

26 July 2022

Andriana Georgievski
Senior Consumer Policy Adviser – Price, Monitoring and Regulation
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne, VIC, 3000

Via email: water@esc.vic.gov.au

Dear Ms Georgievski

RE: Proposed changes to water customer service codes

I refer to your email of 15 June 2022 requesting feedback on the proposed changes to the **Customer Service Code for Urban Water Businesses** by 26 July 2022. Thank you for the opportunity to provide feedback. Central Highlands Water (CHW) has reviewed the proposed changes and I write today to provide detailed feedback on behalf of the organisation below.

CHW's preference is for the new code, to be known as the **Water Industry Standard – Urban Customer Service**, to be introduced at the initial proposed date of 1 July 2023 for the following reasons:

- Consistency with commencement of the new regulatory period from 1 July 2023. This provides clarity of internal and external messaging to ensure that all the key components of the Standard are aligned from an operational and communication perspective, these being:
 - Customer commitments in the Standard
 - Customer Service Standards (being reviewed as part of the 2023-28 Price Submission)
 - Guaranteed Service Levels (being reviewed as part of the 2023-28 Price Submission)
 - Customer Charter update to reflect the above changes

It could be confusing (and potentially disappointing) to customers to launch a new Standard on 1 January 2023 only to tell them that two major components are still being finalised and will be available in 6 months' time from 1 July 2023.

- Introduction on 1 July 2023 enables sufficient time to ensure the required new policies, procedures and policy updates regarding the numerous amendments are thoroughly and consistently developed, made and endorsed by all parts of the business e.g. work unit level, senior management level and appropriate Board endorsements.
- A number of ICT system changes will need to be made to enterprise systems to enable the majority of proposed changes to occur. These changes will need to be made in conjunction with third-party vendors and are often interdependent and require rigorous testing to ensure successful implementation. This typically requires a user-experience consultative period, pilot testing and change management processes to ensure these changes can be fully committed to and successfully implemented. There can be unintended consequences of

such programming and system changes that need to be fully understood prior to their introduction.

- Finally, a period of training with operational and front-line staff needs to be undertaken to ensure successful implementation of all of the proposed changes.

For these reasons we consider the initial introduction date of 1 July 2023 is not unreasonable. Central Highlands Water (CHW) commits to maintaining our commitment to the National Cabinet principles until this time.

CHW generally support the proposed changes and makes the following specific comments on the following clauses:

| Section | Comment |
|---|---|
| 2.1 Charges – Variation | <p>We are seeking clarity around the definition of <i>'notify each customer of any proposed variation of charges at least five business days prior'</i>, and exactly what communication method the ESC is considering that qualifies as adequate notification.</p> <p>In general the tight turn-around from approval to implementation of tariffs during the end of financial year period places pressure on the business during an already time sensitive period. Notifying all customers of a variation of charge (such as by individual letter), further exacerbates this workload, which in turn could lead to poor customer experience for example longer call wait times and delays in correspondence responses due to the volume of customer enquiries generated by such a notice. Such a notification would also come at additional expense with a major stand-alone mailout. It is our preference that the customer is notified by advertisements circulating across the region, on our website and on the invoice following the price increase as is the current practice for annual price changes.</p> |
| 5.1 Customer self-reads | System and work process changes required to implement this clause. |
| 6.7 Adjustment of bills | <p>We understand the ESC's intention to bring the Water Industry Standard in line with the Energy Code. However, due to the geographical size of the CHW district and the dispersed nature of rural water connections, under charging may not necessarily present itself within a convenient 4 month timeframe due to circumstances beyond CHW's control, such as when some meters are distributed and actually connected.</p> <p>Our preferred timeframe would be 8 months to allow us to capture any issues/discrepancies and correct them accordingly. Allowing our customers the equivalent timeframe to organise payment or if hardship is involved, to apply for any relevant Customer Support Programme.</p> |
| 7.2 (b) Flexible payment plans | These changes will require additional resource and systems changes. |
| 9. Customer's chosen representative or support person | We support these changes but seek clarity around how consent of a representative can be sought, given or changed while protecting the privacy of customers and ensuring such processes remain workable and efficient, particularly where social welfare advocates are involved. For example, under what conditions can telephone consent from the parties be obtained? |
| 10.3 Customer Support policy – small business customers | We would like clarification on this clause - Would the proposed definition incorporate Landlords? |

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| 15.2 Reminder notices | The proposed change to the due date will require systems and work process changes. |
| 15.3 Final notices | The proposed change to the due date will require systems and work process changes. |
| 15.4 Communication requirements | We support these changes as an improvement. We seek to clarify if sending a final notice counts as one of the four attempts, as typically the final notice will be issued within the 90 calendar day time period. |
| 15.5 & 15.6 Interest | We assume these sections apply to all customer charges e.g. sewer schemes, not just water and wastewater services. Clarification is welcomed. |
| 16.1 Restriction to be a measure of last resort | To confirm, the reasonable measures apply first, then consideration of restrictions. |
| 16.2 Limits on restriction and legal action | System and work process changes required to implement this clause. |
| 18.2 Service standards | To clarify, these will be lodged with the ESC by 30 September 2022 as part of CHW's 2023-28 Pricing Submission. |
| 20. Guaranteed Service Levels | To clarify, these will be lodged with the ESC by 30 September 2022 as part of CHW's 2023-28 Pricing Submission. |

Thank you once again for the opportunity to provide feedback on behalf of CHW. Please contact me if you would like to discuss any of the above.

Yours sincerely,

Phillip Anstis
Strategic Planner