Economic Regulation Authority

Draft decision

2023 review of the *Water Services Code of Conduct* (*Customer Service Standards*) 2018

1 March 2024

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Draft decision – 2023 review of the Water Services Code of Conduct (Customer Service Standards) 2018

Invitation to make submissions

Submissions are due by 4:00 pm WST, Tuesday 25 March 2024

The ERA invites comment on this paper and encourages all interested parties to provide comment on the matters discussed in this paper and any other issues or concerns not already raised in this paper.

We would prefer to receive your comments via our online submission form <u>https://www.erawa.com.au/consultation</u>

You can also send comments through:

Email: <u>publicsubmissions@erawa.com.au</u> Post: Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000

Please note that submissions provided electronically do not need to be provided separately in hard copy.

All submissions will be made available on our website unless arrangements are made in advance between the author and the ERA. This is because it is preferable that all submissions be publicly available to facilitate an informed and transparent consultative process. Parties wishing to submit confidential information are requested to contact us at info@erawa.com.au.

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Executive summary

The Economic Regulation Authority proposes to repeal the *Water Services Code of Conduct* (*Customer Service Standards*) 2018 and replace it with a revised Water Code.

The revised Water Code will improve protections for consumers by providing access to interest-free and fee-free payment plans for all residential water service customers.

Licensees will also be prohibited from charging vulnerable customers a fee for paper bills and must allow all customers to choose between receiving a paper or electronic bill.

The proposed amendments will reduce the regulatory burden on licensees, for example by reducing the consultation required on minor amendments to a financial hardship policy. Licensees will also be exempt from the obligation to issue a bill based on a meter reading at least once every 12 months, after the licensee has undertaken multiple attempts to read a meter and moved to issuing the customer with a compliance notice for not providing easy and safe access to a meter.

The Code of Conduct for the Supply of Electricity to Small Use Customers 2022 came into effect on 20 February 2023 after an extensive ERA review. The ERA proposes to extend some of the best practice customer protections introduced in the Electricity Code to the Water Code, improving consistency between the two customer codes.

Other proposed amendments to the Water Code are administrative and will resolve minor interpretation issues, such as making definitions clearer.

The ERA also considered if service standard payments should be included in the Water Code. Service standard payments compensate customer for inconvenience – for example, when water quality standards are not met – and provide an incentive for licensees to meet certain service standards. After careful deliberation, the ERA considers that consumers can receive greater benefits through existing goodwill and *ex gratia* payments.

Goodwill and *ex gratia* payments cover a broader set of circumstances than service standard payments. Customers may be worse off if licensees, were to withdraw goodwill and *ex gratia* payments to reduce double-dipping in the event of if service standard payments being introduced.

In developing its draft decision, the ERA took into consideration the public submissions received following the publication of its consultation paper on 20 April 2023. The ERA also received advice from the Water Code Consultative Committee (WCCC), which is comprised of representatives from consumer organisations, government agencies and the water industry.

The ERA invites interested parties to provide comment on the proposed changes to the Water Code, outlined in this paper.

The ERA will consider public submissions and advice from the WCCC before making its final decision on the amendments to the Water Code.

1. Draft decision

The ERA proposes to repeal and replace the *Water Service Code of Conduct (Customer Service Standards) 2018* to implement the amendments outlined in this draft decision.¹ The amendments are based on the issues raised in the consultation paper, public submissions received from stakeholders and the advice received from the Water Code Consultative Committee (WCCC).

A copy of the proposed new Water Code with tracked changes, is included as Appendix 2. Minor amendments, including those arising during the drafting process with the Parliamentary Counsel's Office (PCO) are listed in Appendix 3.

The ERA is seeking stakeholder feedback on this draft decision. Following the public consultation period, the WCCC will provide advice to inform the ERA's final decision.

Once finalised, the new Water Code will be published in the Government Gazette and tabled before each House of Parliament.

The ERA proposes to commence the new Water Code on 1 July 2024 by repealing the 2018 Water Code and replacing it with the new Water Code.

Sections 3 to 9 of this paper set out the proposed changes to the Water Code in the sequential order of the proposed new Water Code (Appendix 2).

¹ Section 27(1) of the *Water Services Act 2012* (<u>online</u>).

2. Background

The Water Code establishes a customer protection framework that sets out the minimum level of service that water licensees must provide to their customers. The ERA reviews the operation and effectiveness of the Water Code at least once every five years to ensure that it is fit-for-use and continues to provide adequate protections for customers.² The ERA commenced this review in September 2022.

The ERA established the WCCC to provide advice throughout the review process.³ Members of the WCCC include three industry representatives, three representatives from consumer organisations, two government agency representatives, a Chair and an executive officer.⁴

On 20 February 2023, the electricity equivalent of the Water Code, the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022* came into effect. The changes to the Electricity Code included extending the assistance measures offered to residential customers experiencing payment difficulties to all customers who request them.

In the April 2023 consultation paper, the ERA sought feedback on aligning the Water Code with the Electricity Code so that water customers receive the same level of protection as electricity customers in relation to payment assistance. In addition, the consultation paper included proposals for change to issues specific to the Water Code.

The ERA received submissions on its consultation paper from six stakeholders:5

- Financial Counsellors' Association of Western Australia (FCA)
- Western Australian Council of Social Services (WACOSS)
- Water Corporation
- Department of Water and Environmental Regulation (DWER)
- Rio Tinto
- Local Government Elected Members Association .

The WCCC met twice to consider the public submissions and the issues raised in the consultation paper before providing its advice to the ERA (Appendix 40).

The ERA is concurrently undertaking a review of the *Compendium of Gas Customer Licence Obligations*, which provides a minimum customer protection framework for retail gas customers in Western Australia.⁶ The ERA aims, to the extent possible, to align the provisions in the Gas Compendium with the Electricity Code. The ERA's final decision on amendments to the Gas Compendium is expected to be published in April 2024 with the updated provisions to take effect from 1 July 2024.

² Section 27(7) of the *Water Services Act 2012* (online).

³ Section 28(1) of the *Water Services Act 2012* (online).

⁴ ERA, WCCC members 2022-25 (<u>online</u>).

⁵ ERA, Public submissions received (<u>online</u>).

⁶ ERA, 2023 Review of the Gas Compendium (<u>online</u>).

3. Part 1 – Preliminary

3.1 Citation – Clause 1

In the consultation paper the ERA proposed amending clause 1 by replacing "2018" with "2024".

The Water Corporation, DWER, the FCA and the WCCC supported the proposal.

The ERA consider this an administrative update and propose to amend clause 1 by replacing "2018" with "2024".

3.2 Definition of "complaint" – Clause 3

In the consultation paper the ERA proposed including a definition of "complaint" similar to the Electricity Code and the Gas Compendium:

"complaint" means an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, for which response or resolution is explicitly or implicitly expected or legally required.⁷

Stakeholders and the WCCC supported this inclusion. During drafting, the PCO advised that use of the term "organisation" is unusual and that including "a person who provides a water service" in place of "organisation" would be more appropriate.⁸

The ERA proposes to include a definition of complaint aligned to the Electricity Code and the Gas Compendium, which also contains the PCO's recommended drafting.

The amendment will provide licensees greater certainty and clarity on what qualifies as a complaint and provide consistency between the Water Code, Electricity Code and Gas Compendium.

3.3 Definition of "publicly available" – Clause 3

Under clause 3 of the Water Code "publicly available" means documents that:

- any person may view or download from, the licensee's website
- are provided to a customer in hard copy on request and at no charge.

"Publicly available" is used in clauses 8, 17, 20, 29, 31, 46, 48 and 49 to refer to information that licensees must make available to customers.

The consultation paper did not specifically seek comment on this definition. After reviewing the Water Code as a whole, the PCO advised that the existing definition of publicly available, in just specifying documents, may be too narrow and could exclude clauses where information is required to be made public.

⁷ Code of Conduct for the Supply of Electricity to Small Use Customers 2022, clause 3, (online). ERA, Nov 2019, Compendium of Gas Customer Licence Obligations section 1.3 (online).

⁸ All minor amendments are listed in Appendix 3

After considering the PCO's advice the ERA proposes to amend clause 3 of the Water Code to clarify that "publicly available" includes documents or information available on the licensee's website or provided in hard copy, on request at no charge.

3.4 Definition of drinking water – Clause 4(1)

The services covered by the Water Code are prescribed in Clause 4 (Application of code). Clause 4(1)(b) defines drinking water as potable water and as water that must be treated by the customer prior to use.

The Department of Health advised that the current Water Code's definition of drinking water is inconsistent with the Australian Drinking Water Guidelines and with the Department's drinking water Memorandum of Understanding with licensees.⁹ Although the Water Code and the Memorandum of Understanding differ in scope, the ERA proposed a change to clause 4(1) to reduce the potential for confusion among licensees and other stakeholders.

In the consultation paper, the ERA sought comment on amending the definition of drinking water to remove subclause 4(1)(b). DWER and the FCA supported the proposed amendment, while the Water Corporation and WACOSS opposed it.

The ERA found that removing the subclause may exclude certain households, particularly in regional areas, from the protections of the Water Code. The Water Corporation supplies over 6,000 farmland customers with water that must be treated prior to drinking and provides Water Code protections to these customers.

In each bill, farmland customers are issued a non-standard water service notification, for example:

The water supply is from a drinking water source, and it has originally been treated to a drinking water standard. However, the water may not comply with the microbiological provisions of the Australian Drinking Water Guidelines. You **must** treat the water if you wish to use it for domestic purposes, including for drinking, ice, food or beverage preparation, bathing, showering or any other purpose which may result in water being consumed or inhaled.¹⁰

The Water Corporation refers non-standard water service customers to the Department of Health or a local Environmental Health Officer to seek appropriate advice on water treatment, however it has no visibility of customers treating the water.¹¹

The WCCC did not support removing subclause 4(1)(b) because to do so would remove the customer protections from the farmland customers receiving non-standard water service. The WCCC requested clarification on the definition of drinking water.

Drafting advice from the PCO identified that "drinking water" could be removed as a defined term in the Water Code without losing protections for certain households, such as farmland customers.

The ERA proposes to amend clause 4(1) and 4(2) to read:

This code applies to -

a) Each licensee that provides a water supply service, but only in respect of the supply of -

⁹ As a licence condition, a licensee supplying potable water must enter a MOU with the Department of Health for managing drinking water quality. Australian Drinking Water Guidelines 2022 (<u>online</u>).

¹⁰ Template notification provided via email from the Water Corporation to the ERA 22 January 2024.

¹¹ Water Corporation, Advice article - Non-standard water service notification (<u>online</u>).

- i. Potable water; or
- ii. Water that is able to be treated by the customer to make it fit for humans to drink.

The term "drinking water" only appears once in the 2018 version of the Water Code and removing the definition avoids confusion with "drinking water" in documents such as the Australian Drinking Water Guidelines.

3.5 Application of the Code: customer – Clause 4(2)

In the consultation paper the ERA proposed to amend clause 4(2) to remove the reference to "customer" as the Water Code prescribes no obligations on the customer and does not regulate the conduct of customers.

DWER, the FCA and the WCCC supported the proposal.

The ERA considers that the proposed amendment to remove reference to "each of the licensee's customers" will provide clarity that the Water Code only applies to licensees that provide a water supply and/or a sewerage service and not to water use consumers.

Due to the change to clauses 4(1) and 4(2) described in section 3.4, the amendment can be seen in 4(1)(b) of Appendix 2.

4. Part 3 – Billing for water services

4.1 Meter reads – Clause 11(6)

Clause 11(6) of the Water Code requires licensees to issue a bill at least once in every 12-month period based on a meter reading.

Under regulation 24 of the Water Services Regulations 2013, the licensee may give a compliance notice to the owner or occupier of the land if the owner or occupier has not provided the licensee safe and easy access to the meter at all times.

The Water Corporation advised that it is not always possible to get a meter reading at least once in a 12-month period for several reasons, for example, accessing a long-term vacant property, when a customer's front gate is locked, or meters have been concreted over.

