

# Approval of Gascoyne Water Cooperative Customer Service Charter

1 November 2006

Economic Regulation Authority



WESTERN AUSTRALIA

## DECISION

The Economic Regulation Authority (**Authority**) has approved the Gascoyne Water Cooperative Ltd (GWC) 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 water<sup>1</sup>.

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

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<sup>1</sup> 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 GWC water licence requires that the service standards in the Customer Charter are reviewed once in every two year period. Section 18(f) requires that any proposed amendments be submitted to the Authority for review.

The GWC submitted their charter to the Authority on 19<sup>th</sup> October 2006 for approval of minor amendments. The previous charter was approved by the Authority on 10<sup>th</sup> August 2005.

The Authority finds that the charter has been reviewed within the time period specified within the licence. Further, the Authority finds that the GWC has submitted the proposed amendments to the Authority for approval in accordance with section 18(f).

### Accuracy

The Authority finds that the charter is not inconsistent with relevant legislation and licence requirements.

### Consultation

The Authority understands from GWC that the charter was developed in consultation with the members of the cooperative and that minor amendments have been approved by the GWC membership at the most recent Annual General Meeting (AGM).

Given the size of the GWC customer base, the Authority finds that consultation with members via the AGM is adequate to satisfy this requirement.

### Accessibility

Section 18(d) of the GWC 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 GWC 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 GWC charter accessibility could be further improved through the simplification of some technical and legalistic language. However, given the size and professional expertise of the GWC customer base the Authority does not consider this to be a significant issue at this time.

LYNDON ROWE  
**CHAIRMAN**

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