

21 June 2004

Ms Tania Cherubin
Project Manager, Water
Essential Services Commission
2/35 Spring Street
MELBOURNE VIC 3000

Dear Ms Cherubin

Draft Customer Service Code (Consultation Paper No 3)
Draft Performance Reporting Framework (Consultation Paper No 2)

Thank you for the opportunity to comment on the above Consultation Papers.

Please find attached copies of South East Water's responses to the two consultation papers.

Our detailed comments on the Code comprise three parts:

- Part 1 - provides a general discussion in regard to the relationship of clauses in the Code that mean to replicate existing legislation;
- Part 2 – provides an opinion on definitions related to “best endeavours”; and
- Part 3 – provides specific comments about each clause in the Code.

We would be pleased to meet to discuss any matters raised in our response in detail if you wish. If you have any queries please feel free to contact me on 9552 3725.

Yours sincerely

Ian Johnson
GENERAL MANAGER REGULATION

DRAFT PERFORMANCE REPORTING FRAMEWORK

ESC Consultation Paper No. 2

Detailed comments by South East Water

Unaccounted water

The term “unaccounted water” is incorrect. This term can give the impression that the water business is unable to account for this water. In fact there is a good knowledge of what has happened to the water (i.e. Meter inaccuracies, fire fighting, theft etc). It is suggested that a better term for this indicator is non-revenue water. Non-revenue water is an international term used within the water industry, promoted by the International Water Association. It has a clear definition.

South East Water submits that a more appropriate indicator for measuring non revenue water is ML lost per kilometre or water loss per connection of water main in the system, as percentages are too easily influenced by fluctuations in the total flows based on varying climatic conditions. For built up areas loss per connection is better than loss per km. In semi rural areas with little development loss per km is the preferred indicator.

Total minutes to respond to reported blockage/spill

In the definition the word “attend” should be replaced with “commence rectification”. Attend could simply be someone arriving on site and noting that work has to be done and then assigning a crew to rectify the problem (possibly to actually commence the rectification works some several weeks later). From a customer perspective the important time is when rectification of the problem commences.

Call connect time to operator and Calls connected to operator within 30 seconds

There are currently two indicators proposed that fundamentally measure the same thing. It seems unnecessary to include average connect time and calls answered within 30 seconds. It is considered that average connect time is preferable as it will pick up any calls that go for extended periods unanswered.

Property development agreements

This indicator may be simplified by changing the Indicator title to “Notice of Agreements” and deleting all words in the split column. The performance measure would become “% of Notice of Agreements turned around in 45 days”.

The definition : A Notice of Agreement is an offer that the owner enters into for the provision of water supply and/or sewerage services. Counted from the day the application is received in full, as zero. If the applicant does not satisfy all their responsibilities for the application the count ceases until this information is received.

Debt level for customer subject to restriction and legal action

Replace “and” with “or” in the indicator title.

We are not sure if a high or low number is good. If the number is too high it may mean that we are leaving our collection process so late that the customer has a high debt and no chance of paying it. On the other hand a low figure may indicate that we are overly eager in our collection processes.

Hardship grants

We need more than the number of hardship grants – a complimentary measure is also required to show the dollars involved. Average dollars would show where there are a large number of grants for small dollars as opposed to a smaller number of grants but for more significant amounts.

There is a real potential for inconsistencies in t between water businesses in the data provided (e.g. it would be necessary to ensure that normal bad debt write of is not included).

South East Water
16 June 2004