In the consultation paper the ERA asked if the Water Code should:

- Be amended to include either:
 - A percentage compliance rate for clause 11(6).
 - Circumstances when the clause does not apply.

or

 Remain unchanged and the ERA's Water Compliance Reporting Manual be updated to require licensees to report on "difficult to access" meters and any attempt to access or resite the meter.

The Water Corporation supported introducing a percentage rate.

WACOSS, Rio Tinto and the FCA supported including a reporting obligation in the Water Compliance Reporting Manual.

Busselton Water Corporation advised that it uses radio frequency meters that are read remotely and provides 100 per cent coverage. If Busselton Water cannot read a meter remotely it generally means the meter is damaged and requires replacement.

Bunbury Water Corporation (trading as Aqwest) has approximately 30 meters that are difficult to read each quarter for various reasons. Aqwest ensures that every meter is read at least once a year.

The Water Corporation advised that its response to being denied access to a meter is tailored to each situation and that it issues a compliance notice after the fifth failed attempt at reading a meter within a 12-month period. If the customer does not respond, then the Water Corporation issues an infringement notice at the sixth attempted reading – typically 12 months or more after attempting the initial read.¹²

The Water Corporation noted that it reviewed its process and identified opportunities to automate customer engagement to facilitate accurate reads. In response to the outcome of the process review, the Water Corporation advised that the process will be updated to ensure access issues are resolved or issuance of a compliance notice occurs within the 12-month period.

Regulation 24, of the Water Services Regulations 2013 requires the owner or occupier of the land to maintain a clear space around a meter and ensure easy and safe access to a meter. A licensee may issue the customer with a compliance notice for failing to comply with regulation 24 (online).

The WCCC supported exempting a licensee from reading a meter at least once in a 12-month period if the licensee demonstrated that it took all reasonable steps read the meter. The WCCC recommended amending the Water Code so that clause 11(6) does not apply when a licensee has issued a compliance notice to a customer.

The ERA proposes not to introduce a percentage compliance rate to clause 11(6). The ERA proposes to amend the Water Code so that clause 11(6) does not apply where a licensee has taken all reasonable steps to gain access to read a meter, once in a 12-month period, but been prevented access by the customer and has issued a compliance notice in that period.

The proposed amendment will apply to a small number of situations. It allows a licensee to remain compliant with the Water Code when it took all reasonable steps to read a meter but has been prevented access by the customer.

4.2 Information on bills – Clause 13(1)(e)

In the consultation paper the ERA proposed amending clause 13(1)(e) to replace "day" with "date".

Under clause 13(1) a licensee must issue bills with prescribed information including "the day on which the bill is issued" (clause 13(1)(e)) and "the date when payment is due" (clause 13(1)(h)).

The Water Corporation, DWER, the FCA and the WCCC supported the proposal.

The ERA proposes to amend clause 13(1)(e) by replacing reference to "day" with "date".

The amendment will ensure consistency with the terminology used in clause 13(1).

4.3 Information on bills if charge per kilolitre varies depending on the volume supplied – Clause 15(3)(d)

Licensees may use a tiered pricing system to calculate the water service charges based on how much water the customer uses in a 12-month period.

Under clause 15(3)(d), licensees using a tiered pricing system are required to include on each bill the day on which the tariff (charge per kilolitre) for water supplied to the customer will return to the lowest tariff.

The Water Corporation advised that one year in advance, it can only predict the month but not the exact day, that the final meter reading of the year will be conducted.

In the consultation paper the ERA asked if clause 15(3)(d) should be amended to require each bill to provide the "month" or "day" on which the tariff for water supplied to the customer will revert to the lowest tariff.

The Water Corporation, WACOSS, DWER, the FCA and the WCCC supported the proposal.

The ERA proposes to amend clause 15(3)(d) to require each bill to state the day on which, or the month during which, the customer will return to the lowest tariff.

This amendment will allow licensees to advise the day or the month. The change will assist licensees who have difficulty forecasting the exact day the final meter reading of the year will be conducted.

4.4 Information on bills if charge per kilolitre varies depending on the volume supplied: example tariffs – Clause 15(2)(b)

Clause 15(2)(b) of the Water Code references examples of differing tariffs for water supplied within different volumetric ranges. In the consultation paper the ERA proposed removing the example of the cost of tariffs.

The Water Corporation, DWER, the FCA and the WCCC supported the proposal.

The WCCC advised that it is not necessary to include examples of the price tariffs based on the volumetric range, given bills are issued specifying the tariffs applied during the billing period. WCCC industry members advised that the examples in the Water Code were very outdated and potentially confusing if compared to the information on a customer's bill.

The WCCC advised removing the references to examples in clause 15(2)(b) of the Water Code.

The ERA proposes to remove the examples from the Water Code. The tariff examples are outdated, potentially confusing for customers and the bills provided to customers already specify the actual tariffs applied.

4.5 Charging interest on an undercharged amount – Clause 18(4)

Clause 18(1) of the Water Code allows a licensee to recover from a customer an undercharged amount that was not - but could have been – included in a bill. However, clause 18(4) prevents the licensee from charging interest or late payment fees on the undercharged amount.

The Electricity Code allows a licensee to recover from a customer, an amount undercharged because of a licensee's error, but must not charge interest on the amount, or apply a late payment fee.¹³ However, where the customer has failed to pay the undercharged amount by the due date and has not entered an instalment plan, the licensee may charge interest on the undercharged amount from the due date or charge a late payment fee.¹⁴

The consultation paper noted the differences between the Water Code and the Electricity Code, and asked:

- a. Are there any instances where customers should be charged interest or late payment fees on undercharged amounts when it is the licensee is responsible for the undercharge?
- b. Should the Water Code be amended to allow licensees to charge interest or late payment fees if the customer does not pay an undercharged amount by the due date where the undercharged amount is resulting from an error, defect, or default for which the licensee is responsible?
 - i. What attempts should be made to ensure the customer has received the undercharged bill and understands their repayment options?
- c. If the Water Code is amended to allow licensees to charge interest or late payment fees if the customer does not pay by the due date, then what exemptions should be considered, for example if:

¹³ Code of Conduct for the Supply of Electricity to Small Use Customers 2022 clause 29 (<u>online</u>).

¹⁴ Code of Conduct for the Supply of Electricity to Small Use Customers 2022 clause 29(3) (online).

- i. The customer is in financial hardship, or the addition of the undercharged amount would put the customer into financial hardship.
- ii. A complaint made by the customer to the licensee that relates to the nonpayment of the undercharged amount is not resolved.
- iii. A complaint made by the customer to the Ombudsman that relates to the nonpayment of the undercharged amount, is not determined, or is upheld by the Ombudsman.

The Water Corporation advised that when a customer does not pay the undercharged amount by the set due date and does not contact the licensee, then the customer should be charged interest or late payment fees except if the customer is assessed as experiencing financial hardship or family violence.

WACOSS and the FCA did not support amendments to allow licensees to charge customers interest or late payment fees for an undercharged amount as the licensee is responsible for the undercharge.

DWER supported amending the Water Code to align with the Electricity Code.

The WCCC supported amending the Water Code to align with the Electricity Code.

The ERA proposes to amend the Water Code where:

- Licensees would be allowed to charge interest or late payment fees on undercharged amounts from the due date when, after notifying the customer of the amount, the customer has failed to pay the amount by the due date and does not enter into a payment plan.
- Licensees would not charge interest or late payment fees when:
 - The customer is in financial hardship, or the addition of the undercharge would put the customer into financial hardship.
 - A complaint that directly relates to the nonpayment of the undercharged amount made by the customer to the:
 - Licensee is not resolved.
 - Energy and Water Ombudsman is not determined or is upheld by the Ombudsman.

This amendment will align the Water Code with the Electricity Code and provide greater certainty and clarity to licensees when managing accounts with undercharged amounts.

4.6 Crediting or refunding overcharged amounts within 15 days – Clause 19

Currently a licensee has 15 business days from when it becomes aware of an overcharge to credit a customer or provide information on how an overcharge may be refunded. In the consultation paper the ERA asked if clause 19 (2) of the Water Code should be amended to include a percentage compliance rate that licensees must meet.

The Water Corporation initially requested applying a percentage compliance rate to clause 19(2). In its consultation paper submission, the Water Corporation acknowledged that the request arose following a misinterpretation of when the 15-business-day count began and consequently withdrew the request.

The WCCC did not consider the issue because the issue was withdrawn by the Water Corporation.

The ERA proposes to not amend the Water Code.

4.7 Review of bills within 15 days – Clause 20

In the consultation paper the ERA sought comment on whether a percentage compliance rate should be applied to clause 20(5) where the licensee must inform the customer of the outcome of a review of a bill as soon as practicable or before the end of 15 business days, starting on the day of the customer's request for review.

The Water Corporation advised that it is not always possible to meet the 15-business-day requirement when it needs to inspect a remote property, has difficulty accessing a meter or is waiting for a customer to provide information. Where a customer requests a bill review, it is responsible for cooperating with the licensee.

The Water Corporation and DWER supported applying a percentage compliance rate.

WACOSS did not support the proposal as it did not distinguish between customers who did or did not co-operate. WACOSS suggested exempting a licensee from the 15-business-day requirement where licensees can demonstrate that it could not gain access to the customer's meter to complete the review.

The WCCC did not support applying a percentage compliance rate to clause 20(5) for the same reason as WACOSS. The WCCC requested that the clause be amended to align with the Electricity Code, where a licensee has 20 business days to complete a bill review, or if the review is not completed in that period, the licensee must provide a review status to the customer as soon as possible. The WCCC suggested the additional five business days will assist with requests for bill reviews in regional areas.

The ERA proposes to amend clause 20(5) to increase the number of business days, from 15 to 20 days, to complete a bill review.

The additional five business days will provide consistency between the Water Code and Electricity Code and be beneficial for reviews in a regional or remote area.

4.8 Charging for paper bills and choosing between paper or electronic bills

In the consultation paper, the ERA sought comment on amending the Water Code to allow a customer to choose between receiving a paper or electronic bill, and to prohibit a licensee from charging a fee for a paper bill.

All the stakeholders and WCCC supported allowing customers to choose between receiving a paper or electronic bill.

The Water Corporation, WACOSS, DWER and the FCA supported not charging for paper billing.

Rio Tinto said that it encourages customers to choose electronic billing and that it charges customers who request paper bills. Rio Tinto through its subsidiary company, Hamersley Iron, provide potable water and sewerage services to approximately 2,600 connected properties in the towns of Dampier, Tom Price and Paraburdoo. Most of the town's residents are Rio Tinto employees.

The Water Corporation, Aquest and Busselton Water do not charge customers for paper bills. Licensees advise that the cost of providing paper bills is smoothed across all customers.

Some customers find that paper bills provide a physical reminder to pay, are more easily reviewed for errors, and make it easier to find the licensee's contact details for queries. Not all customers have reliable access to the internet or are able to receive a bill via email. For customers already experiencing payment difficulties, an unpaid bill lost in an email inbox could put the customer into financial hardship.

The WCCC recommended amending the Water Code so all customers have the option to choose between receiving paper or electronic bills with no restriction placed on the number of times a customer can request a billing method change in a 12-month period.

The WCCC also recommended amending the Water Code to prohibit licensees from charging a fee to customers who choose to receive a paper bill.

The ERA recognises that licensees incur a cost when preparing, printing and sending paper bills.

The ERA proposes to amend the Water Code so that customers may choose between paper or electronic billing with no restriction on the number of times they may change their preferred billing method in a 12-month period.

The ERA also proposes to amend the Water Code so that licensees are prohibited from charging vulnerable customers a fee for paper billing. As detailed in clause 12(5) this includes customers on the preserved supply register, affected by family violence, receiving a concession or experiencing financial hardship.

This position is consistent with the ERA's draft decision on the Gas Compendium.¹⁵ Submissions to the draft decision noted that some gas retailers currently charge for paper bills and do not support a total prohibition on prohibiting paper billing fees.¹⁶

¹⁵ ERA, 23 August 2023, Draft decision – 2023 Review of the Compendium of Gas Customer Licence Obligations, section 3.1.3 (<u>online</u>)

¹⁶ Submissions available on ERA, Gas Compendium review 2023, (<u>online</u>).

