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# Victorian water businesses focus on customers ahead of economic recovery

**08 October 2020**

## *Water*

Victoria's water businesses have told the state's independent regulator they are looking forward to the future after a tough year.

Senior leaders from 17 of the state's water businesses were meeting with the Essential Services Commission as part of an ongoing series of industry and community roundtables.

The heads of the water businesses told commissioners their staff are holding up, but the cumulative effects of drought, bushfires and now the coronavirus pandemic have taken a toll.

The roundtable heard the water businesses adapted quickly to the pandemic, increasing support for customers and adapting to new ways of working.

A number of businesses said while their immediate focus is on continuing to support customers through the pandemic, they are looking at the role the sector may play in the state's economic recovery.

## **Chair's introductory notes**

Please note this is a summary not a full transcript

Good afternoon and welcome, my name is Kate Symons and I am the chairperson of the Essential Services Commission.

## Acknowledgement of country

To start, I'd like to acknowledge the Traditional Owners on all of the lands we're meeting on today and pay my respects to Elders past, present and emerging.

I would like to acknowledge the connection that Indigenous Australians hold to country and culture, particularly at this time of great uncertainty.

I would like to welcome you to today's roundtable and also introduce my fellow commissioners Sitesh Bhojani, Simon Corden and Rebecca Billings.

I'd also like to introduce our CEO John Hamill, director of price monitoring and regulation Marcus Crudden, senior regulator manager in our pricing division Dean Wickenton and other members of the commission's water team.

## Welcome to attendees

I'd also like to welcome all of you today. I'm sure it's a very busy time and want to acknowledge the way the water sector as a whole has responded to the extraordinary challenge of this time.

From managing the implications of the pandemic in your day to day work, to the impact on capital works program and even more importantly, the impact on customers and staff. I say thank you on behalf of the commission.

## List of attendees

- Tracey Slatter of Barwon Water
- Maree Lang of City West Water
- Damian Wells of Coliban Water
- Sarah Heath - CFO of Gippsland Water
- Steve McKenzie of East Gippsland Water

- Stephen Capewell of Goulburn Valley Water
- Charmaine Quick of Goulburn-Murray Water
- Mark Williams of GWMWater
- Anthony Couroupis of Lower Murray Water
- Michael Wandmaker of Melbourne Water
- Craig Heiner of North East Water
- Lara Olsen of South East Water
- Philippe Du Plessis of South Gippsland Water
- Cameron Fitzgerald of Southern Rural Water
- Andrew Jeffers of Wannon Water
- Jeff Rigby of Western Water
- Pat McCafferty of Yarra Valley Water

Today, we are focusing on the impact of the coronavirus pandemic, on your customers and business. In recent months, we have held a series of roundtables with community groups and senior leaders of the energy businesses to share perspectives on the impacts of the pandemic.

I have also chaired a water forum with staff representatives in August to announce the policy approach and principles agreed to by National Cabinet being enshrined in our water customer service codes.

## **So, why is today important to us?**

As part of our role as economic regulator of the water sector, we are responsible for the customer protection framework set out in our customer service codes for urban and rural water businesses.

These codes cover a range of issues, but most relevant to today are the obligations on water businesses in relation to:

- identifying and responding to customer hardship and family violence and
- providing information to customers to support their decision making and transparency.

The impact of the coronavirus pandemic has highlighted the need for a customer protection framework that provides flexibility to respond to changes in the environment.

And we also need to make sure we understand what is happening for our stakeholders - to do that we need data and open communication

## **What we have been seeing and hearing**

Since the start of the pandemic we have made it a priority to reach out to your businesses to ensure we understand what is happening for you and your customers at this time.

From late April, we have been collecting weekly performance data to understand the support being provided by water businesses to their customers.

- The data suggests water businesses have increased support for customers.
- The focus has been on programs providing immediate assistance or bill relief mostly through utility relief grants or hardship grants provided under the water businesses hardship policies.
- We've been told customers prefer bill payment extensions over other types of support. We will soon be collecting data on this.

