



15 November 2021

Ms Carmel Donnelly
Chair
Independent Pricing and Regulatory Tribunal
PO Box J35
Haymarket Post Shop
NSW 1240

Dear Ms Donnelly

2021-22 Review of the Hunter Water Operating Licence

Thank you for the opportunity to comment on IPART's review of the Hunter Water Operating Licence – Issues Paper September 2021.

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 have only responded to those questions in the issues paper that align with issues customers raise with EWON, as they relate to this review.

If you would like to discuss this matter further, please contact me or [REDACTED] Manager Policy and Research, on [REDACTED]

Yours sincerely

[REDACTED]

[REDACTED]

**Ombudsman
Energy & Water Ombudsman NSW**

IPART Hunter Water Operating Licence Review – Issues Paper September 2021

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 have only responded to those questions in the issues paper that align with issues customers raise with EWON, as they relate to this review.

Question 9 - Should Licence conditions or reporting requirements be imposed on Hunter Water regarding customer billing? If so, what form should these take?

In 2020-21, EWON received 64 complaints about Hunter Water, 42% of these complaints related to billing. Only two of the Hunter Water complaints were due to confusion about bill format.

Complaints about billing are the most common complaint issue to EWON. This is not surprising given bills are the key communication tool between energy and water providers and their customers. Clarity of billing information, given the complexity of what makes up an energy or water bill, is an ongoing issue for both the energy and water sectors. Reviewing bill format may assist in the reduction of billing complaints. The Australian Energy Regulator (AER) has recently completed customer research into what customers want to see on bills to inform its work in relation to [Better Bills Guidelines](#).

The results of this research may provide IPART with useful insights to aid decisions as to whether any additional requirements should be imposed on Hunter Water regarding customer billing. It may also inform whether any additional work can be done by Hunter Water to improve information on bills to be more understandable for customers.

Question 11 - Regarding the Customer Contract:

Are the rebates in the current contract well targeted and set at the right levels?

EWON recognises that Hunter Water has increased rebates marginally relating to unplanned outages as a result of customer consultation.

During the 2019 IPART Review of the Sydney Water Operating Licence, Sydney Water proposed to undertake research to increase rebates in line with CPI adjustments. In our [submission](#) to Sydney Water, we noted that this was a positive initiative, and we would welcome this approach being reflected in Hunter Water's rebates.

Should any of the provisions of the Customer Contract, other than those already specified in clause 5.2.1 of the Licence, apply to 'consumers' who are not parties to the contract (e.g., tenants or property occupiers that are not landowners)?

EWON supports the current provisions in Clause 5.2.1 of Hunter Water's licence and is of the view they should continue to apply for all consumers. All consumers should be afforded the same protections available to customers under the Customer Contract, as seeking redress under the customer contract is simpler and cheaper than pursuing redress under common law.

Sydney Water Operating Licence Clause 6.3 specifically defines residential and commercial tenants as consumers and identifies which clauses of the Customer Contract are applicable.



Equal protections for consumers and customers would be the most beneficial approach. However, this specific identification of rights by Sydney Water sets a new standard which EWON strongly encourages be extended to Hunter Waters Customer Contract.

Do you support Hunter Water's proposed changes to the Customer Contract (that will be published as part of Hunter Water's submission to the Issues Paper after 24 September 2021)?

Clause 2.1 What is this contract? has been updated to note that customers do not need to sign the contract for it to be valid and binding. This change is positive as it reduces ambiguity with respect to deemed customer contracts.

Question 12 - Do you agree with our preliminary positions for maintaining or improving the Licence and reporting provisions for protecting customer rights, including?

Including a new condition for Hunter Water to provide information to customers and consumers about payment assistance options on the date that Hunter Water first identifies that the customer is facing payment difficulty?

Assisting customers experiencing financial vulnerability at the earliest opportunity results, in EWON's experience, to less accrued debt over time and a greater possibility of a customer being able to pay their water bills in accordance with an established payment plan. We support a new condition which achieves this outcome.

