

Our Ref. 010/080/15 - OUT10/4506
Your Ref. c\10\18711

27 July 2010

Andrew Chow
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE 3000

Dear Andrew

DEVELOPING A HARDSHIP RELATED GUARANTEED SERVICE LEVEL

I write to submit a response on behalf of Goulburn Valley Water regarding the recent review of customer service standards through the development of a proposed Hardship Guaranteed Service Level (GSL).

In principle, Goulburn Valley Water has no issues with the introduction of a Hardship GSL. We agree that no customer should be subject to water restriction or legal action if they are suffering hardship. However, it is often difficult to assess a customer against our hardship criteria as they choose not to contact the Corporation regarding their account. It should be noted that Goulburn Valley Water takes the decision to restrict supply or commence legal action seriously and it is used when customers have failed to contact the Corporation even after many attempts have been made by us. Customers need to take some responsibility to contact suppliers if they are unable to meet the agreed payment terms of a Corporation.

Goulburn Valley Water has a policy whereby we will accept any payment plan suggested by a customer no matter how small and then continue to work with the customer to ensure accounts are paid. Goulburn Valley Water has one of the highest number of customers who received government assistance through the URGs program in 2008/09. These customers are then not subject to further collections process if they honour these agreements.

Goulburn valley Water supports the lifting of the threshold amount from \$120 to \$200 debt before a water business can restrict or take legal action. We make the assumption that there will be no change to the Code that removes the "or 12 months without payment clause" as many tenant accounts are much less than \$200 per annum. There will also be process changes internally to capture customers that fall into the \$120 - \$199.99 category if accounts are not paid on initial invoice or reminder.

Goulburn Valley Water believes the reasonable endeavours steps shown in Table 1 ensure that customers receive a variety of contact methods and see no problems with implementing these.

Recently, Goulburn Valley Water implemented a similar process to that set out in Table 1 and we have found that there has been an impact on the business as far as the level of service for customers accessing the Accounts contact centre. This process was introduced given the likely outcome of this GSL review. The unknown at this stage is quantifying the full impact on our business through this increased number of contacts and also the impact it may have on debt levels into the future, along with a possible impact on the high level of service we currently supply our customers who contact us by phone.

Goulburn Valley Water believes there should be some discretion in the process for water businesses to make decisions of where and when different contacts should be made therefore we support the comments made at the bottom of Table 1.

Goulburn Valley Water seeks some clarification regarding customers who have entered into a payment plan but then defaults. When setting up a payment plan these customers are then removed from collections processes however there is a tendency for some of these customers not to honour the agreement made. Where in Table 1 would we be expected to re-commence contact prior to restricting or taking legal action?

We agree that a full review of any implemented GSL be undertaken after one year of operation with all participating water businesses so a cross section of views can be presented with a view to modifying if needed.

Goulburn Valley Water is concerned with the proposed payment amount for a breach of the GSL. The proposed payment seems to be out of line with other existing GSL payments. We consider \$100 to be more in line with existing industry GSL payments.

If you require any further information regarding this matter please contact me on 58320403

Yours sincerely

Jason Dagger
MANAGER - CUSTOMER ACCOUNTS & SERVICES