

4 September 2026

Mr Anthony Wing
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Mr Wing

Hunter Water operating licence review 2026-27

Thank you for the opportunity to comment on IPART's review of the Hunter Water Operating Licence – Issues Paper.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers, 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 have only responded to those questions in the issues paper that align with issues customers have raised with us.

If you would like to discuss this matter further, please contact Bryce Purches, Manager Policy and Systemic Issues on (02) 9078 6901 or brycep@ewon.com.au.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW

EWON Submission – Hunter Water Operating Licence Review – Issues Paper

Summary of EWON's responses and recommendations:

- **Language and vulnerability:** EWON recommends that IPART and Hunter Water replace the term 'hardship' with less stigmatising language such as 'affordability' in the customer contract and Hunter Water's policy (consultation question 5).
- **EWON contact information on customer bills:** EWON recommends amending clause 5.5(4) of the Customer Contract to require Hunter Water to include information about external dispute resolution services on their bill, consistent with the requirements that apply to energy retailers under the Australian Energy Regulator (AER) Better Bills Guideline.¹ (consultation question 5).
- **First Nations engagement:** EWON supports the inclusion of First Nations engagement requirements in the Hunter Water 2022-2027 Operating Licence (consultation question 4).
- **Pension rebates:** EWON continues its call to the NSW Government to widen the breadth of rebates to include other households (such as renters, large households and others experiencing vulnerability) and to reiterate the need for a review of and improvements to existing rebate arrangements more broadly (consultation question 6).
- **Making information publicly available about how the Customer Contract applies to consumers:** EWON supports the approach proposed by Hunter Water in its submission and recommends introducing specific reporting obligations for Hunter Water on customer outcomes for both customers and consumers (consultation question 7).
- **Performance Reporting:** EWON recommends that IPART consider expanding Hunter Water's reporting requirements to include additional measures relating to payment difficulty assistance and customer vulnerability (consultation question 20).
- **Alignment of Sydney Water and Hunter Water Operating Licences:** EWON encourages IPART to promote stronger alignment between the operating licence frameworks for Hunter Water and Sydney Water where this can be achieved while maintaining or strengthening customer and consumer protections (consultation question 20).

We have only responded to those questions in the issues paper that align with issues customers raise with EWON.

Question 4 – What are your views on whether the licence should include requirements for Hunter Water to engage with First Nations people?

We support the inclusion of First Nations engagement requirements in the Hunter Water 2022-2027 Operating Licence. Such requirements would be consistent with the NSW Government's commitment to ensuring water agencies meaningfully engage with Aboriginal and Torres Strait Islander peoples and recognise their enduring connection to Country, including their knowledge, rights, interests and responsibilities in relation to water.

¹ Australian Energy Regulator (AER), Better Bills Guideline (Version 2), 30 January 2023. Made under Rule 25A of the National Energy Retail Rules (NERR).

The recently released NSW Aboriginal Water Strategy establishes clear government priorities to increase Aboriginal peoples' access to and ownership of water, strengthen Aboriginal participation in water governance and decision-making, embed Aboriginal knowledge in water management, and recognise the importance of healthy water systems to Aboriginal wellbeing, culture and connection to Country.² Introducing requirements for Hunter Water to engage with First Nations people would:

- reinforce the NSW Government's ongoing commitment to Aboriginal self-determination in water management and Closing the Gap priorities.
- ensure First Nations peoples continue to have meaningful opportunities to participate in decisions affecting waterways, cultural values, water security, infrastructure planning and environmental outcomes.
- improve the recognition and incorporation of Aboriginal cultural knowledge, cultural values and caring for Country approaches into water planning and service delivery.
- strengthen relationships, trust and transparency between Hunter Water and Traditional Owners and Aboriginal communities across its area of operations.
- support better environmental, cultural, social and community outcomes through more informed and locally grounded decision-making

Hunter Water's submission outlines its current approach to engagement with First Nations people, including elements such as its:

- Community Engagement Strategy
- Customer, Consumer and Community Consultation Procedure
- Reconciliation Action Plan (RAP)
- Aboriginal and Torres Strait Islander Engagement Framework.

Including First Nations engagement within the operating licence would elevate Hunter Water's commitment to these existing initiatives, provide greater accountability and help ensure engagement remains consistent across future organisational and governance changes.

While we support inclusion of a licence requirement, consideration should be given to ensuring the obligation focuses on meaningful engagement rather than compliance-based consultation. Potential challenges include:

- ensuring engagement processes recognise the diversity of Nations, Traditional Owners and Aboriginal organisations across the Hunter region.
- avoiding consultation fatigue through coordinated engagement approaches.
- providing adequate time, resources and remuneration to support meaningful participation.
- respecting Indigenous Cultural and Intellectual Property (ICIP), cultural authority and Aboriginal data sovereignty principles.

