



Ms Caroline Coutts-Kleijer  
Economic Regulation Authority  
Submitted online via: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Ms Coutts-Kleijer

**2016-17 Review of the Water Services Code of Conduct (Customer Service Standards) 2013**

Thank you for the opportunity to comment on the Economic Regulation Authority's consultation paper on the 2016-17 review of the *Water Services Code of Conduct (Customer Service Standards) 2013*.

The Regional Services Reform Unit was established to drive major reforms to the delivery of services and infrastructure in regional and remote communities to achieve improved economic and social outcomes for Aboriginal people in these communities.

As set out in the *Resilient Families, Strong Communities* roadmap document, (<http://regionalservicesreform.wa.gov.au/p/roadmap>) living conditions are the foundation for family wellbeing and the base from which families can prosper and children can develop. Reliable and appropriate power, water and wastewater services (essential services) are critical to maintaining good living conditions.

The delivery of essential services is a core government activity that, in recognition of its importance, is largely governed by legislation. Almost all households across the State receive regulated power, water and wastewater services through a licensed service provider, and pay for those services against a household meter. However, with the exception of electricity services in a small number of large communities, essential services in remote Aboriginal communities are not regulated, nor required to meet minimum operating standards. While some communities now have individual pre-paid household power meters, no households pay water or wastewater charges.

The State Government operates on the assumption that remote Aboriginal communities (other than the small number provided power by Horizon Power) 'self-provide' essential services, albeit assisted through State-funded operating and maintenance programs including the Remote Area Essential Services Program (RAESP) and the Municipal and Essential Services Program (MUNS), currently delivered through the Housing Authority. In general, these arrangements involve:

- an entity that is not licensed in the relevant services
- a service for which there is inadequate capital and operating funding (and with no funding certainty beyond the next financial year)
- infrastructure that doesn't meet minimum standards (and is often beyond asset life)
- customers who pay either nothing or less than usual charges, and have no recourse to the consumer protections that apply elsewhere in the State.

There are many negative consequences for families in remote Aboriginal communities from these arrangements, which are economically inefficient, and may now or in future breach provisions of the *Water Services Act 2012* or *Public Health Act 2016*.

For these reasons, through the roadmap, the State Government has committed to working progressively to meet minimum standards for essential services in larger remote Aboriginal communities, based on a series of principles including: a focus on larger communities; tiered service standards; and household metering. The relevant standards are the *Remote Service Level Guidelines for Essential Services in Remote Settlements in Western Australia*, which Cabinet endorsed in 2014.

The roadmap set out how the State Government would seek to sequence investment, including identifying up to ten remote Aboriginal communities by the end of 2016 with which it will work to upgrade infrastructure, and introduce commensurate charges.

In October 2016, the Aboriginal Affairs Cabinet Sub-Committee (AACSC) approved a submission that identified early implementation locations and recommended that:

- essential services be delivered in a regulated manner by licensed providers in large and medium remote Aboriginal communities at or above the applicable Remote Service Level Guidelines standard
- responsibility for essential service delivery in communities be transferred from the Housing Authority to mainstream service providers in large and medium remote Aboriginal communities.

The Reform Unit is now working to implement these recommendations, understanding that the transition process will take time, be complex, and require cross-government collaboration. Next steps include approval for the Budget allocation and a change management steering committee, designed to support all aspects of the transition and implementation planning, including identifying service providers, establishing user-pays arrangements such as pre-payment metering, and initiating any required regulatory changes. This will include consideration of consumer protection matters such as codes of conduct and access to hardship arrangements.

The Reform Unit is working closely with the Department of Water to consider the implications of the *Water Services Act 2012*, and the relevance of this ERA review of the Water Services Code. The attached document summarises our key issues in relation to water and wastewater services in regional and remote Aboriginal communities.

For further enquiries please contact [REDACTED], Manager, Regional Services Reform Unit on [REDACTED].

Yours sincerely

[REDACTED]  
Grahame Searle  
STATE REFORM LEADER

7 / 11 / 2016  
Att.

## **ATTACHMENT 1 – Summary comments**

### **Background**

ERA's consultation paper on the 2016-17 review of *the Water Services Code of Conduct (Customer Service Standards) 2013* presents the ERA's preliminary findings of its first review of the Water Code.

The Water Code regulates the conduct of water licensees in dealing with their customers, and sets service standards in areas such as billing, payment, connection, metering, financial hardship and complaints. It is an integral component of the protection framework for water customers and its review provides an opportunity for all water customers and other stakeholders to have their say.

