



To: <water@esc.vic.gov.au>,
Cc:
Bcc:
Subject: Hardship related guaranteed service level review: draft decision
From: "Barry Phillips" <bphillips@sgwater.com.au> - Monday 26/03/2012 01:24 PM

In reviewing the Hardship Related Guaranteed Service Level Review (March 2012), South Gippsland Water note the following:

The number of restrictions for South Gippsland Water actually decreased last year, as per Table 2. This occurred without any new procedures, as South Gippsland Water believes the current ESC Customer Service Code is already robust enough to ensure customers are well informed of the assistance available.

Sometimes it is impossible to contact customers by mail or telephone, but these avenues impose less inconvenience on Corporations and most definitely should be included. South Gippsland Water is not opposed to **one** personal visit, but the way Table 1 sets out the requirements is confusing and time consuming. South Gippsland Water already issues 4 notices to customers and there simply isn't enough time to issue another "registered letter".

Registered letters impose a significant cost to the Corporation as the cost for 1 letter is \$3.05. Our statistics show we would have to register approximately 600 letters, as this is the number of customers who will not pay on a Final Notice.

This equates to an extra \$1,830.00, plus staff costs and for what? Registered mail does not improve the likelihood of payment!

It is this step which should be removed from Table 1, as the number of days in a 4 month period does not allow for such steps to take place – ie issue notice, 31 days due, issue Reminder, 14 days due, issue Legal/Action Restriction, 14 days due, issue Final Notice, 14 days due, ring customers (approx week's work – 7 days), send "registered letter" another 7 days due, arrange 2 personal visits (14 days) and finally then arrange staff to install restriction device (14 days).

This process will take South Gippsland Water 115 days in a cycle of 121 days. It is little wonder the Corporations who are billing quarterly are struggling in the area of debt collection – they simply run out of time to fit all these steps in. They would also be requiring time for the issuing of the next account.

I do have a question, what other business's or government bodies are required to go to such lengths?

It is South Gippsland Water's belief that "Registered Mail" does not assist in anyway. It is not that the customers do not receive their mail. The problem lays with the **lack of personal contact** and this is the area which we are happy to concentrate on.

Table 1 in relation to registered mail, does not state whether the mail was signed for or not by the customer. It gives no further support that the Corporation has the correct postal address. Corporations can already prove from their records that a notice/letter has been issued from their electronic records systems. It is South Gippsland Water's belief that "registered mail" should be completely omitted from Table 1.

On top of the ESC required notifications (basically Original account, Reminder Notice & a Final Notice) ; ***two telephone calls on different week days appears to be sufficient. If no contact can be made, two personal visits should be conducted on different week days. Visiting staff are to arrange a payment plan or advise customers of their rights and all available assistance . All contact with the customer is to be recorded by the Corporation.*** This is how simple Table 1 should read, and this would cut out the confusion which exists when staff are trying to decipher the requirements.

Table 1 is both confusing and verbose and should be simplified, as described above. This would assist the public (in understanding their rights), current staff and future staff.

As you will recall, the ESC's requirements were to have little impact on staffing numbers and Table 1, as it stands, undoubtedly requires the employment of extra staff.

Another point of interest is that in the draft paper, there is no mention of Corporation's debt levels? In order to gain a full appreciation of where Corporations are at as a business, debt levels should be included alongside hardship. Perhaps it could be argued, the Corporations with the low numbers of restrictions are allowing their customers to accumulate large sums of debt which they will never be able to repay. Therefore, the customers are in fact in a worse off position?

In the next 12 months there may be a increase in restrictions, as customers debts will have reached the \$200.00 threshold and Corporations will commence restrictions? Should more time be given in order to analyse these trends before imposing the draft document on all Corporations?

In summary, Table 1 needs to be simplified; **registered mail should be removed completely - as it offers no benefit**, two attempted phone calls should be made and two attempted visits and recorded evidence of these processes made.

I would be happy to discuss South Gippsland Water's point of view, so please feel free to contact Barry Phillips on 0356 820 401.

Regards, Barry.

From: Philippe du Plessis
Sent: Wednesday, 21 March 2012 1:53 PM
To: Barry Phillips
Subject: FW: Hardship related guaranteed service level review: draft decision

Barry please review and advise main issues.

Philippe

From: Andrew.Chow@esc.vic.gov.au [mailto:Andrew.Chow@esc.vic.gov.au] **On Behalf Of** water@esc.vic.gov.au
Sent: Wednesday, 21 March 2012 1:46 PM
To: anne.barker@citywestwater.com.au; nbrennan@chw.net.au; Philippe du Plessis; grant.green@wannonwater.com.au; cheiner@nerwa.vic.gov.au; kevin.hutchings@sewl.com.au; mjackson@westernportwater.com.au; tony.kelly@yvw.com.au; ron.leamon@lmw.vic.gov.au; lmathieson@egwater.vic.gov.au; David.Mawer@gippswater.com.au; peterq@gvwater.vic.gov.au; jeffr@coliban.com.au; john.wilkinson@westernwater.com.au; mark.williams@gwmwater.org.au; tony.wright@vicwater.org.au; joe.adamski@barwonwater.vic.gov.au
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Subject: Hardship related guaranteed service level review: draft decision

Dear Managing Director

Please find attached the *Hardship related guaranteed service level review: draft decision*, outlining the Commission's intent to extend the hardship related GSL to all urban retail water businesses.

Submissions to this draft decision are due by 18 April 2012. We will consider any feedback and make our final decision in May 2012.

Please note that the roll-out of the hardship related guaranteed service level will require a consequential amendment to Schedule 1 of the Customer Service Code (Metropolitan retail and regional water businesses).

We note that the *Water Amendment (Governance and Other Reforms) Bill 2012* is currently before Parliament (scheduled for passage April 2012). Upon passage, we will commence consultation and

review of the Customer Service Codes for any further amendments.

If you have any further questions please contact Victoria Hein at water@esc.vic.gov.au or phone (03) 9651 3675.

Kind regards

Andrew Chow | Director Regulation | Essential Services Commission

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