

HOW DO MOUNT ISA WATER BOARD'S WATER CHARGES WORK?

Access to clean drinking water is a necessity for all of us. That's why Mount Isa Water Board (MIWB) was set up to provide safe and secure water supply for the lowest sustainable cost.

MIWB provides bulk water to Mount Isa City Council for supply to approximately 20,000 local residents. We also supply two large industrial customers, MIM and Incitec Pivot.

On average, each Mount Isa household consumes about 450,000 litres of water each year. That means MIWB treats and supplies on average approximately 18 million litres of clean drinking water to the Mount Isa community every day. MIWB also supplies industrial customers with about 30 million litres of semi-treated water each day.

To achieve this, we operate and maintain water supply and treatment assets that are worth more than \$137 million, and conduct more than 32,000 water quality tests each year. Because all of Mount Isa's water needs to be pumped from bulk storage to our customers, this is one of the most energy intensive bulk surface water supplies in Australia, requiring about the same amount of electricity as the supply to much larger cities such as Geelong or Canberra.



So how do we charge our customers for safe and secure water supply?

MIWB's charges, in accordance with contracts agreed with customers, have two main parts.

1. **Fixed charge:** Customers pay an agreed share of the costs of MIWB's water assets, including operating and maintenance costs. That share is based on the maximum daily water capacity agreed with each customer. Within the capacity of the infrastructure, most costs don't change irrespective of the amount of water used by customers.
2. **Variable charge:** Customers pay a share of the costs that vary depending on the volume of water we supply. This includes chemicals to treat the water and energy to pump it from MIWB's storage to each customer's supply point. This charge varies depending on whether the water comes from Lake Moondarra or Lake Julius and where it is delivered to.

Our total water charges to Mount Isa City Council currently average approximately \$1.50 per 1,000 litres, which is **about half the amount being paid by Brisbane water consumers**. This covers only the actual economic cost of providing our service.

This formula has been agreed between MIWB and our large customers from 2010 until about 2030. That means MIWB can plan for the future of Mount Isa's water supply infrastructure and invest with confidence to ensure we continue to provide safe and reliable drinking water at the lowest sustainable cost.