We are releasing this [data on our website](#) each month.

## **Insights from the community sector**

Our community roundtables have been a very important source of information about how this pandemic is affecting Victorians. These roundtables have provided valuable insight of what sits behind the numbers.

Regular attendees of those roundtables have included the Thriving Communities Partnership, Consumer Action Law Centre, Energy and Water Ombudsman(Victoria), Brotherhood of St Laurence, Victorian Council of Social Service, Financial Counselling Victoria, Community Information & Support Victoria, Victorian Aboriginal Legal Service, Federation of Community Legal Services along with community legal services Justice Connect and Westjustice and the Council of Small Business Organisations Australia

Some of the key insights we have heard include:

- The pandemic has intensified systemic forms of inequality.
- New forms of vulnerability are emerging.
- There is increasing complexity for people who are already experiencing vulnerability.
- Calls for support have been lower than expected, but the reasons are not straightforward.
- A lack of awareness of consumer entitlements is placing consumer welfare at risk.
- The community sector expects an influx of requests for support as the restrictions ease and government support is reduced or withdrawn – notable given government assistance through JobKeeper and JobSeeker was wound back last week.

## **What we've heard from water businesses**

(Senior regulatory manager Dean Wickenton from interviews with water businesses)

From our interviews with water business staff, we have been hearing similar themes.

- Initially, calls for help were lower than anticipated but have increased.
- The impacts of the pandemic are not being felt evenly across the state.
- The complexity of customer interactions is has increased of late.
- Some businesses – but not all – are reporting an increase in overdue accounts and aged debt.
- Businesses have ramped up communication with customers as a response to calls for help.
- Many businesses are using data in more sophisticated ways to help identify those who may be experiencing payment difficulty.
- The complexity of customer interactions has increased with calls lasting longer, and more complex issues.
- Some businesses are reporting an increase in overdue accounts and aged debt.
- Some businesses have told us they may resume debt collection, we expect to be done with the utmost care.
- We agree customers who can pay their bills should continue to do so to avoid unmanageable accumulation of debt.

## **We updated water businesses customer services codes**

In early August, we amended our [customer service codes](#) to incorporate the national cabinet principles for hardship support during the coronavirus pandemic.

Many of the national principles were already regulated in some way in the codes but they did extend support into some new areas, including expanded protections for small businesses, and a requirement to halt supply restrictions, debt collection and debt recovery.

We did this to provide adequate protection to customers at this time, and to provide transparency for stakeholders through our codes, about our expectations at this time.

To support these changes, we've started a series of best practice workshops to support the water businesses.

Back to Kate for the next section. Kate.

## **Upcoming work – our vulnerability strategy and outcomes reporting**

Thank you Dean

One of the most exciting and important projects we're working on is the development of a [vulnerability strategy](#). The strategy aims to set a consistent, coordinated and long-term approach across all of our regulatory functions, not just water.

This strategy will be developed over the coming 12 months and will be the product of:

- research to capture experiences and emerging data trends
- engagement with stakeholders, including deliberative engagement with consumers
- growth in our capabilities and in thought leadership.

We [welcome input to the development of our strategy](#).

## **Outcomes reporting for 2019–20**

A key part of our water pricing framework is annual performance assessments by each water business against the outcomes they committed to in their most recent price review.

- The water team reports there have been improvements in accountability compared with last year.
- Most businesses have reported they are generally on track to deliver on their commitments.
- Our annual 2019–20 outcomes report will be released shortly

## Roundtable discussion

The group then participated in a 60-minute discussion on a range of questions.

Discussion centred around:

- the impact of the pandemic on staff and customers - including the fatigue staff are experiencing
- the focus of customer strategies and approaches to customer contact
- the importance of a resilient water sector, including adaptation to the impact of climate change
- approaches to engaging with customers on service and price trade-offs
- the role of water businesses in supporting economic activity at this time, including capital works.

Chairperson Kate Symons wrapped up the discussion with key reflections and thanked everyone for participating.

The roundtable ended at 4.35pm.

## For general enquiries

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