5. Part 4 – Payment for water services

5.1 Making payment plans or other arrangements available for all customers – Clause 28

In the consultation paper the ERA sought comment on whether the Water Code should require licensees to offer a payment plan or other arrangement to all residential customers.

The Electricity Code has similar provisions where all residential customers may access payment extensions and instalment plans without the need to be assessed as experiencing payment difficulties.

The Water Corporation, WACOSS, DWER, the FCA and the WCCC supported the proposal.

The WCCC advised that the Water Code should be amended to make the payment plans or other arrangements available for all customers consistent with the Electricity Code.

The ERA proposes to amend the Water Code so that licensees must make payment plans or other arrangement to all residential customers.

Offering all customers the option of a payment plan or other arrangements establishes a clear entitlement to assistance. The option of a payment plan allows customers to take early action, preventing them from getting into debt, or further into debt, and remove the need for licensees to undertake a formal assessment as to whether the customer is experiencing payment difficulties or not.

5.2 Limit on number of payment extensions required to be offered – Clause 28

In the consultation paper the ERA sought comment on if the Water Code should allow licensees to place a limit on the number of payment extensions offered to a residential customer to pay their bill in a 12-month period.

There was a mixed response from stakeholders with objections from the Water Corporation, WACOSS and the FCA. Rio Tinto and DWER supported allowing licensees to place a limit on the number of payment extensions offered.

The Water Corporation submitted that it issues bills every two months and that limiting the number of payment arrangements offered may affect its ability to support customers requiring extensions or other arrangements across multiple bills throughout the year.

The WCCC did not recommend limiting the number of payment arrangements offered to a residential customer to pay their bill in a 12-month period.

The ERA proposes to not amend the Water Code.

Limiting the number of times a licensee may offer payment extensions to a residential customer in a 12-month period is not in the best interest of the customer or the relationship between the customer and licensee.

5.3 Offering fee-free and interest-free payment plans to all residential customers – Clause 28

In the consultation paper the ERA sought comment on if the Water Code should be amended to:

- Offer fee-free and interest-free payment plans to all residential customers.
- Define a "payment plan" as an interest-free and fee-free plan.
- Define the term "fee" to mean any fee or charge associated with the establishment of operation of a payment plan.

The Water Code does not define the term "payment plan" or "fee", however, payment plans are available to customers assessed by the licensee as experiencing payment difficulties or financial hardship.

Currently, licensees are required to offer payment plans that are interest-free and fee-free where the customer has been assessed as experiencing financial hardship, but not when assessed as experiencing payment difficulties.

Charging fees and interest is likely to place customers in a worse position if they are finding it difficult to pay their bills.

The Water Corporation, WACOSS, DWER and the FCA supported the proposal to offer fee-free and interest-free payment plans to all residential customers.

The Water Corporation, DWER and the FCA supported the proposal to define a "payment plan" as an interest-free and fee-free plan.

WACOSS, DWER and the FCA supported the proposal to define the term "fee" to mean any fee or charge associated with the establishment of operation of a payment plan.

The WCCC's requested alignment with the Electricity Code by amending the Water Code to require licensees to offer fee-free and interest-free payment plans to residential customers experiencing payment difficulties. The WCCC also recommended including a definition of "payment plan" and "fee" in relation to payment plans or other arrangements.

The ERA proposes to amend the Water Code to:

- a. Require licensees to offer fee-free and interest-free payment plans to all residential customers.
- b. Define a "payment plan" as an interest-free and fee-free plan.
- c. Define the term "fee" to mean any fee or charge associated with the establishment of operation of a payment plan.

The charging of fees and interest is likely to place customers, who are finding it difficult to pay their bills, in a worse financial position.

This amendment will align the Water Code with the Electricity Code and provide greater certainty and clarity to licensees when managing customer payment plans.

5.4 Payment plan communications, reviews and variations – Clause 28

In the consultation paper the ERA sought comment on if the Water Code should be amended so a licensee is obligated to:

- Review a payment plan at the request of a residential customer.
- Provide the agreed payment plan terms in writing within five business days of the customer agreeing to the payment plan and include what the customer must do if they cannot comply with the plan.
- Vary a payment plan only after the customer has agreed to the variation.

The proposed amendments will align the Water Code with the licensee obligations under the Electricity Code when a residential customer accepts a payment plan.

The Water Corporation, WACOSS, DWER, the FCA and the WCCC supported the proposal to require a licensee to review a payment plan at the request of a residential customer.

WACOSS, DWER, the FCA and the WCCC supported the proposal to require the licensee to provide the agreed payment plan terms in writing within five business days of the customer agreeing to the payment plan and include what the customer must do if they cannot comply with the plan. The Water Corporation supported communication of the terms of a payment plan in a written or verbal format.

WACOSS, DWER and the WCCC supported the proposal to require the licensee to vary a payment plan only after the customer has agreed to the variation. The Water Corporation supported the proposal providing the agreement can be provided verbally or in written format. The FCA did not support the proposal, advising that the licensee should be able to amend the plan if the proposed variation will help the customer's financial standing, even if the licensee cannot contact the customer.

The ERA proposes to amend the Water Code to include customer protections, for customers accepting payment plans.

The amendment to the Water Code will provide customer protections consistent with the Electricity Code.

5.5 Removal of schedule 3, clause 1.1.2 of the water licence template – Clause 29

Clause 29(1) and 29(2) of the Water Code prescribe that a licensee must have an ERA approved written financial hardship policy.

Under schedule 3 clause 1.1.2 of the water licence template, a licensee, already licenced for the provision of irrigation and drainage services, must not commence the supply of drinking water to residential customers and sewerage services unless the ERA has approved the licensee's draft financial hardship policy.

In the consultation paper the ERA sought comment on if clause 29 of the Water Code was sufficient such that obligation detailed under schedule 3 clause 1.1.2 of the water licence template is not required.

DWER, WACOSS and the WCCC agreed that clause 29 of the Water Code was sufficient such that obligation detailed under schedule 3 clause 1.1.2 of the water licence template is not required. The Water Corporation commented that the issue was not applicable to the organisation. WACOSS commented that there was no benefit or detriment either way.

The ERA proposes to remove clause 1.1.2 of schedule 3 of the water licence template.

Deleting clause 1.1.2 from schedule 3 of the licence template will remove the duplicate obligation, in relation to consumer protection, within the water licence regulatory framework.

5.6 Consultation with a relevant consumer organisation when formulating or reviewing a financial hardship policy – Clause 29

In the consultation paper the ERA sought comment on if the Water Code should be amended so that a licensee is only required to consult with a relevant consumer organisation when preparing their initial financial hardship policy or making only material amendments to their existing financial hardship policy. This matches the wording used in the Electricity Code.

Only DWER preferred to retain the current requirements, with all other stakeholders supporting the proposed amendment. WACOSS did not object to the amendment as the intent of the initial consultation when developing a financial hardship policy is to ensure the policy reflects the contemporary understanding of hardship and use of appropriate language of the relevant customers.

The WCCC supported removing unnecessary administrative tasks for licensees and consumer organisations and advised the ERA to:

- a. Only require licensees to consult with a relevant consumer organisation when preparing its initial financial hardship policy or when making material amendments to their existing financial hardship policy.
- b. Remove the requirement of water service licensees to review its financial hardship policy at least once in every five-year period.

The ERA proposes an amendment to remove unnecessary administrative burden on licensees and consumer organisations.

Under the Electricity Code licensees are not required to undertake a review of their financial hardship policy every five years. Removing the requirement under clause 29(7) will bring consistency between the two codes.

6. Part 5 – Restricting the flow of water

6.1 Definition of water supply restriction – Clause 34

In the consultation paper the ERA proposed to amend the definition of water supply restriction by including section 95(1)(e) of the *Water Services Act 2012*.

The proposed amendment would capture situations under sections 21(2) and (4) of the Water Act, where a licensee may suspend or refuse to provide water service if the licensee's capacity to do so does not conflict with a restriction under the terms and conditions of its licence.

DWER and the FCA supported the proposal. The Water Corporation did not support the inclusion, noting that section 95(1)(e) and the provisions it refers to are unrelated to billing.

The WCCC did not support the proposed amendment. The WCCC advised that the intent of Part 5 of the Water Code is to ensure licensees provide customers with advance notice of restricting the flow of water for failure to pay a bill. Clause 34 links the definition of "water supply restriction" to section 95(1)(b) of the Water Act, which deals with water service charges.

The WCCC noted that sections 21(2) and (4) of the Water Act detail where a licensee may suspend or refuse to provide a water service if the licensee's capacity to do so does not conflict with a restriction under the terms and conditions of their licence. While section 21 is broad enough for a licensee to suspend a service supply for failure to pay a bill, it is unlikely to occur because suspension of a water service for failure to pay a bill is addressed in section 95(1)(b).

The WCCC also advised that adding section 95(1)(e) of the Water Act into clause 34 of the Water Code will not provide any further benefit to the customer or licensee beyond what Part 5 of the Water Code already provides.

In the ERA's view, the policy objective of provisions relating to restriction of water supply for failure to pay bills is to ensure that customers are sent a reminder notice prior to implementing a water restriction. The Water Code already provides for such reminder notices to be sent.

The ERA proposes to not amend the Water Code.

6.2 Reminder notice – Clause 35

If a water charge becomes due and has not been paid in full the licensee may give the customer a reminder notice advising:

- The unpaid amount due and the date on which it became due.
- The licensee's telephone number for account, payment and other enquiries.
- That the licensee can be contacted for assistance if the customer is experiencing payment difficulties.
- In the consultation paper, the ERA sought comment on removing the original due date of the unpaid charge from the list of information that a licensee can include on the reminder notice.

The Water Corporation supported removing the original due date because:

• Its system is a single ledger, meaning payments are allocated to the oldest debt not to a specific bill.

- Different billing rules and due dates apply to customers on pensions.
- Many customers have multiple overdue bills with different due dates.

WACOSS, DWER and the FCA did not support the proposed amendment.

WACOSS and the FCA advised that removing the due date may make it difficult for customers to verify which bill the reminder notice refers to. Similarly, the Water Corporation noted that without the original due date, it may receive calls from customers seeking clarification.

The Water Corporation's billing system is unable to issue reminder notices with the original due date(s) of the unpaid amount. The Water Corporation encourages customers to contact its staff for assistance to reconcile the unpaid amounts with previous bills. The Water Corporation has indicated that a future system upgrade will allow for the original due date for the outstanding payment to be included on the reminder notice.

Aqwest issues reminder notices with the original bill due date.

Busselton Water is considering a software update to include the original due date and invoice number on its reminder notices.

The WCCC did not support removing the date on which the unpaid service charge originally became due. The information allows customers to reconcile their bills and to avoid confusion including when a customer may have more than one outstanding bill, may have partially paid a bill or paid a bill prior to receiving a reminder notice.

The ERA proposes no amendments. Clause 35 currently outlines what licensees *may* provide a customer. Licensees have advised that they are providing relevant information where possible given system limitations.

6.3 Restoration of water supply – Clause 41

Clauses 41(2) and (3) of the Water Code set the timeframes for restoring a customer's water supply. Clause 41(5) provides that the Water Corporation must ensure that there is a 90 per cent compliance rate with both clauses 41(2) and (3) in any 12-month period ending on 30 June in any year.

In the consultation paper the ERA proposed moving clause 41(5) to be directly under clauses 41(2) and (3).

The Water Corporation, DWER, the FCA and the WCCC supported moving clause 41(5) to be directly under clauses 41(2) and (3).

The ERA proposes moving clause 41(5) to be directly under clauses 41(2) and (3) and adding a clarification in subclause 41(7).

7. Part 7 – Complaints about water services

7.1 New guidelines for complaint management in organisations – Clause 46

Clauses 46(2)(a) of the Water Code set the minimum standards for the relevant provisions in the Australian standard (AS) for complaint management. On 24 March 2022, Standards Australia published the new guidelines for complaint management in organisations.¹⁷

In the consultation paper the ERA proposed to update the Australian standard number in clause 46(2)(a).

DWER, the FCA and the WCCC supported updating the Australian standard number in clause 46(2)(a).

