



In reply please quote: FC2010/08227
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27 July 2010

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

Via email: water@esc.vic.gov.au

Dear Sir,

DEVELOPING A HARDSHIP RELATED GUARANTEED SERVICE LEVEL MEASURE ISSUED PAPER – JUNE 2010

Wannon Water agrees to the proposal by the Essential Services Commission (“the Commission”) to introduce a guaranteed service level (GSL) measure related to customers in hardship. Wannon Water provides the following comments in relation to questions raised by the Commission in the Issues Paper.

Threshold for which restrictors or legal action for non-payment cannot be undertaken

Intervention at the earliest possible opportunity allows for maximum assistance to be provided to customers whilst also ensuring the level of debt does not reach an insurmountable level. In relation to tenants where Wannon Water is not able to make contact by telephone, raising the threshold to \$200 will result in intervention taking longer than it currently does, thus reducing the assistance that Wannon Water is able to offer the customer.

Wannon Water requests that the Commission retain within the Customer Service Code that water corporations are able to commence legal action or take steps to restrict a customer's service due to non-payment if the customer has failed to pay consecutive bills in full over a period of not less than 12 months.

Reasonable endeavours to contact the customer

Step 5 of the checklist requires the water corporation to make one attempt at a personal contact by personal visit with a customer. Wannon Water covers an area of approximately 24,000 kilometres with a worst case scenario involving a 600 kilometre round trip by Wannon Water's hardship team members. Wannon Water considers that the value added by attempting a personal visit would generally be exceeded by the cost to undertake same. This cost would feed into future tariffs.

In addition, Wannon Water has tried this approach on a local level and found that in many instances the customers found the experience confrontational and demeaning, and became very reluctant to engage in a meaningful way.

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Further, Wannon Water's experience indicates that customers have a tendency to respond to good quality hardship information packs provided by Wannon Water and other contact methods such as SMS that allow the customer to consider information provided in a non-confrontational manner.

Wannon Water proposes that the requirement for a personal visit be deleted and replaced with a requirement that the water corporation provide the customer with a hardship pack containing information on assistance available through the water corporation's hardship programs and other forms of assistance such as a utility relief grant. This hardship pack must be provided prior to proceeding with legal action or restriction.

Where a customer advises they did not receive a notification required to be issued by a water corporation in accordance with the checklist, Wannon Water seeks confirmation that a GSL would not apply in instances where it has been confirmed that the water corporation forwarded the notification to the customer's address in accordance with the requirements of the Customer Charter. Customers who are acquainted with debt collection procedures may not accept certified mail, and consequently regular mail is generally more likely to be received by the customer.

Proposed GSL

Wannon Water seeks confirmation from the Commission that the GSL only applies to residential customers.

Coverage and timing

Wannon Water supports the proposed coverage.

In relation to implementation of the proposed GSL for those water corporations not required to implement the proposed GSL by the end of 2010, it is suggested that the timing of implementation be scheduled to occur at the same time as potential changes to Customer Service Code resulting from a review of legislative instruments. This would reduce costs associated with modifying and implementing updated Customer Charters and Customer Charter Summaries.

Payment amount for breach of GSL

Wannon Water notes the proposed payment amount of \$300.

Other matters for consideration

To assist customers that may be experiencing financial hardship, Wannon Water suggests that the Commission consult with the Department of Human Services ("the Department") regarding the procedure for registering a tenant in public housing. The Commission should request that the Department seek the consent of the tenant to provide the tenant's concession details and CentrePay deduction information to water corporations. This would ensure that the tenant obtains eligible concessions automatically without having to make application to the water corporation. It would also assist the tenant to make regular, relatively small payments from commencement of their tenancy.

Yours sincerely



Damian O'Doherty
General Manager, Finance