



**WSAA and VicWater  
submission to Essential  
Services Commission on  
the Getting to Fair  
Strategy**

**June 2021**



## Key messages



### KEY MESSAGES

- WSAA and VicWater broadly support the Themes and Goals of the draft strategy. We also agree with the definition of vulnerability, in particular that it speaks to 'barriers experienced' as opposed to focussing on an individual and their situation.
- WSAA and VicWater see our role as supporting the water sector in implementing this strategy in organisations through collaboration such as developing maturity frameworks and the sharing of best practice.
- WSAA and VicWater are keen to work with the ESC in regards to appropriate performance indicators and reporting requirements in regards to the goals of this strategy.
- In regards to Goal seven, which speaks to coordination with relevant government, community and industry entities, we believe the strategy and associated initiatives could include more references to engagement with State and Federal government entities as many of these fund, coordinate or oversee services for those who may experience vulnerability.
- There is a strong willingness to implement the strategy from the water sector. However, we ask the ESC to recognise that the capacity may vary particularly for the smaller, regional water businesses. In addition, with many retail water businesses already deep into their customer engagement for the next pricing submission, they may find it challenging to fully incorporate all the guidance from the "universal and inclusive engagement". We ask that the ESC takes this into account and examines ways to support water businesses in this regard.
- We note that several initiatives reference cross-sector collaboration. We support this and believe that ESC has a central role in ensuring that that learnings, research and best practice from different sectors are incorporated in guidelines to minimise barriers and ensure consumers receive more consistent experience and support.

We have developed our submission in line with the consultation questions put forward by the ESC.

## **How well does our definition of vulnerability align with contemporary understandings of consumer vulnerability and its causes and impacts?**

WSAA and VicWater support the definition of vulnerability in the strategy. We particularly agree with the language around 'experiences barriers' as it aligns with how we as water businesses support customers experiencing vulnerability. That is, to identify and remove or mitigate these barriers when it comes to using our services or engaging with our organisations. We also support how those barriers have been highlighted and categorised as event based, systemic factors or market-based factors. This removed the focus on the individual and their personal situation.

## **Given that 'vulnerability' is widely used and easily recognised by businesses, is the hybrid approach (where we are using our legislative language where needed, but more inclusive language in general) the best approach for the commission to take when communicating with stakeholders?**

WSAA and VicWater support the hybrid approach recognising that use of the term 'vulnerability' in regards to a customer can be a barrier in itself. We feel that the hybrid approach does not take away from the intention of the strategy. This is likely to be an approach that many water businesses will take when implementing the strategy and communications both internally and externally.

## **Do the themes, goals and initiatives we have identified and proposed provide an appropriate pathway for the commission to respond to the barriers currently being faced in the market?**

WSAA and VicWater broadly support the themes, goals and initiatives. In many cases water businesses are already working towards complementary initiatives in their own organisations as well as with WSAA and VicWater. Examples include the Customer support maturity framework under development by WSAA and the VicWater initiative to pursue automated concessions. More specific feedback is provided below.

We suggest it would be more aspirational and constructive if the Themes were reframed in the positive, for example:

- Theme 1: OK
- Theme 2: Consumer engagement should be universal and inclusive, leading to more accessible services.
- Theme 3: Building consumer trust will empower consumers to make choices and seek support.
- Theme 4: Utilities should be doing all they can to effectively identify and support consumers who need support.
- Theme 5: Ensure support offered to consumers is consistent, which will ensure that it is more appropriate and flexible.
- Theme 6: Improve the limited support and engagement received by First Nation consumers to improve rates of disconnection.
- Theme 7: OK
- Theme 8: OK

We would also like to offer the following specific feedback on the Goals and initiatives.

