

01/09/2010

20 Corporate Drive
Locked Bag 1
Heatherton VIC 3202 Australia
Telephone (03) 9552 3000
Facsimile (03) 9552 3001
DX 36006 Moorabbin
info@sewl.com.au
southeastwater.com.au

Local Government and Water
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

Attention: Dean Wickenton

Dear Dean

Re: HARDSHIP RELATED GUARANTEED SERVICE LEVEL PROPOSAL

Thank you for the opportunity to comment on the issues paper, please find South East Water's response in relation to the Issues Paper on Developing a Hardship Related Guaranteed Service Level Measure.

South East Water recognises that there are some customers who do not have the capacity to pay their accounts due to financial hardship. South East Water recognises it has a social obligation, to ensure that these vulnerable customers are treated fairly and are protected from the various forms of debt recovery action. Our objective is to work with the customer and assist them in arriving at a satisfactory resolution. These customers must not be discriminated against due to their financial circumstances.

For these reasons South East Water supports the Issues Paper by the Essential Services Commission (Commission) to introduce a guaranteed service level measure relating to customers experiencing financial hardship.

Increased Threshold

South East Water supports the proposed increase in the threshold from \$120 to \$200 before legal action or restriction of water supply can be commenced. South East Water does not give consideration to taking legal action against customers for amounts less than \$500 as the associated costs make this form of debt recovery prohibitive.

Reasonable endeavours to contact a customer

The Commission proposes to introduce a checklist that sets out the minimum steps a water authority must perform to ensure all reasonable endeavours have been made to contact a customer who is experiencing financial difficulties prior to restricting their water supply or initiating legal action.

South East Water understands that this checklist can be used as a basis to determine whether a GSL payment is required to be paid to a customer.

The current process followed by South East Water conforms to the proposed checklist and therefore, South East Water supports the checklist as proposed by the Commission.

Proposed Coverage and Timing

The Commission is proposing that the hardship GSL be implemented over a staggered period of time with South East Water being amongst the first water authorities to participate and have the necessary processes in place by the end of 2010. South East Water supports this approach and it will have the hardship GSL implemented by the end of 2010.

20 Corporate Drive
Locked Bag 1
Heatherton VIC 3202 Australia
Telephone (03) 9552 3000
Facsimile (03) 9552 3001
DX 36006 Moorabbin
info@sewl.com.au
southeastwater.com.au

Proposed payment amount for breach of GSL

The Commission proposes a fixed payment of \$300 for a breach of the hardship GSL. South East Water supports this proposal and the ability to credit any payments for breaches against the customers outstanding account balance.

Review of GSL

It has been noted that the Commission has indicated that it wishes to review the application of the GSL. South East Water would be interested to learn of any improvements identified across all businesses.

South East Water would like to thank the Commission for the opportunity to participate in the discussions and development of the GSL and to provide a response to the proposal.

Yours Faithfully



Shane Whitting

MANAGER CREDIT MANAGEMENT