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To: <water@esc.vic.gov.au>
cc: "Records" <Records@egwater.vic.gov.au>, "Les Mathieson" <LMathieson@egwater.vic.gov.au>
Subject: S/07/32 : FW: Comments from East Gippsland Water In response to 2008 Water Price Review Consultation Paper

O/040/580

water@esc.vic.gov.au

Sean Cress
Acting Director Regulation (Water)
Essential Services Commission
35 Spring Street
Melbourne 3000

Dear Sean

The Authority has reviewed the Commission's Consultation Paper for the 2008 Water Price Review and provides the following responses;

Chapter 2

2.1 Length of regulatory period

East Gippsland Water is supportive of a five year plan to reduce administrative burden and cost but recognises the need for a workable mechanism to deal with uncertainty given the extended period and requirement to prepare the plan with information that in some cases will be dated up to seven years. Uncertainty is further compounded by increased activity around water use with climate change, drought, bush fires and state wide water restrictions. Surety of water availability and customer behaviour resulting from the current water crisis makes long term planning difficult and may lead to early divergences in plans. The Commission needs to quickly respond to these uncontrolled situations to allow businesses to make appropriate decisions to minimise any long term problems.

Price caps remains the Authority's preferred form of price control that provides customers with a high level of price certainty for the period of the plan.

2.3 Adjusting for differences in licence fees should not lose sight of the Water Industry Act objective 'wherever possible that costs of regulation'.

Chapter 3

East Gippsland Water agrees to base service standard targets on the average performance over the previous 3 years however in some cases where the reliability of the data in the first year cannot be relied on, the average will be based on data on the years where reliability is assured.

Harmisation of service standards across businesses needs to take into consideration the local geography particularly for EGW where we have a low number of properties connected to the water main per Km and the lowest number of customers connected to its sewer main per km. The servicing of a large area with large pipe network to service clients in various terrain

types may unfairly disadvantage performance outcomes if group with networks which have larger service groups to look after lines that are more concentrated in area and smaller in size.

Water Plan monitoring should be one single report to answer the needs of all government bodies, namely DTF, DSE, EPA, DHS.

GSLs

The Authority's current processes ensure that customer service remains at a high standard through a system of fault calls directly to staff entrusted with the responsibility to take immediate action right through to a customer follow up call to assess the customers level of satisfaction. All fault calls go directly to the depot staff for immediate attention. All customer incidences and actions are recorded and a random sample are contacted each month to ascertain quality of service received and to measure the level of customer satisfaction. The results of the feedback from customers are closely monitored and reported to the Board each month. The Authority's annual customer satisfaction survey reports a favourable 97% of customers satisfied with the Authority's service. A result which has remained consistently above 96%. Complaints taken to EWOV also reflect a high level of service to all customers. The Authority is satisfied that the current systems in place address the issue of the below average service to customer/s where results may be masked due to averaging performance at the expense of some fringe customers that receive below average outcomes. It is for these reasons and the administrative effort and cost to capture this data that this Authority does not support the implementation of a GSL scheme.

Chapter 4

New obligations are not openly expressed and in many instances may be difficult to separate for expenditure justification. For example changes to OH&S requirements, insurance obligations, the nature of the Water Authorities coming under the shared Ministeries of DTF and DSE mean that many Victorian Government requirements are passed on without due regard to cost of effort.

Chapter 7 Customer Contributions

New Customer Contributions

The Authority supports a industry approach to new customer contributions. An industry response through Vicwater is being prepared and will be delivered shortly.

Please contact Rob Carlesso Executive Manager Corporate Services on 51 504414 if you have any questions in relation to this matter.

Les Mathieson
Chief Executive Office
East Gippland Water

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