The ERA considers this as an administrative amendment and proposes amending the Water Code to update the reference to the current Australian standard number.

7.2 Time taken to resolve a complaint – Clause 46

In the consultation paper the ERA sought comment on whether subclause 46(3)(d) should include a percentage compliance rate for licensees to resolve a complaint before the end of 15 business days.

WACOSS and Rio Tinto did not support including a percentage compliance rate for licensees to resolve a complaint before the end of 15 business days. WACOSS also suggested aligning the Water Code with the Electricity Code. The Water Corporation, DWER and the FCA supported introducing a percentage compliance rate.

The Water Corporation advised it is not always possible to resolve a complaint within the prescribed time for several reasons, such as when a meter needs to be replaced.

The WCCC did not support introducing a compliance percentage rate. The WCCC recommended increasing the prescribed time to manage a complaint from 15 days to 20 days to align with the Electricity Code and to amend the clause so that a complaint is responded to, but not necessarily fully resolved, within the stated time frame.

The ERA proposes not to introduce a percentage compliance rate to clause 46(3)(d). The ERA proposes to align the Water Code with the Electricity Code by requiring a licensee to acknowledge a customer's complaint within 10 business days and to provide the customer with a proposed solution to the complaint within 20 business days.

The ERA consider that 20 business days is a practical amount of time for a licensee to review the complaint, develop a solution, and respond to the customer of how the matter will be addressed, such as arranging a mutually acceptable time for meter replacement.

The proposed amendment will also provide a touch point with the customer within 10 days from the lodging of their complaint.

¹⁷ Standards Australian, 2022, AS 10002:2022 (online).

The proposed amendment will provide consistency between the two codes and greater certainty and clarity to licensees when managing complaints.

7.3 Right to apply to Ombudsman for review of complaint – Clause 47

In the consultation paper the ERA sought comment on whether the Water Code should require licensees to only provide the Ombudsman's details if the customer demonstrates that they are not satisfied with how the licensee has resolved the complaint.

WACOSS, Rio Tinto, DWER and the FCA objected to the proposal.

WACOSS considers it to be essential that the water licensees continue to be required to inform the customer that they have the right to apply to the Ombudsman for a review of a complaint even in the circumstances when a customer appears satisfied or clearly expresses satisfaction with how the licensee resolved the customer's complaint.

Rio Tinto noted that it provides the Ombudsman's details at all times to ensure customers understand their options.

The FCA commented that the customer should always be made aware they have the right to apply to the Ombudsman, regardless of outcome or satisfaction levels.

The Water Corporation expressed that if during the conversation with customer, they have indicated satisfaction with the complaint outcome, then referring them to the Ombudsman is unnecessary.

The WCCC agreed that if a customer, when in conversation with a licensee, appeared satisfied with the licensee's response to a complaint there was no benefit to the customer for the licensee to advise that the customer has a right to apply to the Ombudsman to provide the Ombudsman's details.

The WCCC advised aligning the Water Code with the Electricity Code such that licensees are required to provide the Ombudsman's details to customers unless those customers have indicated that their complaint was resolved to their satisfaction.

The ERA proposes to amend the Water Code to require licensees to provide the Ombudsman's details to customers unless a customer indicated that their complaint was resolved to their satisfaction.

The amendment will provide consistency between the Water Code and Electricity Code.

8. Part 8 – Information and communication services

8.1 Personal account information – Clause 48(2)

Clause 48(2) of the Water Code requires licensees to make available to each customer, at no charge, the customer's personal account information. The current wording provides little guidance as to when the licensee should provide the information. Deciding if a licensee has been compliant with this obligation is difficult as the condition is unclear.

In the consultation paper the ERA sought comment on if the Water Code should be amended to require licensees to provide the information prescribed in clause 48(2) within five business days upon a customer's request.

WACOSS, DWER and the WCCC supported amending the Water Code to require licensees to provide the information prescribed in clause 48(2) within five business days upon a customer's request.

The ERA proposes amending the Water Code to require licensees to provide customers their personal account information within five business days of the customer's request. The amendment will provide certainty as to when a licensee has complied with the obligation.

8.2 Information to be publicly available – Clause 49

Clause 49(1) of the Water Code requires licensees to make information publicly available including:

- fees, charges and concessions
- bill payment options
- the obligations of customers to ensure access to a meter
- the circumstances under which the licensee may cut off, or reduce the rate of flow of, a supply of water.

In the consultation paper the ERA sought comment on whether the Water Code should be amended to remove clause 49(1)(h)(i) which gives a customer seven days to accept a payment plan before the rate of flow of a supply of water can be reduced. As reducing supply due to a customer not accepting a payment plan rarely occurs, requiring licensees to publish this part of the Water Code appeared unnecessary.

The Water Corporation has advised the ERA that it does not cut off, or reduce the rate of flow of, a supply of water if the customer does not accept a payment plan within seven days of the payment plan being offered to the customer. Instead, the Water Corporation negotiates outcomes that are mutually acceptable and considers the customer's specific circumstances. The Water Corporation proposed that clause 49(1)(h)(i) is removed so that it does not have to publish information about a course of action it does not take.

DWER supported the removal of the clause, WACOSS and the FCA both commented that the Water Corporation approach of finding a mutually acceptable outcome with the customer was preferred. The WCCC did not identify any significant customer detriment by leaving subclause 49(1)(h)(i) unchanged and advised that the subclause remain.

The ERA proposes that clause 49(1)(h)(i) remain in the Water Code.

It is in customers best interests to require licensees to make publicly available the circumstances where a licensee is entitled to cut off, or reduce the rate of flow of, a supply of water.

9. Part 9 – Requirements for supply of water to persons with special requirements or needs

9.1 Providing information on unplanned service interruptions to persons with special requirements or needs

Under Part 9 of the Water Code, licensees are required to maintain an up-to-date preserved supply register if the licensee receives notice or otherwise becomes aware that a person at a supply address requires a water service for the operation of a dialysis machine or other life support equipment, or the licensee has assessed and determined that a person requires water for a special need of another kind.

- For addresses recorded on the preserved supply register, licensees must:
- Not reduce the rate of flow of supply of water at the supply address.
- Post or deliver a notice of a planned service interruption at least 48 hours before interruption commences.

In the consultation paper, the ERA sought comment on requiring licensees to contact preserved supply customers as soon as possible in the event of an unplanned service interruption. The Water Corporation has over 240 people on its register, Busselton Water has three and Aqwest has zero.

Clause 45 currently requires licensees to provide a 24-hour information line to allow customers to notify the licensee of emergencies and faults and get information about unplanned service interruptions. Licensees make planned and unplanned service interruptions, or other incidents that may significantly affect the provision of water services, publicly available, under clause 49(1)(I). The Water Corporation, Busselton Water and Aqwest each list the planned and known unplanned service interruptions online.¹⁸

Victoria's Water Industry Standard – Urban Customer Service requires water businesses to contact customers on the equivalent of the preserved supply register as soon as possible in the event of an unplanned service interruption, and at least four business days prior to planned service interruptions.¹⁹ A longer period of notice may be agreed between the customer and the water business.

The timing and duration of an unplanned event could have serious consequences for customers reliant on dialysis, a life-support machine or with other special needs. In Victoria, registered customers are encouraged to have an action plan for alternate water supply in the event of an interruption. Registered customers rely on their water business to provide information, such as the possible duration of the unplanned service interruption, to start their action plan.

The Water Corporation, WACOSS, Rio Tinto, DWER and the FCA all supported requiring licensees to contact customers who have special requirements or needs as soon as possible in the event of an unplanned interruption.

The Water Corporation explained how it currently engages with preserved supply customers. When a person is placed on the register, they receive a notification outlining their entitlements, and how notice will be provided for planned outages. The Water Corporation ensures the person

¹⁸ Water Corporation, Outages and Works (<u>online</u>). Busselton Water, Service Interruptions (<u>online</u>). Aqwest, Outages and Faults (<u>online</u>).

¹⁹ Essential Services Commission, 2023, Water Industry Standard – Urban Customer Service (online).

will receive water supply alerts which are sent by SMS or email for both planned and unplanned service interruptions. The alerts provide information on the estimated duration of an interruption and advise when the water supply restarts. In addition, the Water Corporation is considering including advice on how to find service interruption information on its website and the number to call for information on interruptions.

The WCCC agreed in principle with providing notice of unplanned interruptions as soon as possible. The WCCC noted that a small number of customers are on the registers and that existing sources of information are available about unplanned interruptions, such as the Water Corporation's opt in SMS service to notify customers of unplanned interruptions.

The WCCC recognised that it may be impractical for field staff, working to restore water supply, to contact the customer and collect evidence to show compliance with the Water Code. The WCCC did not support amending the Water Code to require licensees to contact customers on the preserved supply register as soon as possible in the event of an unplanned service interruption.

The ERA will not require licensees to advise people on the preserved supply register as soon as possible in the event of an unplanned service interruption.

Instead, ERA proposes amending clause 53 to allow people on the preserved supply register to request notification of planned service interruptions via electronic means. In addition, amendments to clause 51 will align the Water Code with Electricity Code subclauses 82(3) and 82(6)(a) and (b). Clause 51 will require licensees to:

- Record the preferred contact details of the person on the register.
- Within five days of adding the customer to the preserved supply register, advise:
 - That there may be planned or unplanned service interruptions and that the licensee will provide advance notice of planned service interruptions.
 - Where the customer can find information about unplanned service interruptions.
 - The emergency telephone number for unplanned service interruptions (the charge of which will be no more than the cost of a local call, excluding mobile telephones).

9.2 Preserved supply register – Clause 51

In the consultation paper the ERA proposed to amend clause 51(1) to clarify that a licensee must have a preserved supply register if the criteria in clause 51(2) is met. A customer may be placed on a preserved supply register if they require water for a dialysis machine or other life support equipment, or if the licensee determines that water is required for a special need of another kind.

The current wording in clause 51(1) implies that all licensees must maintain an up-to-date preserved supply register, regardless of whether a person has asked to be listed on the preserved supply register.

The Water Corporation, DWER, the FCA and the WCCC supported amending clause 51(1) to clarify that a licensee must have a preserved supply register only if the criteria in clause 51(2) is met.

The ERA proposes to amend the Water Code to provide licensees greater clarity of the requirements for maintaining an up-to-date preserved supply register.

10. Service standard payments

In the consultation paper, the ERA sought comment on including service standard payments in the Water Code. Service standard payments compensate customers when standards are not met and provide an incentive for licensees to meet service standards.

During the previous Water Code review, the WCCC opposed the inclusion of service standard payments and the ERA proposed revisiting the matter in the next Water Code review (this review).²⁰ The introduction of service standard payments may increase costs for licensees, for example to implement systems for payment applications and when making payments to customers.

The Water Corporation offers *ex gratia* payments where it is at fault for damage to a customer's property, and goodwill payments where a customer has been inconvenienced. Both types of payments require customers to contact the Water Corporation for assessment. The Water Corporation also grants disaster allowances and waives service charges where appropriate.

The Water Corporation expressed concerned that requiring service standard payments may allow customers to claim additional payments after receiving a goodwill or *ex gratia* payment.

The Water Corporation objected to the proposal to introduce service standard payments. WACOSS and the FCA supported the introduction. DWER noted that consistency with the Electricity Code would be useful.

The Electricity Code and the *Electricity Industry (Network Quality and Reliability of Supply) Code* 2005 (Electricity Network Code) require a licensee to make payments when it has not met service standards. Payments can apply when a licensee fails to resolve a complaint or restore electricity supply within a specified period.

The WCCC noted that the goodwill and *ex gratia* payments available to water customers are equivalent to or higher than the service standard payments in the Electricity Code and Electricity Network Code. In considering which households could receive service standard payments, the WCCC noted that the Water Act does not recognise tenants as customers.²¹ In contrast, electricity customers that rent may receive service standard payments.²²

The WCCC also considered the initial and ongoing costs to licensees to implement service standard payments. The WCCC advised the ERA to not introduce service standard payments in the Water Code.