### **Key issues**

The consultation paper includes a number of proposals to add new provisions and amend or delete existing provisions of the Water Code. The key issues for the Reform Unit include:

#### **1. Definition of 'customer'**

The consultation paper explains proposed changes to the definition of 'customer' to make it clear that tenants are not captured by the Water Code. This is because the definition of 'customer' under the Act does not include tenants and the Water Code cannot have a broader definition of 'customer' than the Act.

The Reform Unit agrees with the ERA that the Water Code should apply to all tenants, to ensure that (as in the electricity and gas industry) tenants are entitled to all the protections available under the code, including access to hardship schemes.

This is a significant issue for water services in remote and town-based Aboriginal communities, as in general, residents cannot own their home, and as such are automatically defined as tenants.

#### **2. Culturally appropriate services**

The service provider should make available culturally appropriate customer services including translation and interpreter services, and making information available in simple language.

#### **3. Hardship Utility Grant Scheme (HUGS)**

The Hardship Utility Grants Scheme (HUGS) should be available through practical means by those living remotely (e.g. not only as an outcome of an appointment with a financial counsellor).

#### **4. Pre-payment metering**

As part of providing efficient and effective water services in remote locations, the option should exist for service providers to use pre-payment metering, as is currently used for power services. As an outcome of community consultation meetings held by

the Reform Unit in remote communities, several communities expressed a wish for prepayment meters when water consumption charges are introduced. Providing for water prepayment meters will effect a number of sections of the code, including proposals to require licensees to send reminder and restriction notices to customers before supply is restricted, current limits on the timing of restrictions, and requirements for licensees to advise customers at least 48 hours in advance of a planned interruption.

#### 5. Tag-on meter technology

In many Aboriginal communities, residents have semi-transient lifestyles that sees them move from house to house or to and from informal camping arrangements into houses. It is also common practice for houses to be vacated when a person dies who was associated with the house, and for the family to be rehoused temporarily or permanently. These living patterns can create administrative difficulties for utility providers seeking to maintain up-to-date records, especially where customers are not confident dealing with telephone-based customer services.

In response to these difficulties, metering technology is beginning to be deployed that provide an ability for customers to “tag-on” in different premises, with their consumption being recorded accordingly. This technology may require consideration of de-coupling account numbers from meter numbers and amendments to the Water Code to give effect to such an arrangement.

#### 6. Service level standards

The Code sets service standards in areas such as billing, payment, connection, metering, financial hardship and complaints. Although technical service standards are not part of the Code, the Reform Unit notes that it is working to give effect to the application of the *Remote Service Level Guidelines* (RSLG) standard in power and water service delivery in remote communities.



## ATTACHMENT 2 – Specific comments

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
1	1 - Citation	To amend clause 1 by replacing “2013” with “2017”.		
2	2 - Commencement	To amend clause 2 for the Code to come into operation on 1 July 2017	A. Should any of the proposed amendments in this Consultation Paper take effect after 1 July 2017? B. If so, which amendments should commence later and when should those amendments commence?	
3	4.1 - Application of the code: limiting application of the code		A. Currently, the water code applies to all customers, should the application of the water code be limited to certain customers only? B. If so, to which customers should the Water Code apply?	Residential. Include tenants as “customers”
4	4.1 - Application of the code: limiting application of the code		A. Currently, the water code applies to all licensees, should the water code differentiate between certain licensees. B1. If so, on what basis should the Water code differentiate between licensees? For example, on the basis of the location of the licensees customers or the number of connections supplied by the licensee. B2. If so, should these licensees simply be exempt from some of the provisions of the water code or should one or more service standards be amended?	
5	4,1 - Application of the code: irrigation and drainage services		Should the water code apply to the provision of irrigation or drainage services?	
6	5 - Contracting out		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.	

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
			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.	
			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?	
7	9 - Bills other than for quantities supplied, discharged		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)?	
8	10 - Bills for quantities supplied, discharged: maximum billing cycle		Should the maximum interval between bills for usage be reduced to three, or alternatively four, months?	Opportunity for pre-payment metering
9	10 - Bills for quantities supplied, discharged: actual meter reading		Should licensees be required to read a customers water meter at least once every 12 months?	
10	12.1 - Information on bills	To require a licensee to include the following additional information on each bill: <ul style="list-style-type: none"> <li>• information about assistance for customers experiencing payment difficulties or financial hardship;</li> <li>• for bills issued to residential customers, information on the availability of interpreter services;</li> <li>• the total amount of any payments made by the customer since the previous bill was issued;</li> <li>• a telephone number for complaints;</li> <li>• the Freecall telephone number for the Energy and Water Ombudsman WA; and</li> <li>• a 24 hour telephone number for faults and emergencies.</li> </ul>		Include translation and interpretation services, ensure plain language
11	12.1 - Information on bills: charges payable		Should each bill have to specify the charges payable for each of the water services provided by the licensee?	

