



Independent Pricing and Regulatory Tribunal

Review of the Customer Contract for Hunter Water Corporation

Report to Minister

Water — Final Report

February 2011



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1 Introduction

1.1 Scope of IPART's review

The *Hunter Water Act 1991* (the Act) requires Hunter Water to set out the terms and conditions of service in a standard customer contract and provides that any landowner whose property is connected to a water or sewer main owned by Hunter Water is taken to have entered into a customer contract with Hunter Water.

Hunter Water's Customer Contract has been in place for 6 years. As the Customer Contract forms part of Hunter Water's Operating Licence, it would usually be reviewed as part of the end of term review of Hunter Water's Operating Licence. The end of term licence review will commence later this year and a new licence will become effective from 1 July 2012. However, Hunter Water has requested an early review of its Customer Contract to enable it to implement changes which it considers will benefit its customers and itself. Hunter Water has also argued that amendments to the contract are required due to changes in its operating environment.

The Act and the Hunter Water Corporation Operating Licence 2007-2012 (Operating Licence, Licence) enable the review and amendment of the Customer Contract during the term of the Operating Licence. As a consequence, we released an Issues Paper on 13 October 2010 which sought comments on Hunter Water's proposed amendments to its contract.

Submissions were received from the Energy and Water Ombudsman NSW (EWON) and the Public Interest Advocacy Centre (PIAC). Hunter Water provided a response to these submissions. This report to the Minister for Water sets out our findings of our review and recommending the terms of an amended Customer Contract.

This amended Customer Contract includes a change in the way rebates are applied for specified shortfalls in service, as proposed by Hunter Water. This change will ensure that in tenancy, where it is a tenant who experiences a reduction in service, that tenant receives the benefit of the rebate. It will also ensure that the value of the rebate will increase with any water supply price increases.

The customer protection provisions applying to residential customers experiencing financial difficulty have been strengthened, consistent with recent amendments to Sydney Water's Customer Contract and legislation applying to residential energy customers. We have recommended that a complementary amendment be made to Hunter Water's Operating Licence at this time to require Hunter Water to develop and comply with a customer hardship policy and offer payment plans to these customers, also consistent with Sydney Water's Operating Licence.

The amended Customer Contract clarifies responsibility for maintenance and repair of Hunter Water's systems and liability for restoration of damage to customers' property. These amendments have been welcomed by EWON. Other minor amendments have been made in anticipation of amendments to plumbing regulation and to reflect changes to Hunter Water's operating environment that involve an increase in the number of recycled water connections and the use of alternative water.

The Act provides that the Customer Contract may be varied with the agreement of the Governor. To vary the contract Hunter Water must publish a notice that sets out or summarises the variation either 6 months or more before the variation becomes effective or a shorter period to which the Minister agrees.¹

If the Minister accepts our recommendation to amend clause 5.3 of Hunter Water's Operating Licence at this time, it may be amended by the Governor by notice of the amendment published in the Government Gazette.²

1.2 Structure of this Report

This report provides:

- ▼ an overview of Hunter Water's role and the objectives of its customer contract (Chapter 2)
- ▼ the key issues considered in this review of Hunter Water's Customer Contract (Chapter 3)
- ▼ the recommended terms of an amended Customer Contract (Appendix A)
- ▼ a recommended amendment to clause 5.3 of Hunter Water's Operating Licence (Appendix B).

¹ *Hunter Water Act 1991*, section 38.

² *Hunter Water Act 1991*, section 14 and Hunter Water Corporation Operating Licence 2007-2012, clause 1.4

2 Hunter Water's role and objectives of its customer contract

2.1 Hunter Water's role

The Act outlines Hunter Water's responsibilities, as follows:

- ▼ to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services for supplying water, providing sewerage services and disposing of waste water
- ▼ to provide, operate, manage and maintain a drainage service
- ▼ to ensure that the systems and services meet the quality and performance standards specified in the Operating Licence in relation to water quality, service interruptions, price levels and other matters determined by the Governor and set out in the Licence
- ▼ to maintain in accordance with the Operating Licence, procedures under which Hunter Water is to consult with its Customers at regular intervals in relation to the provisions of its systems and services.

The objective of Hunter Water's Operating Licence is to enable and require Hunter Water to lawfully provide the services within its Area of Operations. The Operating Licence requires Hunter Water to:

- ▼ meet the objectives and other requirements imposed on it in the Act
- ▼ comply with the quality and performance standards in the Licence
- ▼ recognise the rights given to customers and consumers
- ▼ be subject to operational audits of compliance with the Licence.

We have considered these responsibilities and objectives in reviewing Hunter Water's Customer Contract and recommending the terms of an amended Customer Contract.

2.2 Objectives of the customer contract

The Act requires Hunter Water to set out the terms and conditions of service in a standard customer contract and provides that any landowner whose property is connected to a water or sewer main owned by Hunter Water is taken to have entered into a customer contract with Hunter Water.³ The objective of the Customer Contract is to define the relationship between Hunter Water and its customers.

2.3 Hunter Water's performance under current customer contract

In 2006/07, we conducted a full audit of Hunter Water's compliance with the Operating Licence requirements relating to the Customer Contract. This audit showed that Hunter Water fully complied with these requirements. In subsequent years we have conducted desk top reviews of evidence supporting compliance with these requirements. Hunter Water has demonstrated that it complies with the relevant requirements in each of these reviews.

The Energy & Water Ombudsman (EWON)⁴ collects information concerning customer protection issues for various NSW utilities. EWON reports indicate that complaints against Hunter Water are among the lowest in the group of utilities monitored by EWON.

Customer service data for Hunter Water is also included in the National Performance Report, published by the National Water Commission. This data shows that customer complaints against Hunter Water are comparable with other Australian water utilities.

³ *Hunter Water Act 1991*, sections 35 and 36(1).

⁴ Energy and Water Ombudsman of NSW.

3 Key outcomes

The following key issues were identified in reviewing Hunter Water's Customer Contract:

- ▼ changes to the administration of rebates and the circumstances in which they are payable
- ▼ additional protections for customers, including those experiencing financial hardship
- ▼ clarification of maintenance responsibility and liability for repair and restoration for damage to customers' property
- ▼ amendments required as a result of changes to plumbing regulation
- ▼ implications of the *Water Industry Competition Act 2006* for the Customer Contract.

These issues, the comments of stakeholders and the outcome of our review are discussed further below.

3.1 Hunter Water's rebate strategy

The Customer Contract includes provisions that require rebates to be paid to customers for specified shortfalls in service. The current rebates are not linked to the system performance standards that were recently adopted for Hunter Water's operating licence.⁵ We have agreed with Hunter Water's proposal that the rebates payable under a new Customer Contract should be substantially based on the system performance standards that came into effect from July 2010.

Hunter Water has estimated that its proposed changes will result in increased operating costs of approximately \$210,000 per annum.

The various proposed rebates are described below.

3.1.1 Change to administration of rebates

Hunter Water proposed a change to the way in which rebates are applied. Rebates are currently applied to reduce the service charge that is a component of a customer's bill. Under the current arrangements, a landlord receives the benefit of any rebates even in circumstances where they have personally suffered no reduction in service.

⁵ See Appendix A.

Hunter Water proposed that rebates should be applied under the new Customer Contract only to the usage component of the bill. This change is significant where a tenant is responsible for paying the usage component of a water bill. It is the tenant who experiences the reduction in service and who will, under these arrangements, receive the benefit of the rebate.

This change also involves a complementary change to the way in which rebates are calculated. Currently the value of rebates is determined as a percentage of a customer's annual water or sewerage service charge subject to a minimum prescribed rebate. Under the new Customer Contract, rebates will be calculated by reducing the amount of water usage that is charged by a specific kilolitre allowance. This will ensure that the value of the rebate will increase if prices increase.

EWON and PIAC were supportive of the proposals to apply rebates to the usage component of a bill and to calculate the value of a rebate according to a specified kilolitre allowance. EWON noted a difference in the dollar value of some of Hunter Water's rebates compared with those paid by Sydney Water and argued that rebate levels should be rationalised between the urban water providers. In responding to this comment, Hunter Water noted that Sydney Water did not align its rebates with its system performance standards and that the 2 agencies' charges vary.

We agree that it is not appropriate to directly compare Hunter Water's rebates with those provided by Sydney Water. Where possible we have sought to align the rebates of the 2 agencies however in some cases we consider that there are strong reasons for a different approach. We are satisfied that the rebate levels provided for customers under the new Customer Contract are appropriate.

3.1.2 Rebate for planned interruptions

Hunter Water proposed to remove the rebate for planned water interruptions to be consistent with the objective of aligning rebates with the system performance standards. There is no system performance standard for planned interruptions.

Hunter Water argued that it is reasonable to interrupt customers' water supply for a limited time without compensating them to perform essential maintenance or upgrading of assets. However, customers must be given adequate notice of the interruption.

If adequate notice is not provided or the duration of the interruption exceeds that advised, the interruption would be classified as an "unplanned interruption". As discussed in section 3.1.3, a rebate would then apply.

EWON and PIAC did not support removal of the rebate for planned interruptions that continue for long periods of time. They noted that Hunter Water's customer survey showed that customers would be more greatly inconvenienced by interruptions exceeding 5 hours duration and that Sydney Water provides a rebate to its customers for each planned interruption exceeding 5 hours.

Hunter Water responded to these comments by agreeing to provide a rebate to customers who experience 3 or more planned water interruptions in a financial year, each exceeding 5 hours in duration. Hunter Water also noted that between 2007/08 and 2009/10, no customers experienced planned interruptions exceeding 5 hours duration.

We consider Hunter's Water's revised rebate proposal is reasonable.

3.1.3 Rebate for unplanned interruptions

Hunter Water proposed to partly align the unplanned water interruption rebates with the relevant system performance standard. The current unplanned interruptions system performance standards are:

1. No more than 10,000 properties shall experience an unplanned interruption of more than 5 hours in a financial year, and
2. No more than 5,000 properties shall experience 3 or more unplanned interruptions exceeding 1 hour duration in a financial year.

Hunter Water proposed that, for the purposes of calculating entitlement to rebates, the unplanned interruption must occur between 5am and 11pm. It argued that most customers are not inconvenienced by interruptions that occur between 11pm and 5am.

EWON and PIAC did not support Hunter Water's proposal to set time parameters for the unplanned interruption rebate. They noted that there were sections of Hunter Water's customer base that could be considerably inconvenienced by interruptions between 11pm and 5am (eg, shift workers, parents of babies, sick people).

Hunter Water responded to EWON and PIAC's concerns by agreeing to pay a rebate to customers inconvenienced by unplanned interruptions between 11pm and 5am, on application.

Because the cost of providing rebates is borne by Hunter Water's customer base we consider there are strong arguments for providing rebates only where customers are inconvenienced. We consider Hunter Water's revised proposal to pay customers a rebate on application where they have been inconvenienced by an unplanned interruption between 11pm and 5am addresses this concern.

Hunter Water also proposed to issue rebates only if no alternative water supply is provided. The forms of alternative water supply suggested by Hunter Water included:

- ▼ bottled water
- ▼ a tanker connected to the mains providing water supply accessible through customers' taps
- ▼ a standpipe or tanker placed in the street from which customers can collect water.

EWON and PIAC did not support Hunter Water linking its alternative water supply arrangements in the event of an unplanned interruption to payment of rebates. EWON argued that issues could arise in interpreting whether alternative water supplies had been adequately provided

It is likely that the majority of customers would find the proposed alternative water supplies to be reasonable in most circumstances. However these arrangements may be less satisfactory for some customer groups (ie, the elderly, carers, disabled consumers and parents of young children).

We do not support Hunter Water linking its alternative water supply arrangements in the event of an unplanned service interruption to the payment of rebates. In the event of an unplanned service interruption, Hunter Water's primary focus should be on restoring the service. Where it is apparent that a service interruption will occur for a prolonged period, Hunter Water should ensure alternative supplies are provided to customers, independently of rebate arrangements. Hunter Water has revised its rebate proposal to remove the link between the provision of alternative water supply arrangements and the payment of a rebate for unplanned interruptions to supply.

We now consider that Hunter Water's unplanned interruptions rebate proposal is reasonable.

3.1.4 Rebate for low water pressure

Hunter Water's system performance standard relating to water pressure provides that no more than 4,800 properties should experience water pressure below 20 metres head in a financial year. Under the current Customer Contract Hunter Water pays a rebate to customers who:

- ▼ experience water pressure below 15 metres head at the point of connection
- ▼ due to a failure of Hunter Water's water supply system
- ▼ on more than 5 occasions during any 12 month Operating Licence period.

