

6 May 2025

Ms Carmel Donnelly
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Ms Donnelly

Draft report - Review of prices for Hunter Water 2025-30

Thank you for the opportunity to comment on this draft report, which is part of IPART's Review of Prices for Hunter Water from 1 July 2025.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers including Hunter Water. Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities.

We support IPART's draft recommendation that the NSW Government review pensioner concessions for water and wastewater bills across NSW. We also support the recommendation that water rebates should be targeted to assist those most in need, and we would welcome more information on a possible utility rebate.

In the report, IPART uses an affordability benchmark based on the United Nations suggestion that water costs should not exceed 3% of household income.

IPART's own analysis shows that the current water pensioner rebate in NSW generally assists single and couple pensioner households to remain below this 3% threshold, but certain households would exceed the threshold and could face financial hardship from the proposed increase in prices. The affected households identified by IPART are some of the households most at risk of experiencing vulnerability.

This issue is particularly important for renters. Water customers are only eligible for a pension rebate if they are the owner and occupier of a residential property.

Hunter Water has identified that around just under 70% of its customers are homeowners and 28% are renting¹. IPART also identifies that renters, who are generally responsible for paying the water usage charges (but not water service charges), will experience relatively larger bill impacts due to the increased water usage charges proposed by Hunter Water.

¹ IPART, 2025 Hunter Water price review, Public Hearing Transcript, November 2024, p4

This means that almost a third of Hunter Water's customers will be disproportionately affected by the proposed price increases, and the most vulnerable of these households will not have access to rebate support. It is also recognised that, on average, renters spend a bigger share of their disposable income on housing costs, relative to owners with a mortgage.

It is our view that rebates for water customers are no longer fit for purpose considering increasing prices and the potential impact of drought pricing.

I will be writing to the Hon. Rose Jackson, Minister for Water, to raise awareness of IPART's draft recommendations and our own concerns about the effectiveness of rebates for water customers in NSW.

If you would like to discuss this matter further, please contact Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW