



Our Ref: F073570
Your Ref: C/12/10512
Enquiries To: Denis Musaefendic

17 April 2012

Andrew Chow
Director Regulation
Essential Services Commission
Level 2, 35 Spring Street,
Melbourne 3000

Dear Mr Chow

Re: Barwon Water Submission: *Hardship related guaranteed service level review.*

Enclosed is Barwon Water's submission in response to the ESC's draft *Hardship related guaranteed service level review.*

Barwon Water supported the introduction of the hardship GSL in 2010 and supports extending the measure to the remaining water businesses throughout Victoria as a means of incentivising water businesses to take reasonable action prior to restricting a customer's water supply for non payment of a bill.

Over the past few years Barwon Water has had an increase in the number of customers experiencing hardship and has worked closely with customer hardship groups to develop guidelines and programs for assisting customers before imposing penalties.

Barwon Water has developed minimum requirements for communicating with a customer in hardship and therefore already meets the requirements of the proposed GSL.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Joe Adamski", written over a white background.

Joe Adamski
Managing Director

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Barwon Water Submission: draft *Hardship related guaranteed service level review*

The cost-of-living is an important issue in Barwon Water's community and we are seeing larger portions of our customer base being impacted by the continued rise in living expenses. Financial pressure has shifted from just being faced by low-income earners, to now being experienced by middle income earners as well and we have a larger number of customers on payment plans or moving through our debt collection cycle.

We believe customers should not be penalised prematurely for experiencing genuine difficulties in paying their water and sewerage bill. This GSL incentivises water businesses to take reasonable action prior to restricting water supply or taking legal action against a customer.

Barwon Water internally imposed this GSL on itself in 2010 when it was imposed on other water businesses and has been exceeding the minimum requirements since its inception.

Barwon Water considers 1 July 2012 a feasible date for commencing the scheme in other businesses.

Specific comments on the draft paper are outlined below:

'Registered mail requirement' (step 4)

'In the event customer contact is not possible at this stage, one letter must be sent by the business via registered mail as a substitute – the Australia Post unique identification number must be recorded.'

Barwon Water's understanding is that this requirement was added in an effort to strengthen the customer engagement aspect of the GSL.

Barwon Water's does not believe this adds value to the customer engagement effort and has the potential to create delays and cause increased costs that are unnecessary.

Strong anecdotal evidence suggests that many of our customers who may be at risk of restriction or legal action often do not open or read Barwon Water bills or letters, nor do they respond to any phone call communication or messages left for them. Sending a letter by registered mail will not mean that these customers are more likely to read the letter and respond to us.

Therefore, Barwon Water does not consider there is any benefit in using registered mail.

Note (step 5):

'In undertaking steps 4 and 5, the water business, either verbally or through written notice, must convey to the customer information that complies with provisions in the Customer

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Service Code relating to Billing (Section 4), Payments (Section 5), Collection (Section 6) and Actions for non-payment (Section 7)

Barwon Water's bills, reminders, warning notices and customer interface processes comply with the requirements in the Customer Service Code. The information has either already been provided or is readily available either by viewing our web site or by requesting it from our call centre or at our customer service centres.

Barwon Water does not consider it is necessary to provide any further information at steps four and five or repeat information that has already been provided.