Although Hunter Water proposed that other rebates should be substantially aligned with the system performance standards, it proposed that the conditions triggering payment of the low pressure water rebate should remain unchanged for the following reasons:

- ▼ Hunter Water considers that water pressure greater than 15 metres head at the point of connection is an acceptable level of water pressure and is consistent with levels experienced by residents in many other urban and rural areas of Australia.
- ▼ Sydney Water's low pressure rebate is paid for verified low pressure occurrences of less than 15 metres head (consistent with its system performance standard). Hunter Water considers that it is appropriate to pay rebates on the same water pressure standard as Sydney Water.

- ▼ Hunter Water has approximately 1600 customer connections that regularly experience water pressure below 20 metres head because they reside in an area with developer approval for low pressure based on the height of their land relative to the reservoir serving their properties.

We note that the difference in the system performance standards for low water pressure between Hunter Water and Sydney Water has historical origins. Given that water pressure of 15 metres head is regarded as an adequate standard for Sydney Water's customers, we consider that a similar standard for the payment of rebates is reasonable for Hunter Water customers.

Hunter Water has responded to EWON and PIAC's concerns about the monitoring of low water pressure and rebate payment arrangements. It has provided further clarification that where a low pressure event is verified and confirmed and it can be determined that multiple properties have been affected all properties would receive the rebate automatically, even if they have not reported the problem themselves.

EWON and PIAC also noted the inconsistency between Hunter Water's proposal and Sydney Water in the way the low water pressure rebate is applied and the value of the rebate. Sydney Water currently pays a rebate of \$30 for one low pressure event each billing period. The maximum amount in rebates that Sydney Water would pay to a customer for low water pressure over a 12 month period is \$120. In comparison, Hunter Water's rebate is worth \$28 for any 12 month period following 5 low pressure events.

In addition, Hunter Water proposed that 30 minutes of continuous low water pressure be experienced by a customer before the low water pressure event is counted towards the rebate threshold. Sydney Water's equivalent rebate is based on 15 continuous minutes of low water pressure.

In the short timeframe for this review it has not been possible to evaluate the financial impact of aligning Hunter Water's low water pressure rebate more closely with Sydney Water's equivalent rebate. We recommend that Hunter Water's proposed low water pressure rebate be adopted at this time but be subject to further reviewed as part of the upcoming end of term review of Hunter Water's Operating Licence in 2011/12.

3.1.5 Rebate for wastewater overflows

Hunter Water's current Customer Contract provides for one rebate for wastewater overflows. This is available automatically to customers who experience 2 or more overflows within a 12-month period.

Hunter Water proposed to have 2 rebates for wastewater overflows in the future – one for single occurrences and one for repeat overflows, as follows:

If you report and we confirm a one-off dry-weather wastewater overflow on your property due to a failure of our wastewater system (not including shaft breaks), you are entitled to an automatic rebate of 30 kilolitres to be applied to the water usage component of your next bill.

If you experience three or more dry weather wastewater overflows on your property in a financial year due to a failure of our wastewater system (not including shaft breaks), you are entitled to an automatic rebate of 120 kilolitres to be applied to the water usage component of your next bill.

Hunter Water also proposed that rebates should not apply to shaft⁶ blockages or breaks because the sewer shaft is considered to be part of the customer's pipe work. It explained that some confusion has arisen in the past about responsibility for shaft blockages and eligibility for rebates. It also proposed a corresponding amendment to clause 8 of the Customer Contract and diagrams in the Definitions section of the Customer Contract. This will clarify and illustrate the division of ownership and responsibility for maintenance between Hunter Water and typical residential customer installations.

EWON queried why Hunter Water had proposed to restrict the payment of rebates to 'dry weather' wastewater overflows as this restriction is not part of Hunter Water's current Customer Contract and is also not part of Sydney Water's Customer Contract. Hunter Water explained that a dry weather wastewater overflow is one that is within its control and therefore has occurred due to a failure of Hunter Water's wastewater system. This may occur even in light to moderate wet weather. In very heavy wet weather, wastewater overflows may occur that are considered to be beyond the control of Hunter Water and therefore should not trigger payment of rebates.

EWON also suggested that 'wet weather' be clearly defined to assist in interpretation of this rebate. We accept Hunter Water's advice that this is not practical as it would involve a range of variables such as the location of the measurement.

In responding to EWON's comments Hunter Water noted that, although a rebate would not be issued, it would clean up wet weather wastewater overflows on private and public use property as quickly as possible in such a manner to ensure risk to human health and amenity is minimised.

Given the information provided we consider Hunter Water's proposed rebates for wastewater overflows are reasonable.

⁶ The shaft is a component of the junction between the sewer main owned by the utility and the customer's sanitary drain (sewer pipe).

3.2 Additional protections for customers, including those experiencing financial hardship

Hunter Water proposed that the Customer Contract include greater detail on the assistance to be provided to customers who experience financial hardship and more detailed information on the protections provided to customers who are having difficulty paying their bill.

This proposal should be considered in the context of work recently done in this area for Sydney Water. In recommending a new operating licence for Sydney Water for 2010-2015, IPART strengthened the customer protection measures in the operating licence applying to residential customers who experience financial difficulty. Sydney Water is required to have in place and comply with procedures relating to customer hardship, debt, water flow restriction and disconnection.⁷ The procedures must include:

- ▼ a customer hardship policy for residential customers, that helps residential customers in financial difficulty to manage better their current and future bills
- ▼ a payment plan for residential customers who are responsible for paying their bill and who are, in Sydney Water's opinion, experiencing financial difficulty
- ▼ conditions for disconnection of supply or water flow restriction in accordance with the disconnection procedure set out in the Customer Contract
- ▼ provisions for self-identification, identification by community welfare organisations and identification by Sydney Water of residential customers who are experiencing financial difficulty.

This licence condition is complemented by additional protections in Sydney Water's Customer Contract. Sydney Water's payment plan and disconnection procedure are required to include the protections of the Customer Contract. Therefore, the full suite of customer hardship protections for Sydney Water's customers is provided by its Operating Licence and Customer Contract working together.

Protections for customers who experience financial hardship have strengthened because of price increases and a corresponding increase in the numbers of customers who experience water flow restrictions. Sydney Water's residential customers were provided with protection similar to that afforded to energy customers from early 2010.

Hunter Water's proposed amendments to its Customer Contract included some, but not all of the customer hardship protections and disconnection procedures that were included in Sydney Water's Operating Licence and Customer Contract for 2010-2015. The most notable differences were in the disconnection process and the features of payment plans offered by each utility.

⁷ Sydney Water Operating Licence 2010-2015, clause 4.4.

EWON and PIAC supported the greater level of detail in the customer protection provisions of Hunter Water's proposed Customer Contract. They both noted the additional customer hardship protections and more detailed disconnection and water restriction procedures provided under Sydney Water's Customer Contract and argued that Hunter Water's customers should be afforded the same protections.

When reviewing Sydney Water's Operating Licence and Customer Contract in 2010, IPART considered that the conditions for disconnection and water flow restriction should be set out in the Customer Contract. We requested that Hunter Water amend its new Customer Contract to include its disconnection and water flow restriction procedures, consistent with the procedures established under Sydney Water Customer Contract. These procedures are also consistent with those provided to energy customers under recent legislative amendments. We consider that Hunter Water's latest proposed amendments and internal procedures now provide for similar protections.

We also consider Hunter Water's Operating Licence provisions relating to customer hardship (Clause 5.3) should be amended at this time. As noted above, the full suite of customer hardship protections for Sydney Water's customers is provided by its Operating Licence and Customer Contract working together. If only Hunter Water's Customer Contract is amended at this time, only part of the strengthened customer hardship protections now provided to Sydney Water's residential customers can be implemented.

EWON and PIAC strongly supported a review and amendment of Hunter Water's Operating Licence provisions relating to customer hardship at this time. Hunter Water initially preferred that this review occur as part of the end of term Operating Licence review in 2011. This would delay the introduction of the full suite of protections until 1 July 2012. We can see no reason to delay the introduction of the full suite of protections for customers experiencing financial hardship that are now provided by Sydney Water and energy retailers in NSW.

We propose that the Minister recommend to the Governor that Hunter Water's Operating Licence be amended simultaneously with introduction of a new Customer Contract and consistent with Clause 4.4 of Sydney Water's Operating Licence to provide the full suite of customer hardship protections to Hunter Water's Customers from 1 July 2011.

3.3 Clarification of maintenance responsibility and liability for repair and restoration

3.3.1 Maintenance responsibility

Hunter Water submitted that Clause 8 of the current Customer Contract regarding responsibility for maintenance has caused confusion to customers and Hunter Water staff. Its proposed amendments to Clause 8 provide clarification on where the responsibility lies for maintenance and repair of main-to-meter water connections and wastewater pipes and fittings. Hunter Water has provided diagrams in the Definitions section of the Customer Contract to clearly illustrate the division of ownership and responsibility for typical residential customer installations.

EWON welcomed the efforts made by Hunter Water to clarify maintenance responsibility and made some suggestions on specific provisions, many of which Hunter Water has subsequently accommodated.

EWON noted that under its Customer Contract, Sydney Water is responsible for maintaining the collection tank and pump for pressure wastewater systems. It queried why Hunter Water did not have the same responsibilities.

Hunter Water explained that the differences arose because pressure wastewater systems have been installed under different arrangements in Sydney and the Hunter region. Most of the Sydney systems have been installed on existing properties in backlog areas and the pump and tank have been part of the installation by Sydney Water. Most are newer grinder pump systems. In this context, Sydney Water has assumed ownership and maintenance responsibility for the tank and pump.

In contrast, Hunter Water's low pressure networks have largely been installed in new subdivisions by developers. Developers/ property owners have therefore retained responsibility for constructing, operating and maintaining pumps and tanks in these developments.

Hunter Water advises that at this point it has only has one customer for which it has installed the pump and tank. This customer has a separate agreement with Hunter Water covering the maintenance responsibilities for this installation. If more situations arise in the future where Hunter Water installs the tank and pump system on customers' properties and takes responsibility for maintenance, a separate maintenance agreement will be entered with those customers.

We accept Hunter Water's arguments for the difference between the maintenance responsibilities of Sydney Water and Hunter Water for pressure wastewater systems and consider it is reasonable that Hunter Water not be responsible for maintaining tank and pump systems it has not installed. Based on this information we support Hunter Water's proposed amendment of this section of its customer contract.

3.3.2 Liability for repair and restoration

Amendments have been made to the Customer Contract to clarify the extent of Hunter Water's responsibility for the maintenance and repair of its water systems and its responsibility for restoration of damage to customers' property. The changes include:

- ▼ rewording of Clause 8.5 – Defective work
- ▼ an additional clause to cover stormwater connections, coverings and bridges (Clause 8.6).
- ▼ rewording of Clause 8.7 – Building, landscaping and other construction work
- ▼ rewording of part of Clause 9.4 – Impact on customer's property. This clarifies the extent of Hunter Water's liability to leave a customer's property as near as possible to its original condition.

Hunter Water argued that confusion caused by Clause 9.4 has resulted in many protracted disputes about compensation and restoration when Hunter Water has to access its assets, particularly pipes, in and adjoining public property.

The rewording of clause 8.10 provides substantially more detail regarding a customer's obligation to obtain approval from Hunter Water for building, landscaping or other construction work over, or adjacent to, Hunter Water's systems. The new clauses 8.10 and 9.4 clarify that failure to obtain prior approval for such work will limit Hunter Water's liability to reinstate building, landscaping or other construction or its liability for compensation.

Both EWON and PIAC supported these amendments to Hunter Water's customer contract. We also consider these amendments to be reasonable.

3.4 Amendments arising from plumbing regulation changes

Regulation of on-site plumbing is currently undertaken in accordance with geographical supply areas. At present, Hunter Water and other supply authorities regulate plumbing within their supply areas.

The NSW Government undertook a review of the plumbing regulatory framework within NSW in 2008/09. The key recommendation of this review was that the NSW Fair Trading should be the single agency in NSW responsible for:

- ▼ plumbing and drainage regulation
- ▼ on-site regulation of plumbing and drainage work
- ▼ licensing for plumbing and drainage work.