² NSW Department of Climate Change, Energy, the Environment and Water, NSW Aboriginal Water Strategy, October 2025

Question 5 – Are there any other issues with the Customer Contract that we should consider as part of the Review? Please provide examples of how the issues have presented themselves during the current licence term.

Language and Consumer Labelling

We note that the current Hunter Water customer contract refers to the *Debt Recovery and Hardship Policy*.³ The policy itself uses the term ‘hardship’ to define the circumstances in which Hunter Water can provide additional support to customers.⁴

EWON recommends that IPART and Hunter Water replace the term ‘hardship’ with less stigmatising such as ‘affordability’ in the customer contract and Hunter Water’s policy.

This aligns with EWON’s call on energy regulators and governments to cease the use of stigmatising language across the energy sector.

EWON has argued many times in our work on energy affordability that the word ‘hardship’ is a discriminatory or dysfunctional label. It labels individuals in a way that fails to recognise that essential services, including water, are unaffordable for many people. It is unhelpful for provider mindsets when identifying customers with affordability difficulties – and hinders customer self-identification. If we refer to affordability rather than ‘hardship’, for example, a greater number of customers may be willing to self-identify.

The AER has now recognised this in its review of payment difficulty protections, proposing that terminology be updated to avoid the stigmatising language of ‘hardship’, which it found can discourage customers from accessing assistance.⁵

External Dispute Resolution Information on Bills

EWON recommends amending clause 5.5(4) of the Customer Contract to require Hunter Water to include information about external dispute resolution services on water bills.

This requirement would align the consumer protections for water customers with the existing provisions for energy customers. The benefits for customer awareness of both internal dispute resolution and external dispute resolution are invaluable and help build trust in utilities.

Customer bills are one of the few communications received regularly by all customers and are therefore an effective mechanism for communicating complaint and review rights. Given that billing issues are a common source of customer complaints, clear signposting of independent dispute resolution services should support earlier resolution of common complaints and improve customer awareness of available escalation pathways.

³ IPART, Hunter Water Customer Contract, 2022-2027, clauses 5.3, 6.1(1), 7.1(1) & 7.2(7)

⁴ Hunter Water, Debt Recovery and Hardship Policy, sections 1.1, 2, 4.2, 5 & 6

⁵ Australian Energy Regulator, Review of payment difficulty protections in the National Energy Customer Framework – Findings Report, May 2025, p. 14

The bill should contain information on both EWON's role and Hunter Water's internal complaint handling procedures.

Background on the requirement to include external dispute resolution information on energy bills

In March 2022, the Australian Energy Regulator (AER) introduced the requirement for energy retailers to include telephone numbers on the first page of an energy bill for customers to:

- make account enquiries and complaints
- contact the relevant energy ombudsman.

In January 2023, the AER made the decision to retain this requirement for energy retailers.

Since these obligations were introduced for energy retailers, energy ombudsman offices from New South Wales, Queensland and Victoria have experienced some additional customers contacting our offices when they have not yet contacted their retailer, with some offices seeing more of an increase than others. EWON has robust processes to manage these contacts which includes providing those customers with free, fair advice and information about how to resolve their complaint directly with their energy retailer. The free call number for EWON provides customers with a welcome message so that any customers contacting EWON inadvertently, have the choice to end the call and contact their retailer instead.

In August 2025, the AER extended this obligation to exempt entities for embedded networks. This means that since July 2026, energy bills for embedded network customers must include telephone number and website details for the exempt customer's energy ombudsman office.

Question 6 – What are your views on whether the current rebate arrangements appropriately compensate customers and encourage service performance? Please provide examples of how the existing rebates could be improved and outline any benefits, risks and challenges of doing so.

Pensioner Rebates

In our previous submissions EWON has called for a review of pensioner and/or low-income water rebates. These rebates remain unfit for purpose. This position is supported by the Productivity and Equality Commission review of funding models for local water utilities in 2024.⁶ The Commission made findings that pensioner water rebate amounts and funding are inconsistent across NSW. For example:

- Different approaches mean that pensioners who are customers of Greater Sydney receive around \$602 per annum, Hunter Water receive only around \$380 per annum, and Local Water Utilities receive \$175 per annum.
- Pensioner water rebates are only available for households which pay a water service charge, which means renters are not eligible under current billing arrangements. If the objective is

⁶ The NSW Productivity and Equality Commission, Review of funding models for local water utilities, Final report, July 2024, p. 105.

assisting pensioners with costs of living pressures the current approach is poorly targeted as only those pensioner households that own their own residence receive a payment.

Hunter Water has outlined in its pricing proposals that its community has a higher degree of relative socioeconomic disadvantage than Sydney and other metropolitan areas. This includes:

- Several areas of significant relative socioeconomic disadvantage.
- A higher proportion of relatively disadvantaged, and far lower proportion of relatively advantaged postcodes than in Greater Sydney.
- A higher proportion of the population receiving Government benefits than in Greater Sydney.
- A generally lower gross household incomes than in Greater Sydney.

