



9 February 2021

Merryn Wilson
Regulatory Reform Advisor
Essential Services Commission

By email: connections@esc.vic.gov.au

By website: engage.vic.gov.au/improving-timeliness-electricity-connections/have-your-say

Dear Merryn,

[UDIA Victoria Submission: Proposed customer service standards for distribution businesses](#)

The Urban Development Industry of Australia, Victoria Division (UDIA Victoria) is a non-profit advocacy, research and educational organisation supported by a membership of land use and property development organisations, across the private sector and Victoria's public service. We are committed to working with both industry and Government to deliver housing, infrastructure and liveable communities for all Victorians.

UDIA Victoria welcomes the opportunity to provide a submission to the Essential Services Commission (ESC) as part of its ongoing review of the timeliness of new electricity connections. While this submission responds specifically to the ESC's request for feedback to the proposed new standards in customer service from electricity distribution businesses, this submission should be considered in parallel with our [previous submission to the ESC review of the timeliness of electricity connections](#), dated 11 August 2020, in which UDIA Victoria advocates for a modernised legislative and regulatory framework to govern the connection of electricity to new developments.

[Proposed connection customer service standards: Industry feedback](#)

UDIA Victoria welcomes the opportunity to provide feedback regarding the proposed customer service standards. We note the different distribution businesses provided varying degrees of detail in the customer service standards submitted to the ESC, and the level of detail provided in our feedback generally mirrors the level of detail provided.

Further, we have responded separately to each of the three proposed standards which means we have grouped Powercor, Citipower and United Energy together, and responded to AusNet Services and Jemena separately.

[Powercor, Citipower and United Energy](#)

We note that historically, Powercor was widely considered the most challenging distribution business to deal with. However, in the last five years, Powercor has engaged with UDIA Victoria and our membership to meaningfully address customer service issues. This ongoing collaboration has meant that Powercor has already developed its own performance targets, which it has been measuring itself against and reported on to the industry working group of which UDIA Victoria is involved.

The Powercor proposed customer service standards submitted to the ESC reflect their willingness to embrace the engagement process and demonstrates an ongoing focus on service improvement, which UDIA commends. As such, Powercor has submitted the most comprehensive customer service standards which have addressed a wide range of industry issues.

UDIA Victoria particularly welcomes the performance criteria and target time frames put forward by Powercor. For reference, we have compared Powercor's previous performance and target timeframes

with their current targets:

	Performance 1H19 (business days)	Target 1H19 (business days)	Service Standard Target 2021 (business days)
1. Masterplan	16	10	70% within 10
2. Design Review	18.4	20	18
3. Construction Audit	6.1	5-8	7
4. Practical Completion	2.3	10	5
5. Construction tie-in	42.8	20 option / Agreed date	20 / 90% Agreed date

UDIA Victoria considers the majority of these targets to be reasonable, however we recommend a more ambitious target be adopted with regards to a construction audit, and a practical completion – industry feedback considers that for a construction audit, 70% within five business days is a more functional target to speed up electricity connections, and for the practical completion task we recommend 90% within two business days.

We welcome the approach taken by Powercor to identify customer touch points in order to set clear performance targets. We recommend the other distribution businesses adopt this approach in order to gain a better understanding of the existing process, and to identify the pressure points that must be addressed as part of their ongoing commitment to faster electricity connections at new properties.

Ausnet Services

Overall, UDIA Victoria finds the Ausnet Services proposed customer service standards to lack the substance needed to give industry and government confidence in its commitment to customer service improvement.

Of concern, Ausnet's Customer Outcomes Statement does not address two key pain points raised during the consultation stage – the overall process timeframes, as well as cancelled tie-ins. We note that Powercor, Citipower and United Energy have addressed both these key issues in their submission.

The performance targets provided by Ausnet are also limited and require further work to increase accountability. UDIA Victoria recommends Ausnet adopt an approach similar to Powercor; that is, prepare a customer journey process map to identify the areas where performance targets would improve the customer experience.

