



10 April 2013

Review of prices for Hunter Water Corporation
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230
ipart@ipart.nsw.gov.au

Thank you for the opportunity to comment on the IPART *Draft Determination and Report on the review of prices for water, sewerage, stormwater drainage services and other services for Hunter Water Corporation, from 1 July 2013 to 30 June 2017.*

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON welcomes Hunter Water Corporation's announcement that from 1 July 2013 Centrepay will be offered as a payment option to its customers. Centrepay enables customers in receipt of Centrelink pensions and benefits to make small regular payments through Centrepay, which can reduce the financial impact of a large water bill each quarter.

The proposed price increases for typical residential customers of Hunter Water Corporation are moderate compared to prices recently proposed for the Gosford Shire Council and Sydney Water areas.

EWON notes that while the proposed price increases for residents living in houses and pensioners are relatively lower, residents living in flats and units will be more significantly impacted. The increase for the average resident living in flats and units is 15.6% over 4 years, compared to 6.7% for residents living in houses and 2.1% for pensioners. We note that the price rise for residents of flats and units occurs at a time when consumers also face increase in electricity and gas prices, and increases in the cost of other commodities.

EWON agrees with IPART's approach to transition the impacts of last year's pricing restructure of metropolitan water agencies over the determination period. EWON believes that this approach is balanced and minimises variation in prices year to year.

EWON is concerned that the price rise may adversely impact on pensioners who are tenants. As EWON has noted in previous submissions¹ on water pricing determinations,

¹ For example, see EWON submission to IPART's *Review of prices for water, sewerage and stormwater drainage services for Gosford City Council and Wyong Shire Council 2013 – 2017*, available at <http://www.ewon.com.au/index.cfm/news/submissions/>



Energy & Water
Ombudsman NSW

PO Box A2436
Sydney South NSW 1235

Admin (02) 8218 5250
Fax (02) 8218 5233
Freecall 1800 246 545
Email omb@ewon.com.au
Web www.ewon.com.au

ABN 21 079 718 915

tenanted pensioners are currently not eligible for the pensioner rebate on their water charges because they do not have a water account. This is an issue in the context of increasing costs, since the most financially vulnerable pensioners are often those who live in private rental accommodation.

The level of pensioner rebate is also an issue that continues to arise in the context of affordability of essential services. EWON considers that there is no consistency in the various levels of pensioner rebates set by different water providers. As part of this review EWON suggests that IPART encourage a review of the current levels of pensioner rebate, to foster a more consistent and equitable approach across different water providers.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy, on 8218 5250.

Yours sincerely

A handwritten signature in cursive script that reads "Clare Petre".

Clare Petre
Energy & Water Ombudsman NSW