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
12	<b>12.1 - Information on bills: interest and fees charges on a bill</b>	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).		
13	<b>12.2 - Information on bills: meter reading on a bill</b>		Should a licensee be required to include the meter reading on a customer's bill (where available)?	
14	<b>12.2 - Information on bills: price of drinking water</b>		A. Should each bill from a licensee that has different tariffs based on consumption have to include the applicable tariff(s) for the water services provided.	
			B. Should each bill from a licensee that has different tariffs based on consumption specify when a customer will move to a higher tariff or revert back to the lowest tariff (that is the anniversary date of the customers billing year)?	
15	<b>12.2g - Information on bills: usage comparison</b>	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.		Useful for water efficiency / education
16	<b>12.3 - Information on bills:customer rights</b>	A. To clarify that clause 12(3)(a) to (d) only applies to bills for usage for a metered water service.	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?	
		B. To clarify that clause 12(3)(c) only applies to bills based on an estimate.		
		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.		
17	<b>16 - Undercharging</b>		Should the 12 month limitation on recovering an undercharge only apply where the undercharge is a result of an error by the licensee?	
18	<b>17 - Overcharging</b>	To require a licensee to credit an overcharged amount to a customer's account if the licensee has not received instructions from the customer.		

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
19	<b>21 - Payment methods: Centrepay</b>	To only require a licensee to have to offer Centrepay as a bill payment method only to residential customers.		
20	<b>21 - Payment methods: direct debit</b>		Should the requirement to offer direct debit as a payment method be removed from the Water Code?	Include option for pre-payment metering
21	<b>22a - Consent for direct debit: consent of the holder of the account to be debited</b>		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?	
22	<b>25 - Assistance for customers experiencing payment difficulties</b>		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. If so, what additional protection should be provided to water customers?	
23	<b>25 - Assistance for customers experiencing payment difficulties: charging fees and interest</b>		Should licensees be allowed to charge fees or interest on payment plans offered to customers experiencing payment difficulties?	
24	<b>25.2 Assistance for customers experiencing payment difficulties: offering a payment plan</b>	To amend clause 25(2) by requiring a licensee to offer a customer experiencing payment difficulties a payment plan or other arrangement.		Supported
25	<b>26 - Financial Hardship Policy; review upon direction by ERA</b>		Should licensees be required to review their financial hardship policies if directed to do so by the ERA?	Agreed
26	<b>26 - Financial Hardship Policy: consultation with consumer organisations</b>	To require a licensee to consult with relevant consumer organisations when developing their initial financial hardship policy.		Relevant organisations should include some Aboriginal representative bodies.
27	<b>26 - Financial Hardship Policy: amendments subject to ER approval</b>	To require a licensee to submit an amended financial hardship policy to the ERA for its approval.		



	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
28	26 - Financial Hardship Policy: content requirements		A. Should the content requirements for financial hardship policies remain in the Water FHP Guidelines, or be moved to the Water Code?	
			B. Should a sub-set of the content requirements for financial hardship policies be moved from the Water FHP Guidelines to the Water Code?	
			C. Should financial hardship policies include any information in addition to what is currently required under the Water FHP Guidelines?	
29	26 - Financial; Hardship Policy: compliance with ERA Guidelines	To move the requirement for licensees to comply with the Water FHP Guidelines from the water licence template to the Water Code.		
30	27 - Assistance for customers experiencing financial hardship		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?	Ensure remote access to hardship schemes
			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?	
31	27.2 - Assistance for customers experiencing financial hardship: offering a payment plan	To require a licensee to offer a customer experiencing financial hardship a payment plan or other arrangement.		
32	27.3b - Assistance for customers experiencing financial hardship: revising a payment plan	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		

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
		the existing payment plan, the licensee must revise the payment plan.		
33	<b>29c - No debt collection in certain cases</b>	To include the words 'as to whether or not' in clause 29(c) so it is consistent with the wording of clause 29(b).		
34	<b>31 - Preliminary action: reminder notices</b>	A. To require a licensee to give a customer a reminder notice prior to taking action for non-payment of a bill.		Implications re pre-payment metering (e.g. potential auto-restriction)
		B. To require a reminder notice to include the following information: <ul style="list-style-type: none"> <li>the licensee's telephone number for account, payment and general enquiries; and</li> <li>advice that a licensee may assist if the customer is experiencing payment difficulties or financial hardship.</li> </ul>		
35	<b>35 - Preliminary action: restriction notices</b>	A. To require a licensee to give a customer written notice of its intention to reduce the customer's water supply.		Implications re pre-payment metering (e.g. potential auto-restriction)
		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.		

