

Our ref: WT4987
Enquiries:

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Dear Mr Kelly

Submission on the Water Services Customer Code Consultation Paper

The Department of Water welcomes the opportunity to provide comment on the Economic Regulation Authority's Consultation Paper released as part of the 2016/17 Review of the *Water Services Code of Conduct (Customer Service Standards) 2013*.

The Code provides a clear and comprehensive set of customer service standards and customer protection mechanisms. The Authority's Review will help to ensure that the Code remains relevant and effective in protecting customer interests in an evolving water services market. Since the Code commenced, the WA water industry has witnessed several key changes, including the emergence of private licensees and an expansion in recycling and re-use options.

The Department's comments on the issues raised in the Consultation Paper are included at Attachment 1. Please contact _____, Water Industry Policy, on _____ or _____ if you have any queries regarding this submission.

Yours sincerely

Tad Bagdon
Executive Director
Policy & Innovation
31 October 2016

Attachment 1

Proposal/issue	Department of Water (the Department) response
1. Proposal: To amend clause 1 by replacing “2013” with “2017”.	Agreed.
<p>2. Proposal: To amend clause 2 for the Code to come into operation on 1 July 2017.</p> <p><i>Comment sought:</i></p> <p>A. Should any of the proposed amendments in this Consultation Paper take effect after 1 July 2017?</p> <p>B. If so, which amendments should commence later and when should those amendments commence?</p>	<p>Agreed. All amendments should take effect from 1 July 2017. With respect to the imposition of service standard payments, licensees should be given at least one year to incorporate the standards (refer to the Department’s response to Issue 55).</p>
<p>3. <i>Comment sought:</i></p> <p>A. Currently, the Water Code applies to all customers. Should the application of the Water Code be limited to certain customers only?</p> <p>B. If so, to which customers should the Water Code apply?</p> <p>4. <i>Comment sought:</i></p> <p>A. Currently the Water Code applies to all licensees. Should the Water Code differentiate between certain licensees?</p> <p>B. (1) If so, on what basis should the Water Code differentiate between licensees? For example, on the basis of the location of the licensee’s customers or the number of connections supplied by the licensees?</p> <p>B. (2) If so, should these licensees simply be exempt from some of the provisions of the</p>	<p>No, the Code should remain applicable to all customers (excluding irrigation customers – refer to the response below) and to all licensees. If a size limit was to be imposed (based on, for example, the number of customer connections) it would result in the exclusion (from the Code) of most new developments serviced by private sector service providers. These developments may represent small-scale schemes initially, but may but grow to a significant size over time. The Department considers that it is important for such services to be licensed from the outset of the development to ensure that the appropriate customer protections are incorporated into the long-term servicing arrangements. Therefore, it is critical that the Code applies to such schemes to help ensure the protection of customers.</p> <p>The Department agrees that the Code should not apply to licensees who only supply water services to (large) industrial customers, but considers that this is already provided for through Clause 5 – contracting out.</p> <p>The Department notes that the definition of a customer in the <i>Water Services Act 2012</i> is inconsistent with the equivalent definition in the Code, as it excludes tenants and occupiers. Whilst the definition in the Code should be consistent with the Act, the Department supports the extension of customer protection mechanisms to tenants/occupiers and notes that WA’s three water corporations have voluntarily extended their financial hardship policies to these individuals (i.e. to tenants registered to receive water use bills as authorised by the property owner).</p>