Responsibility for plumbing standards in Hunter Water's area of operations will therefore transfer from Hunter Water to NSW Fair Trading. A Plumbing Reform Implementation Group, co-ordinated by Fair Trading, has been established to prepare the necessary legislative and regulatory amendments to implement the reform recommendations in NSW.

Hunter Water has made additions to the Customer Contract in anticipation of the changes to its regulatory operating environment. In particular Hunter Water will no longer be able to assess new connections for impact on its water and wastewater systems. These additions include:

- ▼ Additional circumstances in which Hunter Water may restrict or disconnect a customer (Clause 6.2).
- ▼ Additional wording to parts of Section 8 – Responsibilities for maintenance and repair clauses.
- ▼ A new Clause 8.11 – Connections to services, to enable Hunter Water to impose its own connection requirements. This is intended to provide Hunter Water with an opportunity to assess new connections and ensure there is capacity in water and sewer networks to provide for new connections or establish hydraulic conditions that do not adversely impact on the networks. Assessment of network capacity and other network hydraulic issues will not form part of the plumbing approval processes to be carried out by NSW Fair Trading.

We support Hunter Water amending its customer contract to take account of changes in Plumbing Regulation.

3.5 Implications of the *Water Industry Competition Act 2006* on the Customer Contract

The NSW Government introduced the *Water Industry Competition Act 2006* (the WIC Act) as part of its strategy for a sustainable water future to harness the innovation and investment potential of the private sector in the water and wastewater industries. The WIC Act provides a licensing regime for private sector entrants to ensure the continued protection of public health, consumers and the environment. A corporation (other than a public utility) must obtain a licence under the WIC Act to construct, maintain or operate any water industry infrastructure or to supply water (potable or non-potable) or provide sewerage services by means of any water industry infrastructure.

Hunter Water identified some impacts of the WIC Act on its operating environment and included the following amendments to its Customer Contract:

- ▼ Clarification that customers supplied by a third party, licensed under the WIC Act, are not covered by the Customer Contract for services provided by that third party.
- ▼ Provision of information on termination of the Customer Contract for customers deciding to transfer to a supplier licensed under the WIC Act.

3.6 Other proposed miscellaneous amendments and issues

Hunter Water included a number of minor miscellaneous amendments in its proposed Customer Contract to:

- ▼ improve its customer service focus
- ▼ reflect changes to its operating environment that involve an increase in the number of recycled water connections and the use of alternative water sources
- ▼ remove ambiguity and clarify Hunter Water and customer responsibilities.

EWON suggested some further amendments and changes in terminology that have been accommodated by Hunter Water. We support Hunter Water's current miscellaneous amendments to its customer contract.

3.7 Timing of amendments to customer contract

The Act provides that the Customer Contract may, with the approval of the Governor, be varied by Hunter Water publishing a notice setting out or summarising the variation at least 6 months, or a shorter period to which the Minister agrees, before the variation becomes effective.

Hunter Water has indicated it would like its new Customer Contract to become effective from 1 July 2011. Neither EWON nor PIAC raised objections to a period of notice of variation shorter than 6 months.

Given that Hunter Water considers its proposed amendments benefit both Hunter Water and its customers, we recommend the Minister agree to a period of notice of variation shorter than 6 months to allow Hunter Water's new Customer Contract to become effective from 1 July 2011.



Appendices

A Recommended Hunter Water Customer Contract



Hunter Water Customer Contract

Foreword

Hunter Water provides drinking water, wastewater services and some stormwater services to over half a million people in the lower Hunter region.

For Hunter Water, providing excellent service is as important as our other key objectives of protecting the environment, protecting public health and operating as a successful business.

This Customer Contract outlines your rights and obligations as a user of Hunter Water services and sets out the minimum standards of customer service that you can expect.

For more information about Hunter Water and the services we provide visit www.hunterwater.com.au or call us on 1300 657 657.

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1 Introduction

1.1 Words used in this contract

Some of the words used in this contract have a special meaning. The meanings are set out in the Definitions in clause 15 at the end of this contract.

1.2 Understanding the contract

There are a number of provisions in clause 15 at the end of this contract that may assist you in interpreting the contract.

2 What is a Customer Contract and who is covered by it?

2.1 What is a Customer Contract?

This contract is between us, Hunter Water and you, the customer.

This contract provides the terms under which we provide, where available, water supply, recycled water supply, wastewater, trade wastewater and stormwater drainage services to you. The contract also sets out rights and obligations including your rights in any dispute with us.

This contract is a legally enforceable document and is a requirement of the Act. It forms Schedule 2 of Hunter Water's Operating Licence.

This contract is summarised in a separate document called the Customer Contract Summary. Copies of this pamphlet are available on our website or by contacting us on 1300 657 657.

2.2 Who is covered by this contract?

You are our customer and you are covered by relevant clauses of this contract if:

- a) You are the owner of property within our area of operations that is connected to a water main or wastewater system owned by us, and that connection has been authorised or approved by us, or where it is subject to a separate agreement; and/or
- b) You receive water and/or wastewater services from us; and/or
- c) You are the owner of property within a Hunter Water recycled water area and receive recycled water from us; and/or
- d) You are the owner of property that is within a declared stormwater drainage area; and/or
- e) you are liable to pay us an environmental improvement charge and we have not exempted you from that charge.

2.3 Other agreements with us

If you have a separate agreement with us (for example a non-standard water or wastewater agreement, a trade waste agreement or permit, recycled water agreement or stormwater harvesting agreement), the terms of this contract will apply unless they directly contradict the terms outlined in the separate agreement.

We may enter a separate agreement with you for the provision of different levels of service where possible. Before entering a separate agreement with you, we will provide you with an estimate of the costs to supply you with the service requested and advise you if the service that we have agreed to provide is below the standards set out in this contract.

2.4 When does this Customer Contract commence?

This contract commences on the later of 1 July 2011, or on the date when water supply and/or wastewater services are connected to your premises, or the account is transferred to you, or you are transferred to Hunter Water from a supplier licensed under the *Water Industry Competition Act 2006*, whichever is sooner. You do not need to sign this contract for it to be valid.

On its commencement this contract replaces any previous Customer Contract between you and us unless the other separate agreements listed in clause 2.3 are in place.

Any rights and liabilities that have accrued under any previous contract with us are not affected by the commencement of this contract.

3 What services does Hunter Water provide?

3.1 Water supply services

3.1.1 Supply of drinking water

We will supply you with drinking water to meet your reasonable needs except:

- in the case of planned or unplanned interruptions, under clauses 3.4.1 and 3.4.2;
- in the case of drought or major operational difficulty under clause 3.4.3;
- where we are entitled to restrict or discontinue supply under clause 6; or
- in the case of events beyond our reasonable control.

If you experience unplanned interruptions at your property due to the failure of our water supply system, we will ensure that any rebates due under clause 7.2 are paid.

If you are heavily dependent on a continuous supply of water it may be in your interests to consider contingency arrangements in the event of an interruption to the water supply. Any such arrangements would be at your cost.

3.1.2 Drinking water quality

The drinking water we supply will comply with the health, taste and odour related guidelines provided in the *Australian Drinking Water Guidelines 2004* as specified by NSW Health and any other taste and odour related guidelines, as required by the Operating Licence.

3.1.3 Drinking water pressure

We will use our best endeavours to ensure that the drinking water we supply to your property is at a minimum pressure of 20 metres of head at the point of connection to our main, as required by our Operating Licence.

If you report a water pressure problem due to the failure of our water supply system and we confirm the event, we will ensure that any rebates due under clause 7.2 are paid.

3.1.4 Supply of recycled water

We may supply you with recycled water if your property is within a Hunter Water recycled water area or you have entered a separate agreement with us.

We will supply these customers with recycled water to meet their reasonable needs except:

- in the case of planned or unplanned interruptions, under clauses 3.4.1 and 3.4.2;
- in the case of major operational difficulty under clause 3.4.3.2;
- where we are entitled to restrict or discontinue supply under clause 6; or
- in the case of events beyond our reasonable control.

If you are supplied with recycled water, we will give you information on the standard requirements for its safe use at the time we commence supply to you. We are not responsible for your use of recycled water contrary to the information we provide.

Within Hunter Water recycled water areas, the recycled water system and the recycled water we supply to you as customer will comply with the *Australian Guidelines for Water Recycling 2006 (Phase 1 Managing Health & Environmental Risks)* *National Water Quality Management Strategy* or as approved by NSW Health.

Outside recycled water areas, the quality of recycled water that we supply to you will be specified in an agreement with you.

3.1.5 Health or special needs

If you require a water supply to operate a life support machine or for other special health needs you must notify us. We will include you on our list of critical customers and ensure all practical steps are taken to provide a water supply to meet your reasonable health needs. However, disruptions to your water supply may not always be preventable, so you should be ready to make alternative arrangements if necessary.

Listed people will receive advance notification of any planned interruption to the water supply service under clause 3.4.2. In addition, we will contact you as soon as possible in the event of any unplanned interruption.

If you require a water supply to operate a life support machine or for other special health needs, you may also be eligible for a free water allowance of up to 250kL per annum.

3.2 Wastewater services

3.2.1 Supply of wastewater service

If your property is connected to our wastewater system, we will supply you with wastewater services to meet your reasonable needs for the discharge of residential sewage except:

- where we are entitled to discontinue supply under clause 6; or
- in the case of planned interruptions and unplanned interruptions, under clauses 3.4.1 and 3.4.2;
- in the case of events beyond our reasonable control.

3.2.2 Wastewater overflow

We will make every reasonable effort to minimise the incidence of wastewater overflows on your property due to a failure of our wastewater system.

If there is a wastewater overflow on your property due to the failure of our wastewater system, we will:

- Respond promptly;
- Minimise inconvenience and damage to you by ensuring the overflow is contained as soon as possible;

- Clean up the affected area as quickly as possible at our cost and in such a manner to minimise the risk to human health; and
- Issue any rebates due to you under clause 7.2 and/or forms of redress under clause 7.3.

3.2.3 Blockage of your wastewater system

If a blockage occurs and you suspect that it is a blockage in our system, you should notify us.

If the blockage occurs in our wastewater system we will clear the blockage at our cost. However, you may be liable to pay to the extent you have contributed to the blockage.

If the blockage occurs in your wastewater system, you are responsible for arranging the blockage to be cleared by a licensed plumber at your cost.

3.2.4 Trade wastewater

You may discharge trade wastewater into our wastewater system only if you have obtained our prior written permission and entered into an agreement with us.

We will give you our prior written permission and enter into an agreement with you only if we are able to accept, transport and process trade wastewater that you discharge in full compliance with applicable safety and environmental laws, the Operating Licence and the Act.

You can contact us to obtain further information on the guidelines and standards for obtaining a trade wastewater agreement.

3.2.5 Wastewater mining and stormwater harvesting

You may extract wastewater from our wastewater system or stormwater from our stormwater system only if you have obtained our prior written permission and entered into an agreement with us. You may also require approval from other authorities.

You may contact us on 1300 657 657 for further information.

3.3 Stormwater drainage services

We provide a service to all properties within declared Hunter Water stormwater drainage areas for the transport of stormwater through the trunk stormwater drainage systems under our control.

If your property is within a declared stormwater drainage area we will charge you the charges for this service set by the Independent Pricing and Regulatory Tribunal of NSW (IPART).

Maps are available from us for inspection to assist in determining whether your land is within a declared stormwater drainage area.

3.4 Factors affecting service

3.4.1 Unplanned interruptions

If there is an unplanned interruption to your water supply service or wastewater service, we will use our reasonable endeavours to minimise the inconvenience to you by:

- restoring the service as quickly as possible;
- providing as much information as practicable on a 24 hour emergency telephone service on 1300 657 000. This telephone service will advise you how long the interruption is likely to last, based on the best information available at the time;
- providing access to emergency supplies of water and/or toilet facilities where reasonably practicable and necessary having regard to the particular circumstances. Where emergency supplies of water and/or toilet facilities are available, you can obtain information on how to obtain them from the 24 hour emergency telephone service.

3.4.2 Planned interruptions

We may need to arrange planned interruptions to your water supply services and wastewater services to allow for planned or regular maintenance of our wastewater system or water system.

We will inform you in writing, of the expected time and duration of any planned interruption, at least two days in advance if you are a residential customer, and seven days in advance if you are a non-residential customer unless you agree to another period.

We will use our best endeavours to reinstate your water or wastewater service within five hours in one continuous period.

