



1 December 2025

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

Dear Ms Donnelly

**Consultation paper - Prices for Essential Water and Water NSW's Murray River to Broken Hill pipeline services from 1 July 2026**

Thank you for the opportunity to comment on this Consultation paper on the prices for Essential Water and Water NSW's Murray River to Broken Hill pipeline services from 1 July 2026.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and water providers, including Sydney Water, Hunter Water, Essential Water and Shoalhaven Water.

Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities. We have not commented on Water NSW's Murray River to Broken Hill pipeline services

In summary, we recommend that:

- IPART consider the impact on water affordability for different groups of customers, such as tenants and pensioners, when determining whether price increases are applied predominantly to the fixed water charge or the variable usage charge.
- IPART make recommendations on the existing rebates in its determination. The current pensioner rebate will not remain fit for purpose for customers managing significant price increases over the determination period.
- Essential Water include a section on 'affordability and financial vulnerability' in its proposed performance measures during the next determination period.

**2. What do you think about Essential Water's proposal to recover most of its additional costs to service customers through the water service charge (a fixed charge that does not vary by water usage)?**

Essential Water has proposed to apply a price increase to water charges using the following structure:

- maintain water usage prices at \$2.32 per 1,000 litres (or kilolitres (kL)) across the determination period (plus inflation)
- increase fixed water service charges by an annual average of 26%, and wastewater prices by an annual average of 17% for residential customers (and 21% for non-residential customers).

If IPART finds that these price increases to water charges is necessary for the next determination period, the decision to apply these increases to either the fixed or variable water charges will have a lasting effect on affordability for different groups of Essential Water's customers. For example, if Essential Water's proposal to only increase fixed charges is adopted, pensioners living alone will experience a greater overall bill impact than homes with multiple occupants, as each household will pay the same fixed charges.

Essential Water and the NSW Government should consider additional assistance for any specific group that may be disproportionately affected by how the price increase is applied to the structure of water charges.

Critical to this question will be how the pension rebate operates throughout the determination period. We have made further comment on this issue in response to question 10 below.

**Recommendation:** We recommend IPART consider the impact on water affordability for different groups of customers, such as tenants and pensioners, when determining whether price increases are applied predominantly to the fixed water charge or the variable usage charge.

## 10. Are the rebates and financial assistance schemes currently offered by Essential Water sufficient and targeting appropriate customer groups?

Essential Water is proposing to increase bills for typical customers receiving water and wastewater services a by \$342 on average (a 15% increase) each year over the next 5 years. This is a proposed increase for a typical household from \$1,624 per year in 2025-26 to \$3,333 per year in 2030-31, plus inflation.

At present, pensioners can access a rebate of \$175 per annum which is provided by Essential Water and funded by the NSW Government. This rebate does not increase with inflation and is set at a lower rate than other water business such as Hunter Water (up to \$410) and Sydney Water (up to \$643).

This rebate will not remain effective if customers need to manage significant price increases over the determination period.

The consultation paper identifies that Essential Water's customer panel expressed a preference for any new subsidies to be distributed across the population, rather than targeted to specific groups. This is understandable, as all customers will be impacted by the proposed price increases. However, in relation to rebates, IPART previously made recommendations through its review of the Sydney Water and Hunter Water pricing reviews that the NSW Government considers how water rebates should be targeted to assist those most in need. We consider this approach should be extended to the Essential Energy pricing decision.

We strongly support IPART's previous recommendations, through the Hunter Water and Sydney Water pricing determinations, to the NSW Government to improve the effectiveness of water rebates, including to consider aligning goals, objectives and outcomes of rebates across NSW. EWON is also continuing to advocate for changes to water rebates in NSW and is engaged with the NSW Government's review of rebates for water customers.

**Recommendation:** we strongly encourage IPART to make further recommendations on rebates in this review based on its affordability analysis for different customer groups.

### 13. What do you think about the key outcomes and the performance measures Essential Water is aiming to deliver for its customers?

Essential Water has developed targets to track its performance against the four customer and community outcomes developed through its customer engagement process. As Essential Water customers are facing a significant price increase, it would also be appropriate to track and report on affordability outcomes over the determination period.

**Recommendation:** that Essential Water include reporting on outcomes related to affordability and financial vulnerability.

We have reproduced **Table 1** from the consultation paper below, including our suggestion for an additional category of performance measures (highlighted in orange).

Outcomes	Actions to achieve	Reporting
<b>Water reliability – reliable access to drinking water</b>	Water reliability – reliable access to drinking water	0.04 per annum (baseline of 0.04 per annum)
	Average number of customer minutes lost from unplanned interruptions	15.4 in 2026-27, reducing gradually to 12.5 in 2030-31
<b>Water quality - clean and safe drinking water</b>	Water quality - clean and safe drinking water	100% compliance with Australian Drinking Water Guidelines
<b>Sustainability and environmental protection</b>	Wastewater service interruptions (frequency, duration and number of customers affected by planned and unplanned interruptions)	No wastewater service interruptions
	Notifiable environmental impacts (number by type and response time)	No notifiable environmental impacts
<b>Good customer service</b>	Number and type of customer complaints	No increase in complaints
	Response time for customer complaints	Maintain response times - respond to 95% of complaints or enquiries within 4 working days of receipt.
<b>Affordability and financial vulnerability</b> (for owner occupiers <i>and</i> tenants)	Affordability support	The number, or percentage, of customers supported under the 'Company Policy: Essential Water Financial Hardship Support' with payment plans or debt waivers
	Family violence support	The number of customers affected by family violence supported
	Debt collection	The number of water restrictions completed for non-payment
	Financial vulnerability	The number or percentage of customers managing a debt
	Financial vulnerability	The average debt per customer

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

Yours sincerely

[REDACTED]

**Janine Young**  
**Ombudsman**  
**Energy & Water Ombudsman NSW**