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Mr Nathan Petrus
Director Consumer Protection and Pricing
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Submitted electronically escosa@escosa.sa.gov.au

14 April 2020

Dear Mr Petrus,

**Submission to the Essential Services Commission of South Australia's
("the Commission") Consultation on the SA Water Draft Regulatory
Determination 2020 ("SAW DD")**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the Commission's Consultation on the SAW DD.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

Background

The Commission released a final Framework and Approach for the economic regulatory determination to apply to SA Water (SAW) from 1 July 2020 to 30 June 2024 (SAW RD20) on 2 July 2018. In its final determination, the Commission released details of the framework it had designed which would put "customers' interests and the consumer voice at the centre of the regulatory process".¹

Central to the new framework was the introduction of the Negotiation Forum ("NF") which aimed to allow a group of customer representatives to challenge SAW during the development of its business plan. The NF comprised:

- a three-member Customer Negotiation Committee ("CNC"), led by an Independent Customer Chair appointed by the Commission
- a three-member SAW Negotiation Committee, sourced and supported by the highest levels of SAW's management
- an independent Probity Advisor appointed by the Commission.

¹ The Commission (2018) SA Water Regulatory Determination 2020: Framework and Approach at <https://www.escosa.sa.gov.au/projects-and-publications/projects/water/sa-water-regulatory-determination-2020-framework-and-approach> p.1

From 2017 to 2019, SAW engaged with more than 12,000 customers online and face to face to attempt to better understand customer values relating to SAW's water and sewerage services. The methods included the establishment of a Customer Working Group, a choice modelling survey, a 'What matters to you' survey and a contingent valuation survey.

In November 2019, SAW released its Regulatory Business Proposal, titled "Our Plan 2020-24". The Chair of the CNC also released a report on SAW's proposals and the Independent Probity Advisor released a report on the fairness of the challenge process.

EWOSA and other stakeholders made submissions on the SAW Proposal. The Commission released its DD on 4 March 2020.

Submissions

EWOSA receives complaints and disputes between consumers of electricity, gas and water services and Members of the scheme. SAW is a Member of EWOSA.

Water Retail Code

EWOSA supports the review of the Water Retail Code as part of the SAW RD20 process. We support the draft decision to effect code amendments in seven main consumer protection matters, namely to:

- replace references to 'tenants' with references to 'consumers'
- allow bills, notices and other documents to be issued using each customer's preferred form of communication
- allow information about planned interruptions to be provided using a wider range of communication modes
- require bills, notices and other documents to be in a format that can be easily read and understood by customers, and are accessible for customers with specific needs
- remove the obligation for SA Water to include a comparison of water usage with other similar customers on residential bills
- allow meter readings taken by customers to be accepted as actual meter readings where SA Water considers they are accurate
- consistent with national energy market rules, reduce the time limitation on SA Water recovering any amount it undercharges (unless the customer is at fault) from 12 months to nine months

EWOSA believes that it is also important to consider allowing tenants to participate in hardship programs, noting that this matter is out of scope for the Code Review. We encourage the Commission to refer this issue to the Department for Environment and Water, for consideration as part of its review of the Water Industry Act.

Service standards

As noted in our submission on the Regulatory Business Proposal, EWOSA commends SAW for its engagement with the Customer Working Group and Customer Negotiation Committee around its proposed service standards. The engagement appears to have been well received by both groups and a broad range of standards considered.

EWOSA notes that the Commission is also proposing other new service standards, relating to water network interruptions (frequency and duration), improvements to water quality (above the minimum service levels required by SA Health) and sewer overflows to the environment

(above the requirements set by the EPA). We support the introduction of these additional service standards.

Thank you for consideration of this submission. Should you require further information or have any enquiries in relation to this submission, please contact Jo De Silva via jo.desilva@ewosa.com.au or phone (08) 8216 1851.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Jo De Silva', with a stylized, cursive script.

Jo De Silva
Policy and Communications Lead
Energy and Water Ombudsman SA