<p>Water Code or should one or more of the service standards be amended?</p>	<p>The Department will seek to address the tenant/occupier issue as part of its upcoming review of the <i>Water Services Act 2012</i>.</p>
<p>5. <i>Comment sought:</i> Should the Water Code apply to the provision of irrigation or drainage services?</p>	<p>The Code applies to irrigation services; however, it does not apply to irrigation co-operatives with respect to services provided to members (as a member is not considered to be a 'customer' under the <i>Water Services Act 2012</i>). Three of the four irrigation co-operatives have commercial water supply contracts with (non-member) customers. Whilst some of the Code's clauses may be applicable to these contracts, the Department notes that the financial hardship provisions are not, as the irrigation co-operatives are exempt from the requirement for a financial hardship policy (on account of the fact that the water supplies provided are not potable).</p> <p>Therefore, in practice, the Code has very limited application to irrigation customers. The Department supports the exclusion of these services from the Code and notes that this would be consistent (with respect to application) with most other customer codes in the Australian water sector.</p> <p>The drainage services provided by the Water Corporation relate to the draining of land around the drains. Rural drainage customers are not charged (costs are funded via an operating subsidy) however, metropolitan customers located within the Water Corporation's declared drainage catchments are charged drainage rates as part of their service charges. The Department considers that the requirement under the Code for licensees to provide customers with information on the statutory entitlement to the provision of a water service (section 73 of the Act) and the licensee's duty to provide the service and do works (section 21 of the Act) is of benefit to drainage customers. The Department therefore supports retaining the application of the Code to drainage customers.</p>
<p>6. <i>Comment sought:</i> A. Should clause 5 be amended to only apply to business customers? In this case, licensees and business customers could continue to contract out of all of the provisions of the Water Code. Licensees and residential customers would not be able to contract out of provisions of the Water Code.</p>	<p>This clause provides flexibility for non-standard service provision, for example, in situations where water services are provided to a non-residential customer under a commercial contract (negotiated between two independent entities). In these situations, it may not be practical to apply all the provisions contained in the Code. Mandatory compliance with all Code provisions is likely to create administrative burden (through impeding/delaying) with respect to the negotiation of commercial contracts.</p> <p>The Department supports the restriction of this clause to non-residential (business) customers only. This would ensure that the provision of services to residential customers is governed by the customer protection mechanisms stipulated in the Code (which was the original objective of the Code).</p>

<p>B. Should clause 5 be amended to only apply to certain provisions of the Water Code? In this case, licensees and both business and residential customers could only contract out of specific provisions of the Water Code.</p> <p>C. Should clause 5 be amended so that licensees and business customers can contract out of all provisions of the Water Code, whilst licensees and residential customers can only contract out of specific provisions of the Water Code?</p>	<p>The Department notes that the restriction of this clause (to business customers) may have implications for licensees which provide services to residential customers by agreement. However, given that the purpose of such agreements could be to vary the terms and conditions of the service (i.e. technical standards) rather than to vary clauses in the Code, this amendment may not impact those existing agreements (or all of them, in the very least).</p> <p>As an aside, the Department notes that water services licences include a requirement for any non-standard contracts (including contracts which incorporate varied Code provisions) to be submitted to the Economic Regulation Authority (the Authority) for approval. The Department considers that this requirement should be removed from the licence as the Code takes precedence (over licences) and thus, the Authority does not actually have the power to disapprove of a varied clause in practice (given that clause 5 essentially allows any contract to include varied Code provisions). If clause 5 of the Code is tightened (i.e. to apply to business customers only), this requirement should be removed from the licence on the basis that the intent of the amended clause 5 would be to ensure that all supplies to residential customers are governed by the Code.</p>
<p>7. <i>Comment sought:</i> Should licensees who send usage bills for drinking water be required to issue a fixed charges bill at least once every six months (or more frequently if the billing cycle is reduced, see issue 8)?</p>	<p>Yes, this would minimise bill shock for customers.</p>
<p>8. <i>Comment sought:</i> Should the maximum interval between bills for usage be reduced to three, or alternatively four, months?</p>	<p>The Department supports reducing the maximum interval between usage bills to four months. More frequent billing reduces bill shock and non-payment but also imposes additional administrative costs on customers as well as service providers. The Department would encourage service providers to survey their customer bases to identify the preferred billing frequency.</p>
<p>9. <i>Comment sought:</i> Should licensees be required to read their water meters at least once every 12 months?</p>	<p>Yes, this would reduce the perpetuation of inaccurate readings (which can lead to high and unexpected costs for consumers). However, an increase in meter reading frequency should be supported by a positive business case; i.e. the benefits of more frequent meter reading should outweigh the additional costs, which would be passed on to customers.</p> <p>The Authority may want to consider smart meters to increase dynamic data capturing and/or continue to monitor the suitability of this technology in the future. Smart meters capture information by collecting water use data from water meters at regular intervals and sending the information back to data bases used by water managers and service providers. This information can consequently be run through a</p>

