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# Family violence and water pricing reforms recognised for innovative approach

**18 February 2020**

*Corporate*

Our work in family violence reforms won the Innovative Regulation Award at the Institute of Public Administration's [Leadership in the Public Sector Awards](#) on Tuesday (18 February). Our water pricing framework was also nominated in this category.

These reforms are now providing Victorian water and energy customers greater support and opportunities for involvement in price setting.

## A family violence support framework for water and energy businesses

Our family violence support framework aims to ensure water and energy customers affected by family violence have access to safe and flexible support. Through this work we intend to affirm a key message from the Royal Commission's report: everyone has a role to play in ending family violence.

The 2016 report from [Victorian Royal Commission into Family Violence](#) found that financial abuse was a common tactic in family violence. Perpetrators of family violence can restrict access to essential services, deliberately collect debt in the victim's name and use business systems to find a victim's new location.

The Royal Commission recommended the commission [update the Energy Retail Code and water customer service codes](#) to support victims of family violence.

While some energy and water businesses had family violence responses in place, many were new to this area. We knew that leadership was required to address these issues. Working with family violence organisations and industry representatives, we developed an innovative approach to help businesses create change.

## Providing a framework and promoting better practice

We developed a family violence framework for water and energy businesses that:

- includes enforceable codes (with minimum standards)
- states the role of utility providers in supporting the physical and financial security of customers affected by family violence
- enshrines a right to assistance addressing the long-term consequences of family violence, which is available for every Victorian consumer
- highlights high performance, according to the [principles of better practice](#).

To further promote good and innovative practices we:

- Created an [online hub with resources](#) for businesses to use and share.
- Developed a [better practice guide](#) providing innovative and fit-for-purpose case studies.

## Outcomes of our family violence reforms

Customer research we've recently conducted shows a [positive response to the reforms](#):

- Financial counsellors say their clients feel believed by their water business.
- Customer service staff are showing more empathy towards requests for assistance.
- Assistance available is creating better outcomes for customers affected by family violence.

# PREMO: Putting customers at the centre of water pricing

Our [Performance, Risk, Engagement, Management and Outcomes \(PREMO\) water pricing framework](#) is designed to maximise the involvement of communities in price setting.

Before PREMO, customers had minimal opportunities to influence the service and price proposals of their water provider.

PREMO has strengthened incentives for water businesses to engage earlier, more broadly, and across a wider range of issues. It has changed the way businesses engage with customers and communities.

The framework has put customers at the centre of these business's decision making by:

- focusing attention of water businesses on customers rather than the economic regulator
- providing greater autonomy for businesses that demonstrate accountability to customers and high performance
- establishing performance targets, with rewards and penalties, informed by better customer engagement
- simplifying the regulatory process where possible.

## Outcomes of the PREMO framework

Water businesses have employed a variety of engagement techniques to elicit community involvement. For example:

- Yarra Valley Water convened a representative citizens' jury. The business agreed to adopt jury recommendations and reflect them in its service and price proposals.
- Goulburn Valley Water staff visited 56 townships to speak to communities in its region and reflect their views in its proposals.
- Coliban Water ran deliberative township forums. Community members decided on the approach taken by the business to discharging and treating sewerage.

Simpler business pricing proposals are now easier for customers to understand them and be informed about:

- what they'll get for the proposed prices
- how their water business is performing in the areas most valued by customers.

Water businesses involved in [price reviews](#) since PREMO's introduction have proposed lower prices and better, more targeted customer outcomes.

An [independent review conducted by FarrierSwier](#) also 'found strong evidence that the design of PREMO contributed significantly to the overall objective of economic regulation of water businesses, being to promote the best long-term outcomes for Victorian water consumers'.

## For general enquiries

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