The ERA considered how similar payments operate in other jurisdictions. In Victoria, the Water Industry Standard requires water businesses to implement a guaranteed service level scheme, approved by the Essential Services Commission. Water businesses breaching any specified service level obligations must pay a pre-determined amount to affected customers, which includes owners and tenants.²³

The Essential Service Commission advised that service level payments incentivise water businesses to make upgrades and provide good service delivery. The service level payments in

²⁰ Economic Regulation Authority, 2018, Final Decision 2016-17 Review of the Water Services Code of Conduct (Customer Service Standards) 2013, p72 (online).

²¹ The ERA's *Final decision - 2016/17 Review of the Water Services Code of Conduct,* paragraphs 24-29 explain that the Code does not apply to tenants without a contractual relationship with a licensee (<u>online</u>).

Rentals comprise approximately 27 per cent of occupied private dwellings in Western Australia Australian Bureau of Statistics - <u>2021 Western Australia, Census Community Profiles</u> | <u>Australian Bureau of Statistics (abs.gov.au</u>)

²³ Essential Service Commission, 2023, (<u>online</u>) [accessed 14 February 2024]

Victoria do not replace *ex-gratia* payments made to customers where a water business is at fault for damage to a customer's property.

The ERA is not proposing to include service standard payments in the Water Code.

Goodwill and *ex gratia* payments are currently available to customers and cover a broader set of circumstances than service standard payments. Customers may be worse off if the Water Code requires service standard payments and licensees withdraw goodwill and *ex gratia* payments.

Introducing service standard payments is unlikely to assist tenants who experience poor performance. The ERA does not have the discretion to apply the service standard payments to tenants without a change to the definition of customer in the Water Act.

Appendix 1 Summary of draft decision

The ERA's draft decision is summarised in Table 1 using the order that issues appeared in the consultation paper.²⁴ All minor proposed changes to the Water Code are captured in Table 2 in Appendix 3.

Table 1: Resolution of draft decision issues

lssue number	Clause	ERA's draft decision proposals	Comments
1	Clause 3 - Terms used	To include definition of "complaint".	The amendment will provide licensees greater certainty and clarity on what qualifies as a complaint and provide consistency between the Water Code and <i>Code of Conduct for the Supply of Electricity to Small</i> <i>Use Customers 2022.</i>
2	Clause 4(1) – Application of code	To remove the definition of "drinking water" and instead include an amended version of the substance of the definition in the existing subclause.	A definition for this term is not required as "drinking water" is only used once in the Water Code, in Clause 4.
3	Clause 11(6) – Meter reading once every 12-month period	To not introduce a percentage compliance rate to the clause for the requirement to read a meter once in every 12-month period. To amend the Water Code so that the clause does not apply if licensee has taken reasonable steps to gain access to read a meter and issued a compliance notice to the customer for not providing easy and safe access to the meter.	The proposed amendment will apply to a limited number of situations and ensures a licensee remains compliant with the Water Code when it is taking all reasonable steps to gain access to read a meter, once in a 12-month period, but been prevented access by the customer.
4	Clause 15(3)(d) – Day tariffs revert to lowest tariff	To amend clause 15(3)(d) to require each bill to state day on which, or month during which, the customer will return to the lowest tariff.	This will allow licensees to advise of the day or the month. The change will assist licensees who have difficulty forecasting the exact day the final meter reading of the year will be conducted.

²⁴ Economic Regulation Authority, 2023, Consultation paper – 2023 Review of the Water Services Code of Conduct (Customer Service Standards) 2018 (online).

lssue number	Clause	ERA's draft decision proposals	Comments
5	Clause 18(4) – Charging interest on an undercharged amount	 To amend the Water Code so: Licensees would be allowed to charge interest or late payment fees on undercharged amounts from the due date when, after notifying the customer of the amount, the customer has failed to pay the amount by the due date and does not enter into a payment plan. Licensees would not charge interest or late payment fees when: The customer is in financial hardship, or the addition of the undercharge would put the customer into financial hardship. A complaint, that directly relates to the nonpayment of the undercharged amount, made by the customer to the: Licensee is not resolved. Energy and Water Ombudsman is not determined or is upheld by the Ombudsman. 	This amendment will align the Water Code with the Electricity Code and provide greater certainty and clarity to licensees when managing accounts with undercharged amounts.
6	Clause 19(2) – Crediting or refunding overcharged amounts within 15 days	To not introduce a percentage compliance rate to clause 19(2) requiring a licensee to inform the customer within 15 days.	This issue was withdrawn by the Water Corporation following consultation with the WCCC.
7	Clause 20(5) – Review of bill in 15 days	To amend clause 20(5) to increase the number of business days, from 15 to 20 days, to complete a bill review.	The additional five business days will provide consistency between the Water Code and Electricity Code and be beneficial for reviews in a regional or remote area.

lssue number	Clause	ERA's draft decision proposals	Comments
8	Part 3 – Charging for paper bills and choosing between paper or electronic bills	 To amend the Water Code so: Customers may choose between paper or electronic billing with no restriction on the number of times they may change their preferred billing method in a 12-month period Licensees are prohibited from charging vulnerable customers a fee for paper billing. As detailed in clause 12(5) this includes customers on the preserved supply register, affected by family violence, receiving a concession or experiencing financial hardship. 	This will require suppliers to provide consumers with a paper bill, unless they have consented to being provided an electronic bill and will prohibit suppliers from charging certain consumers for issuing any bill. The WCCC noted that water companies do not currently charge customers who receive paper bills.
9a	Clause 28 – New obligation for licensees to make payment plans or other arrangements available to all residential customers	To amend the Water Code so that licensees must make payment plans or other arrangements available to all residential customers.	Offering all customers the option of a payment plan or other arrangements establishes a clear entitlement to assistance. The option of a payment plan allows customers to take early action, preventing them from getting into debt, or further into debt, and remove the need for licensees to undertake a formal assessment as to whether the customer is experiencing payment difficulties or not. The amendment will align the Water Code with the similar obligation in the Electricity Code.
9b	Clause 28 – New obligation to allow licensees to limit the number of payment extension offered to a customer in a 12-month period.	To not amend the Water Code.	Limiting the number of times a licensee may offer payment extensions to a residential customer in a twelve-month period is not in the best interest of the customer or the relationship between the customer and licensee.

lssue number	Clause	ERA's draft decision proposals	Comments
9c	Clause 28 - New obligation for licensees to offer fee-free and interest- free payment plans to all residential customers	 To amend the Water Code to: Require licensees to offer fee-free and interest-free payment plans to all residential customers. Define a "payment plan" as an interest-free and fee-free plan. Define the term "fee" to mean any fee or charge associated with the establishment of operation of a payment plan. 	The charging of fees and interest is likely to place customers, who are finding it difficult to pay their bills, in a worse position. This amendment will align the Water Code with the Electricity Code and provide greater certainty and clarity to licensees when managing customer payment plans.
9d	Clause 28 - New obligation for licensees to review a payment plan at a customer request	To amend the Water Code to include customer protections, for customers accepting payment plans	The amendment to the Water Code will provide customer protections consistent with the Electricity Code.
10a	Clause 29 – Remove similar obligation in water licence template	To remove clause 1.1.2 of schedule 3 of the water licence template.	Deleting clause 1.1.2 from schedule 3 of the licence template will remove the duplicate obligation, in relation to consumer protection, within the water licence regulatory framework.
10b	Clause 29 – Consultation with a relevant consumer organisation when formulating or reviewing a financial hardship policy	 To amend the Water Code so that: Licensees are only obligated to consult with a relevant consumer organisation when preparing their initial financial hardship policy or when making material amendments to their existing financial hardship policy. Licensees are not required to review its financial hardship policy at least once in every five-year period. 	The amendment to require a licensee to consult with relevant consumer representatives when preparing their financial hardship policy or only when making material amendments will remove unnecessary administrative burden on licensees and consumer organisations. Under the Electricity Code licensees are not required to undertake a review of their financial hardship policy every five years. Removing the requirement under clause 29(7) will bring consistency between the Water Code and Electricity Code
11	Clause 35 – Original due date on reminder notices	The ERA proposes not removing the option for reminder notices to include the original due date of the unpaid bill.	Clause 35 currently outlines what licensees <i>may</i> provide a customer. Licensees have advised that they are providing relevant information where possible given system limitations.

lssue number	Clause	ERA's draft decision proposals	Comments
12	Clause 46 - Time taken to resolve a complaint	To remove the requirement for a licensee to resolve a complaint in 15 days from subclause 46(3)(d) and include the requirement for a licensee to acknowledge a customer's complaint in 10 business days and respond to a complaint by addressing the matters in the complaint within 20 business days of receiving the complaint.	The amendment will align the Water Code with the Electricity Code and provide greater certainty and clarity to licensees when managing complaints.
13	Clause 47 - Right to apply to Ombudsman for review of complaint	To amend the Water Code to require licensees to provide the Ombudsman's details to customers unless a customer indicated that their complaint was resolved to their satisfaction.	The amendment will provide consistency between the Water Code and Electricity Code.
14	Clause 48(2) - Timely provision of personal account information	To amend the Water Code to require licensees to provide customers their personal account information within five business days of the customer's request.	The amendment will provide certainty as to when a licensee has complied with the obligation.
15	Clause 49 - Information to be publicly available	To not remove clause 49(1)(h)(i).	There is no benefit to customers of removing the clause.
16	Part 9 - Person with special requirements or needs and the provision of information on unplanned service interruptions	To not amend the Water Code to require licensees to contact customers on the preserved supply register as soon as possible in the event of an unplanned service interruption.	Licensees have obligations under the Water Code to have a 24-hour emergency and information phone line and make publicly available planned and unplanned service interruptions of water supply or another incident on each licensee's website.
			A person on the preserved supply register in person can readily access the information in the event of an unplanned service interruption.
lssue number	Clause	ERA's draft decision proposals	Comments
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		To amend clause 53 to allow people on the preserved supply register to request notification of planned service interruptions via electronic means.	The inclusion of electronic means to deliver a planned service interruption notice deliver method would be advantageous for customers in regional areas where the post may not be as dependable as in the metropolitan area.
		To amend clause 51 to include licensee requirements to: • Record the person's preferred contact details.	The amendment will provide consistency between the Water Code and with subclauses 82(3) and 82(6)(a) and (b) of the Electricity Code.
		 Within five days of adding the customer to the preserved supply register, advise the following information: 	
		 That there may be planned or unplanned service interruptions and the licensee is to provide advance notice of planned service interruptions in accordance with the Water Code. 	
		 Where the customer can find information and communications about unplanned service interruptions. 	
		 The emergency telephone contact number in case of an unplanned service interruption (charge of which will be no more than the cost of a local call, excluding mobile telephones). 	

lssue number	Clause	ERA's draft decision proposals	Comments
17	New provisions - Introduce service standard payments	To not amend the Water Code to include service standard payments.	Goodwill and <i>ex gratia</i> payments are currently available to customers and cover a broader set of circumstances than service standard payments. Customers may be worse off if the Water Code requires service standard payments and licensees withdraw goodwill and <i>ex gratia</i> payments. Introducing service standard payments is unlikely to assist tenants who experience poor performance. The ERA does not have the discretion to apply the service standard payments to tenants without a change to the definition of customer in the Water Act. ²⁵
18	Clause 1 - Citation update	To amend clause 1 by replacing "2018" with "2024".	This is an administrative update.
19	Clause 4(2) - Application of the Water Code to customers	To amend clause 4(2) to remove the reference to "customer".	The Water Code does not prescribe any obligations on the customer, and it does not regulate the conduct of customers. The proposed amendment will provide greater clarity on the application of the Water Code by removing reference to "each of the licensee's customers" will provide clarity that Water Code only applies to licensees that provide a water supply and/or a sewerage service and not to consumers.
20	Clause 13(1)(e) - Information on bills	To amend clause 13(1)(e) by replacing reference to "day" with "date".	The amendment will ensure consistency with the terminology used in clause 13(1).
21	Clause 15 - Information on bills if charge per kilolitres varies depending on volume supplied: Tariff examples	To remove the tariff examples from the Water Code.	The tariff examples are potentially confusing for customers, are outdated and the bills issued specify the actual tariffs applied during the billing period.

