



Energy & Water
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18 April 2016

Dr Peter Boxall
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Dr Boxall,

Thank you for the opportunity to participate in the IPART public hearing which focussed on the Sydney Water and Hunter Water review of late payment fees and dishonoured or declined payment fees.

EWON also welcomes the opportunity to comment further on IPART's draft reports *Review of prices for Hunter Water Corporation* and *Review of prices for Sydney Water Corporation*.

EWON notes that the Sydney Water late payment fee proposed in IPART's draft report is \$4.16 for 2016-17, increasing to \$4.40 in real terms by 2019-20, the end of the determination period.

In our previous submission to IPART's review of prices for Hunter Water Corporation and Sydney Water Corporation, EWON noted:

...that energy customers who receive certain energy rebates are exempt from late payment fees under the NECF whereas Sydney Water customers who receive pension rebates have not been included in the proposed list of exemptions. We recommend that these customers should be exempt from the fee to ensure consistency and equity in financial assistance across the utilities sector.

While we acknowledge that customers who have been identified as being in hardship will not be charged a late payment fee, as noted during the hearing, many customers who are eligible for concessions manage their finances effectively and may be reluctant to self-identify when they enter a period of financial hardship. EWON strongly supports extending the exemptions to late payment fees proposed by Sydney Water to include customers who currently receive a rebate (concession) on their water bill. EWON also considers this position would be consistent with previous IPART determinations on energy pricing.¹

EWON would also like to thank IPART for noting, during the public hearing, the disparity between the Sydney Water late payment fee proposed by IPART's draft report, and the late fees

¹ IPART Review of regulated retail tariffs and charges for electricity 2010-2013 — Final Report, p 190

charged generally by energy retailers in NSW, which are around \$12.00. EWON will consider raising this with the retailers and/or the relevant regulators to determine whether a time/cost reflective approach has been established.

EWON also supports Hunter Water's new approach, in response to IPART's draft report, to move from a three part pricing structure for dishonoured or declined payment fees to a single price fee based on the current cost of dishonoured direct debit payments, the lowest cost tier. EWON also welcomes Hunter Water's intention to review its current administrative systems and processes and further reduce its fees over time.

If you would like to discuss these matters further, please contact me or Rory Campbell, Manager Policy and Research, on [REDACTED].

Yours sincerely,

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Janine Young
Ombudsman
Energy & Water Ombudsman NSW