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
		<p>C. To require a restriction notice to include the following information:</p> <ul style="list-style-type: none"> <li>• the matter giving rise to the impending reduction;</li> <li>• the earliest date the licensee may reduce the customer's water supply;</li> <li>• the existence and operation of the licensee's complaint handling process;</li> <li>• the existence and operation of the water ombudsman, including the Freecall telephone number for the water ombudsman; and</li> <li>• the applicable restoration procedures, including any costs for restoring the customer's supply.</li> </ul>		
36	<b>32c - No reduction in certain cases: "as to whether or not."</b>	To amend the wording of clause 32(c) so it is consistent with the wording of clause 32(b).		
37	<b>32f - no reduction in certain cases: reduction after 3pm on weekends and public holidays</b>	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.	A. Should the prohibition on reducing the rate of flow of drinking water be extended to anytime on a Friday?	Implications re pre-payment metering (e.g. potential auto-restriction)
			B. Should the prohibition on reducing the rate of flow of drinking water be extended to after 3pm Monday to Thursday?	
38	<b>32e - No reduction in certain cases: complaints</b>		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?	
			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 resolution body has notified the licensee of the complaint?	

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
39	32h - No reduction in certain cases: life support		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?	
			B. Should a licensee be obliged to register customers who require a life support machine?	
			C. If so, should the Water Code also provide for a deregistration process?	
			D. Should the Water Code include a definition of a life support machine?	
			E. If so, what should that definition be?	
			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?	
			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?	
			H. If so, how much notice should be provided?	
			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?	
40	32h - No reduction in certain cases: total fire ban		Should a licensee be precluded from reducing a customer's rate of flow of drinking water on a day there is a total fire ban in the local government area in which the customer is located?	
41	32 - No reduction in certain cases: application for a concession		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?	
42	35.2a - Complaints standard	To replace the reference in clause 35(2) to AS ISO 10002-2006 with AS/NZS 10002-2014.		

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
43	35.4a - Referring complaints to the ombudsman	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		
		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.		
44	7.3 - Advising customers of the existence of the water ombudsman		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?	
			B. If so, should a licensee be required to provide the customer with the Energy and Water Ombudsman of WA's Freecall telephone number?	
45	7.4 - Complaints to be considered by a senior employee		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?	
			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?	
46	7.5 - Considering a complaint to be resolved		A. Should the Water Code specify when a complaint is considered to have been resolved?	
			B. If so, should it only relate to certain complaints (for example, complaints relating to non-payment)?	
47	7.6 - Recovering an amount of money that is in dispute		Should a licensee be prevented from recovering an amount of money that is in dispute until such time that the dispute has been resolved?	

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
48	36.2 - Services to be provided without charge	A. To clarify that personal account information includes a customers billing and usage data	Should licensees be allowed to charge for the provision of billing and usage data if the data relates to a period over two years prior to the date of the request?	
		B. To clarify that information provided under clause 36(2) must be provided free of charge.		
49	37.1hi - Information to be publicly available	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.	How many days should customers be given to inform the licensee whether or not they accept a payment plan?	
50	37 - Information to be publicly available: Water Code		Should licensees be required to make electronic copies of the Water Code available on their website?	
51	9.1 - Bursts, Spills, Leaks and Blockages		Should licensees be required to have a policy that deals with minimising the impact of bursts, leaks, blockages and spills?	
52	9.2 - Planned interruptions	A. To require a licensee to provide at least 48 hours' prior notice of a planned interruption.		
		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 or via electronic means.		
53	9.3 - 24 hour emergency line		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?	
54	9.4 - Variation of tariffs		Should licensees be required to advise their customers of tariff changes as soon as practicable, but no later than on the customer's next bill?	
55	9.5 - Service Standard Payments		A. Should service standard payments be introduced into the Water Code?	

	Clause	PROPOSAL	COMMENT SOUGHT	COMMENT
			B. If so, which service standard payments should be included in the Water Code?	
			C. Should licensees be given until 1 July 2018 to implement those service standard payments?	
			D. Should licensees only be required to make payment upon application by an eligible customer? E. Should licensees be required to advise their customers at least once a year of the service standard payments available?	
56	9.6 - Interest charges and late payment fees		A. Should the Water Code include restrictions on when a licensee can charge interest and/or late payment fees?	
			B. If so, what should those restrictions be?	