

22 July 2022

Marcus Crudden  
Director, Price Monitoring and Regulation  
Essential Services Commission  
Level 8, 570 Bourke Street  
Melbourne, VIC 3000

Dear Marcus

### **Response to Water Customer Service Codes Review**

We welcome the opportunity to provide a response to the Commission's *Water Customer Service Codes Review – Proposal for amendments to the water customer service codes* dated 14 June 2022.

We strongly support the Commission providing additional clarity and strengthening aspects of the customer service codes to improve experiences and outcomes for customers.

We understand the main focus of the Commission's proposed amendments are to:

- strengthen code requirements relating to customer communication, to help ensure water businesses communicate appropriately and sensitively with their customers
- refine the minimum standards regarding support for customers experiencing payment difficulty, and mandate certain support for small businesses
- reflect changes in technology and communication channels since we last reviewed our codes
- clarify the application of interest and debt management activities by water businesses.

These elements align with areas where we have experienced changing interactions with customers, including offering new types of support packages to residential and non-residential customers developed in response to the impacts of coronavirus.

We believe it is important that the code provides the right balance between supporting and protecting customers, enabling water corporations to work with individual customers to flexibly meet their needs and setting minimum standards, approaches and procedures to support delivery of our services.

### **Feedback Summary**

The review of the code presents an opportunity to align the customer service codes with other utility sectors, in particular the energy sector. We have however identified areas where differences in the operational practices between the energy and water sectors mean we do not believe full alignment is appropriate at this time.

We are confident that many of the proposed amendments will achieve the objectives of improving experiences and outcomes for customers. However, there are a few proposed amendments that we believe will remove some flexibility for water corporations to support customers and may impose additional costs without a necessarily providing commensurate benefit.

There are also a small number of the proposed amendments, where we are not confident that customer outcomes or experiences will be improved and recommend retention of the existing clauses and approaches. In addition, we consider that a number of the proposed changes would benefit from additional clarity or alignment with the practical way some water business systems operate (e.g. payment and billing).

Further information relating to all of the above points is provided in our responses to the questions on the Engage Victoria website.

We note the Commission's proposed date for the new codes to come into effect is 1 January 2023. While we are strongly committed to implementing the new codes once finalised, we wish to flag that, depending on the content and release date of the final codes, there may be some elements that require a longer lead time to implement and will be worked through during 2023.

We appreciate the opportunity to contribute to this review and would be happy to discuss our feedback and any other matters further with your team.

If you require further information please contact Grace Rose-Miller, Divisional Manager Community Inclusion on [REDACTED] or Alison Flintoff, Divisional Manager Billing and Collections on [REDACTED].

Yours sincerely



[REDACTED]

Chris Brace  
**Acting Managing Director**

## Contact us

 <b>Enquiries</b>	1300 304 688	 <b>enquiry@yvw.com.au</b>
<b>Faults and Emergencies</b>	13 27 62 (24hr)	 <b>yvw.com.au</b>
 <b>Fax</b>	03 9872 1353	 <b>Private Bag 1 Mitcham VIC 3132 DX 13204</b>

<b>For language assistance</b>	
العربية	1300 914 361
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## **Yarra Valley Water – consultation on the Essential Service Commission’s Review of the water customer service codes**

Our responses to the consultation questions within the Engage Victoria portal are outlined here.

### **What are your views on our draft code?**

We are supportive of the Commission’s intent to provide additional clarity and strengthen aspects of the Customer Service Codes to improve experiences and outcomes for customers.

We consider it important that the amendments are drafted to drive decisions and outcomes that will increase benefits for customers and support water corporations.

We note the Commission’s proposed date for the new Codes to come into effect is 1 January 2023. Depending on the content and release date of the final Codes there may be some elements that require a longer lead time to implement and will be worked through during 2023.

### **What is your view on our proposed definition for a small business?**

We support the proposed definition.

### **We are interested in stakeholder feedback about the costs and benefits in reducing the undercharging period in the draft water industry standards.**

The amendments being proposed align the approach with the energy sector. There can be advantages for customers in aligning practices of the water and energy sectors. However, currently the frequency of meter reads and billing in the energy sector is much higher than in the Victorian urban water sector. For example, in the electricity sector four months of usage often results in four bills (monthly billing). For Yarra Valley Water, four bills cover a 12 month period as meters are read four times a year.

The majority of residential meters are read manually, once every three months. Where meters cannot be accessed (for example behind locked gates) and cannot be physically read every quarter an estimate is used.

The proposed reduction in the timeframe for recovery of amounts undercharged to four months means that in the case where an actual read is subsequently obtained and is higher than the estimate (e.g. at the next quarterly meter read), the outstanding amounts may not be able to be recovered from that customer.

In light of the above considerations, we do not support the draft amendment in its current form. Our current approach is 12 months, which is our preference going forward. Should a shorter timeframe be preferred we believe at this stage the minimum time period should at least six months or two meter reading periods. Should the widespread uptake of digital meters occur in the water sector in the future, it would then be appropriate to align with the energy industry.

**What is your view on whether our proposed amendments to the reminder and final notices are appropriate?**

We do not support the proposed amendment to clause 15.2 to require a reminder notice two days after the due date has passed. We support retaining a longer 'grace period' before sending a reminder. This avoids unnecessarily alarming customers and subsequent calls from customers. For example a customer may have paid their bill on the due date via BPAY but it can take 48 hours to be processed.

We recommend the wording be amended to ensure clarity for the customer on the dates by which payments must be made to avoid further action (rather than use the term 'due date' in relation to each notice). This will also avoid potential requirements to update our billing and reporting systems.

**We seek stakeholder feedback on the proposed checklist and whether it meets the varied communication needs of customers.**

We understand that this checklist relates to the new Clause 15.4 Communication requirements – which will be replacing the current Hardship GSL checklist.

We support the proposed amendments with one exception. The 90 days from the due date of the bill could prove difficult from an operational perspective. Often by the time the debt is large enough for us to take more serious action such as legal action, the debt relates to two or three or more quarters worth of bills, so technically we would fail this for oldest outstanding bill.

We propose alternative wording as follows for clause 15.4(b): The reasonable endeavours must be carried out within a period of 90 calendar days prior to seeking to restrict water supply or take legal action for non payment.