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Ms Natasha Cheshire
Director – Consumer Protection and Pricing
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

By email reviews@escosa.sa.gov.au

13 March 2024

Dear Ms Cheshire,

**Submission to the Essential Services Commission of South Australia (Commission):
SA Water Draft Regulatory Determination**

The Energy and Water Ombudsman (SA) Limited (EWOSA) welcomes the opportunity to submit to the Commission on the SA Water Draft Regulatory Determination.

EWOSA is the 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.

Following a number of general observations, the submission primarily contains comments on the draft determination's proposed changes to the Water Retail Code – Major Retailers (Code) and also suggests a few additional changes, perhaps the most important for EWOSA being the inclusion of EWOSA's telephone number in an appropriate position on SA Water bills.

EWOSA supports the proposed enhancements to protections for consumers who are tenants, for customers affected by domestic and family violence and for customers experiencing payment difficulties. We also generally support the two proposed changes by SA Water to the Code on meter reads and being able to charge customers for paper bills, but with a major caveat on meter reads. Further comments on these proposed changes are provided below.

EWOSA also supports the service standards proposed in the draft determination, including the requirement on SA Water to provide more detailed annual public reporting on missed service standard performance targets and best endeavours.

In particular, EWOSA is pleased that the Commission has accepted the suggestion for the target for Service Standard 5: Complaint Escalation, to be reduced from <15% to <10% for customer and community complaints escalated to EWOSA, following dissatisfaction with SA Water's complaint response. SA Water has achieved the existing target easily over the first three years of the 2020-24 regulatory period (7%, 6% and 6%) and the proposed change provides greater assurance to customers that their complaints are likely to be dealt with fairly and efficiently by SA Water.

EWOSA also supports the changes proposed to the Monitoring and Evaluating Performance Framework, including embedding the public reporting requirements on SA Water in the Code to improve the Commission's enforcement powers where necessary. Other changes to the Code, particularly the requirement for SA Water to provide a Basis of Preparation in light of the data issues described in the draft determination, are important improvements. Biennial reporting on SA Water's long-term asset management plan, rather than annual, is a sensible change that should reduce the reporting burden on SA Water.

The new hardship reporting indicators to be included in the Water Regulatory Information Requirements – Major Retailers Water Industry Guideline No. 2, are a very positive step. It is important to understand the success or otherwise of financial hardship programs and collecting information on customer debt levels upon entry to and exit from the program and information on the number of customers exiting such programs will help to do this.

EWOSA also agrees with the proposed inclusion of time series datasets in SA Water's public reports where appropriate, which will improve the ability of stakeholders to assess SA Water's performance.

We believe that the draft determination on the revenues SA Water would be allowed to earn for providing water and sewerage services during the 2024-28 regulatory period achieves an appropriate balance between the necessary capital investments and operating expenditure – to provide those services and comply with necessary regulatory obligations – and affordability.

Water Retail Code – Major Retailers

EWOSA supports many of the changes to the Code proposed in the draft determination. Some of these are discussed below.

In particular, extending some provisions in the Code, which currently apply only to residential customers, to consumers (tenants) is an important improvement. These provisions relate to enquiries, complaints and dispute resolution, accessible communications, customer hardship policies, information for consumers, notice to customers experiencing payment difficulties and prohibitions on water service flow restriction.

EWOSA understands the legislative and regulatory limitations on the Commission in extending further protections to tenants and commends the Commission's efforts and proposed changes to the Code.

The addition of clause 29 on minimum requirements for providing family violence assistance is a vital improvement to the Code. Protections for people experiencing family violence is necessary, particularly considering the ability of perpetrators to use essential services to cause harm. We agree with the requirements on SA Water:

- having and implementing a family violence policy for customers, with provisions for periodic review
- ensuring training is provided to relevant staff to help them detect and assist impacted customers
- adopting processes that avoid impacted customers from repeat disclosures of family violence or providing evidence
- ensuring confidential information of the impacted customer is securely handled and account security processes prioritise the safety of impacted customers
- specifying its approach to debt management and recovery
- providing information on external family violence services that can be accessed for support.

EWOSA supports the draft decision to treat family violence obligations as a Type 1 regulatory obligation and SA Water therefore being subject to providing a Material Breach Compliance Report if there is a breach of the requirements.

