

22 October 2025

By email: engage@esc.vic.gov.au

Essential Services Commission
Level 8, 570 Bourke Street,
Melbourne VIC 3000

Proposed billing exception approval for Greater Western Water

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to provide feedback on the Essential Services Commission's (**ESC**) proposed billing exception for Greater Western Water (**GWW**).

We strongly oppose approval of the proposed exception, as we believe it is not in the interest of Victorian consumers, either in the short or long-term.

The proposed exception will exacerbate hardship for vulnerable GWW customers

While we acknowledge the ongoing operational challenges faced by GWW, we consider that the proposed extension of billing periods, and the ability to retrospectively pursue unissued bills, will disproportionately affect customers experiencing vulnerability. This is especially concerning in the current economic climate, where cost-of-living pressures continue to impact consumers. The ESC's most recent Water Performance Report found that a growing number of customers needed financial help to pay their water bills, underscoring the ongoing and increasing financial hardship Victorians are currently experiencing.¹

We note that delayed billing can result in unexpectedly large bills, which may be difficult to manage for households already under financial stress and with fixed incomes. We consider that the proposed exception risks exacerbating hardship and undermining consumers' trust in the water sector, particularly at a time when it is critical for GWW to rebuild customer trust.

Importance of ensuring compliance with the Water Industry Standard

We also note that the billing failures that have prompted the proposed exception stem from GWW's internal system changes and subsequent operational shortcomings. The inability to issue bills in accordance with the Water Industry Standard (**WIS**) is a direct result of GWW's decision to introduce a new billing system without full end-to-end testing, and its failure to put in place adequate safeguards in case of issues in the rollout. Given GWW is responsible for the conduct requiring the exception, we consider it inappropriate to grant an exception that would allow GWW to deviate from regulatory requirements designed to protect consumers.

Taking a broader view, we also consider that granting this exception risks setting a precedent that undermines the integrity of the WIS (as well as the integrity of Acts for other essential services such as electricity and gas, and even across other regulated sectors such as telecommunications). We strongly believe that businesses must be held accountable for compliance failures, particularly when those failures result in financial stress and confusion for

¹ Essential Services Commission (2024), [Water Performance Report 2023–24: Performance of Victorian Urban Water and Sewerage Businesses](#)

customers. Regulatory standards should not be relaxed to accommodate the failures of business, particularly where the failures were reasonably foreseeable.

The WIS exists to set the minimum standards that water businesses must meet in providing retail water and sewerage services. It sets out a clear framework for how water businesses must interact with customers, including in their billing practices, the payment difficulty support offered, and limits on debt collection. These standards are not optional—they are a critical safeguard for the upholding of consumer rights, particularly for people experiencing vulnerability.

We consider that allowing GWW to deviate from these standards would undermine the integrity and authority of the regulatory framework. It would set a concerning precedent that compliance is negotiable, and that businesses may be excused from meeting their obligations if they encounter difficulties of their own making. Furthermore, we consider that granting this exception risks eroding public trust in both the water sector and the ESC in their role as regulator.

Any retrospective rule change should attract close scrutiny and have strong policy justification to balance the resulting uncertainty and risk of consumer harm. In the case of the proposed changes, a consumer protection is being wound back to supplement the financial viability of government-backed water business. This may not meet the expected threshold for justifying winding back a clear and important consumer protection.

Instead, we suggest that GWW waive all unbilled charges more than four months old from the Commencement Date of the Enforceable Undertaking (**the Undertaking**). Drawing a line in the sand with respect to collecting on late bills and undercharging will allow GWW to both rebuild trust with customers, and to focus its attention on returning to compliance with its obligations under the WIS as soon as possible, rather than spending time and money understanding, explaining and pursuing amounts that resulted from historic undercharging.

Given the protracted and ongoing nature of GWW's breakdown in systems and billing, we have low confidence that GWW will fix its systems and bill accurately in the time proposed unless its resources and focus are on being ready to bill into the future. The proposal gives rise to the real possibility of the systems problem extending well into 2026, or longer.