²⁵ Water Services Act 2012 (online).

lssue number	Clause	ERA's draft decision proposals	Comments
22	Clause 34 - Definition of water supply restriction	To not include section 95(1)(e) of the Water Act into clause 34 of the Water Code.	In ERA's view, the policy objective of provisions relating to restriction of water supply for failure to pay bills is to ensure that customers are sent a prior reminder notice. The Water Code already provides for such reminder notices to be sent.
23	Clause 41 - Restoration of water supply	To move clause 41(5) to be directly under clauses 41(2) and (3).	The ERA considers this amendment will improve readability
24	Clause 46 - Procedure for dealing with complaints about water services	g with To update the Australian standard number in clause $The ERA$ considers this an administrat $46(2)(a)$.	
25	Clause 51 - Preserved supply register	To amend clause 51(1) to clarify that a licensee must have a preserved supply register if the criteria in clause 51(2) is met.	The proposed amendment will provide licensees greater clarity of the requirements for maintaining an up-to-date preserved supply register.

Appendix 2 Proposed new Water Code (track changes)

Available on the <u>ERA's website</u>.

Appendix 3 Minor drafting amendments

To develop the proposed amendments to the Water Code, the ERA worked with the PCO to incorporate feedback from stakeholders, and to promote consistency across customer codes and other regulatory instruments. Minor changes not considered in the consultation paper were identified during the process of drafting the amendments, these changes are listed in Table 2.

Clause	Amendment	Reason
3	Replace the term "AS/NZS" with "AS" (Australian Standard) removing the reference to the Standards Council of New Zealand.	The Standards Council of New Zealand is not relevant with regards to the application of the Water Code.
3	Amend the term "business day" to align with the definition of same term in the Electricity Code.	Provide clarity and aligns the definition with the Electricity Code.
3	Add definition of "Centrepay".	Provide clarity to clause 24, and align the Water Code with the Electricity Code
3	Include the meaning of the term "family violence".	Provide clarity and align the definition to Restraining Orders Act 1997.
3	Move definition of "financial hardship" from clause 22 into clause 3.	Minor administrative edit to improve readability.
3	Amend the term "National Interpreter Symbol".	Add the text "the State of" for further clarification of the term and align the Water Code with the Electricity Code.
3	Move definition of "payment difficulties" from clause 22 into clause 3.	Minor administrative edit to improve readability.
3	Amend the definition of "publicly available"	To capture a broader range of information available on the licensee's website.
3	Amend the definition of "residential customer".	Minor edit to provide clarity to the term.
3	Amend the term "water services ombudsman" to reference the correct section in the Water Act.	To reference the Water Code's principal Act.
3	Include note referring to the interpretation of any other term or expression used in the Water Code.	To refer the reader to the relevant section of the Water Act and <i>Interpretation Act</i> <i>1984</i> when a term not defined in the Water Code. ²⁶
4	Remove the definition of "drinking water".	The definition is not required because its substance can be included in the existing subclause.
5	Reword "the licensee" to "the relevant licensee".	Minor administrative edit to provide clarity to the term and improve readability.

 Table 2:
 Amendments arising during drafting by the PCO

²⁶ Interpretation Act 1984 (online).

Clause	Amendment	Reason
6	Remove clause and replace with a note under clause 4 "Application of code" redirecting to section 26(7) of the Water Act detailing that where inconsistencies exist between the Water Code and another written law, the provision in the Water Code has no effect.	Clause 6(1) is unnecessary as section 26(7) already provides those provisions of "another written law" prevail in the event of inconsistency.
13	Insert new sub clause (1)	Align with Electricity Code.
13(4)(a), (e) and (f)	Replace the word "was" with "is".	Minor administrative edit to match tense used in document.
13(5)	Replace the word "does" with "is".	Minor administrative edit to match tense used in document.
15(2)(a)	Remove example from within the subclause, reword and add at the end of the 15(2).	Minor administrative edit to improve readability.
16(1)	Replace the word "any" with "either or both".	Minor administrative edit to improve readability.
16(2)	Replace the word "does not have" with "is not required".	Minor administrative edit to match tense used in document.
19(4)	Replace: "have not been" with "are not". "at" with "by".	Minor administrative edit to match tense used in document.
19(5)	Replace "subclause (2)(a), (3) or (4)" with "this clause".	Minor administrative edit to improve readability.
20, 21A,21B	Delete clause 20 and insert new clauses 21A and 21B	The requirement for a review procedure is separated from the requirement that a licensee must review a bill at the customer's request to improve readability.
20(5)	Replace the word "was" with "is".	Minor administrative edit to match tense used in document.
22	 Within the clause title: Replace the word "Terms" with "Term". Include the term "consumer organisation". 	Minor administrative edit to improve readability.
22	Move the definitions of "financial hardship" and "payment difficulties" to clause 3.	Minor administrative edit to improve readability.
24(1)	 Amend as follows: Include "(for those customers who are able to use this facility)" after the term Centrepay. Remove the id est (i.e.) text. 	Centrelink, as an agency, no longer exists and the reference to Centrelink customers is ambiguous. Centrelink was renamed Services Australia.

Clause	Amendment	Reason
		Services Australia delivers the Centrepay facility to persons receiving social security payments.
25	Insert "for the first time" before obtain the express consent	To remove the requirement to obtain a consent on each occasion that a direct debit is to be made
25(1)(a) and (b)	 Amend as follows: Add the word "of" at the end of 25(1) before the start of subclause 25(1)(a). Remove the word "of" as the start of subclauses 25(1)(a) and 25(1)(b). 	Minor administrative edit to improve readability.
25(2)	Replace the word "can" with "may".	Minor administrative edit to improve readability.
26(2)	Replace "does not have" with "is not required".	Minor administrative edit to improve clarity and readability.
30(3)	Include "under this clause" after the word "customer" and before "the licensee".	Minor administrative edit to improve clarity and readability.
31(1)	Replace "mentioned" in with "under" and clause 28(2) with clause 28	Ensure consistency in terms and correct references
41(2), (3) and (5)	 The ERA proposed to move subclause 41(5) to between subclauses 41(3) and 41(4). This will result in a renumbering of the current subclause 41(4) to 41(5). The PCO suggest that, following the above proposed amendment, subclauses (2), (3) and newly number (5) be amended as follows: Remove "unless the licensee and customer expressly agree otherwise" from subclauses (2), (3) and (5). Add new subclause 7 to read "Subclauses (2), (3) and (5) do not apply to the extent that the licensee and customer expressly agree otherwise." 	Removes repetitive text and improves readability.
42	Amend "Terms" to "Term" and move the definition of "service interruption" to clause 3	Improve readability.
43(1)	Replace the word "any" with "a"	Improve readability.
43(3)(a)	Amend clause 43(3)(a) to allow the licensee to send a notice of a planned service interruption in the same way as bills are sent under clause 12.	Provides licensees with greater capability to reach their customers, including by electronic means, prior to a planned service interruption. Aligns the Water Code with clause 3 (a), (aa) and (ab) of the Electricity Network Code.

Clause	Amendment	Reason
46(3)(d)	The proposed ERA amendments to clause 46(3) will cause a renumbering within the subclause. The PCO suggest removing the words "time limits and" from the newly number subclause 46(3)(d)	Clause 46(3)(b) and (c) now specify the relevant time limits by providing that a licensee's complaints procedure must provide that the licensee will acknowledge a complaint within 10 business days after the complaint is received and respond to the complaint within 20 business days.
48	Amend clause title to read "Services and information to be provided without charge".	Minor administrative edit to provide clarity.
48(2)	Insert "on request and"	Provide greater clarity
49(2)(e)	Replace "20" with "21B"	Updated reference.
49(3) and (4)	Insert sub clauses (3) and (4)	To give effect to all the information required to be published on the licensee's website
49(6)	Replace 20(6) with 21B(4)	Updated reference.
50	Insert "in relation to a licensee" and "by the licensee".	To provide greater clarity.
51	Insert "and advice to registered persons" in the clause heading	To provide greater clarity.
53	Delete "must be sent by post or delivered" in heading. Insert subclauses (a) and (b)	To ensure alignment with 43(3)(d).
54	Amend the repeal of the previous code section.	Administrative edit.

Appendix 4 Water Code Consultative Committee Advice

Advice provided to the ERA to inform its draft decision on amendments to the Water Code.

Issue 1: Clause 3 - Definition of 'complaint'

Comments sought in the consultation paper

- a. Should the Water Code include a definition of 'complaint'? If not, why not?
- b. If so, should the definition be the same definition of 'complaint' as the Electricity Code and Gas Compendium?
- c. If the definition should not be the same as the Electricity Code and Gas Compendium, what definition of complaint should be included in the Water Code and why?

Including the definition of "complaint" in the Water Code would provide consistency between the Water Code, Electricity Code and Gas Compendium and provide greater certainty and clarity to licensees on what qualifies as a "complaint."

WCCC advice

The WCCC supports amending the Water Code to include a definition of "complaint" consistent with Electricity Code and Gas Compendium.

Issue 2: Clause 4(1) -- Definition of drinking water

Comments sought

Should the definition of 'drinking water' be amended to remove sub-clause 4(1)(b)?

[Clause 4(1)(b) refers to "water that is not potable but that is supplied on the basis that the customer is responsible for treating the water to make it fit for humans to drink]

The issue was raised by Department of Health (DOH) as it was of the view that the definition of "drinking water" in the Code (and its inclusion of reference to non-potable water) contradicts Australian Drinking Water Guidelines and DOH's definition in the Memorandums of Understanding that it enters with the licensees who provide potable water or sewerage service.

The WCCC explored the requirement to have consistent definitions across different regulatory instruments and the effect on customers if clause 4(1)(b) was removed.

The WCCC sought advice and notes that the Water Code and the DOH's instruments are distinct regulatory frameworks covering different groups of people and situations. Therefore, it is not contradictory to have different definitions of drinking water in the various regulatory instruments.

Currently, sub-clause 4(1)(b) affords protections under the Water Code to approximately 6,000 Water Corporation farmland customers who are supplied non-potable water that meet the criteria in sub-clause 4(1)(b). These customers will lose the Water Code's protections if sub-clause 4(1)(b) is removed.

The WCCC sought DOH's comments on this information and DOH confirmed that it wants all customers, currently protected under the Water Code, to continue to receive those protections.

WCCC advice

The WCCC agreed that consideration could be given to provide greater clarity in clause 4(1)(b) of the Water Code such that the obligation is applicable only if the licensee is aware that the customer is intending to treat non-potable water.

Sub-clause 4(1)(b) is amended to read:

Water that is not potable but that is supplied by the licensee where the licensee is aware on the basis that the customer will treat is responsible for treating the water to make it fit for humans to drink.

Issue 3 – Clause 11(6) – Meter reads

Comments sought

- a. Should the Water Code be amended to include a percentage compliance rate for clause 11(6)? If so, what should the percentage rate be?
- b. Should the Water Code be amended to include circumstances when clause 11(6) does not apply; for example, if the customer is not cooperating with the licensee to provide access to the meter?

What evidence would need to be collected before the customer is deemed to be not cooperating?

c. Should the Water Code remain unchanged, and licensees asked to report on 'difficult to access' meters and their attempts to access or re-site the meter to comply with the current Code requirements?

The WCCC noted the submission from the Water Corporation advising that reading a meter at least once in a 12-month period is not always possible because of reasons such as a locked gate prohibiting entry to read the meter, or a meter that has been concreted over. The Water Corporation suggested that clause 11(6) be amended to include a compliance rate.

The WCCC was advised that the Water Corporation has, on average, 700 properties in a 12month period where the meters cannot be accessed. Approximately half of those properties are in Kalgoorlie. The Water Corporation is currently replacing all the meters in Kalgoorlie with remote read smart meters. Once the meter replacement program is completed, the number of properties in a 12-month period where the meters cannot be accessed is expected to halve.

The WCCC also notes Busselton Water's advice that it has 100 per cent coverage of its customer base because it uses radio frequency meters, allowing it to read the meters remotely. If Busselton Water cannot read a meter remotely it usually means the meter is damaged and must be replaced. Aqwest has approximately 30 meters that are difficult to read each quarter for various reasons. However, every meter is read at least once a year.