3.4.3 Water restrictions

3.4.3.1 *Drought*

In accordance with the Operating Licence, with the Minister's approval, we may place restrictions on the use of water we supply to you during or on the approach of a drought. You must comply with our supply conditions during this time.

We will publish, in major newspapers throughout our area of operation and on our website, our drought supply conditions. These may include:

- restrictions on the use of water, including the purpose for which water may be used; and
- a variation of charges consistent with the Act and Operating Licence; and
- other conditions that we consider appropriate, including the purposes for which water can be used, the times when water can be used, the quantities of water that can be used, and the means or methods of use of water.

We will also make every reasonable effort to notify you in your next account of drought supply conditions, where applicable.

3.4.3.2 Major operational difficulty

In accordance with the Operating Licence, with the Minister's approval, we may need to shut down a water supply source in the event that a major operational difficulty occurs. If customer demands for water are high at the time of such an event, we may interrupt the supply, or place restrictions on the use of our water supply services to you until such time as the operational difficulty is over.

Where practicable, we will publish, in major newspapers throughout our area of operations and on our website, our supply/use conditions under these circumstances. These may include:

- restrictions on the use of water, including the purpose for which water may be used, and
- other conditions that we consider appropriate, including the purposes for which water can be used, the times when water can be used, the quantities of water that can be used, and the means or methods of use of water

4 What you pay

4.1 Responsibility to pay the account

If you are the account holder, you are responsible for the account and must pay us the amount of your account by the date specified, unless you have made other payment arrangements with us.

4.2 Publication of charges

We will publish, and provide you up to date information on our charging policies, current charges and concessions. This information will be provided to you on request free of charge and, if requested, in languages other than English.

4.3 Concessions

If you hold one of the recognised pensioner concession cards and are the account holder, you may be eligible for a government funded pension concession.

You must apply to us for the concession. To obtain information about your eligibility for a concession on your water account, please contact us on 1300 657 657 to lodge an application.

If you are eligible for a concession, we will ensure that it is applied to the full billing cycle in which it was requested.

Please advise us on 1300 657 657 if your eligibility for a recognised concession card changes.

From time to time, we may confirm your eligibility for concessions with relevant Australian and New South Wales government agencies administering concession eligibility. At all times your privacy will be protected and any confirmation of eligibility will be carried out in accordance with the requirements of the *Privacy and Personal Information Act 1998*.

4.4 Your account

4.4.1 When will your account be sent

We will issue you an account for the services that we provide. Residential account holders will be sent an account every four months. If we intend to change the billing frequency, we will give you at least four months notice.

Non-residential customers with high water usage and/or wastewater disposal may be sent an account on a monthly basis.

We will provide you the owner with a printed statement of all outstanding amounts for the previous 12 months at any time on request, free of charge.

4.4.2 What information is on your account

We will ensure that your account contains details of:

- the account period to which it applies;

- the most recent meter reading;
- the total amount due;
- the usage and service fees;
- other fees and charges payable;
- the date payment is due;
- your postal address and account number;
- the address of the property at which the charges in the account have been incurred;
- options for the method of payment;
- a comparison of your water usage, where available;
- contact telephone numbers for account enquiries and emergency services;
- how to get information on payment assistance options;
- information in community languages about the availability of interpreter services and the phone number for these services.

4.4.3 How accounts are sent

We will send your account to the postal address you nominate.

If you do not nominate a postal address, the account will be sent to:

- the property to which the services are available or provided; or
- your last known postal address.

Your account will be considered delivered to you if it is sent to one of these addresses. Please advise us if you move or your postal address changes.

We may offer other methods of providing you with your account (such as e-billing) during the term of this contract and your account will be considered delivered to you if it sent by one of these methods.

4.4.4 How payment can be made

We will provide a range of payment options including by internet, direct debit, phone, mail or in person at an agency representing Hunter Water.

We may offer additional payment methods during the term of this contract. Current payment methods are shown on your latest account and can be found on our website at www.hunterwater.com.au or obtained by contacting us on 1300 657 657.

4.4.5 Overdue account balances

We may charge you interest on overdue account balances at the rate applicable on the first business day of the preceding July under the *Civil Procedure Act 2005 (NSW)*, or other applicable fees. The interest will accrue on a daily basis commencing on the due date until you have paid the amount that is overdue.

We will also charge account holders costs and fees that we incur in recovering (or attempting to recover) an overdue amount.

4.5 Undercharging

If your account is less than what you are required to pay us (that is, we have undercharged you) as a result of our error, we may adjust your next account to include and charge to you the amount (or amounts) by which you were previously undercharged.

If the undercharging is due to you providing false information or there has been an unauthorised connection or you have breached this contract or Act, you must pay the correct amount on request.

4.6 Overcharging

If your account is greater than what you are required to pay us (that is, we have overcharged you) due to our error, we will apply a credit to your next account after we become aware of the error.

4.7 Account disputes

If you do not consider that the charges on your account are correct, you must contact us on 1300 657 657. In some cases, we may require you to provide evidence to support your claim.

If there is an unresolved dispute concerning an amount of money to be paid by you, we will not seek from you the amount that is in dispute until the dispute has been resolved in our favour. (Refer to section 12.3 for when a dispute is considered resolved.)

You are obliged to pay the undisputed amount by the due date shown on your account.

4.8 How prices are determined

4.8.1 Notification of price variations

We will set and vary charges from time to time, but only in accordance with our Operating Licence, the Act and the maximum prices and methodologies determined by IPART.

We will publish any variations to our charges and provide details with your account. The variation will commence on:

- the first day of the next billing cycle; or
- any other date we nominate after we have published the change; or
- a commencement date determined by IPART.

When the date for commencement of a variation occurs part way through your billing period we will apply the variation of charges on a daily “pro-rata” basis.

4.8.2 Wastewater usage charge

The wastewater usage charge applies to non-residential customers only. We will determine a wastewater discharge factor that is used to calculate wastewater service and usage charges.

At your request, we may adjust the determined wastewater discharge factor for your property if you provide verifiable evidence that the wastewater discharge from your property differs from the wastewater discharge factor we have determined.

Where significant wastewater discharge volumes from your property originate from sources other than metered water supply or metered recycled water supply (for example, from rainwater or other on-site sources, tankered water or effluent etc), we may apply an additional discharge factor or require the wastewater discharge to be metered by a meter approved by us. The supply and installation of the approved wastewater meter will be at your cost

Where a discharge factor is varied, the revised charge will apply from the beginning of the next billing period. We will notify you of any change to your discharge factor.

4.9 Other costs and charges

4.9.1 Dishonoured or declined payments

If payment of your account is dishonoured or declined, we will charge you the relevant administrative fee set by IPART.

4.9.2 Costs for installing and connecting services

You must pay the installation costs of a connection and the construction of any necessary works from your property to our water system, wastewater system, and/or stormwater system.

Connection to our water system, wastewater system and/or stormwater system must be approved by us and comply with the conditions we set to ensure the safe and reliable supply of services. The connection must be undertaken by a licensed plumber and in accordance with relevant plumbing codes, regulations and standards and our published connection requirements.

4.9.3 Charges for other matters

We may charge you a fee for any other services you request from us. You should contact us for further details of any ancillary service charges.

We may also charge you other fees, charges and amounts where we are entitled to do so under the Act.

5 What can I do if I am unable to pay my account?

5.1 Payment difficulties and account relief

If you are experiencing financial hardship you should contact us and we will provide you with information about schemes available to assist you. All reasonable effort will be taken by us to provide assistance to you.

If you are experiencing financial hardship, you have a right to:

- Be treated sensitively on a case by case basis, by us
- Receive information from us on alternative payment arrangements
- A deferral of payment for a short period of time
- Negotiate an amount you can afford to pay us on an agreed instalment plan. If you are a non-residential customer these arrangements will be based on reasonable commercial considerations and market conditions
- Access to a language interpreter, if required, at no cost to you

Additionally, if you are a residential customer experiencing financial hardship, you will be offered programs that may assist you including:

- Information from us about an accredited welfare agency for payment assistance, such as payment assistance scheme vouchers
- Information on appropriate government concessions
- Access to a 'flexipay' card that allows payment of smaller, regular amounts, which may fit better with your income cycle. This payment option will be available from 1 July 2012
- Other programs which may assist you, such as no interest loan schemes and water conservation programs.

If you enter into a payment plan arrangement with us, we will:

- Enable you to make payments by instalments
- Inform you of the period of the payment plan and the amount and frequency of each instalment
- Provide for instalments to be calculated having regard for your consumption needs, your capacity to pay and the amount of any arrears you are required to pay
- Provide you with procedures that are fair and reasonable for dealing with financial difficulty.

If you are experiencing financial hardship and have entered into, or are in the process of negotiating a payment arrangement with us and honour that arrangement, we will:

- Not take any action to recover the debt and/or enforce the disconnection or restriction of the supply of water to your property
- Waive interest on the overdue amount for the period of the arrangement

6 Restriction or disconnection of water and wastewater services

6.1 Restriction or disconnection of supply for non-payment

Please refer to clause 5.1 if you are unable to pay your account. We will make all reasonable efforts to help you pay your water account. However if you have not paid the account by the due date and have not made alternative payment arrangement with us, we may engage a debt recovery agency, take legal action, or restrict or disconnect your water supply in order to recover the debt.

You will face additional costs if we proceed to engage a debt recovery agency, take legal action, or disconnect or restrict your water supply.

Our Code of Practice and Procedure on Debt and Disconnection is available on our website at www.hunterwater.com.au, by contacting us on 1300 657 657.

6.2 Notice of restriction or disconnection of supply of water

If you fail to pay your account by the due date and your recent payment history is good (payment commitments have been consistently honoured and no additional debt recovery action had commenced on your account in the previous 12 months), we will send you a reminder notice.

The reminder notice will:

- state that payment is due within seven days of issue;
- advise you to contact us if you are having difficulty making payment;
- provide you with alternative payment options available; and
- advise you of your right to raise your concerns with the Energy and Water Ombudsman NSW if you are not satisfied with a decision made by us.

If you fail to comply with the reminder notice, or your recent payment history is poor, we will issue a final notice advising you that:

- your account is significantly overdue
- you must pay the account immediately otherwise we may engage a debt recovery agency, take legal action, or restrict or disconnect the supply of water to your property in order to recover the amount outstanding
- you may incur additional costs relating to us engaging a debt recovery agency, taking legal action and/or disconnecting or restricting the supply in order to recover the amount outstanding
- the supply of water to your property may be restricted or disconnected without further notice
- you have the right to raise your concerns with the Energy and Water Ombudsman NSW if you are not satisfied with a decision made by us
- you should contact us if you are having difficulty making payment and we will provide you with an explanation of alternative payment options including payment arrangements.

We may restrict or disconnect the supply of water to you if:

- at least seven days have elapsed since we issued the final notice
- attempts have been made by us or our debt recovery agency to make further contact with you about the non-payment by means of either a telephone call, mail or visit

- you have agreed to alternate payment arrangements, but have failed to make the agreed payments.

We will advise you of when the restriction or disconnection will take place.

The notices referred to in this clause will be sent to you in the same manner in which accounts are sent to you under clause 4.4.3. If we intend to restrict or disconnect a known tenanted property notice will be sent to the property address as well as the postal address for the account before we restrict or disconnect supply.

If you receive an account for a new billing period that contains an overdue amount from a previous billing period, we may disconnect or restrict supply on the arrears after issuing you with the appropriate notices relating to the overdue amount as described in this section.

Information on our practices and procedures relating to customer hardship, debt, water flow restriction and disconnection are outlined in our Code of Practice and Procedure on Debt and Disconnection, which will be sent to you annually and is also available on our website.

6.3 Restriction or disconnection for other reasons

We may also restrict or disconnect the supply of services to your property in the following circumstances:

- if your water system or your wastewater system has not been authorised or does not comply with applicable codes, regulations and standards or our connection requirements;
- you fail to rectify a defective water or wastewater system as if requested by us in accordance with clause 8.5 of this contract;
- you breach this contract, the Act or other agreement with us, concerning the use or taking of water or the discharge of wastewater or stormwater, or access onto your property;
- you discharge trade wastewater into our wastewater system without a trade waste agreement with us or do not comply with the conditions of the trade waste agreement;
- if a serious health, environmental or operational risk is posed by the discharge of chemicals or other substances into our wastewater system;
- if a serious health or environmental risk is posed by backflow of any substance from your water supply system into our water supply system;
- if you have not correctly installed and maintained a backflow prevention device prior to being connected to our water system or have failed to provide a test report by the due date;
- you use your recycled water in a manner inconsistent with its intended purpose or in a manner contrary to the information we provide about the safe use of recycled water;
- where we are entitled or required to restrict or to discontinue supply by direction of the Minister or under an applicable law.

