

FACT SHEET 3

Changes to the Ratio of Fixed and Usage Charges

IPART has announced a major change to the ratio of fixed and usage charges for water. This recognises the customers' ability to pay in times of drought and brings State Water charges in line with other water utilities, such as town water utilities.

In accordance with State Water Corporation's Operating Licence, IPART has announced a change in the ratio of fixed to usage charges. The ratio for 2006/07 will be 50% for usage and 50% for fixed, and will move to 60% usage, 40% fixed in 2008/09. (Previously 30% usage and 70% fixed). This means that the bills will be less in drier times when water usage is lower.

	Current Ratio	From 1 Oct 2006	From 1 July 2008
Entitlement (Fixed)	70%	50%	40%
Usage (Variable)	30%	50%	60%

Bills for water will be less in drier times when water usage is lower. The bills will only increase significantly in times of high allocations, when customers are able to generate higher incomes from the use of their water allocations.

A Ready Reckoner to determine the actual price increases to customers is available on the internet at www.statewater.com.au/water_pricing.htm – follow the link to the Ready Reckoner. Use the Ready Reckoner to calculate the effect of the new prices on your business.

The change to the ratio of charges between fixed and variable also means that during a drought year, State Water has lower revenue from water and will be forced to make adjustments. A review of service levels will be undertaken as part of State Water's budgeting process. Some services may need to be negotiated. State Water will be consulting with Customer Service Committees to determine what changes may occur.

For more information:

Please contact your local Customer Service Officer. Contact details are available at www.statewater.com.au.

Further information on the IPART process is available at www.ipart.nsw.gov.au.