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17/10/2017

Professor Jane Doolan
Commissioner
National Water Reform Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601


Dear Professor Doolan

Submission to national water reform inquiry draft report

The Essential Services Commission welcomes opportunity to comment on the Productivity Commission's draft report on National Water Reform.

We are Victoria's independent economic regulator. Our role includes assessing and approving the prices charged by Victoria's 19 state-owned water businesses. We also monitor and report on the performance of Victoria's water sector, and issue codes including minimum customer service standards to be met by water businesses.

The Productivity Commission's draft report notes the importance of allowing jurisdictions to tailor their approach to economic regulation in a way that takes into account local conditions. We support this objective. Recently, we have used the flexibility available to us to:

- Introduce a new pricing approach called PREMO, which rewards water businesses that understand and respond to the priorities and concerns of customers. We have just received the first price submissions under PREMO. Based on the submissions, prices and bills will fall for the majority of customers and services will be better focussed on customer priorities.
- Place new obligations on water businesses to assist customers experiencing family violence. We changed our customer service codes to require water businesses to implement a family violence policy that covers matters such as information provision and referrals, staff training, and the approach to managing sensitive customer information.

Both initiatives respond to particular needs identified in Victoria.

It is important that the Productivity Commission's final report and recommendations are consistent with allowing each jurisdiction the flexibility to respond to local conditions. As well as allowing jurisdictions to tailor their approach to local needs, it will also help to encourage innovation in economic regulation for the benefit of consumers across Australia.

More details on PREMO and our work on family violence are available at www.esc.vic.gov.au/water

I wish you well with your review, and welcome the opportunity to discuss any issues you may have.

Yours sincerely

Dr Ron Ben-David
Chairperson