6.4 Restriction and debt recovery or legal action

We will not restrict your water supply or commence debt recovery or legal action:

- without explaining alternative payment options

- if there is an unresolved dispute as to the amount owing (for when a dispute is deemed to be resolved for this purpose please see clause 12.3)
- if you are in proven financial hardship
- if you have entered into a payment arrangement with us and are complying with the agreed terms
- you have notified us that you have sought assistance from a welfare agency and that assistance is imminent.

We will not restrict your water supply:

- if you need water for a life support machine or other special needs
- on a Friday, weekend or on a public holiday or the day before, or after 2 pm on a weekday
- without giving appropriate notice in accordance with clause 6.2 and 6.3 of our intention to restrict your water supply
- Without advising the occupier that in some circumstances the Act permits a tenant to pay outstanding charges and deduct them from rents otherwise payable
- Without providing the occupier reasonable opportunity to pay the account
- If a related complaint is being considered for resolution by Hunter Water or EWON, or by legal proceedings.

6.5 Minimum flow rate during restriction

If we restrict the supply of water to you, we will provide a reasonable flow for health and hygiene purposes. If you believe that the restriction will cause a health hazard you should contact us.

6.6 Disconnection by a customer

You may disconnect your property from our water system or wastewater system provided that:

- you have complied with all applicable health, environmental and local council regulatory requirements;
- you have given us all information we may reasonably require;
- you or your contractor have given us two business days notice of the disconnection from either system, paid the relevant fees, booked an inspection of the work and returned any of our property to us (i.e. the water meter); and
- the disconnection is undertaken by a licensed plumber or drainer and conducted in accordance with plumbing, drainage or other regulations or standards that apply.

We will continue to charge you a water and/or wastewater service availability charge, even if you are not using the service, until the disconnection(s) from supply have been confirmed and/or any of our property is returned to us.

6.7 Restoration of services after restriction or disconnection

When the reason for the disconnection or restriction of water and/or wastewater services no longer exists or if there is mutual agreement to restore supply, we will restore:

- your water supply on the same day, if you pay or we agree to other arrangements before 2pm on any business day;
- your water supply on the next business day if you pay or we agree to other arrangements after 2pm;
- your wastewater service within 24 hours if you pay or we agree to other arrangements.

You will be required to pay a reconnection fee for the water supply and/or wastewater services to be restored to your property. When the conditions for restoration are met after 2 pm, we may restore water supply on the same day but you will be required to pay an after-hours reconnection fee. The standard and the after-hours reconnection fees will be in accordance with those set by IPART.

7 Redress

7.1 Notification

If you notify us of a failure by us to comply with this contract or our activities result in inconvenience, damage or loss to you or your property we will investigate the matter and promptly advise you of:

- your right to a rebate under clause 7.2;
- redress options available under clause 7.3;
- how we may rectify your problem; and
- how to seek compensation from us under clause 7.4.

7.2 Rebates

We will provide a rebate to you, for an occurrence of the following:

Unplanned service interruptions

When you experience an unplanned water service interruption for over five hours between 5:00am and 11:00pm due to a failure of our water system, you are entitled to an automatic rebate of 15 kilolitres to be applied to the water usage component of your next bill. You will receive this rebate for the first and second event that you experience in a financial year.

Where you experience three or more unplanned water interruptions between 5:00am and 11:00pm in a financial year, each exceeding one hour in duration, due to a failure of our water system, you are entitled to an automatic rebate of 15 kilolitres to be applied to the water usage component of your next bill.

If you experience one or more unplanned interruptions according to the above conditions between 11:00pm and 5:00am and provide details of the inconvenience this caused, you will be eligible for the above rebate. We encourage you to contact us on 1300 657 000 to claim this rebate.

Planned service interruptions

Where you experience three or more planned water interruptions in a financial year, each exceeding five hours in duration, you are entitled to an automatic rebate of 15 kilolitres to be applied to the water usage component of your next bill.

Low water pressure

Where your water pressure is below 15 metres head at the point of connection to our water system for more than 30 minutes on more than five occasions in a financial year due to a failure of our water supply system, you have reported the problem by calling 1300 657 000, and we have confirmed each event, all properties known to be affected are entitled to a rebate of 15 kilolitres to be applied to the water usage component of your next bill.

Wastewater overflows

If you report and we confirm a one-off dry-weather wastewater overflow on your property due to a failure of our wastewater system (not including shaft breaks), you are entitled to an automatic rebate of 30 kilolitres to be applied to the water usage component of your next bill.

If you experience three or more dry weather wastewater overflows on your property in a financial year due to a failure of our wastewater system (not including shaft breaks), you

are entitled to an automatic rebate of 120 kilolitres to be applied to the water usage component of your next bill.

Dirty Water

If you are not provided with clean water suitable for normal domestic purposes, you should contact us on 1300 657 000.

We may provide compensation for damage caused by dirty water (see clause 7.4) and we may refund you the cost of water used to flush your water system.

We will undertake an investigation of recurrent dirty water problems to derive a long term solution.

Boil Water Alert

If NSW Health issues a 'boil water alert' due to contamination of drinking water caused by us, you are entitled to a rebate of 15 kilolitres to be applied to the water usage component of your next bill, if your property is within the declared alert area.

We will pay the rebate in your next account where possible.

7.3 Forms of redress

In addition to our obligation to pay a rebate under clause 7.2, we may provide one or more of the following forms of redress:

- reinstatement;
- repair;
- rectification;
- construction of works;
- providing alternative supplies of water;
- emergency accommodation;
- payment for damages as set out in clause 7.4.

If you are unsatisfied with the form of redress we provide you, you may request additional redress from us. We will consider your request in accordance with the timeframes in clause 12.1 as if your request were a complaint.

7.4 Claim for damages

In the event of physical loss or damage to you or your property as a result of our activities or our failure to comply with this contract, the Operating Licence or Act, we may compensate you for any loss suffered, following our investigation of the matter.

You should make your initial claim to your insurance company. If your loss is not covered by an insurance policy you may notify us for consideration.

If you make a claim for damages you must specify the nature of the problem and the type of compensation sought. We may also request for you relevant documentation and evidence in support of your claim for damages.

We will attempt to advise you within five working days of receiving your claim of:

- how we or our insurers will investigate the claim;
- a proposed response time for a representative of us or our insurers to visit your property (if required) and to make a decision;

- the name and contact details of the representative of our insurers or us who is able to advise you of the progress of your claim.

You will be provided with a written assessment of your claim, within the time indicated. This will outline the reasons for the decision and the type of compensation to be provided, if any.

If you are not satisfied with our decision, you have the right to seek review of your claim under clause 12.2 or you may seek an external review under clause 12.4.

7.5 Limitation of liability

The only promises we make about the goods and services we provide under this contract, and the only conditions and warranties included in this contract are:

- those set out in this document; and
- those that the law (for example, the *Trade Practices Act 1974*) says are included.

However, where we are liable to you because of a breach of a condition or warranty that the law says is included in this contract, our liability is to the extent permitted by law, limited to:

- replacing the goods and services to which the breach relates; or
- at our option, paying you the cost of replacing those goods, or having the services supplied again.

The limitation of our liability does not affect rights you have under a law that applies to us that says we cannot exclude or limit our liability.

8 Responsibilities for maintenance and repair

8.1 Your water system

If you are a property owner, you own and are responsible for maintaining and repairing all of the pipes and fittings between our water system and the buildings and/or taps on your property. This is referred to as your water system. (See *diagram in Section 15 – Definitions and interpretation*)

As a property owner, you are responsible for any damage caused by a failure of your water system.

We will maintain and repair the water system up to and including the water meter unless the water meter is more than one metre along the pipe inside your property, in which case we will provide this service up to one metre along the pipe inside the property boundary.

If there is no water meter, we will maintain and repair the water system up to one metre along the pipe within your property boundary closest to our water main. Your property includes any easement within which your meter or private service may be situated.

We do not maintain or repair:

- main to meter services greater than 40 millimetres diameter and/or that are designed and installed to meet a customer's supply requirements
- illegal services and water services installed contrary to appropriate codes, regulations and standards or our connection requirements
- dedicated fire services or combined fire and domestic water services connected to our water mains
- backflow prevention devices
- water services connecting to privately-owned water mains such as in some Community Title subdivisions or shared private services
- private water services connecting to our water mains under the terms of a 'Non-standard Agreement'
- faults resulting from wilful or negligent damage.

You are also responsible for rectification and repairing any illegal services installed contrary to appropriate codes, regulations and standards or our connection requirements.

We will also not meet the costs of installing new private services or modifying, upsizing or relocating existing private systems.

We are not responsible for:

- installing, modification, disconnection or disposal of water connections between our water main and the meter, and
- installing, maintaining, repairing or annual testing of backflow prevention containment devices on properties, except where the device is integrated into the water meter supplied and owned by Hunter Water.

Please contract Hunter Water on 1300 657 657 if you have any questions about the repair and maintenance responsibilities for your water system.

8.2 Your wastewater system

You are responsible for maintaining and repairing all wastewater pipes and fittings within your property up to and including the point of connection with our wastewater system. This is referred to as your wastewater system. *(See diagrams in clause 15 – Definitions and interpretation)*

It is possible that the point of connection with our wastewater system is outside your property. If you do not know where the point of connection is, you should contact us on 1300 657 657.

We do not maintain or repair:

- wastewater services connecting to privately owned wastewater mains such as in some Community Title subdivisions or shared private services;
- Private wastewater services connecting to our wastewater system under the terms of a 'Non-standard Agreement'.
- faults caused by wilful or negligent damage.

You are also responsible for rectification and repairing any illegal services installed contrary to appropriate codes, regulations and standards or our connection requirements.

We will also not meet the costs of installing new private services or modifying, upsizing or relocating existing private services.

Please contact Hunter Water on 1300 657 657 if you have any questions about the repair and maintenance responsibilities for your wastewater system.

8.3 Pressure wastewater system connections

If your property requires a pressure wastewater system, you may be connected to either a common effluent pumping (CEP) system or a low pressure sewer system (LPSS), also known as a grinder system.

If you are connected to a pressure wastewater system, we will repair and maintain up to and including the connection valve, however repair and maintenance responsibilities may vary between the different systems listed above and whether the pump and tank were installed by the property owner or Hunter Water. We encourage you to contact Hunter Water on 1300 657 657 to confirm your system maintenance responsibilities.

Please also refer to Figure 2 in the Definitions and Interpretations section at the back of this Contract for clarification.

You are also responsible for any local government authority on-site permit or inspection fees relating to the tank and system.

8.4 Non-standard wastewater system connections

If your property has a non-standard wastewater system connection we will repair and maintain the system up to the point of connection with our sewer main, which may be outside the property boundary.

If you are connected to a non-standard wastewater system you will hold a non-standard agreement with us, which will detail yours and our maintenance responsibilities.

If you have questions about your non-standard wastewater system connection, you are encouraged to contact Hunter Water on 1300 657 657.

8.5 Private joint water systems or private joint wastewater systems

If you share a private joint water system or a private joint wastewater system you are responsible for the cost of its maintenance. The apportionment of costs incurred in its maintenance is a matter between you and others who share it.

8.6 Stormwater connections, coverings and bridges

You are responsible for the maintenance of any connections between your property and our stormwater channel, pipe or culvert, regardless of land ownership.

We are not responsible for the maintenance of any coverings, bridges or similar structures within your property that cover or cross our stormwater channels, pipes or culverts unless they are owned by us.

8.7 Conserving water

You may install water efficient plumbing fixtures, appliances and equipment as recommended under the Water Efficiency and Labelling and Standards Scheme.

You may install water saving devices, for example:

- that collects and uses rainwater for your own use. Provided that the water tanks are not directly connected to our water system in any way, you do not need to meet any of our requirements. However, if the water tank is to be directly connected to our water system, you will be required to install the appropriate backflow prevention device as specified in Australian Standard 3500. This is to avoid the risk of backflow contamination of our drinking water supply.
- a composting toilet that does not require connection to our water system or our wastewater system.

