Submission to IPART on the Hunter Water 2025 to 2030 Price Proposal

Attention: NSW IPART Tribunal and Committee.

InfraBuild Newcastle is a large Steel Rod & Wire Manufacturer at Mayfield, Newcastle. We are a large local and National employer competing in a tough market that supports Australia's Construction/Rural/Mining sectors by the provision of essential input materials. Our site at Newcastle employs 1000 people.

We are an Australian Steel producer facing increasing competition from Chinese products.

As you are aware Hunter Water have proposed to increase water charges significantly over the next 5 years. These increases are being put forward to pay for capital improvements, namely the Desalination Plant at Belmont.

This letter is to express our concern about the size of these rate increases and the impact of these increases on our operations.

In FY24 our site consumed 320 Mega Litres of water, putting us in Hunter Water's top 10 customers based on consumption. Our Water Bill for FY24 was \$950,000.

In recent face-to-face discussions with Hunter Water about these pricing changes, we calculated the proposed price increases represent an additional \$550,000 per year in real terms over the next 5 years. This will make our water bill \$1,500,000 in today's dollars in 2030. This does not include inflation factors which will compound these numbers.

Water supply is an essential service for our Industrial processes. Water is used for makeup in our galvanizing processes and cooling water for our wire drawing processes. Prior to FY24 the site worked with Hunter Water to determine if any significant leakage was present in our systems or there were any easy wins available to reduce our sites water usage.

Currently there are no easy wins left to be gained. Given our water balance is already tight, this latest proposed increase in price is very unsettling. On top of these changes we now realise the changes do not provide our site with any additional supply security over the current arrangements in the event of an extended drought.

Our current water charge rates are no different from domestic consumers. We do not receive any bulk discount.

The price increases proposed will impact on our profitability, as we work in an international market with small margins and there is very limited ability to pass on this loss of revenue onto our customers as price increases due to international competition.

InfraBuild's profitability determines our ability to invest in our own capital improvements. These increased prices will reduce our ability to maintain, and upgrade older assets on site, such as water mains.

In reviewing the proposed water charges InfraBuild is seemingly penalised for being a large consumer of water, and revenue provider, to Hunter Water. Infrabuild is seeking a more equitable pricing structure in the form of a discounted rate for our higher usage. This would recognise our financial contribution to Hunter Water as a large consumption site, and the revenue we provide Hunter Water in supporting the overall local water network cost structure.

InfraBuild looks forward to your feedback on this submission. Our business will continue to work constructively with Hunter Water on any water saving opportunities that may arise in the coming years.

Please feel free to contact me if any part of this letter requires clarification.

Yours Faithfully,

A solid black rectangular box used to redact the signature of the sender.

InfraBuild Wire Environment Manager.