	<p>model and provide up to date data on over/under use which could trigger an announcement for water availability or restrictions.</p> <p>Smart meters allow managers and users to monitor, maintain and manage water usage. For example, smart meters can have the ability to send automatic alarms and reports to users to help them identify water leaks or abnormal usage patterns ahead of time.</p> <p>Residential in-home smart meter displays help to remind customers of the need to conserve water, including the detection of leaks. For utilities, smart meters provide the opportunity to control their networks, detect leaks, to identify the location and extent of breaks in water mains, and have the potential to monitor compliance with local water restrictions.</p>
<p>10. Proposal: To require a licensee to include the following additional information on each bill:</p> <ul style="list-style-type: none"> • information about assistance for customers experiencing payment difficulties or financial hardship; • for bills issued to residential customers, information on the availability of interpreter services; • the total amount of any payments made by the customer since the previous bill was issued; • a telephone number for complaints; • the Freecall telephone number for the Energy & Water Ombudsman WA; and • a 24 hour telephone number for faults and emergencies. 	<p>Agreed.</p>
<p>11. <i>Comment sought.</i> Should each bill have to specify the charges payable for each of the water services provided by the licensee?</p>	<p>Yes, this provides customers with a price signal for each service.</p>

<p>12. Proposal: To require a licensee to include a statement on the bill that interest charges or late payment fees may apply (if the licensee charges interest or late payment fees for outstanding amounts).</p>	<p>Agreed.</p>
<p>13. <i>Comment sought:</i> Should a licensee be required to include the meter reading on a customer's bill (where available)?</p>	<p>Agreed.</p>
<p>14. <i>Comment sought:</i> A. Should each bill from a water corporation have to include the applicable tariff(s) for the water services provided? B. Should each bill from a water corporation specify when a customer's will move to a higher tariff, or revert back to the lowest tariff (that is, the anniversary date of the customer's billing year)?</p>	<p>Yes, both requirements would provide better price signals to customers.</p>
<p>15. Proposal: To clarify that a bill must include information, where available, about the customer's water usage compared with the customer's usage for the previous account period, and for the same period last year.</p>	<p>Agreed. The Authority could expand upon this by proposing that billing information be modified in a way that allows all users to compare their water use with others in their locality, and at the same time, remind users of the State's per person water targets.</p>
<p>16. <i>Comment sought:</i> Should clauses 12(3)(b), (c) and (d) be retained as is; amended to require less detailed information to be included on the bill; or deleted? Proposal: A. To clarify that clause 12(3)(a) to (d) only applies to bills for usage for a metered water service.</p>	<p>Yes, clauses 12(3)(b), (c) and (d) should be amended to require less detailed information on the bill . Agreed (with respect to proposals A, B and C).</p>