The WCCC also sought information from the water companies on their processes to gain entry for meter reading if the first attempt is unsuccessful. From the information received, the WCCC acknowledged that the licensees are making all efforts possible to comply with the requirement to read meters once in every 12-month period. Typically, efforts include multiple contacts and

visits to read, issuing a compliance notice to the customer, then if access is still not available, issuing an infringement notice.

WCCC advice

The WCCC does not support applying a percentage compliance rate to clause 11(6) as suggested by the Water Corporation. However, the WCCC recommends there should be an exemption from the clause where licensees have undertaken all reasonable efforts to gain access to a property to take a meter read.

The WCCC supports amending clause 11 to state that clause 11(6) – the requirement to issue a bill at least once in every 12-month period based on a meter reading - does not apply when a license has issued a compliance notice to a customer for not providing easy and safe access to a meter.

Issue 4 - Clause 15 – Information on bills if charge per kilolitre varies depending on volume supplied

Comments sought

Should clause 15(3)(d) be amended to require each bill to provide the 'month' or 'day' on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the month or day on which the customer's next consumption year starts)?

[Currently the clause requires just the 'day' to be included on the customer's bill]

The WCCC notes that this proposed change will enable licensees to provide information on either the 'month' or the 'day' tariffs are reset. In the WCCC meetings, the Water Corporation explained that the start of a customer's consumption year depends on their location and the meter reading schedule for that area. Consequently, it is difficult for the Water Corporation to predict the exact day on which it will read a customer's meter. The proposed amendment to add an option to include month or day, recognises the Water Corporation's meter reading practices and enables it to improve its compliance with the Water Code. Further, customers retain an indication of the month in which their tariff may change.

WCCC advice

The WCCC supports amending clause 15(3)(d) to include reference to the 'month' on which the tariff for water supplied to the customer will revert to the lowest tariff.

Issue 5 - Clause 18(4) – Charging interest on an undercharged amount

Comments sought

- a. Are there any instances where customers should be charged interest or late payment fees on undercharged amounts when it is the licensee is responsible for the undercharge? Please explain your answer.
- b. Should the Water Code be amended to allow licensees to charge interest or late payment fees if the customer does not pay an undercharged

amount by the due date where the undercharged amount is resulting from an error, defect, or default for which the licensee is responsible?

- i. What attempts should be made to ensure the customer has received the undercharged bill and understands their repayment options?
- c. If the Water Code is amended to allow licensees to charge interest or late payment fees if the customer does not pay by the due date, then what exemptions should be considered, for example if:
 - i. The customer is in financial hardship, or the addition of the undercharged amount would put the customer into financial hardship.
 - ii. A complaint made by the customer to the licensee that directly relates to the non-payment of the undercharged amount is not resolved.
 - iii. A complaint made by the customer to the Ombudsman that directly relates to the non-payment of the undercharged amount, is not determined or is upheld by the Ombudsman.

WCCC advice

The WCCC discussed the issue at its first meeting and unanimously supported aligning clause 18(4) of the Water Code with clause 29, 37(c) and (d) of the Electricity Code so:

- A licensee must notify the customer of the amount to be recovered no later than the next bill after the licensee becomes aware of the undercharging and provide an explanation of the basis on which the amount was calculated.
- A licensee may charge the customer interest on the amount to be recovered or require payment of a late payment fee where the customer fails to pay the amount by the due date and does not enter into a payment plan, except if:
 - The customer is in financial hardship, or the addition of the undercharged amount would put the customer into financial hardship.
 - A complaint made by the customer to the licensee that directly relates to the nonpayment of the undercharged amount is not resolved.
 - A complaint made by the customer to the Ombudsman that directly relates to the non-payment of the undercharged amount, is not determined or is upheld by the Ombudsman.

Issue 6 - Clause 19 – Crediting or refunding overcharged amounts within 15 days

Comments sought

- a. Should clause 19(2) be amended to include a percentage compliance rate? If so, what should the percentage rate be?
- b. What other alternative approaches should the ERA consider ensuring overcharged amounts are credited or refunded in a timely manner, while considering the practical difficulties of meeting the current Code requirements?

For example:

Could the Water Code have exclusions to the requirement to credit or refund overcharged amounts within 15 business days if the licensee is relying on information from third party operators?

WCCC advice

The Water Corporation had initially raised this as a proposal. At the first meeting of the WCCC the Water Corporation advised the WCCC that it had since revised its understanding of the existing clause in the Water Code and no longer wanted to progress its proposal. With no other committee members supporting the introduction of a percentage compliance rate for this clause, the WCCC recommends leaving clause 19(2) – the obligation to credit or refund an overcharged amount in 15 business days - unchanged.

Issue 7 - Clause 20(5) – Review of bills within 15 days

Comments sought

- a. Should clause 20(5) be amended to include a percentage compliance rate? If so, what should the percentage compliance rate be and why?
- b. What other alternative approaches should the ERA consider ensuring customer bills are reviewed in a timely manner, while considering the practical difficulties of meeting the current Code requirements?

For example:

- i. Could the Water Code have exclusions to the requirement to undertake bill reviews within 15 business days if the licensee is denied access to the meter?
- ii. Could the Water Code include different timeframes for metro and regional customers if needing to inspect remote regional properties and a challenge?

The WCCC does not support introducing a percentage compliance rate for the time taken to review a bill. The WCCC did discuss the reasons why it is not always possible for licensees to meet the timeframe in the code. As noted above these reasons include where access is limited or denied by the customer, there is a work health and safety issue in entering the property or the property is in a remote location requiring extensive travel. The WCCC notes that the time limit to review bills in the Electricity Code and Gas Compendium is 20 business days and discussed aligning the Water Code timeframe with the other codes.

The WCCC suggests that the additional five business days will be beneficial particularly when the compliant is from a customer residing in a remote regional area and it is not possible to resolve the complaint remotely.

WCCC advice

The WCCC supports amending the Water Code to align with the Electricity Code and Gas Compendium to require a licensee to:

- Complete a bill review in 20 business days.
- Provide a review status to the customer as soon as practicable if the review is not complete within 20 business days.

Issue 8 – Charging for paper bills and choosing between paper or electronic bills

Comments sought

Should the Water Code be amended to include a clause or clauses that:

a. Allow a customer to choose between receiving a paper bill or electronic bill?

If so, should the choice be restricted to a given number of changes in a year. For example, say one change between paper to electronic and back again in a 12- month period?

b. Prohibit licensees from charging a fee for a paper bill?

WCCC advice

As water companies do not currently charge customers who receive paper bills for the cost of producing and sending them, the WCCC supports amending the Water Code to prohibit licensees from charging a fee to customers who choose to receive a paper bill.

Issue 9a - Clause 28 – Making payment plans or other arrangements available for all customers

Comments sought

Should the Water Code require licensees to offer a payment plan or other arrangement to all customers?

[Currently the code only requires payment plans and arrangements to be available to customers experiencing hardship]

WCCC advice

The WCCC discussed the issue at its first meeting and universally supports amending the Water Code to make payment plans or other arrangements available for all customers, consistent with the same obligation in the Electricity Code.



The WCCC supports aligning the Water Code with the Electricity Code and Gas Compendium generally, however they did discuss this proposed clause as an exception.

Customer representatives on the committee were in favour of there being no limit on the number of payment arrangements that could be offered to a customer. Water Corporation, in its submission to the ERA's consultation paper, noted that it bills every two months and so limiting the number of payment arrangements offered may affect its ability to support customers who require extensions or arrangements across multiple bills throughout the year.

WCCC advice

The WCCC does not support the proposal to limit the number of payment arrangements and extensions that can be offered to customers.

Issue 9c - Clause 28 – Offering fee-free and interest-free payment plans to all residential customers

Comments sought

- a. Should the Water Code be amended to prevent licensees from charging interest or fees on payment plans for customers experiencing payment difficulties (in addition to customers experiencing financial hardship)?
- b. Should 'payment plan' be defined as an interest-free and fee-free plan or other arrangement between the licensee and the residential customer?
- c. Should the term 'fee,' in relation to payment plans or other arrangement, be defined to only mean any fee or charge associated with the establishment of operation of a payment plan or other arrangement?

WCCC advice

The WCCC discussed this at its first meeting as a further way of aligning the Water Code with the Electricity Code and Gas Compendium and recommends the ERA amend the Water Code: Licensees must offer fee-free and interest-free payment plans to residential customers experiencing payment difficulties (in addition to customers experiencing financial hardship).

To include a definition of

- 'Payment plan as an interest-free and fee-free plan or other arrangement between the licensee and the residential customer.
- 'Fee' in relation to payment plans or other arrangement, to only mean any fee or charge associated with the establishment of operation of a payment plan or other arrangement.

Issue 9d - Clause 28 – Payment plan communications, reviews and variations

Comments sought

- a. Should the licensee be obligated to review a payment plan at the request of a residential customer?
- b. Should the licensee be obligated to provide the agreed payment plan terms in writing within 5 business days of the customer agreeing to the payment plan along with information on what the customer must do if they cannot comply with the plan?
- c. Should the licensee only be able to vary a payment plan after the customer has agreed to the variation?

WCCC advice

The WCCC discussed this at its first meeting as a further way of aligning the Water Code with the Electricity Code and Gas Compendium and advises that the ERA amend the Water Code so a licensee is obliged to:

- Review a payment plan at the request of a residential customer.
- Provide the agreed plan terms in writing within five business days of the customer agreeing to the plan.
- Only vary a payment plan after the customer has agreed to the variation.

Issue 10a - Clause 29 – Removal of schedule 3, clause 1.1.2 of the water licence template

Comments sought

Is clause 29 of the Water Code sufficient such that the obligation under schedule 2 clause 1.1.2 of the water licence template is not required?

If not, why not?

[This is a minor administrative issue aimed at reducing duplication between obligations in the Water Code and the water licence template]

WCCC advice

The WCCC supports removing schedule 3, clause 1.1.2 from the water licence template.

Issue 10b - Clause 29 – Consultation with a relevant consumer organisation when formulating or reviewing a financial hardship policy

Comments sought

- a. Should the Water Code be amended to remove the requirement to consult with a relevant consumer organisation when formulating or reviewing a financial hardship policy?
- b. Instead, should licensees be required to consult with a relevant consumer organisation when preparing their initial financial hardship policy, or making only material amendments to their existing financial hardship policy?

Clause 29(9) of the Water Code requires a licensee to consult with relevant consumer organisations when formulating or reviewing its financial hardship policy. This means even a minor amendment to a hardship policy, such as updating its contact details, may be considered a form of review and the licensee is currently required to consult with a consumer organisation under clause 29(9). There is another clause 29(7) that requires the licensee to review its financial hardship policy at least once in every 5-year period. The WCCC discussed whether this requirement is still required given that in practise hardship policies tend to change with the 5-yearly Water Code reviews anyway.

WCCC advice

The WCCC supports removing unnecessary administrative tasks for licensees and consumer organisations and so recommends amending the Water Code to:

• Only require licensees to consult with a relevant consumer organisation when preparing their initial financial hardship policy or when making material amendments to their existing financial hardship policy.

 Remove the requirement of water service licensees to review its financial hardship policy at least once in every five-year period.

Issue 11 - Clause 35 – Reminder notice

Comments sought

- a. Should clause 35(a) be amended to remove the requirement that written reminder notices include the date on which the unpaid water service charge became due?
- b. What are possible implications if the due date is no longer required on written reminder notices?

The WCCC noted the following advice from licensees:

- Due to Water Corporation's single ledger billing system, it is not possible to determine which prior bill the customer relates the unpaid amount to. The Water Corporation would, therefore, only make assumptions if the date for the overdue bill is required to be included, which is likely to lead to further confusion.
- Aqwest's bills for outstanding accounts display the date for which the overdue account relates to. The bill also includes additional information, including the account number, method of payment and contact details to discuss the overdue account.
- Busselton Water is considering a software update to include the original due date and original invoice number on its reminder notices.

