

Approval of Ord River Irrigation Customer Service Charter

1 November 2006

Economic Regulation Authority



WESTERN AUSTRALIA

DECISION

The Economic Regulation Authority (**Authority**) has approved the Ord River Irrigation Cooperative Ltd (ORIC) Customer Service Charter (**charter**) on 1 November 2006.

Background

A charter can be broadly defined as a published statement containing:

- a list of customer entitlements;
- details regarding a licensee's services; and
- information relevant to the relationship between the customer and the licensee.

Charters have a range of purposes which may include customer education and the differentiation of service providers in a competitive market. The benefit derived from a charter is usually commensurate with the effort invested by the licensee in the development and review process.

The operating licence for water service providers (water licence) requires that a licensee, through the development of a charter set out, in writing, the principles, terms and conditions upon which it intends to provide water services to its customers. In doing so, the licensee must address all of the issues that are reasonably likely to be of concern to customers.

The water licence requires that the licensee produce a charter, submit the charter to the Authority for approval, review the charter at either 24 or 36 month intervals depending on the individual licence, and after that review or any amendment, submit to the Authority for approval.

In August 2006, the Authority published the Customer Service Charter Guidelines (charter guidelines). The charter guidelines provide information regarding:

- the minimum requirements for charters in the water, electricity and gas industries;
- guidelines for the review of charters, where review is required; and
- an explanation of the process that will be employed by the Authority in reviewing charters in the case of electricity and approving charters in the case of water¹.

In these guidelines, the Authority recommends that charters in the water industry contain elements including:

¹ Currently gas licensees are required to produce a charter and to provide that charter to the Authority. However, the Authority does not have a role to review or approve the charter.

- An introduction which provides a brief description of the utility and a commitment to service that states the service values underpinning the operations of the utility.
- A section detailing conditions for connection including how customers can obtain services and a list of products and services offered. These should be clearly and individually identifiable.
- A statement of standards and customer rights including the level of service that customers can expect should be specified.
- A section detailing the utility's powers including, for example, the power to prohibit the discharge of unauthorised substances into the wastewater system.
- A section detailing communication procedures including information on customer committees, notice for work to be undertaken, and dealing with correspondence.
- Contact information containing the address, telephone number and general business hours of the agency. It should also contain the positions and numbers of relevant contact officers, and make it clear who is the appropriate point of contact. The charter also needs to explain how customers can obtain emergency assistance with a list of appropriate telephone numbers.
- A section dealing with complaints resolution mechanisms, including relevant contact details for the Department of Water.

The Authority guidelines provide the following criteria for the Authority's assessment of the charter:

Existence

Has the licensee undertaken a review process, at regular intervals and within the required timeframe?

Accuracy

Does the charter comply with all relevant legislative, code or regulatory requirements and is it in line with the standard form contract and/or the licence requirements?

Consultation

Has the licensee engaged with customers and/or their representatives in the development and/or review process?

Accessibility

Has the final document been prepared in simple language that is easily understood by customers?

ASSESSMENT AGAINST GUIDELINES

Existence

Section 18(h) of the OIRC water licence requires that the services standard in the Customer Charter are reviewed once in every two year period and section 18(f) requires that any proposed amendments be submitted to the Authority for review.

The OIRC submitted their charter to the Authority on 10th October 2006. The previous charter was approved by the Authority on 3 September 2004.

The Authority finds that the charter has been reviewed within the time period generally consistent with the licence. Further, the Authority finds that the OIRC has submitted the proposed amendments to the Authority for approval in accordance with clause (f).

Accuracy

The Authority finds that the charter is generally consistent with relevant legislation and licence requirements.

Consultation

The OIRC has submitted that a copy of the charter, in draft form, was sent to every stakeholder with the OIRC Annual General Meeting (AGM) agenda notice. The charter was tabled as an agenda item at the AGM.

The Authority finds that given the small number and nature of the OIRC customer base, the consultation undertaken was satisfactory.

Accessibility

Section 18(d) of the OIRC water licence requires that the charter be developed in 'plain english' and that it should address all of the service issues likely to be of concern to its customers.

The Authority finds that the OIRC charter is generally consistent with the licence provision in covering all of the service issues likely to be of concern to its customers.

The Authority finds that the OIRC charter accessibility could be further improved through the simplification of some technical and legalistic language. However, given the size and professional expertise of the OIRC customer base the Authority does not consider this to be a significant issue at this time.

LYNDON ROWE
CHAIRMAN

For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900