<p>B. To clarify that clause 12(3)(c) only applies to bills based on an estimate.</p> <p>C. To delete clause 12(3)(f) if the ERA decides that all bills should include the licensee's telephone number for complaints and the Energy & Water Ombudsman WA's Freecall telephone number.</p>	
<p>17. <i>Comment sought:</i> Should the 12 month limitation on recovering an undercharge only apply where the undercharge is a result of an error by the licensee?</p>	<p>Agreed. The 12-month limitation on recovering an undercharged amount should only apply where the undercharge results from an error by the licensee. Licensees should not be penalised (i.e. through underpayment) for customer error.</p>
<p>18. Proposal: To require a licensee to credit an overcharged amount to a customer's account if the licensee has not received instructions from the customer.</p>	<p>Agreed.</p>
<p>19. Proposal: To only require a licensee to have to offer Centrepay as a bill payment method to residential customers.</p>	<p>Agreed.</p>
<p>20. <i>Comment sought:</i> Should the requirement to offer direct debit as a payment method be removed from the Water Code?</p>	<p>Yes, if the administrative burden associated with direct debit is significantly greater than the benefit that this option provides to customers (which appears to be low, given that few customers have opted for this method), licensees should not be required to offer this payment option. The Department notes that this would not prevent licensees from offering this payment method if, for example, a customer asked for it. Moreover, if customer preferences were to change in future (i.e. if demand for direct debit payment methods increased), the inclusion of the requirement could be re-examined as part of the next review of the Code.</p>
<p>21. <i>Comment sought:</i> Should licensees be required to obtain the express consent of the holder of the account to be debited before receiving a bill payment by direct debit?</p>	<p>No, if the direct debit option is retained, the requirement for obtaining express consent should be deleted (on the basis that attaining such consent is impractical).</p>
<p>22. <i>Comment sought:</i> A. Should additional requirements be included in the Water Code regarding the</p>	<p>No, the Department considers that, given there are no inherent issues with the way in which licensees handle customers experiencing payment difficulties, clause 25(2) should not be amended. The administrative burden created through imposing a rigid set of assessment requirements would exceed</p>

<p>process a licensee must follow when assessing whether or not a customer is experiencing payment difficulties?</p> <p>B. If so, what additional protection should be provided to water customers?</p>	<p>the associated benefits to customers (particularly as there have been no issues identified with the current assessment processes used by licensees).</p>
<p>23. <i>Comment sought:</i> Should licensees be allowed to charge fees or interest on payment plans offered to customers experiencing payment difficulties?</p>	<p>No, this would be contrary to the intent of a payment plan.</p>
<p>24. Proposal: To amend clause 25(2) by requiring a licensee to offer a customer experiencing payment difficulties a payment plan or other arrangement.</p>	<p>Agreed.</p>
<p>25. <i>Comment sought:</i> Should licensees be required to review their financial hardship policies if directed to do so by the ERA?</p>	<p>Yes.</p>
<p>26. Proposal: To require a licensee to consult with relevant consumer organisations when developing their initial financial hardship policy.</p>	<p>Agreed. Given that there is an existing requirement for licensees to consult with consumer organisations as part of the five year review of their financial hardship policies, it would be appropriate for this requirement to be applied at the outset (i.e. when licensees are first developing these policies). The inclusion of this requirement would ensure consistency with the approach undertaken in the gas and electricity industries.</p>
<p>27. Proposal: To require a licensee to submit an amended financial hardship policy to the ERA for its approval.</p>	<p>Agreed.</p>
<p>28. <i>Comment sought:</i></p> <p>A. Should the content requirements for financial hardship policies remain in the Water FHP Guidelines, or be moved to the Water Code?</p> <p>B. Should a sub-set of the content requirements for financial hardship policies be moved from the Water FHP Guidelines to the Water Code?</p>	<p>No, the inclusion of the financial hardship policy guidelines will clog up the Code with prescriptive detail and make Code reviews more arduous and time consuming. Retaining the detailed requirements within the guidelines ensures that the amendment process is flexible. The Department considers that licensees already have certainty with respect to their requirement to comply with the guidelines as the Authority will only approve financial hardship policies that adhere to the guidelines. Therefore, the movement of the guidelines to the Code will not create any additional certainty/clarity for licensees.</p> <p>The Department does not consider that any additional content in the guidelines is warranted at this stage.</p>

