

Approval of Preston Valley Irrigation Co-operative Customer Service Charter

4 December 2007

Economic Regulation Authority



WESTERN AUSTRALIA

4 December 2007

DECISION

The Economic Regulation Authority (**Authority**) has approved the Preston Valley Irrigation Authority (**Preston Valley**) Customer Service Charter (**charter**) on 4 December 2007.

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, and seek the Authority's 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;
- the review of charters, where review is required; and
- 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.

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.

The Authority guidelines also 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(a) of the Preston Valley water licence requires that the licensee must produce a charter outlining the principles, terms and conditions upon which the licensee intends to provide the service. Section 18(e) of the licence requires that the Preston Valley to undertake a review of the charter at least once every 36 months. Section 18(f) requires that any proposed amendments be submitted to the Authority for approval prior to implementation.

Preston Valley submitted their charter to the Authority for approval on 15 October 2007. The charter required only very minor editorial amendments. Preston Valley re-submitted the final version of the charter on 27th November 2007. The previous charter was approved by the Authority in December 2004. The Authority finds that Preston Valley has submitted their new charter for approval within an acceptable timeframe.

Accuracy

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

Consultation

Customers primarily provide input into the charter and operation of Preston Valley through its Board of Directors which are also irrigators and therefore customers. The Board of

Directors have approved the charter submitted to the Authority. Questions of operational concern are also asked at the Annual General Meeting each year. To date no changes have been requested from customers.

The Authority finds that, on the basis of the information provided, Preston Valley undertook a reasonable level of public consultation with regard to this review.

Accessibility

Section 18(c) of the Preston Valley 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.

While the charter is written in a slightly technical and legalistic manner, the Authority finds this acceptable given its commercial customer base. The Authority also finds that the Preston Valley charter is generally consistent with the licence provision in covering all of the service issues likely to be of concern to its customers.

LYNDON ROWE
CHAIRMAN

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