

Water Codes Review 2019 | Stakeholder Working Group

Why we are reviewing the water customer service codes

The current *Customer Service Code: Urban Water Businesses* and *Rural Water Customer Service Code* (the Codes) have not been the subject of substantial wholesale review since their adoption into the Essential Services Commission's regulatory framework. As a result, the commission is questioning whether these codes are still serving the interests of Victorian water customers.

Changes in regulation

Since the water customer service codes have been in operation, there have been significant changes in the sector, including:

- the *Water pricing framework* (PREMO) (2016)
- the introduction of minimum standards for family violence policy in water retailers' customer service delivery (2017).

Meanwhile, following the adoption of the *Payment difficulties framework* (effective from 1 January 2019) in the energy sector, we committed to considering whether a similar approach in the water sector would improve outcomes for consumers experiencing vulnerability.

Futureproofing regulation

Along with regulatory changes, social expectations are also changing. There is growing community consensus that essential services providers must operate in a way that is inclusive of all consumers, and have policies and procedures in place to ensure that customers experiencing financial hardship or other vulnerability are able to access support. This was reflected in:

- The Royal Commission into Family Violence, which established a role for utilities providers in providing safe and appropriate services to people affected by family violence.
- The Banking Royal Commission, which highlighted new expectations around businesses treating customers honestly and fairly.

Meanwhile, rapidly changing technology is also having an impact on this landscape. The potential introduction of digital water metering will change the way that businesses collect data, raising privacy concerns as businesses collect an increasing amount of data about their customers.

Simultaneously, the legislative precedent set by the *Consumer Data Right* creates an expectation that consumers have better access to, and more control over their data.

This changing environment means that the water customer service codes need to be forward-looking and futureproofed as best as possible to deal with emerging challenges in the big data era, and align with community expectations around customer protection.

What we have done so far

We launched the water codes review with a workshop on 20 June 2019. The workshop was attended by over sixty representatives from the water and community sectors. At the workshop we discussed effective communication in customer service, and how communication can be tailored to meet the needs of diverse consumers.

Concurrently, we retained legal counsel to advise on any legal constraints to the scale and scope of potential changes to the codes. With the legal review, workshop outcomes, and other discussions with the industry and community sectors since June 2019, we have identified key policy issues for further exploration in our code review.

What we are reviewing

This review will consider parts of the codes that relate to the customer interface. Specifically, issues relating to:

- billing requirements
- customer charters
- debt and restriction
- interest charges
- a minimum standard for water businesses to proactively engage with customers
- future developments like digital water metering that might affect customer data and privacy
- the reasonable endeavours checklist under the hardship GSL
- how the spirit and intention of the energy sector's *Payment difficulty framework* might be translated for the water sector.

The issues listed are indicative of those raised by stakeholders so far. We are open to hearing from our industry and community stakeholders about any other issues that aren't included in our agenda.

Network related issues identified through this process will be the subject of a further code review in the lead up to our water price review in 2023.

Purpose of the Working Group

Along with our first workshop, we have also consulted with some of our stakeholders independently and are now seeking to build on this consultation through regular meetings of a Working Group. The Working Group will comprise of members from urban and rural water businesses, the community sector and government. The Working Group will:

- help the commission understand the expectations stakeholders have of the work program
- share insights and knowledge to inform the nature and the extent of the code changes
- develop alternatives to and identify solutions for the preferred approach
- provide feedback through the drafting stages for the code

Final decisions on the form and content of code amendments will be made by the commission.

Meetings schedule and agenda

Agenda item	Proposed date
Potential structural changes: <ul style="list-style-type: none">• unifying consumer protections for rural : urban water customers• introduction of a payment difficulty framework	Thursday 12 September 2019
Customer communication: <ul style="list-style-type: none">• billing• customer charters• a new minimum standard for proactive customer engagement	Tuesday 8 October 2019
Customer protection: <ul style="list-style-type: none">• the hardship GSL 'reasonable endeavours' checklist including registered post• debt and restriction• interest charges	Monday 18 November 2019
The future: <ul style="list-style-type: none">• digital water metering• data and privacy	Thursday 5 December 2019

Next steps

- **During 2019, the group will meet monthly** to discuss the policy issues listed in the above agenda. Our consultation with the Working Group will inform further engagement with the water and community sectors.
- **Please raise any additional high level issues** relating to customer communication and engagement missing from the agenda with Kat George, Policy Adviser, on Kat.George@esc.vic.gov.au or (03) 9032 1392.

Timeline



We aim to release draft amendments to the code by February 2020 for which we will invite all stakeholders to make submissions. Our final decision will be released in 2020.

If you have any questions or feedback please contact Kat George, Policy Adviser, on Kat.George@esc.vic.gov.au or (03) 9032 1392 with questions, thoughts and ideas.