



## Council of Social Service of New South Wales

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16<sup>th</sup> February 2015

c/o: Review of the Operating Licence for Sydney Water Corporation

IPART

Level 15, 2-24 Rawson Place

GPO Box 3131

SYDNEY NSW 2000

Submitted online at: [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

To whom it may concern,

**RE: NCOSS SUBMISSION TO THE IPART REVIEW OF SYDNEY WATER'S DRAFT OPERATING LICENCE 2015-2020**

Thank you for the opportunity to provide comment concerning IPART's review of the Draft Operating Licence for Sydney Water Corporation Ltd. 2015-2020 (hereafter 'the draft licence'). The Council of Social Service of NSW (NCOSS) wishes to make brief comments on the draft licence and we limit our comments to issues of financial hardship. We would welcome the opportunity to further engage with IPART on these issues in due course.

**Financial hardship and disconnection provisions**

People living on low-incomes or experiencing financial hardship in NSW can face difficulties paying for key utilities including water, which is a key resource for human functioning. A recent NCOSS report noted the rising cost of utilities for households when measured against the Consumer Price Index, with costs having escalated beyond the basic inflation rate.<sup>1</sup> This can result in 'bill-shock' for consumers, including low-income people who spend a greater proportion of their income on utilities.

In our view, the provisions contained within the Operating Licence for Sydney Water Corporation Ltd. provide an opportunity to mitigate some of the effects of financial hardship on individuals', families and communities access to water. To this end, we welcome many of the provisions contained in the draft licence.

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<sup>1</sup> Council of Social Service of NSW (2014). *Cost of Living: Who's Really Hurting?* Sydney: NCOSS, p. 25

In particular, we welcome the clear definition of financial hardship contained in the draft customer contract.<sup>2</sup> We also welcome the clear codification of disconnection and restriction of supply procedures outlined in clause 6.2, which provide for reminder notices to be issued to customers prior to further action being taken in respect of non-payment.<sup>3</sup>

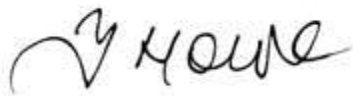
Additionally, we welcome the limitations on disconnection contained in section 6.7 of the draft licence, which require prior notification of the existence of the hardship policy prior to disconnection, as well as a commitment to only undertake disconnections on business days.<sup>4</sup> We are of the view that this notice period is critical for people who may be experiencing financial hardship and be willing, but unable, to pay at a particular point in time.

We are, however, concerned with the proposal contained in clause 4.4.5 to charge a late payment fee, in addition to interest, in cases where accounts are in arrears.<sup>5</sup> We consider that this could result in significant stress for people experiencing financial hardship and may result in a further barrier to the timely payment of overdue accounts. In this respect, we note the existing provisions in clause 6.2 of the draft licence for Sydney Water Corporation to charge a fee for disconnection and/or recover relevant legal costs.<sup>6</sup> In our view, for this reason, additional penalty measures, ostensibly aimed at recovering unspecified costs, are unnecessary and unreasonable and are likely to have a detrimental impact on people facing extreme financial hardship.

NCOSS would welcome the opportunity to engage further with IPART on the draft licence, particularly in relation to financial hardship provisions.

Should you require further information, please contact John Mikelsons, NCOSS Deputy CEO, on 8960 7916 or via email at: [john@ncoss.org.au](mailto:john@ncoss.org.au).

Yours sincerely

A handwritten signature in black ink that reads "Tracy Howe". The signature is written in a cursive, flowing style.

Tracy Howe  
Chief Executive Officer

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<sup>2</sup> *Sydney Water Corporation Operating Licence Ltd. 2015-2020: Draft*. Sydney: IPART, p. 40

<sup>3</sup> *Ibid.*, p. 19

<sup>4</sup> *Ibid.*, p. 22

<sup>5</sup> *Ibid.*, p. 14

<sup>6</sup> *Ibid.*, p. 20