<p>C. Should financial hardship policies include any information in addition to what is currently required under the Water FHP Guidelines?</p>	
<p>29. Proposal: To move the requirement for licensees to comply with the Water FHP Guidelines from the water licence template to the Water Code.</p>	<p>Agreed.</p>
<p>30. <i>Comment sought:</i> A. Should additional requirements be included in the Water Code regarding the process a licensee must follow when assessing whether or not a customer is experiencing payment difficulties? B. Should additional requirements be included in the Water Code regarding the assistance a licensee must offer customers in financial hardship? For example, should licensees have to offer a customer a choice between a payment plan and other arrangement; should licensees be required to take certain matters into account when setting a payment plan; and should licensees be required to provide certain information to customers about their payment plan?</p>	<p>No, refer to the Department's response to Issue 22.</p>
<p>31. Proposal: To require a licensee to offer a customer experiencing financial hardship a payment plan or other arrangement.</p>	<p>Agreed.</p>
<p>32. Proposal: To require a licensee to review a payment plan upon a customer's request. If the review demonstrates that the customer is unable to meet its obligations under the existing payment</p>	<p>Agreed. However, this may create a risk for licensees whereby some customers repeatedly request reviews in order to defer payment or avoid supply restrictions. Accordingly, it may be worthwhile for the Code stipulate a limit on the number of reviews requested by customers.</p>

<p>plan, the licensee must revise the payment plan.</p>	
<p>33. Proposal: To include the words 'as to whether or not' in clause 29(c) so it is consistent with the wording of clause 29(b).</p>	<p>Agreed.</p>
<p>34. Proposal:</p> <p>A. To require a licensee to give a customer a reminder notice prior to taking action for non-payment of a bill.</p> <p>B. To require a reminder notice to include the following information:</p> <ul style="list-style-type: none"> • the licensee's telephone number for account, payment and general enquiries; and • advice that a licensee may assist if the customer is experiencing payment difficulties or financial hardship. 	<p>Agreed, subject to this requirement reducing overall costs.</p>
<p>35. Proposal:</p> <p>A. To require a licensee to give a customer written notice of its intention to reduce the customer's water supply.</p> <p>B. To require a licensee to give a restriction notice to a customer at least 7 days before the licensee intends to reduce the customer's water supply.</p> <p>C. To require a restriction notice to include the following information:</p> <ul style="list-style-type: none"> • the matter giving rise to the impending reduction; • the earliest date the licensee may reduce the customer's water supply; • the existence and operation of the licensee's complaint handling process; 	<p>Agreed.</p>

<ul style="list-style-type: none"> • the existence and operation of the water ombudsman, including the Freecall telephone number for the water ombudsman; and • the applicable restoration procedures, including any costs for restoring the customer's supply. 	
<p>36. Proposal: To amend the wording of clause 32(c) so it is consistent with the wording of clause 32(b).</p>	<p>Agreed.</p>
<p>37. Proposal: To clarify that a customer's rate of flow of drinking water may not be reduced at any time on weekends, public holidays and the day before a public holiday.</p> <p><i>Comment sought:</i></p> <p>A. Should the prohibition on reducing the rate of flow of drinking water be extended to anytime on a Friday?</p> <p>B. Should the prohibition on reducing the rate of flow of drinking water be extended to after 3pm Monday to Thursday?</p>	<p>Agreed, the wording should be clarified. The Department supports extending the prohibition on water flow reductions to after 3pm Monday to Thursday and any time on Friday, to better align with practice in the gas and electricity industry in WA and interstate water sectors.</p>
<p>38. <i>Comment sought:</i></p> <p>A. Should the term 'complaints' in clause 32(e) only relate to complaints made to the licensee, or also include complaints made to an external dispute resolution body?</p> <p>B. If clause 32(e) is amended to specifically refer to complaints made to an external dispute resolution body, should restriction only be allowed if the external dispute</p>	<p>Agreed. Complaints should include those made to the licensee as well as to an external dispute resolution body. For complaints made to external bodies, licensees should be precluded from restricting supply only if notified by the external body of the complaint.</p>

