



14 March 2013

Review of prices for Gosford City Council and Wyong Shire Council
Independent Pricing and Regulatory Tribunal
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Thank you for the opportunity to comment on the IPART *Draft Determination and Report on the review of prices for water, sewerage and stormwater drainage services for Gosford City Council and Wyong Shire Council, from 1 July 2013 to 30 June 2017.*

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

The IPART Report notes that Gosford Council has over-spent on delivering its capital program in recent years, and that they are obliged as part of their funding structure to recover the cost for these works from their customers. EWON acknowledges IPART's view that Gosford Council's capital expenditure was necessary and prudent.

EWON notes that IPART has proposed a 23% increase in the water and sewerage bills of the average household in Gosford Council's area. This is an increase of \$245 over the determination period, July 2013 to June 2017.

EWON notes that the price increase proposed for the Gosford Council area is higher compared to prices recently proposed for the Wyong Shire Council, Hunter Water and Sydney Water areas. We also note that this rise occurs at a time when consumers also face increases in electricity and gas prices, and increases in the cost of other commodities. We are concerned that customers of Gosford Council may experience 'bill shock' as the proposed price increase may impact adversely on many low income customers. EWON acknowledges and supports the range of customer assistance measures offered to assist customers experiencing payment difficulties, such as flexible payment arrangements and payment extensions.

EWON would encourage Gosford Council and Wyong Council to consider offering Centrepay to customers receiving Government income support. Given the particular demographics of these areas (eg higher proportion of low income and retiree/pensioner households) we believe that this payment option would be of considerable benefit for many customers. Centrepay allows customers to make small regular payments towards their water bills to reduce the impact of the quarterly bill. We note that Centrepay is offered to the customers of most energy retailers and Sydney Water.



As EWON has noted in previous submissions¹ around water pricing determinations, the pensioner rebate is an issue that continues to arise in the context of affordability of essential services. There is no consistency in the various levels of pensioner rebates set by different water providers.

We note that pensioners who are tenants are not eligible for the pensioner rebate on their water charges because they do not have a water account. This is an issue in the context of increasing costs, since the most financially vulnerable pensioners are often those who live in private rental accommodation.

As part of this review EWON suggests that IPART encourage a review of the current levels of pensioner rebate, to foster a more consistent and equitable approach across different water providers.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy, on 8218 5250.

Yours sincerely

A handwritten signature in cursive script that reads "Clare Petre".

Clare Petre
Energy & Water Ombudsman NSW

¹ For example, see EWON submission to IPART's *Review of price structures for metropolitan water utilities Water – Discussion Paper June 2011*, available at http://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Metro_Pricing