Additionally, industry is concerned that the customer experience is very much dependent on the Ausnet employee who manages their enquiry. Currently, we understand there is one employee in particular who is extremely competent, collaborative and efficient. This employee compensates for the issues in the current system. Ausnet must address industry concerns about the quality of the current system, to ensure it is sufficiently robust to provide appropriate customer service standards.

Jemena

UDIA Victoria considers the customer service standards proposed by Jemena as lacking in the detail required to ensure they can cope with impending growth associated with the next generation of

Precinct Structure Plans.

We recognise that Jemena currently has a low volume of greenfield developments (approximately three to six at a time). Therefore, their smaller-scale, current process of managing electricity connections does not pose a significant issue for industry. However, we are concerned that Jemena does not appear to have considered how they will expand and future-proof their processes to efficiently manage increasing demand in the region they service.

To alleviate these concerns, Jemena must demonstrate that they are planning for growth, contemplate solutions to identified issues, and set clear performance targets and reporting measures that can guide the distribution business through its next phase of growth and ensure accountability and transparency. None of these key points have been addressed in Jemena's current proposed customer service standards. We also note the auditing process outlined in the proposed customer service standards does not accurately reflect the existing process.

Additionally, it should be noted that Jemena is the only Victorian distribution business that says on their website that they will make the assessment themselves as to the type of connection suitable for a customer (basic or negotiated). All others allow requested negotiated connections. There is also very little information from Jemena on their website about the process for negotiated connections. This is a cause for concern and one that Jemena must address to make the process more transparent.

Overarching feedback

UDIA Victoria considers Powercor's proposed customer service standards to be the most comprehensive, and suggests it be the benchmark for other distribution businesses connecting electricity to new properties. We commend the approach of creating a process map identifying customer touch points, and using this map to identify where clear performance targets are required, in consultation with industry.

One issue that has not been adequately addressed in any of the proposed customer service standards, is the need for target dates to accommodate concurrency of tasks. For example, the public lighting layout approval for a staged master plan can be approved subject to council approval, rather than consecutively. This would save considerable time in the electricity connections process.

An additional issue that must be considered is a reduction in the number of iterations of review. For example, if a customer is required to go through multiple design reviews and corrections, the 10-day business turnaround is applied each time. Over the life of a project, if the design is reviewed five times, then the total time spent assessing it is 50 days. We consider this to be a significant 'hidden' delay that has not been contemplated.

Conclusion

UDIA Victoria thanks the ESC for the ongoing opportunity to provide industry feedback as you undertake the important work of realising tangible customer service improvements across the network of electricity distribution businesses.

In addition to the feedback provided above, UDIA Victoria reiterates a number of our recommendations, previously presented to the ESC:

- a) Amend relevant legislation and the Electricity Distribution Code¹ to incorporate timelines and financial penalties for Underground Residential Distribution customers;
- b) Broaden the scope of contestable services to enable increased use of accredited third-party resources;

¹ ESC Electricity Distribution Code, December 2015 Version 9



- c) Implement a standardised, regulated and transparent process with a transition phase to accompany any change in standards introduced by electricity businesses;
- d) Establish a standardised manual for designers and auditors, supported by ongoing training and new technology; and
- e) Introduce a sample auditing system to streamline the design and construction processes.

[Please see our previous submission to the ESC, lodged in August 2020, for more information on these recommendations.](#)

We thank you for the opportunity to engage in this important consultation process and we look forward to discussing the matters raised in this submission. Please contact Dr Caroline Speed, UDIA Victoria Policy and Research Director by emailing caroline@udiavic.com.au to arrange a suitable time to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Gaedke'.

Angela Gaedke

Acting Chief Executive Officer
Urban Development Institute of Australia, Victoria
P: 0400 088 158
E: angela@udiavic.com.au