Drawing a line in the sand at four months would also be consistent with obligations under the WIS, but also GWW's own Customer Charter which notes under Clause 12.1 that, "...any identified undercharging prior to the past four months, that is not a consequence of illegal use of water, will be forgiven."² The Undertaking does not provide for a change to GWW's Customer Charter which, similar to a contract, outlines the rights and responsibilities between GWW and its customers. This raises real questions about GWW's ability to reach back legally and optically beyond the four-month period. Articulate customers can exercise their rights and may be able to successfully argue their case at external dispute resolution, unlike many vulnerable consumers who may experience barriers to disputing their bill.

In its 2022 review of the Water Customer Service Codes (the precursor to the WIS) the ESC proposed to align the undercharging period in water with the approach taken in the energy sector, so that water businesses could only recover undercharged amounts four months prior to the time they notified the customer of the undercharging, unless the undercharging was a result of illegal use.³ When making this proposal (and upholding it in its Final Decision despite pushback from some water businesses) the ESC cited the benefits to customers of shorter backbilling periods.⁴ In our submission to this process we strongly supported the reduced backbilling period,

² Greater Western Water, [Residential Customer Charter 2024 – 2028](#), p. 30.

³ Essential Services Commission (2022), [Water Codes Review: Final decision on Water Industry Standards](#)

⁴ Ibid, p.28

noting that it would help to reduce instances of bill shock due to large, unexpected bills, and the financial hardship that can result.⁵

We also note the inconsistency of the proposed exception across sectors regulated by the ESC. In March of this year, energy retailer Origin was penalised \$17.6 million for a range of breaches, including recovering undercharged amounts from 411 customers beyond the four-month backbilling limit⁶ While acknowledging that the conduct Origin was penalised for was broader than breaches of backbilling rules, we question why one business should receive a (justifiable) penalty for such a breach, while GWW is being excused from meeting its similar obligations.

For these reasons, the ESC must uphold the integrity of the WIS by requiring GWW to return to full compliance without exception. Rather than seeking to recover backbilled amounts from customers, we instead suggest that GWW seek to recover costs from vendors involved in setup and rollout of the billing system. Indeed, we note recent media coverage which states GWW will have the option to launch legal action to recover costs once the system is fixed.⁷

Consideration of impact on customers experiencing vulnerability

In addition to not allowing GWW to collect on charges prior to the past four months we also we urge the ESC to scrutinise the impacts of any future extended billing periods on customers experiencing vulnerability. This should also be a key consideration if the ESC proceeds with allowing GWW to back bill beyond four months.

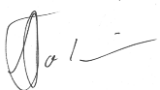
The impact of any extended billing periods on consumers experiencing vulnerability could be managed through the proposed Compliance Improvement Action Plan (**the Plan**). We recommend that the ESC require the following actions to be part of the finalised plan:

- Automatic waivers for customers unable to pay delayed bills where hardship or vulnerability is identified.
- Proactive offer of extended payment terms and flexible payment plans for customers requiring them.
- Expanded and simplified entry to GWW's own hardship program, as well as support to apply for the Utility Relief Grants Scheme and referrals to financial counsellors as necessary.
- Clear, targeted communication and outreach campaigns to ensure that customers understand the billing process, their rights, and the supports available.
- Monitoring and reporting on the number of customers requiring support, uptake of hardship programs and outcomes for customers experiencing vulnerability.

Thank you for the opportunity to provide a submission on the proposed billing exception. If you have any questions about this submission, please contact Luke Lovell, Assistant Director, Policy and Campaigns at **Consumer Action Law Centre** on 03 8554 6998 or at luke@consumeraction.org.au.

Yours Sincerely,

CONSUMER ACTION LAW CENTRE



Stephanie Tonkin | Chief Executive Officer

⁵ Consumer Action Law Centre (2022), [Water Customer Service Codes Review](#), pp.5-6.

⁶ Essential Services Commission (2025), ['Origin penalised \\$17.6 million for failings affecting over 650,000 customers'](#),

⁷ Rachel Eddie (October 15, 2025), [The glaring errors that caused a \\$150 million water billing bungle](#), The Age, <https://www.theage.com.au/politics/victoria/the-glaring-errors-that-caused-a-150-million-water-billing-bungle-20251007-p5nonp.html>

About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