The WCCC has noted Water Corporation's advice of a scheduled upgrade of its billing system in the future which shall address this problem and whilst it is currently challenging to comply with this requirement, it is expected to be compliant in the long term.

WCCC advice

The WCCC agreed that it is preferable to retain current consumer protections and provide useful bill and payment arrears information to the customers, noting that Aqwest and Busselton Water customers already receive this information on reminder notices.

Consequently, the WCCC recommends that clause 35 of the Water Code remains unchanged.

Issue 12 - Clause 46 – Time taken to resolve a complaint

Comments sought

- a. Should the Water Code set a percentage compliance rate for licensees to resolve a complaint before the end of 15 business days in clause 46(3)(d)?
- b. If so, what should the percentage be? (Please provide reasons for your response).
- c. What other approach could be considered for more complicated complaints that may take more than 15 days to resolve?

The Electricity Code refers to the 'response and acknowledgement' of a complaint within a given timeframe, whereas the Water Code refers to complaint 'resolution' within 15 days. Whilst the Water Corporation acknowledges complaints in a timely manner and the customer is advised as to an appropriate pathway for resolution, it is not possible to always provide a resolution within the time frame for various reasons, such as when a meter needs to be changed. The customer representatives in the WCCC were comfortable in having complaints addressed but not necessarily fully resolved within the given timeframe.

The WCCC noted that in the Electricity Code, the timeframe for dealing with a complaint is 20 business days and discussed extending the timeframe in the Water Code to 20 business days as well.

WCCC advice

The WCCC did not support setting a percentage compliance rate for this obligation. Instead, the WCCC supports extending the prescribed time to deal with a complaint from 15 days to 20 days to align with the Electricity Code and to review the wording of the clause in the Water Code so the complaint is responded to but not necessarily fully resolved within the stated timeframe.

Issue 13 - Clause 47 – right to apply to Ombudsman for review of complaint

Comments sought

- a. Should the Water Code only require licensees to provide the Ombudsman's details if the customer demonstrates that they are not satisfied with how the licensee has resolved the complaint?
- b. Should the Water Code remain unchanged and, regardless of the customer's level of satisfaction with how the complaint has been resolved, if known, the customer be advised of their right to apply to the Ombudsman for a review of the complaint?

There is a difference in how the Water Code and Electricity Code require licensees to refer a customer to the Ombudsman as:

• The Water Code requires the licensee to advise the customer of their right to apply to the Ombudsman for all complaint outcomes, regardless of whether the customer is, or is not, satisfied that their complaint has been resolved.

• The Electricity Code requires the licensee to inform the customer of the right to refer the matter to the Ombudsman (and provide contact details) unless the customer made it clear that they are satisfied with how the complaint was resolved.

The WCCC discussed how the licensees could assess whether the customer was or was not satisfied with a complaint outcome – without asking them directly. The WCCC agreed that when in conversation with a customer there did not appear to be any benefit from advising the customer that their complaint could be referred to the Ombudsman if the customer appeared happy and satisfied with the licensee's response.

Water Corporation advised that it always provides Ombudsman information to customer complaints that have gone through a formal investigation process. Aqwest advised that it sends a newsletter to all customers that includes the Ombudsman's details.

WCCC advice

The WCCC supports aligning the Water Code with the Electricity Code in this instance and recommends that clause 47 in the Water Code be changed to require the licensee to provide the Ombudsman's details to customers unless customers have indicated that their complaint was resolved to their satisfaction.

Issue 14 - Clause 48(2) – personal account information

Comments sought

Should the Water Code be amended to require the licensee to provide the information prescribed in clause 48(2) within 5 business days upon a customer's request?

[The personal account information referred to includes information on previous bills and the quantity of water supplied to or wastewater discharged by the customer in previous billing periods. The Water Code requires this information to be provided but does not give any indication of the timeframe in which the information should be provided.]

WCCC advice

After a brief discussion, the WCCC agreed that licensees should be given a timeframe in which to provide requested information to customers. Consequently, the WCCC supports amending the Water Code to be consistent with the Electricity Code and require the licensee to provide the information prescribed in clause 48(2) within five business days of a customer's request.

Issue 15 – information to be publicly available

Comments sought

a. Should the Water Code be amended to remove clause 49(1)(h)(i)?

b. What are the implications if clause 49(1)(h)(i) is removed?

Please provide reasons for your responses.

Under the Water Code, the licensee must make the information under clause 49(1) publicly available. One of the sub clauses, 49(1)(g), identifies that a licensee can choose to reduce or cut off the supply of water when the customer has not complied with payment arrangements. One of these instances (sub clause 49(1)(h)(i) is where a customer has not accepted the offer of a payment arrangement within seven days.

The Water Corporation asked if the Water Code could be amended to remove the obligation to make public 49(1)(h)(i) from the Water Code as it does not disconnect water supply unless approved by the resident, nor threaten customers of disconnection under clause 49(1)(g).

All licensees currently publish the full list of information required in clause 49 on their websites. The WCCC did note that the Electricity Code and Gas Compendium do not specify the requirement for licensees to make similar information publicly available.

WCCC advice

The WCCC did not identify any significant customer detriment in leaving sub clause 49(1)(h)(i) unchanged and does not agree that it be removed from the Water Code.



customer to call to get information about unplanned interruptions. However, there is no specific provision in the Water Code for licensees to specifically advise customers with special requirements or needs (essentially customers on the preserved supply register) when there is an unplanned interruption. When an unplanned interruption happens customer can call the information line for further details. Water Corporation also offers an opt in SMS service

whereby text messages inform customers of estimated times for restoring supplies and when the service has been restored.

In discussing a possible change to the Water Code, the WCCC considered the practical and financial impost on licensees of adding a new obligation. The WCCC requested information on the number of customers with special water requirements or needs. The number of customers is quite low: the Water Corporation has 200 customers, Aqwest has none, and Busselton Water has four.

WCCC advice

The WCCC supports the proposal in principle but given the limited number of customers in the special requirements or needs category and the existing arrangements for customer to obtain information on unplanned outages and estimated restoration times, the WCCC does not support amending the Water Code at this time. Further, the WCCC recognises that it would be impractical for field staff to collect evidence that they had complied with the requirement to separately inform customers on the prescribed register.

Issue 17 – Service Standard Payments		
Co	mments sought	
a.	Should service standards be introduced in the Water Code?	
	i. If so, which service standard payments should be included and why?	
b.	Should licensees only be required to make service standard payments upon application by an eligible customer and not automatically?	
c. How long after the qualifying event, should the customer be able to apply for payment?		
d.	Should licensees be required to advise their customers at least once a year of the service standard payments available?	
e. What should the amount be for each service standard payment?		

The WCCC has deliberated on whether the Code should be amended to include service standard payments to customers for poor service. The WCCC noted that:

- The term customer in the Water Code refers to bill payers, not necessarily the property tenant.
 - Tenanted properties are approximately 30 per cent of the housing market.
- The ERA's preference was for any payment for poor service to go to the person who had experienced the poor service, tenant or owner.

The WCCC asked licensees to provide information on voluntary payments to customers who experienced poor service. All licensees have a practise of offering goodwill payments or bill credits to customers for poor service. The amounts that can be offered to customers by front-line staff are equivalent to or higher than service standard payments legislated in the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022* (Electricity Code) and *Electricity Industry (Network Quality & Reliability of Supply) Code 2005* (Network Reliability Code).

The licensees indicated the introduction of Service Standard Payments would come at a significant implementation and ongoing framework management cost. The WCCC noted that tenants would not be eligible for legislated service standards payments unless a change is made to the definition of customer in the Water Code.

WCCC advice

The WCCC has given weight to the advice from the licensees that the goodwill and ex-gratia payments approach offered is working and well received by customers. The WCCC expressed concerns that customers may be worse off if Service Standard Payments were introduced, and licensees subsequently withdraw goodwill and ex-gratia payments.

In the absence of sufficient policy rationale, the WCCC does not support the introduction of Service Standard Payments in the Water Code at this time.

In addition, the WCCC considered the following administrative amendments proposed in the ERA's consultation paper and the WCCC's advice is provided in the table below.

Issue	WCCC advice
<i>Issue 18 – Clause 1 – Citation</i> Proposal Amend clause 1 by replacing '2018' with '2024'	The WCCC supports amending clause 1 of the Water Code by replacing "2018" with "2024".
Issue 19 - Clause 4(2) – Application of the Code: customer Proposal	The WCCC supports amending to clause 4(2) by removing reference to "customer".
Amend clause 4(2) to remove reference to 'customer'	The WCCC noted that the Water Code does not prescribe any obligations on the customer and it does not regulate the conduct of customers.
<i>Issue 20 - Clause 13(1)(e) - Information on bills</i> Proposal Amend clause 13(1)(e) by replacing 'day' with 'date'.	To maintain consistency between the terminology used in clause 13(1), the WCCC supports amendment to clause 13(1)(e) by replacing reference to "day" with "date".
Issue 21 - Clause 15 – Information on bills if charge per kilolitre varies depending on the volume supplied Proposal	The WCCC supports removal of reference to the example of the cost of tariffs in clause 15(2)(b) of the Water Code.
Remove reference to the example of the cost of tariffs in clause 15(2)(b).	The WCCC is of the view that it is not necessary to include examples of the price of tariffs based on the volumetric range, given that bills specify the tariffs that applied during the billing period. It also noted that the cost of tariffs may change more frequently than the review of Water Code which is undertaken every five years.

Issue	WCCC advice
Issue 22 - Clause 34 – Definition of water supply restriction Proposal Amend clause 34 to include section 95(1)(e) of the Water Act.	The intent of Part 5 of the Water Code is to ensure licensees provide customers with advanced notice of restricting the flow of water for failure to pay a bill. The policy objective of provisions relating to restriction of water supply for failure to pay bills is to ensure that customers are sent a prior reminder notice. Licensees are already obligated to send a reminder notice under clause 36 of the Water Code.
	Whilst section 21 of the Water Act is broad enough for a licensee to suspend a service supply for failure to pay a bill, it is unlikely that this is the intent, because suspension of a water service for failure to pay a bill is addressed in section 95(1)(b).
	The WCCC agreed that adding section 95(1)(e) of the Water Act into clause 34 of the Water Code does not provide any further benefit to the customer or licensee beyond what Part 5 of the Water Code already provides.
	The WCCC does not support amending the Water Code to include section 95(1)(e) of the Water Act within the definition of 'water supply restriction' in clause 34.
Issue 23 - Clause 41 – Restoration of water supply Proposal Move clause 41(5) to be directly under clause 41(3).	The WCCC supports moving clause 41(5) to be directly under clause 41(3).
Issue 24 - Clause 46 – New guidelines for complaint management in organisations Proposal Update the Australia standard number in clause 46(2)(a).	The WCCC supports updating the current Australian Standard number in clause 46(2)(a).
Issue 25 - Clause 51 – Preserved supply register Proposal Amend clause 51(1) to clarify that a licensee must have a preserved supply register if the criteria in clause 51(2) is met.	WCCC supports amendment to clause 51(1) of the Water Code to clarify that a licensee must have a preserved supply register if the criteria in clause 51(2) is met.

Appendix 5 Glossary

Term	Meaning	
Aqwest	Bunbury Water Corporation (trading as Aqwest)	
AS	Australian Standard	
Gas Compendium	Compendium of Gas Customer Licence Obligations	
Consultation paper	Consultation paper – 2023 Review of the Water Services Code of Conduct (Customer Service Standards) 2018	
DWER	Department of Water and Environmental Regulation	
Electricity Code	Code of Conduct for the Supply of Electricity to Small Use Customers 2022	
Electricity Network Code	Electricity Industry (Network Quality and Reliability of Supply) Code 2005	
ERA The Economic Regulation Authority		
FCA	Financial Counsellors' Association of Western Australia	
Ombudsman	Energy and Water Ombudsman	
PCO	Parliamentary Counsel's Office	
Records Act	State Records Act 2000	
SMS	Short message service	
WACOSS	Western Australian Council of Social Services	
Water Act	Water Services Act 2012	
Water Code	Water Services Code of Conduct (Customer Service Standards) 2018	
WCCC	Water Code Consultative Committee	