For non-residential properties, where rainwater tanks with a volume exceeding 20,000 litres are installed to supply plumbing facilities connected to our wastewater system (for example, where rainwater is used for toilet flushing, laundry supply, floor wash down etc), we may require wastewater discharge to be metered or may impose an additional discharge factor as set out in clause 4.8.2.

Health, environmental and local council requirements must be complied with when installing water saving devices and approval may be required from your local council. If you need to obtain details of our requirements, you should contact us on 1300 657 657.

On request, we will provide you information on how to conserve water. You can also refer to our website at www.hunterwater.com.au for information and resources on conserving water.

8.8 Defective or unauthorised work

If we become aware that any part of your water, wastewater, recycled water or stormwater system is defective or unauthorised and impacts or poses a risk to the operation of our water, wastewater or stormwater system, we will request the defect to be fixed within a reasonable time.

If you do not comply with the notice, we may restrict your water or recycled water supply or disconnect your wastewater connection until it is fixed. We may also remedy the defective or unauthorised work and you will be charged the reasonable costs incurred by us in undertaking this work.

If you are experiencing financial hardship and are unable to pay for such work, you should contact us and we will provide you with information about schemes available to assist you. All reasonable effort will be taken by us to provide assistance to you.

8.9 Giving notice of system failures

You should inform us if you become aware of any failure of our water system, wastewater system or stormwater system. If you notify us of an interruption to your supply or a burst or leak in our system, a disruption to the wastewater drainage from your property or an overflow or leakage from our system, we will ensure that the problem is attended to as soon as practicable.

8.10 Building landscaping and other construction work

You must not undertake building, landscaping or other construction work that is over, or adjacent to, our water, wastewater or stormwater system and which may damage, interfere with or obstruct access to our systems without first obtaining our consent.

Approvals for building, landscaping or other construction work that involves building over, or adjacent to, our systems are to be requested from us in advance of any activity being undertaken on the property.

Conditions may apply to any approval for building, landscaping or other construction work that is over, or adjacent to, our water, wastewater or stormwater systems.

Failure to obtain approval or comply with the conditions of an approval will limit our obligation to reinstate building, landscaping or other construction or liability for compensation (see clause 9.4) as a result of our need to access our systems.

Properties with an existing water service must be metered during the building period. The meter must be accessible (as described in clause 10.4) at all times.

8.11 Connections to services

Connections to our water, wastewater or stormwater systems are to be made using the services of a Hunter Water accredited installer or licensed plumber and in accordance with Hunter Water's published 'Connection Requirements' and any other plumbing and drainage regulations, codes and standards that may apply.

8.12 Altering and unauthorised connection or use

You must not:

- wrongfully take, use or divert any water supplied by us; or
- wrongfully interfere with the operation of a meter or prevent a meter from registering the quantity of water supplied by us; or
- wrongfully discharge any substance into a system owned by us.

You must obtain our consent before carrying out any activity that may alter, cause destruction of, damage to, or interference with, our water, wastewater, or stormwater systems.

8.13 Removal of trees

If a tree on your property is obstructing or damaging our water system, wastewater system, or our stormwater system, or is reasonably likely to do so, we may require the removal of the tree at your cost.

We will give you 14 days notice in writing requiring you to remove the tree. You may with our consent and at your cost, take steps to eliminate the cause of damage or interference to our water system, wastewater system, or stormwater system, without removing the tree.

We may reimburse you for reasonable expenses incurred in removing the tree if:

- you could not have reasonably known that the planting of the tree would result in the damage or interference; or
- an easement did not exist in favour of our system when the tree was planted.

If you fail to comply with the notice to remove the tree, by the specified date, then we may remove the tree and recover the costs of removal from you.

We cannot require a tree to be removed that is the subject of a protection or conservation order under the *Heritage Act 1977*, or the *National Parks and Wildlife Act 1974*, local council regulation or any applicable law.

9 Entry onto a customer's property for maintenance

9.1 Access to Hunter Water's system

You must ensure that we have safe access to your property, to:

- maintain our water, wastewater, or stormwater systems
- to ensure that this Customer Contract, the Operating Licence or the Act is being complied with
- for other purposes set out in the Act or other applicable laws
- to read a meter.

9.2 Identification

When we enter your property, our employees or contractors will carry identification that will be shown to you (or to any person present at the time of access).

9.3 Notice of access

We will give you, or the occupier of your property, two days written notice specifying the date, and approximate time of our entry onto your property, unless you agree to a shorter notice period.

We will not give you written notice in cases where:

- In our opinion entry is required urgently
- the purpose is to read, fit exchange or maintain a meter
- giving notice would defeat the purposes of entry
- we intend to conduct a water restriction investigation on your property
- we conduct a general property inspection such as meter, plumbing or a backflow device or trade wastewater inspection
- to assess the operation or condition of our systems where that inspection is not intrusive.

9.4 Impact on customer's property

If we enter your property we will ensure that we:

- cause as little disruption or inconvenience as possible;
- remove all rubbish and equipment we have brought on to the property;
- if our activities result in inconvenience, damage or loss to you or your property, we may provide redress as outlined in Section 7.)

You may be entitled to compensation under the Act for damage incurred by our entry to your property. Any entitlement to compensation will be subject to the conditions set out in clause 8.10.

10 Water meter reading, installation, testing and maintenance

10.1 Measuring water supplied

Unless we otherwise agree, a meter will measure the quantity of water that we supply you. You will be charged for the quantity of water measured by the water meter, unless the meter is faulty and we are required to adjust what we charge you under clause 10.3.

If a meter is stopped or damaged, an estimated consumption will be calculated on a basis which is representative of your consumption pattern.

Where in our opinion no satisfactory basis exists to adjust a usage charge, we will negotiate with you a mutually agreeable adjustment of charges based on an estimated reading.

When the price for water or wastewater usage is varied on a date that falls within your meter reading period, we will apply the new price on a pro rata basis.

We will use our best endeavours to provide an actual meter reading at least once every 12 months, inclusive of meter readings taken by you on our behalf.

10.2 Water meter installation and maintenance

We will supply you with a meter that complies with the relevant Australian Standard. You must not remove a water meter from your property without our consent.

We may require you to meter each individual property served by a single connection to our water system. Your plumber or designer should check our published requirements during the planning stage.

A backflow prevention device of a type approved by us may be required to be fitted to the outlet of the meter.

You are required to pay for the meter's installation and ensure that it is installed either by us or a licensed plumber. The installed meter remains our property and we will maintain it. We may charge you for the cost of replacement of the meter if it is wilfully or negligently damaged.

We may charge you an un-metered service charge, if there is no meter or other instrument measuring the supply of water to your property.

We may require that you fit a meter to your fire service. This will be a requirement under your building approval with us.

10.3 Meter testing

If you consider that the meter is not accurately recording water passing through it, you may request that we test it. We will advise you of the meter test results and make available a written report on your request.

You will be required to pay the costs of the meter test prior to the test proceeding. This cost will be refunded if the meter is shown to be inaccurate.

If the test shows that the meter is over recording by over four per cent of the actual volume of water passing through it, we will:

- Replace the meter;
- refund any charge paid by you for the test; and
- recalculate your account on a basis that is representative of your consumption pattern.

10.4 Access to the water meter

We may enter your property without notice for the purposes of reading, testing, inspecting, maintaining, and replacing the meter.

You must ensure that the meter is reasonably accessible to Hunter Water or its representatives for meter reading and meter maintenance purposes. The meter and the visible pipe connected should be clear of concrete, plants, trees bushes and other obstructions.

If you have not provided reasonable and safe access to your meter, we will bill you on an estimate of your usage and will also recover the cost of the attempted meter reading.

If you have not provided reasonable and safe access to the meter for a reading on two or more occasions, we will:

- relocate the meter; or
- seek access at a time suitable to you, which will incur an additional fee; or
- ask you to read the meter on our behalf; or
- make other arrangements with you.

If you cannot provide reasonable access for reading the meter on an ongoing basis and we cannot come to a mutually acceptable solution, we may treat your property as un-metered and may impose an imputed service and usage charge. The imposition of imputed charges does not affect our right to address meter access issues at any subsequent time.

If you intend to relocate your meter, you should engage a licensed plumber at your cost. Your plumber should check our published connection requirements before relocating the meter.

10.5 Meter replacement

We will replace the meter at no cost to you if the meter:

- is found to be defective; or
- if it can no longer be reasonably maintained; or
- is replaced as part of a meter replacement program.

If we incur additional costs to replace the meter because of actions by you (e.g. restricted access to the meter, structural work at or near the meter), we will recover those additional costs from you.

We will use our best endeavours to notify you at the time of replacement and advise you that a new meter has been installed. A mutually acceptable time will be

negotiated with non-residential customers for the replacement of meters, where practicable.

11 Who can I speak to if I have any questions or want to make enquiries?

11.1 General enquiries

If you have an enquiry relating to an account, payment options concession entitlements or other information about our services, we would encourage you to contact us as follows:

- by telephone between 8.00am and 5.00pm Monday to Friday on 1300 657 657
- by writing to us at PO Box 5171, Hunter Region Mail Centre NSW 2310
- by using the enquiries email link on our website at www.hunterwater.com.au

If we cannot resolve your enquiry immediately, we will respond to your request within three working days.

Our response will provide an explanation and the name of the contact person for follow up enquiries if you are not satisfied.

If your complaint cannot be resolved within these timeframes, our response will advise you of the name and contact number of the person who will investigate your enquiry further.

11.2 Emergency assistance

In the event of a leak, burst water main near your property a wastewater overflow, an unplanned interruption to supply, or a water quality or water pressure problem, we provide a 24 hour emergency telephone service on 1300 657 000. The emergency phone number is also listed on your account and in the telephone directory.

11.3 Interpreter and TTY services

We provide an interpreter service for people from non-English speaking backgrounds. Please call 131 450 to access these services.

Customers who are deaf or have a hearing or speech impairment can contact us through the National Relay Service (NRS):

- TTY users phone 133 677 then ask for 1300 657 657
- Speak and Listen (speech-to-speech relay) users phone 1300 555 727 then ask for 1300 657 657
- Internet relay users connect to the NRS (see www.relayservice.com.au for details) and then ask for 1300 657 657

12 What can I do if I am unhappy with the service provided by Hunter Water?

12.1 Customer complaints

If you have a complaint about our service or our compliance with this contract, the Act or Operating Licence you should contact us on 1300 657 657. You can also email us at enquiries@hunterwater.com.au, or write to us at Hunter Water, PO Box 5171 HRMC NSW 2310. If we cannot resolve your complaint immediately, we will use our best endeavours to respond and resolved your complaint within three working days.

Our response will provide reasons for our decision and the name of the contact person for follow up enquiries if you are not satisfied.

If your complaint cannot be resolved within these timeframes, our response will advise you of the name and contact number of the person who will investigate your matter further.

We will provide you with information on our internal and external complaints handling processes in a pamphlet with your bill at least once a year.

12.2 Complaints review

If you are not satisfied with the solution offered or action taken by us, you may have the complaint reviewed by a manager.

The manager will:

- clarify your complaint and the outcome sought;
- ensure that the matter has been properly investigated;
- advise you of the estimated timeframe for our proposed action;
- communicate to you our final decision;
- outline the relevant facts and regulatory requirements where appropriate;
- indicate what we will do to address the issue;
- notify you of your rights to external review, if you are still not satisfied with our decision.

12.3 When a dispute is considered resolved

Hunter Water is committed to resolving any concerns you may have with the service we provide you to a level you deem satisfactory and in a timely manner.

A dispute will be considered finalised when:

- we provide you with a substantive response that:
 - a. resolves the dispute to your satisfaction or indicates how the dispute will be resolved to your satisfaction; or

- b. provides an explanation of the relevant policy and/or regulatory requirements and why no further action is proposed in relation to the dispute; or
- c. provides a date when the issue will be resolved if the complaint relates to future planned operational or capital work;
- The dispute is resolved through an external dispute process in accordance with clause 12.4; or
- 28 working days have passed since receiving our response pursuant to clause 12.1 or 12.2 and you have not sought a further review by us or lodged a claim in an external dispute resolution forum.

We will extend the 28 working days by a reasonable period if:

- within those 28 days you have requested an extension; or
- after the 28 days you demonstrate that, because of special circumstances, you were unable to seek an extension within the 28 days.

12.4 External dispute resolution

You have the right to seek external resolution of a dispute that has not been resolved by us to your satisfaction.

12.4.1 The Energy and Water Ombudsman New South Wales

You have the right to refer a complaint or dispute arising under this contract to the Energy and Water Ombudsman NSW (EWON).

