

# Water Codes Review 2019 | Stakeholder Working Group | Meeting 3: Customer Protection | Minutes

10.30am – 2pm  
 Monday 18 November 2019  
 Essential Services Commission  
 2 Lonsdale Street, Melbourne 3000

## Agenda

When	What	Who
10.15 - 10.30am	Arrival	All
10.30 - 10.40am	Housekeeping and overview of agenda	Kat George
10.40 – 10.50am	Address from the Chairperson	Kate Symons
10.50 - 11.10am	First speaker	Gerard Brody
11.10-11.30am	Second speaker	Denis Nelthorpe
11.30 - 12.00pm	Q&A with speakers	Kat George and Lucy Weston
12.00 - 12.30pm	Lunch	All
12.30 - 2pm	Activity	Lucy Weston

## Attendance

Name	Position	Organisation
Kat George	Policy Adviser	Essential Services Commission
Lucy Weston	Manager	Essential Services Commission

Alison Flintoff	Divisional Manager, Billing & Collections	Yarra Valley Water
Anna Quayle	Senior Project Officer	Department of Land, Water and Planning
Chris McLeod	Customer Liaison	Barwon Water
Hayley Johnson	Business Services Manager	Southern Rural Water
James Cleaver	Manager, Policy and Regulation	VicWater
Kerri Imlach	Team Leader Customer Support	North East Water
Nicole Laurie	Manager Customer and Community Relations	Western Water
Steve Briggs	Executive Manager Business Planning and Performance	GWM Water
Traci Pevy	Manager of Customer Experience	Lower Murray Water

## Apologies

Name	Position	Organisation
Fabian McCloy	Head of Customer and Community	Goulburn-Murray Water
Kerri Noonan	Executive General Manager Customer and Community	Coliban Water
Paul Clark	General Manager, Customer and Community	Gippsland Water
Zac Gillam	Senior Policy and Stakeholder Engagement Officer	Energy and Water Ombudsman (Victoria)

## Welcome and housekeeping

*Kat George*

- The Working Group was welcomed and thanked for their attendance.
- Minutes from each Working Group will be circulated in the week following the Working Group meeting, and published on the Essential Services Commission's website, on the [resources page for the Water Codes Review 2019](#).

## Address from the Chairperson

*Delivered by Kate Symons, Commission Chairperson*

- It is a pivotal time at the commission as the nature of our work program continues to evolve, and our legislative remit expands.
- Regulators are increasingly expected to put fair consumer outcomes at the heart of regulation. Today's Working Group meeting reflects that community expectation.
- We see this process of reviewing the codes as part of a broader framework of consumer protection in line with community and government expectations.
- The Working Group will reflect on the hardship guaranteed service level and the 'reasonable endeavours checklist'. For background:
  - The hardship GSL was implemented in 2012 for metropolitan businesses, following a period of steady increase in the number of restrictions.
  - In the first year of the hardship GSL's implementation, restriction rates rose overall. They have been steadily rising ever since, with a slight dip in the 2016-17 year.
  - In the same time, legal action has steadily decreased.
- The experience of vulnerability is dynamic and changes from person to person. Our understanding of the experience of vulnerability must be similarly dynamic, as there is no one-size-fits-all answer to assistance.
- Importantly, we must hear the voices of consumers to understand their varied experiences and account for them in our regulatory responses.

## Presentation #1

*Delivered by Gerard Brody, CEO, Consumer Action Law Centre*

- There are people in our community that are doing it hard every single day, and we must work towards making life easier for consumers experiencing vulnerability.
- Life circumstances can change quickly, causing people to fall behind in their bills.
- Outcomes focused regulation is an opportunity for businesses.
- Restriction is not a means of engagement.
- Continuous improvement is a means of meeting changing community expectations to enhance community trust in businesses.

## Presentation #2

*Delivered by Denis Nelthorpe, CEO, WestJustice*

- Is dealing with debt in a silo at all reasonable, or is it a self-defeating proposition? We must deal with the systemic issues that entrench disadvantage.