Many households in the Hunter region continue to feel the impact of cost-of-living pressures including inflation, increased interest rates and higher utility prices and may find an increase in their water bill difficult to manage.

EWON continues its call to the NSW Government to widen the breadth of rebates to include other households (such as renters, large households and others experiencing vulnerability) and to reiterate the need for a review of and improvements to existing rebate arrangements more broadly.

Question 7 - What are your views on requiring Hunter Water to make information publicly available regarding how provisions under the Customer Contract apply to consumers (i.e. tenants or property occupiers that are not landowners)? Are there any benefits or risks that we should consider in making our recommendation?

EWON continues to advocate for equal protections for customers and consumers. Given that tenants and other non-landowning occupiers tend to have less visibility of the water account, it is particularly important that they can readily access Customer Contract provisions that affect them.

We note that Hunter Water's submission supports a licence requirement aimed at ensuring tenants can readily access clear information explaining how relevant Customer Contract provisions apply to them.

Hunter Water notes that any such requirement should remain outcomes-focused and should not prescribe specific communication channels, formats or products. Hunter Water advises that it should retain flexibility to determine how information is communicated, having regard to consumer preferences, technological change and evolving communication practices.

We welcome the initiatives outlined by Hunter Water in its submission – including that it recently commissioned dedicated qualitative research with tenants across the Lower Hunter to better understand their experiences, information needs and interactions with water and wastewater services. The research involved 24 in-depth interviews with tenants and landlords across a diverse mix of rental circumstances, including private rentals, social housing and share-house arrangements.

Hunter Water's research suggests initiatives like a dedicated tenant information on its website, frequently asked questions, examples of common scenarios, and short case vignettes that demonstrate how tenancy-related processes work in practice. Participants also identified tenancy-related channels as important avenues for sharing information

In principle, EWON supports the approach proposed by Hunter Water in its submission.

To help the NSW Government consider improvements to our water customer framework for the future, EWON recommends introducing reporting obligations for Hunter Water on customers and stakeholder relations be expanded to include reporting on customer outcomes for both customers and consumers.

An obligation to report on the number and type of complaints received from consumers will also help inform both Hunter Water and IPART on whether, over time, there is adequate information publicly available regarding how provisions under the Customer Contract apply to consumers.

We have provided more detail on this in our response to question 20.

Question 20 - Are there any other issues or concerns that we should consider as part of our review?

Performance Reporting

Hunter Water's submission supports an approach to this review that focuses on outcomes rather than prescriptive processes. Hunter Water notes this would allow some flexibility in how the outcomes are achieved.

If IPART determines that Hunter Water's operating licence be based on a principled or outcomes-based approach, it is also important to introduce requirements for Hunter Water to publicly report on customer and consumer outcomes.

Clause 39(1) of the Operating Licence gives IPART the ability to determine Hunter Water's reporting and auditing obligations in a Reporting Manual. It is EWON's understanding that the Reporting Manual is up for review alongside the Operating Licence. As such, EWON recommends that IPART consider expanding Hunter Water's reporting requirements to include additional measures relating to payment difficulty assistance and customer vulnerability.

Recent regulatory developments demonstrate a growing recognition that customer outcomes should form part of utility performance monitoring. For example, in its *Final Report – Essential Water Prices 2026-2031* IPART introduced value for money and affordability as a performance outcome and required reporting on a range of indicators related to payment difficulty and customer debt.⁷

EWON recommends that Hunter Water reporting obligations relating to Customers and stakeholder relations⁸ are aligned with the reporting obligations for Sydney Water⁹ and Essential Water¹⁰.

For example, Hunter Water could report on:

- complaints received from customers and consumers
- assistance provided to customers and consumers experiencing payment difficulty

⁷ IPART, *Essential Water Prices 2026 – 2031: Final Report*, June 2026, p. 106.

⁸ IPART, Hunter Water Reporting Manual, 2022-2027, Section 4.1.1, p10

⁹ IPART, Sydney Water Reporting Manual, 2024-2028, Section 5.1.1, p13

¹⁰ IPART, *Essential Water prices 2026-2031, Final Report*, June 2026, Table 9.1, p106

- customers and consumers identified as being affected by family violence.

As recommended in our response to question 7, these performance measures should consider tenants and other non-owner occupants as well as owners to provide a more complete understanding of consumer experiences.

Alignment of Sydney Water and Hunter Water Operating Licences

EWON encourages IPART to promote stronger alignment between the operating licence frameworks for Hunter Water and Sydney Water where this can be achieved while maintaining or strengthening customer and consumer protections. Where there is no clear policy rationale for divergence, EWON considers that maintaining a broadly consistent regulatory framework across NSW water utilities would support consumer understanding, regulatory efficiency and consistent customer and consumer protections.