EWON is an independent dispute resolution body that can investigate and resolve many disputes you have with us under this contract.

Full details on EWON's services are available on the EWON website (www.ewon.com.au) or by calling EWON on 1800 246 545.

EWON's services are available to you at no cost.

You may choose whether or not to accept EWON's decision. If you decide to accept it, then it will be final and binding on us.

12.4.2 The Consumer, Trader and Tenancy Tribunal

The Consumer, Trader and Tenancy Tribunal may hear and determine consumer claims relating to services supplied by us under this contract.

12.4.3 Other legal avenues

You may also seek legal advice.

13 Consultation, information and privacy

13.1 Involving customers in service planning

We have an established Consultative Forum to enable community involvement on issues relevant to our programs, services and decision-making processes.

The Consultative Forum Charter explains the role and functions of the Consultative Forum. The Charter is available on our website at www.hunterwater.com.au, or you may contact us on 1300 657 657 to obtain a copy.

13.2 Providing information

We will respond in a timely and open manner to requests for information consistent with normal commercial practices and the *Government Information (Public Access) Act 2009*.

13.3 Privacy

We will treat your personal information according to the provisions of the *NSW Privacy and Personal Information Act 1998*.

To the extent permitted by law, we may exchange information about your creditworthiness, credit standing, credit history or credit capacity with credit reporting agencies, other credit providers, other suppliers, or our agents, contractors and franchisees.

We may also confirm your eligibility for bill concessions and exemptions (for example, pensioner rebates) with relevant government agencies administering concession eligibility.

14 When does my Customer Contract with Hunter Water terminate?

14.1 Termination of this contract

This contract will terminate between us and you if you cease to be covered by this contract as described in clause 2.2.

The termination of this contract does not affect any rights or obligations of you or us that accrue prior to termination.

If this contract, or part of the contract, terminates because you, the account holder have requested that some or all of the services that we provide to your premises be transferred to a supplier licensed under the *Water Industry Competition Act 2006*, we will comply with the Transfer Code of Conduct established under that Act to affect the transfer.

14.2 Variation of this contract

We may also vary this contract as permitted by the Act.

Variations to this contract will be available on our website, and from our offices for access or collection free of charge.

Section 38 of the Act provides that a variation of the Customer Contract must be published in a daily newspaper circulating in the Area of Operation at least six months before the variation becomes effective, or a shorter period of notice approved by the Minister. A copy of the notice must also be given to the customer. This requirement to give notice of variations to the terms of the contract, does not apply to variations in charges and fees made in accordance with a determination of IPART.

15 Definitions and interpretation

15.1 Definitions

Account holder	is taken to have the same meaning as “owner” as defined by the <i>Hunter Water Act 1991</i> .
Act	means the <i>Hunter Water Act 1991</i> and any regulations in force under it.
Alternative water supply	Is drinking quality water that may be available during a supply interruption. Supplies may be in the form of bottled drinking water or a road tanker from which water can be collected.
Area of operation	is the areas of operations specified in section 16 of the Act, and described in Schedule 1 of the Operating Licence.
Availability charge	is a charge for service availability, rather than use of our wastewater or water service, where the land concerned is connected to the wastewater or water service.
Backflow prevention Containment device	means a device to prevent the reverse flow of water from potentially polluted source, into the drinking water supply system.
Billing cycle	means billing periods each of four months commencing on 1 July, 1 November, and 1 March each year.
Charges	includes any charge or fee payable under this Customer Contract or other contract made between Hunter Water and a customer for the provision of water supply, wastewater or drainage services.
Charging period	is any period for which your account was calculated.
Complaint/dispute	means an expression of dissatisfaction made to an organisation, related to its products, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected. A complaint can be a written or verbal expression of dissatisfaction about an action, proposed action or failure to act by the water utility, its employees or contractors.
Connection Requirements	means Hunter Water Corporation’s published requirements for connection to its water, wastewater and stormwater systems. These requirements are intended to ensure that there is adequate capacity in the systems for customer connection and that Hunter Water’s systems are protected against potential problems that could arise from defective connections and defective customer systems.
Connection valve	is a valve installed by Hunter Water Corporation on the pressure sewer main or branch line. This valve is the point at which a property is connected to Hunter Water’s pressure system.
Consultative Forum	means a panel of community representatives that meets regularly with Hunter Water to enable community involvement in matters relevant to the performance of Hunter Water Corporation. Requirements in relation to the Consultative Forum are set out in clause 5.4 of the Operating Licence.
Customer	is defined in clause 2.2 of this contract.

Defective and unauthorised work	means any water, recycled water, wastewater or stormwater service on your property that includes: <ul style="list-style-type: none"> - construction or use of a service that does not comply with current codes of practice, standards, legislation or regulations; and/or - a blockage or leakage from, or into, the service.
Disconnection	means the stopping (either temporarily or permanently) of our supply of services to your property.
Drainage area	means a declared stormwater drainage area in accordance with section 46 of the Hunter Water Act 1991.
Drinking water	means water that is intended for human use and consumption and free of harmful chemicals and disease-causing organisms.
Drought	includes a prolonged period of low rainfall resulting in an actual or potential water shortage.
Dry weather wastewater overflow	means an overflow resulting from a blockage in the wastewater pipe network (e.g. caused by tree root invasion or pipe collapse), a pumping station electrical or mechanical failure or other system problem not related to transporting excess wastewater flows during wet weather.
Enquiry	means a written or verbal question by or on behalf of a customer which can be satisfied by providing information, advice, assistance, clarification, explanation or referral to an external body.
Financial hardship	means situations where a customer desires to pay an account, but is unable to pay all or some of the account or is unable to pay by the due date.
Low water pressure	is water pressure of less than 20 metres head for a continuous period of 30 minutes or more measured at the point of connection of the property to the water supply. A property is not considered to have experienced low water pressure if it is caused by a planned or unplanned water interruption; water usage by fire authorities in the case of a fire; or temporary and short term operational problems (including breaks in a main or failure in a pump).
Maintenance	includes repairs and replacement, and where relevant testing and inspection.
Meter	is the device used to measure the water use on the property. This includes any remote reading equipment and associated wiring, power, plumbing and servicing equipment.
Non-residential customer	is a customer who is not a residential customer as defined in this section and includes customers who own or occupy properties providing commercial residential services (for example, boarding houses, caravan parks, hotels, hostels, mobile home villages and motels).

Non-standard agreement	are agreements for non-standard water and wastewater connections are required when a property does not have direct frontage to a water or sewer main. Non-standard water connections may also apply where customers connect directly to a trunk water main. Non-standard connections require the property owner to enter into a separate written agreement with Hunter Water.
Operating Licence	is the licence granted to us under section 12 of the Act.
Our water service	means the services we are permitted to provide by the Operating Licence and any applicable law in respect to storing and supplying water.
Our water system	includes the dams, tanks, pumping stations, water mains, pipes, treatment plants and other equipment which we must provide, manage, operate and maintain under the Act to store and supply water.
Our wastewater service	means the services we are permitted to provide by the Operating Licence and any applicable law in respect to <ul style="list-style-type: none"> • providing wastewater services; and • disposing of wastewater.
Our wastewater system	includes the pumping stations, wastewater mains, pipes, treatment plants and outfalls and other equipment which we must provide, manage, operate and maintain under the Act to provide wastewater services and disposal or reuse of wastewater.
Owner	a person who holds ownership title to the property, as defined by the <i>Hunter Water Act 1991</i> .
Payment assistance arrangement	means any of the types of assistance described in clause 5.2 of this contract.
Personal information	includes any information held by us that relates to the supply of services by us, where your individual identity is apparent or can be reasonably ascertained from the information.
Point of connection (wastewater)	For gravity wastewater systems this is the end of the sewer pipe laid by Hunter Water to service the property when the sewer system was installed. Where the main is in the property to be connected, this is usually the junction on the wastewater main. Where the main is not in the property to be connected, this may be the end of a branch line (usually about 1.2 metres inside the boundary of the property to be connected). For pressure and vacuum wastewater systems this is the connection valve or inlet point to the main that feeds into the vacuum pot.
Planned interruption	means an interruption to a water or wastewater service initiated by us to allow maintenance to be undertaken and for which notice has been given to you.
Plumbing standards	Include current codes of practice and standards, legislation and regulations applying to plumbing work and plumbing fittings and materials.

Pressure sewer system	means a system where wastewater is pumped to our wastewater system from collection tanks installed on your property and where these tanks and pumps are owned and maintained by you. Figure 2 illustrates a typical residential installation.
Private joint wastewater service	is where two or more properties share the same private wastewater pipes. Private joint wastewater services have one connection to the wastewater main. Customers with a private joint wastewater service share and own the service in common with each property owner sharing the service, and are jointly responsible for its condition.
Private joint water service	is where two or more properties share the same private water pipes. Private joint water services have one connection to the water main. Customers with a private joint water service share and own the service in common with each property owner sharing the service, and are jointly responsible for its condition.
Property	<p>means</p> <ul style="list-style-type: none"> • an individual dwelling or premises used for any purpose; or • land, whether built or not (excluding public land); or • a lot in a strata plan that is registered under <i>the Strata Schemes (Freehold Development) Act 1973</i> or <i>the Strata Schemes (Leaseholder Development) Act 1986</i> <p>that is connected, or for which a connection is available, to Hunter Water's water supply system or wastewater system or within a declared drainage area.</p>
Reasonable time	<p>for the purposes of clause 8.8, means</p> <ul style="list-style-type: none"> • a period of not less than 24 hours from notification by us where, in our opinion, the defect is reasonably likely to significantly impact on any of our systems or other customers, and • a period that, in our opinion, allows sufficient time for you to arrange and carry out the necessary rectification.
Recycled water	is water that is derived from treated wastewater and is not suitable for drinking at the time of supply by us.
Recycled water area	is the geographical area occupied by a community or communities supplied with recycled water through a pipe network separate from the drinking water system.
Residential customer	<p>means a customer who owns or occupies residential property, being property:</p> <ul style="list-style-type: none"> • that is the customer's principal place of residence; and/or • on land categorised as residential under <i>the Local Government Act 1993</i>.

Residential wastewater	includes all liquids and any substances in them, which may be discharged into our wastewater system from a residential property, including discharges from toilets, hand basins, urinals, sinks, baths, showers, washing machines and similar items.
Restriction	means a direct intervention in the water supply system by Hunter Water in order to reduce flow to a customer's property. <i>See separate and unrelated definition for "Water restrictions".</i>
Service charge	is a charge for being connected to the water and/or wastewater and/or stormwater drainage system.
Stormwater harvesting	means extraction and storage of stormwater from stormwater channels and pipes for non-potable water use. Stormwater harvesting systems and operations may require licences and approvals from regulatory agencies.
Stormwater services	means the services we are permitted to provide by the Operating Licence and any applicable law in respect to providing stormwater drainage systems.
Stormwater systems	means the stormwater drainage channels, pipes, detention structures, and stormwater quality improvement devices and other equipment that we must provide, manage, operate and maintain under the Act to provide stormwater services. Hunter Water's stormwater systems are mostly the major open channels and pipe systems into which council pipe networks and street drainage systems discharge. Hunter Water's systems do not include street drainage or minor pipe networks provided by local councils. Hunter Water does not operate any stormwater systems in the Dungog, Maitland and Port Stephens local government areas.
Third party access	means formal arrangements where a third party uses the services provided by monopoly water industry infrastructure (generally pipes, pumps and reservoirs) to transport water or wastewater between their customers and their treatment facilities (or another point at which water is inserted or wastewater extracted).
Trade wastewater	includes any liquid, and any substances contained in it, which may be discharged into our wastewater system from a non-residential property, and any vehicle transporting wastewater, including septic effluent and wastewater from ships and boats. Trade wastewater does not include sewage from residential premises connected to Hunter Water's wastewater. The term trade wastewater as used in this document includes run off from contaminated open areas.
Unplanned interruption	is an interruption that is caused by a fault in our water system or a fault that is our maintenance responsibility and no notice has been given to you.
Wastewater	means untreated or partially treated material contained within our wastewater system, consisting of discharges from residential or non-residential properties, or trade wastewater.
Wastewater mining (also known as sewer mining)	is the process of tapping into a wastewater pipe (either before or after the wastewater treatment plant) and extracting wastewater that is then treated and used as recycled water.