- Generally, if a customer has debt in water, its likely they will have multiple debts in other parts of their life.
- Meanwhile, the nature of work is completely different now—there is no certainty in employment, many fixed-term roles and less permanent roles, so no job security.
- The challenge is for businesses to change the way they think about debt.

## Activity #1: Group discussion

*Facilitated by Lucy Weston, Project Manager—Customer Engagement*

Lucy asked our Working Group to reflect and build on what they heard from our presenters. The Working Group noted that:

- Water businesses work hard to provide appropriate and flexible assistance customers experiencing hardship.
- Water businesses are community based and have a different culture to other service providers.
- The price submission process of community engagement ensures that business processes are reflective of community needs, and that businesses are transparent.
- They key is establishing communication with customers as early as possible and put measures in place for early identification and to make sure that they're receiving appropriate assistance.
- We need better tools for supporting people to stop debt escalating.
- The safety of water business staff in making home visits must be considered.
- There is a challenge in identifying customers that can't pay vs customers that won't pay.

## Activity #2: Reviewing the 'reasonable endeavours' checklist

*Facilitated by Lucy Weston, Project Manager—Customer Engagement*

Lucy asked our Working Group to reimagine the reasonable endeavours checklist under the Hardship GSL. First, the Working Group came up with a set of values and success criteria. Then the group split into two and came up with ideas for reforming the reasonable endeavours checklist.

### Values and success criteria:

Values	Success criteria
Safety of staff	Choice of communication channels
Focus on cost rather than profit	Providing assistance to customers who are unable to pay

Proactive customer engagement, both formal and informal	Obtaining assurance of customer awareness
Community focus: we are our community, and they are our neighbours	Making genuine attempts to communicate with customers
Transparency and flexibility	Ability to discern customers who are unable to pay from customers who are unwilling to pay
Contributing to the value of water	

### Reforming the reasonable endeavours checklist

Group #1	Group #2
Reasonable comfort with the list as it stands, with opportunity to include a high level commitment to assistance as well as more flexible methods of communication i.e. email and SMS.	A list-based process is fine but it should be circular and have some elements that are non-sequential, noting the inclusion of novel forms of communication.
<p>Moving away from ‘reasonable endeavours’ to an overarching intent or obligation such as” Your water business is part of your community and here to assist.</p> <p>Its process could include:</p> <ol style="list-style-type: none"> <li>1. Issue bill.</li> <li>2. Issue overdue notice, with the expectation that the customer will engage/make contact.</li> <li>3. Make 4 attempts at contact (including SMS and email).</li> <li>4. Issue a warning/final notice.</li> <li>5. If there’s been no communication with the customer so far, the business should try to contact the customer again and have a meaningful conversation about their circumstances.</li> </ol>	<p>A flexible process i.e.:</p> <ol style="list-style-type: none"> <li>1. A bill is sent—the whole ‘reasonable endeavours’ cycle is to play out within one full billing cycle.</li> <li>2. A minimum of 4 attempts at contact, including SMS and email.</li> <li>3. Include an obligation to provide information about hardship assistance to customers with missed payments at various points throughout the process.</li> <li>4. One further attempt at contact—this is where the 20 warning notice period begins.</li> <li>5. Final step is restriction/legal action.</li> </ol>

Both groups noted:

- The process should not be about pigeonholing people, but establishing a mechanism for communication and appropriate assistance, constantly working with and talking to people and seeing where they fit, and what the business can best do to assist in the short, medium and long term.
- Customer bases are different for each business, so it's hard to have something that's too prescriptive.

## Next steps

Our next Working Group meeting will be held on Thursday 5 December 2019. This meeting will focus on the future, including:

- digital water metering
- data and privacy
- wrapping up the Working Group's findings
- identifying key areas for code reform.

A discussion guide for this meeting has been circulated to the Working Group and will be published on the Commission's website.

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