<p>resolution body has notified the licensee of the complaint?</p>	
<p>39. <i>Comment sought:</i></p> <p>A. Should a licensee only be precluded from reducing a customer's rate of flow of drinking water if the customer has notified the licensee that the customer requires water to operate a life support machine?</p> <p>B. Should a licensee be obliged to register customers who require a life support machine?</p> <p>C. If so, should the Water Code also provide for a deregistration process?</p> <p>D. Should the Water Code include a definition of a life support machine?</p> <p>E. If so, what should that definition be?</p> <p>F. Should the Water Code include protections for persons other than the customer who reside at the customer's address and require a life support machine?</p> <p>G. Should a licensee be required to provide customers who require a life support machine with written notice of planned interruptions to supply at the supply addresses?</p> <p>H. If so, how much notice should be provided?</p> <p>I. Should a licensee be required to contact customers who require a life support machine as soon as possible in the event of an unplanned interruption?</p>	<p>Yes. The definition of 'life support machine' and the minimum timeframe for giving notice of supply interruptions should be similar the equivalent provisions in the WA Electricity Code.</p>
<p>40. <i>Comment sought:</i> Should a licensee be precluded from reducing a customer's rate of flow of drinking water on a day there is</p>	<p>Yes.</p>

<p>a total fire ban in the local government area in which the customer is located?</p>	
<p>41. <i>Comment sought.</i> Should licensees be prevented from reducing the rate of flow of drinking water if a customer has applied for a concession or grant and the licensee has not yet made its decision?</p>	<p>Yes.</p>
<p>42. Proposal: To replace the reference in clause 35(2) to AS ISO 10002-2006 with AS/NZS 10002-2014.</p>	<p>Agreed.</p>
<p>43. Proposal:</p> <p>A. To delete the requirement that a licensee's complaints procedure must state that a customer may, but does not have to, use the licensee's complaints procedure before or instead of the Energy and Water Ombudsman of WA's procedures</p> <p>B. To delete the requirement that a licensee's complaints procedure must set out the benefits to the customer if the customer chooses to use the licensee's complaints procedure before or instead of the Energy and Water Ombudsman of WA's procedures.</p>	<p>Agreed. This would improve the efficiency of the complaint process, given that the Water Ombudsman generally directs customers to the licensee in the first instance. This amendment would align the treatment of complaints in the water industry with complaint processes listed in other customer codes, such as the WA Electricity Code.</p>
<p>44. <i>Comment sought.</i></p> <p>A. Should a licensee be required to advise the customer of their right to raise their complaint with the Energy and Water Ombudsman of WA if the customer is not satisfied with the outcome of the licensee's process?</p> <p>B. If so, should a licensee be required to provide the customer with the Energy and</p>	<p>Yes, this would improve the transparency of the complaints process.</p>

Water Ombudsman of WA's Freecall telephone number?	
<p>45. <i>Comment sought:</i></p> <p>A. Should a licensee be required to have in place an escalation process which allows a customer to request that their complaint be considered by a senior employee?</p> <p>B. If so, should a licensee be required to advise customers, when responding to a complaint, of their right to have their complaint considered by a senior employee?</p>	<p>No, the Department is of the view that adherence to the relevant Australian Standards on complaint management is sufficient. It is considered that, if a complaint is escalated (which is an option provided under the applicable Australian Standards) it would generally be escalated to a more senior staff member anyway.</p>
<p>46. <i>Comment sought:</i></p> <p>A. Should the Water Code specify when a complaint is considered to have been resolved?</p> <p>B. If so, should it only relate to certain complaints (for example, complaints relating to non-payment)?</p>	<p>Yes, the inclusion of a definition for 'resolved' would improve clarity and consistency across water services providers.</p>
<p>47. <i>Comment sought:</i> Should a licensee be prevented from recovering an amount of money that is in dispute until such time that the dispute has been resolved?</p>	<p>Yes.</p>
<p>48. Proposal:</p> <p>A. To clarify that a licensee must make available to each customer not only information of a personal nature but also the customer's billing and usage data.</p> <p>B. To clarify that information provided under clause 36(2) must be provided free of charge.</p> <p><i>Comment sought:</i> Should licensees be allowed to charge for the provision of billing and usage data if the data relates to</p>	<p>Agreed. Yes, the imposition of a charge to provide historic data (i.e. data that is over two years old) is considered to be reasonable.</p>

