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# Review of Guaranteed Customer Service Standards and Operating Statistics

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Date: 23 May 2003  
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Some general comments are provided in respect of the issues paper. However, Australian Inland would be interested to consider more specific proposals in more detail if this is appropriate.

Australian Inland would be interested to become involved in future discussion and workshops as these issues have a significant impact on our business.

## **Item 4.1 What aspects of service quality should be measured?**

Australian Inland supports the aspects of service quality which should be measured, as noted in the issues paper; that is, service reliability, quality of supply and customer service. We note that the ability to provide these aspects of service should be relevant to the business and its operating environment. Australian Inland is currently investing significantly in new systems which will assist in the measurement of service. We would like to ensure that any future decisions on GCSS and operating statistics are capable of being managed by our new systems as future changes to systems is costly and subjects the business systems to some risk.

## **Item 4.2 Which aspects should be measured as GCSS and which as operating statistics?**

The cost of GCSS should be considered for businesses. Australian Inland's customer base is small and automatic monetary compensation via GCSS could potentially adversely impact our business. But fair GCSS are not opposed, provided they are clear, achievable standards that any business, irrespective of size, can manage and provided there is not a significant impact on administrative costs.

Also, some of the current GCSS do not suit our environment. For example appointments with customers is not a significant issue in our area (as very few appointments are made). Nor are complaints about streetlights or ensuring service connections on time (as volume is low). But, as we have processes in place for these, there is little point in changing. At least customers can be assured that the service standards are in place.

Also, Australian Inland prefers that any GCSS and statistics that are ultimately recommended are clear and that there is some continuity of such reporting requirements as establishment costs can be high. Introducing such statistics and GCSS in a retrospective manner is not supported – a lead up time to establish systems to collect data may be required as well.

The 'life' of decisions in respect of GCSS/operating statistics should be of such a period that the business can implement any changes and spread the cost fairly over time, and across the business.

### **4.3 What is measured in other jurisdictions?**

GCSS and operating statistics must be relevant for all the businesses and consistent if comparisons are to be made. The business environment in NSW is quite different for the standard retailers.

We also make the point that when making changes to existing arrangements, consideration be given to the time and resources required to roll out the new procedures to staff, and the time and resources which may be necessary to make adjustments to computer or paper based systems.

#### **4.3.1 Service reliability**

**Notice given of planned interruptions** – supported by Australian Inland. This is useful for customers and Australian Inland staff strive to meet this standard. Like many other distributors, Australian Inland has invested heavily in setting up procedures for this service standard.

**Frequency of unplanned interruptions** – not supported by Australian Inland. We have radial supply lines in many areas, with no alternate supply. It would be difficult for Australian Inland to meet this service standard.

**Duration of interruptions** – not supported by Australian Inland at this time. Travel time to fault zones can be delayed by lack of knowledge about how the fault occurred, its precise location. Rain in our region, as little as 8 mm, can close access roads. It would be extremely difficult for Australian Inland to meet this service standard. However, a qualified version of this would be supported in the future once our SCADA project is completed (approx two years). However, Australian Inland would seek to further discuss our operational issues with IPART in order to make such a service standard realistic.

**Repair of streetlights** – irrelevant to our area, but no change recommended. Australian Inland's customers report streetlight outages for safety, security reasons. Generally, the customers do not fit the criteria for compensation payment – they may simply be driving by and report the fault. The main reason why no change is recommended is like other distributors, Australian Inland has invested heavily in establishing processes to capture the data. There is value in capturing the data and soon (approx two years), Australian Inland's new asset management system will handle this data more easily.

#### **4.3.2 Quality of supply**

Australian Inland does not support introduction of GCSS in this area. The age of the network and design deficiencies, for example, may prevent Australian Inland from having control over this issue. Design deficiencies are costly to correct. In addition, Australian Inland already has a thorough complaints investigation process in place. Fair compensation is already paid to customers if complaints are found to be valid, if the problem was caused by Australian Inland (not an inherited problem such as line design) and if customers have suffered loss.

### 4.3.3 Customer service

**Telephone hotlines/answering** - Australian Inland has difficulty reporting against the 'answering' component of this requirement due to deficiencies in the Telstra exchanges which serve our region. This in turn restricts our ability to invest in suitable communications equipment which can perform as required. We don't necessarily request any change however, as Telstra is expected to eventually upgrade exchanges, even though this may take a few more years. We also realise that this service standard is a 'must' for companies which don't have a customer front office (retail shop front). Australian Inland continues to operate three front offices and this reduces the impact of the phone statistics. We also have a non-IVR phone system, so meaningful statistics are not easily captured without significant investment in software (which would be limited to suit our current hardware).

**Arrangements regarding disconnection** - Australian Inland already finds the disconnection process expensive. The delay in disconnections already gives rise to high bad debt as some customers who gain a full appreciation of processes can game the system. Other customers use the EWON service to mediate disconnections which they consider unfair. Australian Inland incurs additional costs through EWON and after hours reconnections which are generally not recovered when EWON mediates. Disconnections are last resort actions for customers who fail to pay bills. Currently, the processes in law do not account for the differences in business operations among the different retailers, eg the fact that customers in Broken Hill are billed monthly. Australian Inland would support relaxation of the current processes to allow for a commercial focus. However, we would also support on the other hand, the strengthening of processes to assist customers in paying their bills, eg payment plan, auto deductions from welfare payments, efficient energy use education, improved labelling of products to identify electricity consumption, budgeting of household income and so on. This would be far more useful for customers and would help them save money.