- Goal 1: we support the goal and initiatives
- Goal 2: we support the goal and initiatives noting that while water businesses are working towards inclusive and universal engagement, there are a range of capabilities among water businesses and therefore some flexibility and support by the ESC may be required when implementing the guidelines. We also suggest that this initiative should apply to all sectors, and not just water businesses as noted in the strategy. In addition, the initiative that states ‘we will work collaboratively with the local government sector...’ could also be broadened to working collaboratively with all sectors.
- Goal 3: we support the goal and initiatives.
- Goal 4: We support the goal and initiatives and in particular a consistent understanding of vulnerability across all sectors.
- Goal 5: We support the goal and initiatives. There is mention of improving reporting on support mechanisms. WSAA is keen to work with the ESC on this as it aligns closely with our work on a customer support maturity framework. As a key element of its Policy Platform<sup>1</sup>, VicWater through its members is pursuing tailored forms of customer support for those experiencing vulnerability while seeking efficient and automated Government services that empower customers.
- Goal 6: We support the goal and initiatives.
  - Note that WSAA is developing a Reconciliation Action Plan (RAP) and many Victorian water businesses have also developed a RAP. In progressing the understanding of the barriers faced by First Nations consumers by service providers, we encourage a coordinated approach to avoid overlapping engagement and requests to Aboriginal Community Controlled Organisations by different service providers – particularly where there are state wide peak bodies.
  - It is important to be clear on engagement with Traditional Owners compared with those with First Nations community as consumers. The former is covered through obligations including under the Water Act, and other legislation, Water for Victoria and ongoing conversations within the Central Gippsland Regional Sustainable Water Supply conversation and other strategies. In relation to consumers, the proposed activities should cover all the regulated sectors, not just water
- Goal 7: We support this goal and initiatives and encourage stronger reference to partnerships and engagement with state government and federal government entities who are instrumental in supporting, coordinating and funding services to those experiencing vulnerability. In addition, we hope the ESC is able to take a stronger role in facilitating this engagement to ensure access to concessions and grants are as streamlined as possible. An example is advocating to the Department of Human Services for automated concessions.
- Goal 8: We support this goal and initiatives. WSAA and VicWater would also like to work with the ESC to expand this to water (and energy) reliant businesses, in particular critical service providers such as hospitals. In this case we are considering non-financial and financial vulnerability and how they relate to these businesses. We would like to work with the ESC to develop consistent frameworks and practices during extreme events and pandemics.

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<sup>1</sup> See VicWater Policy Platform – Customer Affordability - <https://vicwater.org.au/vicwater-policy-platform/customer-affordability/>

## **Are there other considerations we should include in our strategy?**

It would be helpful to identify the specific goals and initiatives that are more relevant to the water sector than other sectors. Or in some cases, not very relevant at all to the water sector. This was done to some degree in the Water sector consultation workshop of 24 May, and it would be good to outline this in the final strategy or as an addendum in the final strategy.

While we recognise that the ESC is targeting reforms across its regulated sectors, there is a large gap in the form of integrated Government services that bears mentioning beyond what is noted on pages 34, 47-49 of the draft Strategy. The Victorian water industry is committed to supporting the goals of this strategy but will continue to be limited in part by the concessions support provided by the Department of Families, Fairness and Housing (Victoria) and Services Australia. Recent experience with overdue Utility Relief Grants (URGs), added to the fragmented concession support across sectors, further exposes customers experiencing vulnerability to stress and unhelpful transaction costs. Even while our sector assists customers in the completion of URG applications, this is time-consuming for the customer and adds to the burdens of agencies across the community sector. This burden is multiplied as the customer seeks support from other utilities. A Government-led one-stop-shop approach that integrates and automates support would overcome this program. A precedent has been established in South Australia through its government's household concessions program where Services Australia data is accessed on behalf of the customer through online and telephone applications to provide a suite of applicable concession services that automatically apply without further customer transactions. Victoria should aim for this approach where one customer transaction leads to one integrated outcome.

We would encourage the ESC to consider how the initiatives specific to the Victorian Energy Upgrade scheme could also involve the water sector. For example, action goal 7.1 DELWP's community housing retrofit program that some water authorities administer, should be included. We believe there could be benefit in exploring how these programs could give customers a more supported and consistent experience across sectors. According to our partners in social services, such consistency is a critical step.

The other consideration as previously mentioned is how the ESC might incorporate consideration of the small economies of scale that exist for smaller and regional utilities. Given the low customer bases and resulting revenue bases of these organisations, the readily available capacity in these organisations for continuous improvement activity, particularly over short time frames, can be markedly different to their metropolitan counterparts. Given the ambitious timeline for this strategy, consideration of the level of expectation and support for smaller and regional utilities would be a valuable inclusion for the strategy.

The customer engagement for the next pricing submission is already well underway in many of the retail water businesses. With the updated guidelines expected to be released later this year, many will not have had the opportunity to incorporate all aspects into their engagement program. We ask that the ESC show flexibility in the timelines in regards to compliance with the vulnerability guidelines for engagement.

## **Contact**

WSAA and VicWater welcome the opportunity to discuss this submission further.

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