



Water and sewerage service charging where no supply is used

The purpose of this fact sheet is to explain water and sewerage service charging where no supply is used by the customer.

Under the [Water Industry Act 2012](#), a water industry entity may be able to:

- ▶ charge customers for a retail service that is connected and available to a customer's land or property (even if the service is not actually used), or
- ▶ impose a charge on land or property that is not connected to a retail service (often called an availability charge or rating on abuttal).

Water Industry Act 2012

Since 1 January 2013, any person or entity providing a 'water retail service' to South Australian customers is required to comply with the requirements of the [Water Industry Act 2012](#) (WI Act).

The WI Act defines a 'water retail service' as the sale and supply of:

- ▶ water to a person for use where the water is to be conveyed by a reticulated system (even if the service is not actually used), or
- ▶ of sewerage services (the collection, storage, treatment or conveyance of sewage through a reticulated system) for the removal of sewage (even if the service is not actually used).

A retail service includes, but is not limited to, the following activities:

- ▶ drinking water services
- ▶ non-drinking water services
- ▶ sewerage services, and
- ▶ recycled water/stormwater services.

Licensing and consumer protection regime

Entities providing retail services require authorisation by the Essential Services Commission (**Commission**). Generally, a licence issued by the Commission is required to sell water and/or sewerage services in South Australia.

Licensees can generally charge customers for water and sewerage services under the following arrangements:

- ▶ as a component of a rate notice issued under the [Local Government Act 1999](#) (LG Act). This can apply to all the customers of a Council's retail services.
- ▶ by implementing a standard customer contract, approved by the Commission. This is mandatory for retailers supplying residential customers, but is optional for retailers supplying non-residential customers, or
- ▶ by entering into a contract with a non-residential customer for the supply of retail services.

A contract for the supply of water and/or sewerage services should contain all the terms and conditions that apply to the retail service.

For standard customer contracts, the provisions of section 36 of the WI Act permit contractual arrangements between retailers and customers to be established through the publishing of that contract in the South Australian Government Gazette.

Under this arrangement, customers (including from SA Water, some Councils and private operators) do not sign an individual contract. The Commission requires that retailers publish standard customer contracts on their website.

All retailers are required to comply with the consumer protection requirements in the [Water Retail Code – Minor and intermediate water retailers](#), regardless if you are charged under a contract (standard or non-standard) or as a component of a rate notice issued under the LG Act.

Charging for a retail service

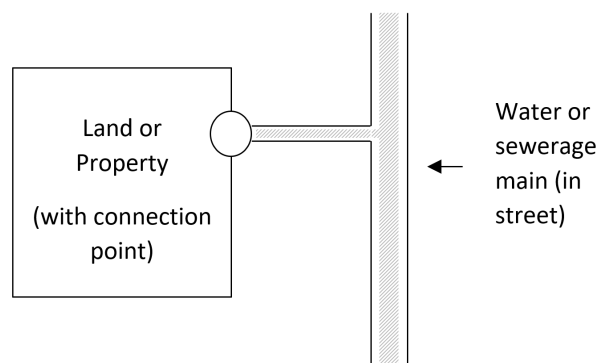
When a customer receives water, or accesses a sewerage service, at their property through an established connection point, this is a retail service. The standard contract specifies how a retailer will charge for this service and generally includes a supply charge (fixed charge) and may include a variable component (for example, water usage charges).

In addition, the WI Act provides that a retail service also exists even if a customer does not use the available water or sewerage service. This is where infrastructure is in place that connects a retailer's water or sewerage main to a connection point on a customer's land or property.

Therefore, if a customer has a connection point at their land or property where they can access a retail service, the retailer is entitled to charge for that retail service being available. Generally, a retailer would charge a periodical fixed charge to cover the costs of the retail service being available to you. However, this may vary depending on the retailer and/or service.

The customer contract that applies to retail service outlines the terms, conditions and charges that apply, if a customer has a connection point but is not using the service.

Figure 1 – Retail service (Standard Contract)



Charge where land not connected or service to land reduced or discontinued

Regulation 38 of the [Water Industry Regulations 2012](#) allows that a charge may be imposed by a water industry entity in respect of land of a kind specified by the Minister by notice in the South Australian Government Gazette despite the fact that—

- ▶ the land is not connected to infrastructure by which a retail service is provided by the water industry entity, or
- ▶ the provision of a retail service to the land by the water industry entity has been reduced or discontinued.

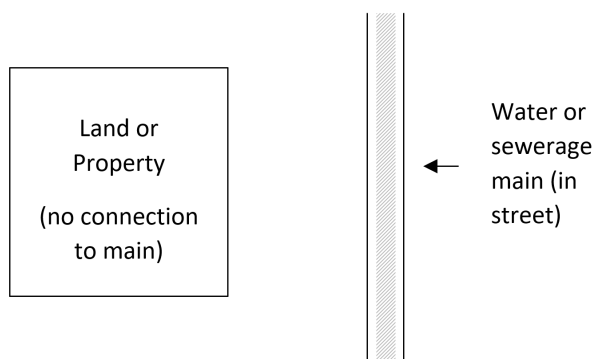
In practice, this means that the Minister may specify that a water industry entity may collect a charge where its water or sewerage mains are adjacent, but not connected to, the retailer's water and/or sewerage infrastructure.

This may be referred to as **rating on abuttal**. In this scenario, there is no infrastructure in place that connects a retailer's water or sewerage main to a connection point on a customer's land or property.

It is important to note that this charge is **not** a retail service and therefore does not form part of the standard customer contract that a retailer has with customers. It is a separate 'charge on land' that is permitted under the WI Act and Regulations.

If a customer wishes to use the water or sewerage service, a connection point needs to be established and then the customer would take supply under the terms and conditions of a standard customer contract.

Figure 2 – Charge on land (Regulation 38)



To date, only SA Water has been authorised by the Minister to levy a charge on land in accordance with Regulation 38 of the [Water Industry Regulations 2012](#). A history of notices published pursuant to this regulation are available on the [SA Legislation website](#).

Local Government arrangements

Section 177 of the LG Act provides the power for a Council to apply a service rate and/or an annual service charge for a prescribed service such as a connection to a community waste management scheme. However, this is not connected to the operation of the [Water Industry Act 2012](#) and is administered separately by Councils.

Complaints and dispute resolution

If you have a complaint or dispute relating to a retail service, in the first instance, you should contact your supplier to resolve the complaint directly.

If you cannot resolve your complaint or dispute directly with your retailer, you may submit your complaint to the Energy and Water Ombudsman of SA, who will try to help you resolve it. EWOSA can be contacted as follows:

- ▶ Freecall - 1800 665 565
- ▶ SMS - 0488 854 555
- ▶ [Submit an online complaint](#)
- ▶ www.ewosa.com.au.

If you have a complaint or dispute relating to the following services, you may contact your supplier to resolve the complaint directly:

- ▶ where land not connected or service to land reduced or discontinued, or
- ▶ local Government arrangements.

You may wish to ask your supplier to explain the dispute resolution options available to you. As these services are not retail services, external dispute resolution is not available through EWOSA.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

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