

Property Owners Association of NSW Inc  
PO Box 329  
Bondi Junction  
1355  
3<sup>rd</sup> November 2006

John O'Connor  
President.  
[mail@poa-nsw.com.au](mailto:mail@poa-nsw.com.au)

The Chairperson  
IPART  
PO Box Q290  
QVB Post Office  
Sydney 1230  
[ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Re Submission for Hunter Water Licence Review

Dear Sir,

The Property Owners Association would like to make a submission about the Hunter Water Review.

Our association represents landlords State wide including a considerable number in the Hunter Water Service area.

Our Association is very concerned about the water pricing arrangements that apply in this State. We are also very concerned that IPART does not seem to understand the necessity for Tenants to be considered as "customers" by all water authorities including in this case Hunter Water.

Landlords are not responsible for electricity, pay TV, gas, phone or any other tenant service and we fail to understand how water can be any different. Tenants represent over 35% of the States households.

The Residential Tenancies Act states that Tenants in private houses can only be charged for metered water use.

The Department of Housing tenants also require metered water.

Both public and private landlords are in practice acting as "agents" for the water authorities. The landlords are responsible for billing tenants, collecting revenue and bad debts. For doing all this the Landlords receive no "commission" or other form of payment. This is wrong.

It is also wrong for Hunter Water to claim its debt policies are effective and realistic as they do not have to fund or collect water usage monies from the 35% of households that are not in a position to own their own premises.

Our Association is also concerned that discounts to pensioners and other disadvantaged can not be passed on to tenants as they are not customers of Hunter Water.

The POA is also concerned that Hunter Water has not implemented the washing machine rebate.

Water is a very scarce and precious product and as such should be not sold to any end user in an un-metered manner. We note that the Hunter Water submission includes no information showing the number of households without individually metered water supplies. We believe that IPART should seek this information from Hunter Water and make the information public. We believe the figure could be as high as 40%.

It would seem to the POA that is irresponsible for any water authority including Hunter Water to allow water to be sold to an end user based on an estimate. Hunter Water's policies require that estimates be made where meters are suspected of being faulty and on properties where a meter is not fitted. This is not covered in Hunter Water's submission.

Where estimates for water use is made by Hunter Water landlords are not permitted under the Residential Tenancies Act to recoup this water use cost from tenants.

It is also of concern to the POA that water meters are not checked for accuracy. We believe this could leave Landlords in a very difficult position if a tenant challenges water use in the Tenancy Tribunal.

The POA believes that:-

- IPART must seek to have the Residential Tenancies Act and other relevant legislation changed to make end users the "customers." under the water authorities Customer Contracts.
- Water Authorities including Hunter Water must meter services to all households.
- Water Authorities including Hunter Water must provide and maintain all water meters at their cost.
- Water Authorities including Hunter Water must bill all "customers" (each household) directly.

The POA notes that under the Customer Contract there is provision under section 2.3 to have non standard water and sewer agreements. The submission by Hunter Water makes no explanation why this provision is not used to supply water to consumers including tenants.

The POA is also concerned that Hunter Water has not progressed to a higher level of user pays. It is noted that consumption fell about 30% when the user pays principle was introduced in the 80's.

Our Association believes that raising the user pays proportion and making all households customers is not only a responsible procedure but an essential tool for water conservation.

Hunter Water's submission makes no reference to the price of water sales. The POA would expect that the licence review would examine the water sales and compare them to the water price determinations. Our Association would not consider it reasonable if some end users were receiving water at discounted pricing or under arrangements other than the prices approved in IPART determinations. The pricing arrangements with the Central Coast do not seem to be explained in Hunter Waters Submission. Does Gosford pay \$1.09KI and then re sell it for \$1.124KI?

In conclusion the Property Owners Association believes Hunter Water has operated as a monopolistic supplier of water and has failed to operate that licence in a manner that is fair and equitable. Whilst the drinking water standards to users has been of a good standard the Corporation has relied on the 65% of consumers that are property owners to fund its activities. Not only has it failed to raise revenue from tenants it has expended resources provided by property owners to provide tenants with goods, services and assistance.

The terms and conditions of a renewed licence must be such that all consumers directly contribute to the cost of Hunter Water's operation, share in the discounts and rebates, and have a direct role in water strategies. In other words water must be handled by water authorities, such as Hunter Water, in a similar manner to electricity, pay TV, gas and phone etc.

John O'Connor  
President