

## Water codes review

### Email submission

Date submitted: 26 July 2022

Submission written by: East Gippsland Water

Good afternoon,

Please find below feedback and commentary from East Gippsland Water on the DRAFT Rural Custer Service - Water Industry Standard.

Should you have any questions or wish to discuss further, please don't hesitate in contacting myself on the below details.

Kind regards, James.

### Commencement

This industry standard regulates water businesses from 1 January 2023.

*This could potentially cause issues for East Gippsland Water due to the fact that its pre-Price Submission commencement and therefore any changes required that have a financial impact are not currently scheduled or budgeted for.*

East Gippsland Water would recommend/propose the commencement date as of 1 July 2023; or upon commencement of Price Submissions.

### 5.1. Charges (a)

- (a) A water business must notify each customer of any proposed variation in charges for supply services applicable to that customer or a licence five business days before they take effect.

*This will be difficult to achieve for East Gippsland Water. East Gippsland Water update tariffs annually, which are generally approved late June (after CPI figures and interest charges notification). We commence cycle 1 of our billing cycle the first week of July. This doesn't provide sufficient time to send notification to our customer base, let alone five business days. This will also add a significant cost to our business.*

*We do however publish any tariff changes via local print media.*

East Gippsland Water would recommend/propose inclusion of tariff variation with first invoice for the financial year and/or continue with advertinq in local print media.

## 6.5. E-bill (b)

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- (a) A water business may send an E-bill to a customer in any digital format.
- (b) A E-bill must include:
  - (i) a clear and accessible link to the full bill or instructions about how to access the full bill;
  - (ii) the amount payable and the due date;
  - (iii) the methods by which the bill can be paid;
  - (iv) (if applicable) the customer's current water usage;
  - (v) information about assistance that is available if a customer is experiencing difficulties paying and how to access this assistance; and
  - (vi) information about a water business' customer support policy.
- (c) A water business may include any additional information on the E-bill it considers necessary.

*This information is already included on all our invoices already. East Gippsland Water's E-bill have the actual invoice (issued to customers via Hard Copy) as an attachment to the E-bill. Is this sufficient or is it now required to have this information displayed in the body of the email? East Gippsland Water believe this would increase costs and regular adjustments required, whilst treating E-bill customer differently. Customers wishing for E-bill are requesting a change is the delivery method not the information they receive. Will provide less continuity for East Gippsland Water customers.*

*East Gippsland Water would recommend/propose that general information is provided in the body of the E-bill and the changes listed above be included on all invoices (attachment) regardless of the customer's chosen delivery method.*

## 6.6. Adjustment of bills (a)

### 6.6. Adjustment of bills

- (a) A water business may recover from a customer an amount undercharged if:
  - (i) Except in the case of illegal usage, the amount is limited to the amount undercharged in the four months prior to the water business notifying the customer that undercharging has occurred;
  - (ii) the amount to be recovered is listed as a separate item and is explained on or with the customer's bill; and
  - (iii) it allows the customer to pay the amount to be recovered in instalments over four months or through a water business's flexible payment plan in accordance with clause 7.2.

*As discussed at the review workshop this brings continuity to the energy and water sectors, however to provide greater continuity for customers it should be two (2) billing cycles instead of four (4) months. This would mean six (6) months for East Gippsland Water – two (2) billing cycles. This would allow for the customer and East Gippsland Water to ascertain the issue before having to*

*make a judgment ill-informed. Majority of issues in this space occur from leaking services which are not fixed by a landlord and therefore cannot be charged to the residential tenant. Only having one (1) billing cycle to ascertain what the issue is will potentially cause greater angst for customers. East Gippsland Water would recommend/propose that the recovering period for uncharged amounts is that of the energy sector, being two (2) billing cycles. Thus being six (6) months for East Gippsland Water.*

## **7.2. Flexible Payment Plans (b)**

- (b) On establishing a flexible payment plan or a revised plan, the water business must give the customer a schedule of payments showing in writing, showing:
- (i) the total number of payments to be made to pay the arrears; and
  - (ii) the period over which the payments are to be made; and
  - (iii) the date by which each payment must be made; and
  - (iv) the amount of each payment.

