

Submission to the Essential Services Commission on the Distribution Businesses' Customer Service Standards

The Property Council commends the Essential Services Commission (ESC) on its continued and extensive work on improving the timeliness of electricity connections to new residential developments. The decision paper released by the ESC in October 2020 took important steps towards improvement and was achieved through extensive consultation with industry, to the great benefit for developers and distribution businesses alike.

As acknowledged by the ESC, improving the timeliness of connecting new developments and new housing to the electricity grid is critically important to Victorian homebuyers. It is also vital to Victoria's overall economic recovery from the COVID-19 pandemic, especially given a recent upswing in market activity in the greenfields space and the continued need to ensure the timely supply of new housing and support housing affordability.

This submission considers the customer service standards proposed three distribution business - AusNet, PowerCor and Jemena. We consider the proposals of each, in turn.

The Property Council of Australia

The Property Council is the leading advocate for Australia's property industry – the economy's largest sector and employer.

In Victoria, the property industry contributes \$45.1 billion to Gross State Product (12.4 per cent), employs more than 331,000 people and supports more than 400,000 workers in related fields. It pays more than \$21 billion in total wages and salaries per year, employs one in four of the state's workers either directly or indirectly, and accounts for 57.5 per cent of Victorian tax revenue.

The Victorian membership has more than 500 members. They are architects, urban designers, town planners, builders, investors and developers. These members conceive of, invest in, design, build and manage the places that matter most – our homes, retirement living communities, shopping centres, office buildings, education, research and health precincts, tourism and hospitality venues.

This submission is informed by many of the Property Council's key member representatives and expert committee members.

AusNet's Customer Service Standards

Timeline targets

There appears to be little detail as to how AusNet propose to implement the customer service standards and timeframes. AusNet has only two suggested timeframes, being design reviews in under fifteen days and audit bookings within ten days. These closely reflect AusNet's current timeframes and there is no detail provided as to how they can be improved. Consideration should be given to other key performance indicators such as the timeliness of offers, statements of compliance, tie-in and Final Audits. Our members' experience suggests that, in recent times, offers are taking longer to process by AusNet.

Our members do note that AusNet has implemented several measures to improve the timeliness of its processes that have not expressly been mentioned in its submission, including establishing a panel of auditors and allowing same-day handover/precom audits. These improvement are supported by the development industry.

Process

Developers remain frustrated at being locked out of electrical masterplans, which impacts stage approvals and the timeliness of approved Final Audit documentation and scheduling. Delays experienced in the Final Audit result in stages coming up on strike lists. This issue must be rectified.

Although we understand that Australian Competition and Consumer Commission (ACCC) accreditation is not necessarily required for greenfield works, some electrical contractors will not commence without one. Further guidance is required as to whether electrical works in a greenfield environment can start without an approved ACCC accreditation, which will help to improve construction timeframes.

Powercor's Customer Service Standards

Timeline targets

Generally speaking, we commend Powercor's improvements to its timeframes, including its roadmap to further improve key performance indicators in its customer service standards. '

We view Powercor's customer service standards as the most comprehensive of the three distribution businesses. That said, we continue to encourage the setting of more ambitious targets.

Table 1 below comprises example data on timings faced by one of our members. The figures represented in the 'Actuals' column represent an "average" timeframe for a large development (3000+ lots) in Powercor's area. The table also features Powercor's stated targets alongside more ambitious targets.

	Actuals 2019	Actuals 2020	PowerCor Targets 2021	Property Council Suggested Targets 2021
Masterplan	100 +	100+	70% within 10 days	-
Design Review	40	30	18	18 days maximum, with 66% within 12 days
Request Audit	6	6	7	7 days maximum, with 66% within 5 days
Practical Completion	2-3	2-3	5	5 days maximum, with 66% within 3 days
Construction tie-in	40+	40+	20 or 90% of Agreed contract dates	

Process

Following trials on a stage of a development, Powercor proposed to implement the ability to book a Powercor Network Audit (Final Audit) at the time of as-built submission and before approval. This represents a two week time saving from the current process.

We understand that Powercor is exploring the creation and implementation of a more interactive system for auditing. The new system would allow acceptance of external audits from a Powercor Victorian Electrical Distribution Networks (VEDN) accredited auditor for timely issuance of compliance. The acceptance of external audits backed up by several provisions, including Powercor network spot checks, will help to ensure continued quality.

A risk in the new system that has been identified relates to the performance of accredited VEDN auditors. If a VEDN auditor fails to perform this will have a subsequent impact on timeframes, notwithstanding the auditors' accreditation and performance rating.

From June 30 Powercor will allow the assessment of multiple designs concurrently which ensures a number of approvals can occur, which reduces timeframes for approval and potential delays for starting electricity works. The assessment of multiple reviews concurrently also assists the tendering process as electrical plans can be priced with more confidence given they will be very close to approval, if not approved, when tenders go out.

Case Study 1 – Consistency of audits and auditors

Our members still have issues with the consistency of standards deployed by auditors. On a recent single-stage masterplanned development that was subsequently divided into a two-stage development, due to the construction of culverts, there were significantly different outcomes. Despite the stages being built at the same time, by the same contractors (and the same VEDN auditors), one Powercor auditor granted a straight pass while another granted a provisional pass with photos and a score in the mid 60s. These are two vastly different outcomes for two identical stages thereby demonstrating inconsistent audit practices.

Some auditors allow fixes during audit, others do not and non-compliances are not clear until audit report.

Jemena Customer Service Standards

Timeline targets

Our members generally report positive experiences with Jemena and good engagement. While Jemena will report on key performance indicators for design approval, the approvals are generally quick, given Jemena is often also the designer in a design and construct arrangement. Often electrical plans are approved in line with engineering plans.

We support Jemena's position on average timeframes for greenfield developments, as opposed to maximum timeframes.

Process

Our members have experienced issues with the Jemena portal, particularly with offers continually disappearing from the system. The unreliable nature of the portal has caused Property Council members to revert to manual offers. The Property Council urges Jemena to improve its digital capabilities (to which it has committed).

Next Steps

We look forward to continuing to support the ESC in this review and would like to re-iterate our availability to provide expert industry knowledge where it is required to support a better understanding of the nuances of the industry and industry operation.

If you require further information or clarification, please contact Alex Harvey, Policy and Research Officer, on 0400 199 609 or aharvey@propertycouncil.com.au.

Yours sincerely,



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