We also look forward to working with the Commission on establishing reporting requirements associated with the family violence protections and on providing information about any complaints we receive.

However, we have some concerns with the implementation timeframe of twelve months from the final determination. While this is an area that is very important to get right, we believe a shorter timeframe of nine months would be more appropriate, particularly given that SA Water would already be aware that they will need to introduce family violence protections.

EWOSA supports the change to the Code requiring SA Water to offer and apply flexible payment plans to all types of customers who are experiencing payment difficulties and the associated changes protecting non-residential customers from debt recovery and restrictions of water services while they are adhering to a payment plan. We also support the new clause to prohibit SA Water from installing a water restriction device where a residential customer is adhering to a payment plan.

We agree with the draft decision to require SA Water to establish policies and processes for early identification of residential customers who may be experiencing payment difficulties and a requirement for it to employ best endeavours to contact these customers to provide information about the available assistance.

We also support the new clause 18.11.2 (e) requiring SA Water to include on bill reminder notices, the telephone number for billing, payment enquiries and flexible payment options, as well as information about help that is available if the customer is experiencing difficulties in paying.

The change to clause 20.2.2, which gives SA Water the option to not require the customer to pay in advance for meter reading, the testing of meters or metering data, is sensible and will encourage trust between customers and SA Water.

SA Water proposals

EWOSA generally supports the two proposed changes by SA Water to the Code on being able to charge customers for paper bills and on meter reads, but with a major caveat.

On allowing SA Water to charge customers for the provision of paper bills, EWOSA supports the change to the Code, subject to the conditions proposed by the Commission in the draft determination.

The establishment of an exemption scheme to remove the ability of SA Water to charge some customers for the provision of paper bills is vital to ensure that those customers who have difficulties in using other payment options – such as those experiencing financial hardship, receiving a government concession or without internet access at home – are not charged for continuing to be supplied with paper bills. It is also important for customers to be provided with an alternative payment method to receive a bill free of charge, as required in the draft determination.

We also agree with the Commission that public consultation and the provision of information to customers needs to occur, prior to this change to charge for paper bills taking effect. We also support the 12 months' notice requirement before any charge for paper bills is introduced, the requirement for SA Water to receive written approval from the Commission and the

requirement for the charge for providing a paper bill to be clearly identified and itemised on the bill itself.

EWOSA supports removing the requirement for SA Water to undertake an actual meter read at a customer's property where a self-read has not been accepted, as well as the associated proposed changes by the Commission:

- requiring SA Water to provide customers with the option of either resubmitting a compliant self-read or organising a time for a meter reader to have access to the meter, where a self-read has not been accepted
- allowing SA Water to provide an estimated bill where a customer has failed to provide either a compliant read or access to the meter.

Another important issue regarding meter reads is that the Code currently specifies a meter read requirement of at least once every twelve months (clause 18.6.1). EWOSA believes this is inadequate and that the general requirement on the frequency of meter reads should be increased to quarterly on a best endeavours basis, particularly since meter reads are usually conducted on a quarterly basis anyway. Best endeavours would provide SA Water with some flexibility about when the meter is read, which is necessary due to issues that can arise with access to the meter, such as locked gates or dogs. We also believe that a meter reading window of +/- three business days should be required. EWOSA receives cases where the meter read can be up to a fortnight outside the scheduled time period and this is unacceptable for customers who need to provide access for SA Water to undertake the meter read.

EWOSA's telephone number

EWOSA has one further suggestion to amend the Code, which is to add a requirement in clause 18.8 Content of bills, which would oblige SA Water to include EWOSA's telephone number in an appropriate position on the water bill.

Since the introduction of the Better Bills Guideline by the Australian Energy Regulator, there has been a significant increase in the proportion of complainants reporting that they heard about EWOSA from their energy invoice or bill, from 3% in June 2023 to 21% in December 2023. While some people have phoned EWOSA in error, thinking that we were their energy retailer instead, the increased awareness is important for consumers. Requiring SA Water to include EWOSA's telephone number on a customer's bill would be likely to further increase awareness of our services.

Thank you for consideration of this submission. Should you require further information or have any enquiries regarding this submission, please contact me at antony.clarke@ewosa.com.au or on (08) 8216 1861.

Yours sincerely



Antony Clarke
Policy and Governance Lead