*This will require software updates/changes to East Gippsland Water. Dependent on the request and approval by East Gippsland Water, this could significantly change the look of our confirmation letters, increase the actual paperwork received by the customer; and overload the customer with payment dates, amounts, etc.*

*East Gippsland Water would recommend/propose amend the confirmation to state the amount and frequency of payments with a start date, ie payment of \$50.00 per fortnight, beginning 26/07/2022, without detailing every date and payment amount.*

## **13. Collection (a)**

- (a) A water business must send a customer a reminder notice of an unpaid bill, no later than two business days after the due date if the bill is not paid by the due date.

*As discussed at the review workshop, this would need to be updated to no 'sooner' than two business days; thus providing sufficient time for payments to be received by East Gippsland Water (i.e. BPay – 3 business days).*

### 13.2. Reminder Notices (b)

- (b) A reminder notice must include:
- (i) the overdue amount;
  - (ii) the date of issue;
  - (iii) an explanation in plain language of the notice and of why it is being issued;
  - (iv) the due date of the reminder notice, which must not be earlier than six business days from the issue date of the reminder notice;
  - (v) that payment of the overdue bill is required to be made before the due date of the reminder notice;
  - (vi) payment options;
  - (vii) information about payment difficulty assistance available;
  - (viii) a warning of the issue of a final notice and further action that the water business may take; and
  - (ix) details of how to contact the water business.

*East Gippsland Water updated our reminder and final notices to 'Due now' some time ago as the original invoice are past due. We have historically found that customers will not pay on the original invoice due date and wait for the final due date to occur (some 18 business days later). When we moved towards 'Due Now' we saw a reduction in late payments and customers actively engaging with East Gippsland Water to discuss financial assistance options sooner, preventing mounting financial hardship pressures occurring.*

*East Gippsland Water would recommend/propose have the reminder and final invoice notice due date stated as 'Due Now', as the original invoice is past due and prevent any unnecessary mounting financial hardship pressures occurring for customers.*



### 13.3 Final Notices (b)

- (b) The final notice must include:
- (i) the overdue amount;
  - (ii) an explanation in plain language of the notice and of why it is being issued;
  - (iii) the due date of the final notice, which must not be earlier than 6 business days after the issue of the final notice;
  - (iv) a statement that payment of the overdue bill is required to be made before the due date of the final notice;
  - (v) any assistance that is available to the customer, including contact information for EWOV (including EWOV's telephone number), concessions, government assistance programs and the water business's customer support policy;
  - (vi) a statement that that the water business might be able to recover outstanding amounts at the time of any sale of the customer's property (if the customer is also the property owner);
  - (vii) a statement that if legal or restriction action is taken, the customer may incur additional costs in relation to those actions; and
  - (viii) a statement that the outstanding amount may be referred to an external debt collection company for collection;
  - (ix) clear and unambiguous advice about what the customer needs to do to avoid legal action or being restricted from their water supply;
  - (x) the date from which interest (if any) may be applied on outstanding amounts, and the percentage interest rate that may be applied;
  - (xi) details of how to contact the water business; and
  - (xii) information about the applicable fees to remove a restrictor.

*As stated above.*

*East Gippsland Water would recommend/propose have the reminder and final invoice notice due date stated as 'Due Now', as the original invoice is past due and prevent any unnecessary mounting financial hardship pressures occurring for customers.*

### 14.3. Limits on suspension, restriction and legal action (a)

#### **14.3. Limits on suspension, restriction and legal action**

A water business must not commence legal action or take steps to suspend or restrict a customer's supply service due to non-payment if:

- (a) 15 business days have not elapsed since the water business send its most recent Final Notice to which the debt relates.

*East Gippsland Water have historically referred any debt balances over \$300.00 for legal action roughly seven (7) days after the final invoice has fallen due and not paid, this being well in excess of 18 business days since the original invoice due date. Adding an additional three (3) weeks on top of this would push the amount into the next billing cycle.*

East Gippsland Water would recommend/propose that legal action can commence seven (7) days after the final invoice due date; or 15 business days from the original invoice due date.

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