Including new condition to develop and implement a family violence policy?

EWON has implemented its own family violence policy and is keen to liaise with Hunter Water and share our experience. Similarly, we welcome Hunter Water's insights as this would enable mutual learnings and encourage best practice for Hunter Water customers.

Retaining the existing conditions to be a member of the Energy & Water Ombudsman of NSW (EWON) and publish information about referring customer complaints to EWON?

External Dispute Resolution 3.3.6

Hunter Water suggests a change in the licence to not specifically name the dispute resolution body as there may be other providers of this service in the future that could do the same or better service at the same or lower cost. Hunter Water suggests an amendment that describes the responsibilities and intended outcomes of the resolution scheme, rather than mandating membership to a specific scheme.

While being surprised to learn of Hunter Water's view regarding this via this license review process, EWON acknowledges that the energy and water space is an evolving market, and in that light, we understand that a less prescriptive approach to EDR may be more appropriate. However, the Licence should specify that any such service should be a NSW Government approved scheme that provides independent and free dispute resolution service to consumers. Any appointed scheme should also be required to meet the Commonwealth [Benchmarks for Industry-based Customer Dispute Resolution](#).

Updating the existing Licence conditions to improve how Hunter Water communicates its customer rights' protection policies?

Consumers now use a wide range of technologies and different methods of communication are therefore appropriate. However, IPART should consider Hunter Water's current ability to track that



all customers have received the required information annually and whether compliance with this Licence condition should be reportable.

We recommend that any changes to this Licence condition includes a provision that where a customer has not elected to receive communication electronically that a pamphlet is still required to be sent by mail.

It is also important to consider supply addresses for consumers of water such as tenants, who are not direct customers of Hunter Water. While a customer such as an owner or landlord may have provided updated mailing addresses or communication preferences, there is the potential for a gap in consumer protection if information is not also communicated to the end consumers of water.

Question 21 - Do you support the following measures for protecting potential competitors when dealing with Hunter Water or is there a more efficient way of achieving the same outcome:

- **Retaining the Licence condition to make services available to WIC Act licensees?**
- **Including a new Licence condition to negotiate with WIC Act licensees and 'potential competitors' in good faith?**
- **Retaining the Licence condition to cooperate with WIC Act licensees seeking to establish a code of conduct? – Including a new Licence condition to publish servicing information to WIC Act licensees and competitors?**
- **Including a new reporting requirement to report annually on matters, such as the number of agreements established with WIC Act licenses and the time taken to respond to information requests.**

EWON supports IPART's preliminary position that any code of conduct needs to be in writing. It ensures a consistent approach is applied and provides an accurate record of information between the parties.

While Hunter Water's obligation is to its customers, it is important to remember that the end users of Hunter Water's wholesale customers are also entitled to protections for the delivery of water and wastewater services. Any changes should therefore be consistent with consumer protections that Hunter Water customers receive.

Further, conditions for publishing of servicing information or annual reporting requirements should mirror that of Sydney Water to have a consistent approach across major water providers in NSW.

EWON notes that IPART is currently working with the NSW Department of Planning, Industry and Environment on designing the new WIC Act and Regulation, and any changes to the operating licence and an industry code of conduct should be flexible enough to accommodate new legal drafting.

Question 22 - Do you agree with our preliminary positions of:

Revising the Licence structure to be consistent with the Sydney Water Operating Licence?

EWON recognises that Sydney Water and Hunter Water operations are different, however they deliver the same service to consumers. Further, many customers of Sydney Water also have properties in the Hunter Water footprint; or as a result of COVID-19, have moved from Sydney to the



Hunter region. We would therefore support there being consistency across the major water providers as it would provide equal consumer protections.

Enquiries

Enquiries about this submission should be directed to [REDACTED] Ombudsman on [REDACTED] or [REDACTED] Manager Policy and Research, on [REDACTED].