

# Media Release

John Kaye MLC

Greens NSW MP

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## **Tillegra pricing decision: drink now, pay up later big time**

Hunter residents could end up paying more than \$250 a year for a dam that is unnecessary, according to Greens NSW MP John Kaye.

Commenting on independent pricing regulator IPART's final price determination for Hunter Water, Dr Kaye said: "If IPART's prediction for population growth in the Lower Hunter does not eventuate, Newcastle residents will face crippling water bills over the next three decades and beyond to pay for Tillegra Dam.

"The regulator could not justify imposing payment for about 60 percent of the costs onto current residents. These costs are being put off to be paid for as population increases over the next 40 years.

"Tillegra Dam is being paid for on the utility equivalent of credit card debt.

"While initial payments are about \$30 a year for each household, IPART estimates the price will rise to \$110 a year.

"However, IPART is assuming a 125 percent increase in the Hunter's population over the next four decades.

"Without population growth the people of the Hunter will be left paying off a massive loan.

"Our estimate is that household bills could increase by more than \$250 a year if population levels stabilise.

"IPART is also forcing consumers to pay for any cost blowouts in the dam. Household bills could leap pass the \$250 annual increase if Hunter Water fails to bring the project in on budget.

"The regulator admits that it has problems with justifying the construction of the dam to deal with drought relief, but its hands were tied by then NSW Water Minister Nathan Rees.

"By not allowing IPART to question the need for Tillegra, the NSW government has locked the people of Newcastle into unacceptable risk of rising water bills.

"The contortions that IPART had to go through to set prices to pay for Tillegra is a measure of how much this project is not needed," Dr Kaye said.

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