<p>a period over two years prior to the date of the request?</p>	
<p>49. Proposal: To clarify that a customer who has been offered a payment plan should only have their water supply reduced if the customer has failed to accept the plan within a prescribed timeframe.</p> <p><i>Comment sought:</i> How many days should customers be given to inform the licensee whether or not they accept a payment plan?</p>	<p>Agreed. Customers should be required to make a decision on the acceptability of a payment plan within a prescribed timeframe. The Department considers that licensees would be best placed to determine an appropriate timeframe.</p>
<p>50. <i>Comment sought:</i> Should licensees be required to make electronic copies of the Water Code available on their website?</p>	<p>Yes, as this should not be administratively burdensome for licensees.</p>
<p>51. <i>Comment sought:</i> Should licensees be required to have a policy that deals with minimising the impact of bursts, leaks, blockages and spills?</p>	<p>Agreed. Licensees should already have such policies in place, as part of standard risk management and contingency planning.</p>
<p>52. Proposal:</p> <p>A. To require a licensee to provide at least 48 hours' prior notice of a planned interruption.</p> <p>B. To allow licensees to provide notice of a planned interruption by post, by television or radio, or in a newspaper circulating in the affected area.</p>	<p>Agreed.</p>
<p>53. <i>Comment sought:</i> Should a new clause be included in the Water Code which requires a licensee to establish a 24 hour telephone number for faults and emergencies?</p>	<p>Yes.</p>
<p>54. <i>Comment sought:</i> Should licensees be required to advise their customers of tariff</p>	<p>Yes.</p>

<p>changes as soon as practicable, but no later than on the customer's next bill?</p>	
<p>55. <i>Comment sought:</i></p> <p>A. Should service standard payments be introduced into the Water Code?</p> <p>B. If so, which service standard payments should be included in the Water Code?</p> <p>C. Should licensees be given until 1 July 2018 to implement those service standard payments?</p> <p>D. Should licensees only be required to make payment upon application by an eligible customer?</p> <p>E. Should licensees be required to advise their customers at least once a year of the service standard payments available?</p>	<p>The Department supports the introduction of service standards for licensees, as such standards help to incentivise licensees to maintain good performance levels.</p> <p>The Authority's suggested service standards appear reasonable and are consistent with those mandated by other water codes interstate (i.e. in Victoria and the ACT). Moreover, the application of service standards may reduce the incidence of complaints as an affected party may be less inclined to make a complaint if some monetary compensation is paid. The cost of the service standard payment may be less than the total cost associated with handling a complaint that has been escalated to the Water Ombudsman (licensees are charged for each complaint made to the Ombudsman and may also incur indirect (staff) costs through the need to liaise with the Ombudsman/customer in order to achieve resolution of the complaint).</p> <p>However, consideration should be given to the inclusion of a definition for 'resolved', to eliminate any uncertainty on when a complaint is considered to be resolved. With respect to the proposed standard governing the failure of a licensee to restore a water supply, the Department is concerned that this standard may unfairly penalise a licensee, assuming that all reasonable steps have been taken to prevent this failure (i.e. to reconnect within 12 hours).</p> <p>The Department agrees that an implementation period of at least 12 months is appropriate, in order to provide licensees with sufficient time to make the required administrative changes.</p> <p>Placing the onus of the application of the standards onto customers is considered to be reasonable, provided that the existence of such payments is well publicised (e.g. included on a licensee's website).</p>
<p>56. <i>Comment sought:</i></p> <p>A. Should the Water Code include restrictions on when a licensee can charge interest and/or late payment fees?</p> <p>B. If so, what should those restrictions be?</p>	<p>Yes, the Department considers that it is appropriate for licensees to be restricted from imposing payment penalties on certain customers, consistent with restrictions included in the WA Electricity Code.</p>