Wastewater overflow	a discharge of wastewater from our wastewater system. These overflows may occur in wet or dry weather.
Wastewater usage discharge factor	is a measure of the volume of wastewater discharged to the wastewater system expressed as a percentage of water delivered to the property via all Hunter Water drinking water meters.
Water restriction(s)	means a restriction by Hunter Water on the use of water in accordance with relevant conditions in the Operating Licence and the Hunter Water Regulation 2010.
We, our or us	means Hunter Water Corporation, established under the Act, including its officers, employees, agents and contractors.
Your wastewater system	is defined for the purposes of maintenance and repair only in clause 8.2 and your maintenance responsibilities as they apply to most typical household installations are illustrated in Figures 1 and 2 below.
Your water system	is defined for the purposes of maintenance and repair only in clause 8.1 and your maintenance responsibilities as they apply to most typical household installations are illustrated in Figure 3 below.
You or your	means our customer for the purpose of this contract.

Figure 1 - Standard wastewater system maintenance responsibilities

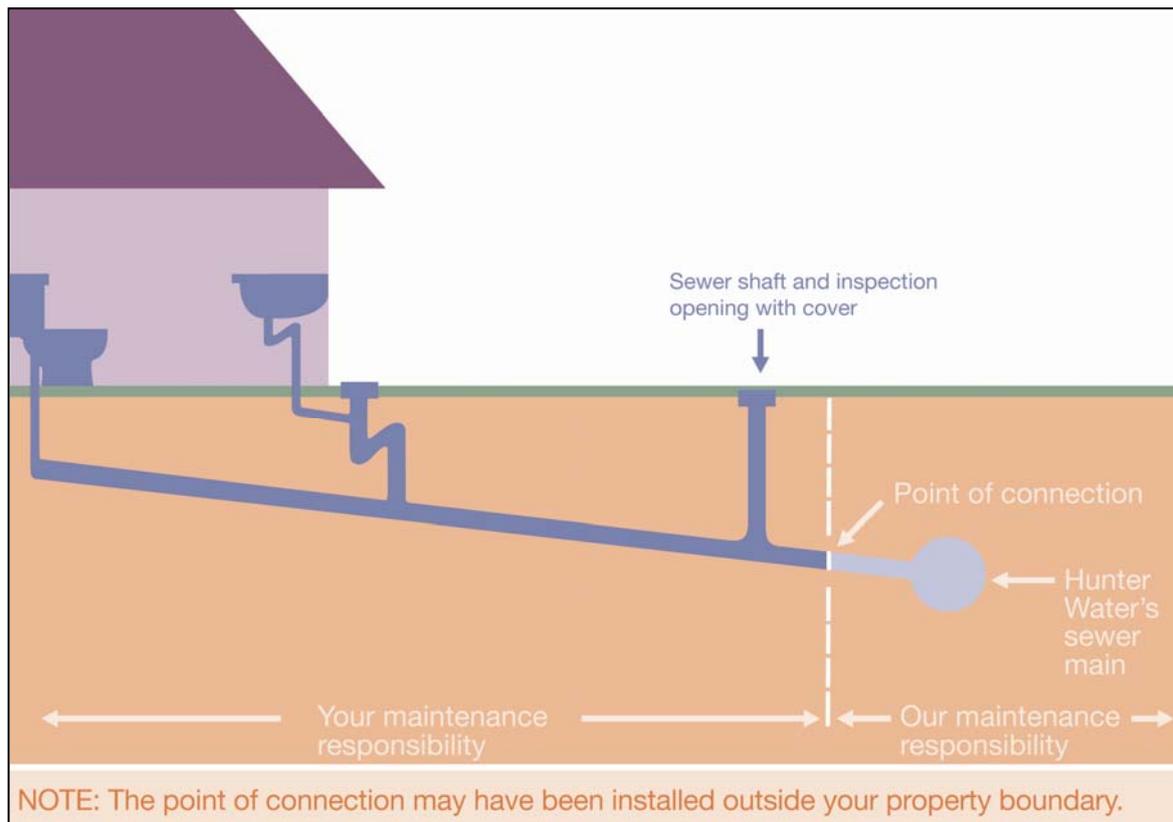


Figure 2 - Pressure wastewater system (CEP and LPSS) maintenance responsibilities

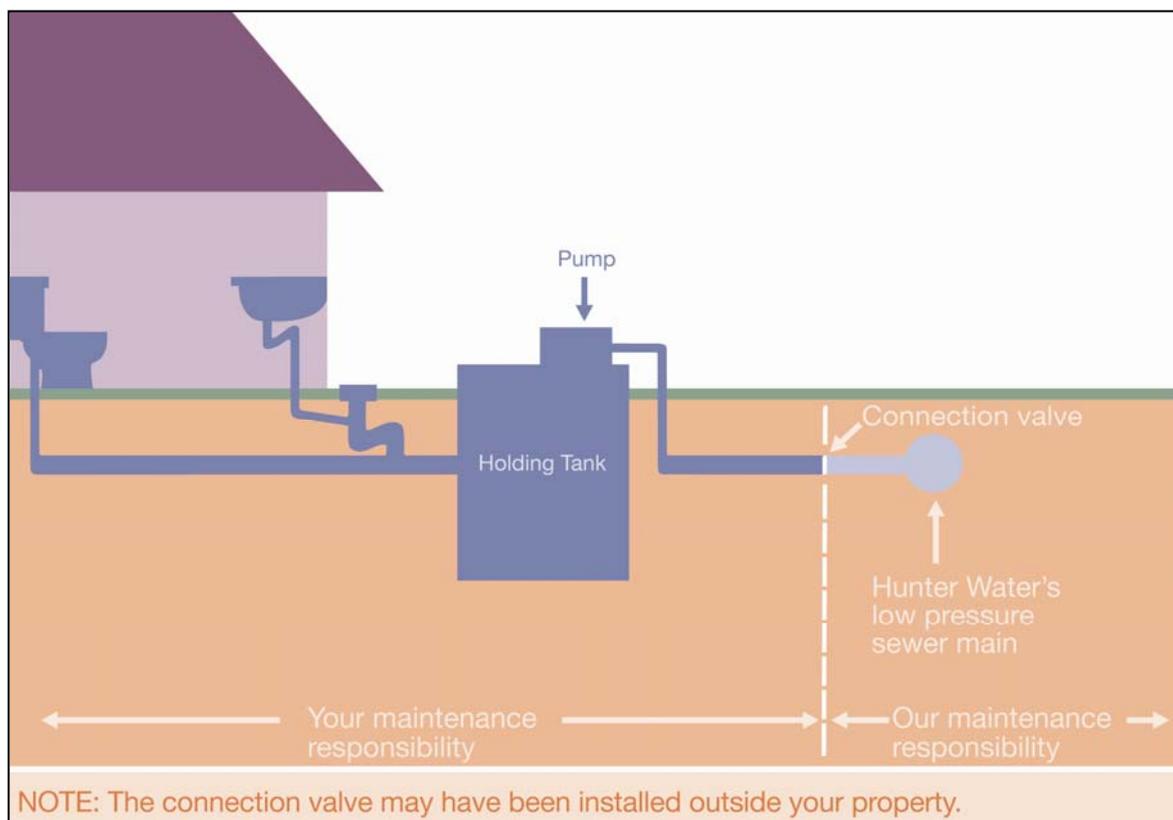
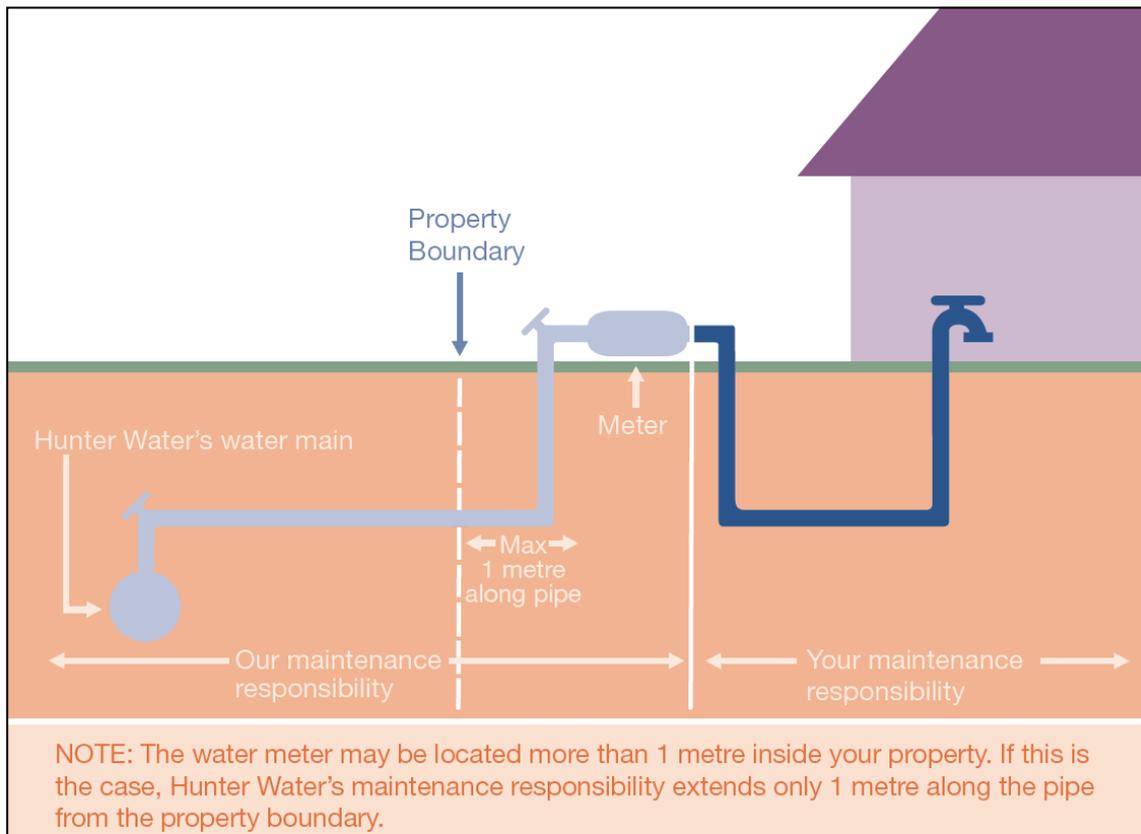


Figure 3 - Water system maintenance responsibilities



15.2 Interpretation

In this contract, the following interpretations apply:

- A person includes an individual, a body corporate, an unincorporated body or other entity.
- The law includes legislation, regulations, licences, orders, mandatory codes, permits and directions.
- A working day is Monday to Friday, excluding New South Wales gazetted public holidays.
- The singular includes the plural and vice versa.
- If there is any inconsistency between this contract and any law, the law will prevail to the extent of the inconsistency.
- The reference to document, instrument or law includes any amendments, revisions, renewals or reprints from time to time.
- Where a word is defined, any other grammatical form of that word has a corresponding meaning.

B Recommended amendment to Clause 5.3 of Hunter Water Corporation Operating Licence 2007-2012

Practices and procedures relating to customer hardship, debt, water flow restriction and disconnection for non payment

- (a) Hunter Water must have in place and comply with procedures relating to customer hardship, debt, water flow restriction and disconnection. These procedures must include:
 - (1) a customer hardship policy for residential Customers, that helps residential Customers in financial difficulty better manage their current and future bills;
 - (2) a payment plan for residential Customers who are responsible for paying their bill and who are, in Hunter Water's opinion, experiencing financial difficulty;
 - (3) conditions for disconnection of supply or water flow restriction in accordance with the disconnection procedure set out in the Customer Contract; and
 - (4) provisions for self-identification, identification by community welfare organisations and identification by Hunter Water of residential Customers experiencing financial difficulty.
- (b) Hunter Water must set out the procedures relating to customer hardship, debt, water flow restriction and disconnection referred to in clause 4.4(a) in the Customer Contract.
- (c) Hunter Water must provide information on its procedures relating to customer hardship, debt, water flow restriction and disconnection free of charge to:
 - (1) residential Customers, at least once annually with their quarterly or other bills;
 - (2) residential Customers who are identified as experiencing financial difficulty; and
 - (3) any other person who requests it.
- (d) Hunter Water must publish its procedures relating to customer hardship, debt, water flow restriction and disconnection on its website.
- (e) Hunter Water must advise residential Customers of their rights, including any rights to have a complaint or dispute referred to the Energy and Water Ombudsman NSW for resolution.