**Making and keeping of appointments** – not supported by Australian Inland. Most of our customers are to blame for non-attendance/no show. Also, there are long distances to travel to see some customers – sometimes several hundred km. Australian Inland does not encourage staff to rush to appointments (for the sake of a GCSS) given hazards like stock/kangaroos on the road, traffic, poor lighting, weather conditions and other factors.

**Timely connection** – this is a customer service/relationship issue. Australian Inland would not support compensation payments as maximum efforts are already in place to ensure timely connections in retail and network.

**Erroneous transfer of customers** – not an issue with Australian Inland and not supported as a GCSS. Compensation payments are not supported.

Generally, Australian Inland would support GCSSs and/or operating statistics which were relevant to our area of operations, beneficial to our company and our customers, and which are unambiguous and clear and capable of being consistently measured, and not costly to implement.

### 4.4 How can GCSS and operating statistics best reflect customer preferences and reasonable expectations?

Australian Inland is mindful of the cost of surveys and the somewhat vague findings which can result. The volume of responses from city-based customers generally smother rural responses. Australian Inland would be keen to consider any data so long as it can be considered relevant to our area.

#### **4.5 Are robust data available to measure service quality?**

Australian Inland has new systems being implemented at present to assist with the availability of robust data. These systems represent a significant investment across various business units – billing system for network and retail, asset management system, SCADA, HRIS, finance system. Importantly, we expect network statistics to improve and the ultimate winner will be the customer, eg reduced duration of customer outages because of swifter identification of fault location/reason.

Australian Inland would prefer to consider developments in this area, particularly the creation of incentives to improve data quality, in more detail, as this is a very important area. A workshop or forum would help to draw out the key issues.

#### **4.6 Should the arrangement include provisions to exclude the impact of event outside the utility's control?**

Yes, of course. The operating environment of the business should be considered as noted – fires, storms, accidents, billing periods, customer preferences and so on. The regulations are over prescriptive and costly to upkeep. Provision of data, with/without variations, for various agencies is also a major burden on business. Consistency of data, and consistent exclusions/inclusions, will also help to achieve efficient operations. All agencies need to agree on this area, particularly MEU and IPART.

#### **5. At what level should standards be set?**

The trouble with any statistical reporting is that the underlying assumptions and explanations take up more space than the statistics reported in the first place. No matter what level is set, the companies must be given the opportunity to include explanations and assumptions as we doubt that GCSS and operating statistics will ever be arrived at that suit the businesses in NSW at present. The Australia-wide market should also be considered, as noted in the discussion paper.

Australian Inland does not support the idea of being compared to other companies and we don't consider another like business exists in Australia.

Finding out accurate customer preferences will take time. Perhaps head in this direction as we are all companies with customer focus, but set upon this with a long term approach in order to accurately identify the preferences in each area.

For now, recent company performance is our preferred method of setting targets. For any new standards, leave space for data until it is available in 12-24 months.

Australian Inland does not support the idea that targets should get progressively harder unless IPART is prepared to properly analyse cost to achieve targets and allow appropriate price increases. This process is not conducted quickly as we all appreciate. But such a method could be introduced over a long period, with planning.

All parties must consider the cost of compensation payments. Customers quickly learn to game the system thus the system should be fair for companies as well.

We do not necessarily see differences in services standards between business and domestic customers – except in times of emergencies/load shedding.

Definitely see a difference between rural and urban customers due to cost of supply, time to respond, quality of supply, billing frequency and other services.

## **6. When should compensation be payable?**

Only when customer requests it in writing, perhaps in the context of a letter of complaint (not necessarily asking for compensation), and states the facts of the service standard not met. Insurance issues should be cleared to avoid "double-dipping".

Automatic compensation payments to one or more customers are too costly to account for. Financial implications for any company are too great. It would result in increases to the cost of operations.

### **6.1 What level of compensation should be payable?**

Quality of supply and supply reliability should be based on investigation. If company is found to be at fault, the company normally has no problem compensating customer. If there is a problem in reaching agreement, customer can approach EWON.

This type of compensation assessment could apply to any written request for consideration of a complaint. Most often, customers don't want compensation unless they have suffered a loss. If that loss is attributable to the company, then the company should pay a fair amount.

Australian Inland has a system in place already that works well. Essentially, each written complaint is investigated and individually assessed. There are few disagreements or approaches to EWON and our EWON statistics will verify this.

### **6.2 How should compensation be paid?**

Customer must write letter of complaint/application or the system will be easily gamed. The customer may not be aware of the compensation payable – company should pay in this case as well.

## **7. How often should operating statistics be published?**

The 'name and shame' potential for poor performance is really only an issue among the companies. Customers generally do not review utility company statistics when selecting a retailer of choice, pricing is the main motivation. If customers are happy with their electricity supply they are rarely interested in the performance of their electricity utility. Annual reporting would be a reasonable frequency for customers, because this would align with other reporting requirements thus reducing costs for electricity utilities. Networks are currently required to supply performance statistics to the Ministry of Utilities each year for the Network Performance Report, which is collated by the Ministry and available to the general public.