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30 October 2014

The Essential Services Commission of South Australia  
GPO Box 2605  
ADELAIDE SA 5000

Dear Sir/Madam,

**City of Salisbury Water Industry Retail Licence  
Response to: Restriction Thresholds – Debt and Flow Rate**

I write, on behalf of the City of Salisbury, in regard to the Commission's request for submissions on Restriction Thresholds – Debt and Flow Rate.

Salisbury believe that the thresholds prescribed for SA Water under the Water Retail Code - Major Retailer are not suitable for all Minor and Intermediate Retailers or all customer types.

The City of Salisbury provides an alternative 'fit for purpose' water supply to its customers – residential and commercial. Whilst we consider that the debt and flow restriction proposed by the Commission would be suitable for our large volume commercial customers, we believe that these thresholds are too high for our low volume residential customers. Our reasons for this include:

- Residential usage of recycled water is lower than typical mains water supply as it is predominately used for toilet flushing and gardens.
- Residential customer accounts average around \$145 per year.
- It would take a majority of our residential customers a number of consecutive quarters and/or potentially years, in most cases, to accumulate the Commission's proposed restriction threshold of \$300 before we could take action.
- Restricting the flow to 2 litres per minute for a recycled water supply would not sufficiently inconvenience residential recycled water consumers to encourage them to pay their account in order to return a normal flow rate.

In July 2014, Council considered the issue of recovering outstanding water charges via restricting water flow to residential customers to minimise the impact of unpaid supply. Following consideration, the Council endorsed the Salisbury Water Flow Restriction Policy for Residential Customers only. This endorsed policy specifies that a flow restriction device may be installed when a residential customer has a minimum outstanding balance of \$200 or has been in arrears for 4 consecutive quarters. A minimum length of time that a customer can be in arrears before a flow restrictor is installed was considered appropriate as many of our residential customers use small quantities of water per quarter therefore their account could be in arrears for a number of years before any debt recovery action could be taken.

In addition to the debt threshold, Council proposes to use a 0.4 litre per minute flow restrictor. This will still allow a toilet to refill in around 8 minutes versus the 2 minute time interval proposed with the 2 litre per minute restrictor.

We request that the Commission reconsider the minimum debt threshold and flow rate proposed, or alternatively, allow for licensees to submit a revised policy for the Commission's approval.

Please find enclosed a copy of the Salisbury Water Flow Restriction Policy for Residential Customers for your information.

Should you require further clarification in relation to any of the above information, please do not hesitate to contact me.

Yours sincerely,



**Bruce Naumann**  
Manager Salisbury Water  
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## Salisbury Water Flow Restriction Policy for Residential Customers

Policy Type:	Policy		
Approved By:	Council	Decision No:	2014/2541
Approval Date:	28 July 2014	Last Reapproval Date:	28 July 2014
Review Date:	28 July 2016	Internal Reference No.:	
Department:	Business Excellence	Division:	Salisbury Water Business Unit
Function:	7 - Financial Management	Responsible Officer:	Manager, Salisbury Waters

### A - PREAMBLE

1. This policy provides clear direction to staff, management and Council in relation to the recovery outstanding Salisbury Water residential water charges through the restriction of water supply in accordance with the Council's Water Industry Retail Licence.
2. A flow restrictor is a device that can limit water flow to a property, typically an orifice plate inserted at the supply meter. The Council proposes to use restrictors to limit the flow of water to a nominal 0.4 litres per minute thus allowing residents to still meet basic hygiene for toilet flushing but limiting the 'usability' of the supply for other purposes.

### B - POLICY PURPOSE/OBJECTIVES

1. This policy applies to residential customers who receive Salisbury Water from the City of Salisbury's Water Business Unit who meet the criteria for non-payment of Salisbury Water accounts as per Clause D1.
2. This policy provides clear direction to those Council officers who are responsible for managing the recovery of outstanding Salisbury Water residential water charges and the criteria to be applied for the installation of a water flow restriction device.

### C - DEFINITIONS

1. "Salisbury Water Business Unit" is a business unit of the City of Salisbury ('the Council').
2. "Salisbury Water" is the term used for Council's fit-for-purpose recycled water supply.

### D - POLICY STATEMENT

1. Criteria for Flow Restriction
  - 1.1. A residential customer will have a water flow restriction device installed when their water account has a minimum outstanding balance of \$200.00 or has been in arrears for 4 consecutive quarters.
  - 1.2. A water flow restriction device will only be installed in accordance with the procedures outlined in the following Clauses D2 to D8.



## **2. Councils Ability to Restrict a Residential Water Service**

2.1. The Council may arrange for the restriction of the supply of Salisbury Water to a residential customer where the residential customer has:

- a) not paid a bill or bills by the due date;
- b) not agreed to another payment option to pay a bill;
- c) not adhered to the residential customers obligations to make payments in accordance with the payment options in relation to the payment of bills in Clause E2; and
- d) not complied with the terms of Council's Residential Customer Hardship Policy, resulting in the residential customer being removed from that program.

## **3. Councils Obligations Prior to Restricting a Residential Water Service**

3.1. Before restricting supply of Salisbury Water to a residential customer for failure to pay a bill or bills, the Council will:

- a) Use its best endeavours to contact the residential customer personally either by:
  - Telephone
  - Mail
  - Electronic mail
  - Visiting the property, or
  - Any other method approved or required by the Commission (ESCOSA) from time to time.
- b) Give the residential customer information about the terms of its Residential Customer Hardship Policy and assess the residential customer's eligibility for participation in the hardship program;
- c) Give the customer a reminder notice in writing;
- d) After the expiry of the period referred to in the reminder notice, give the residential customer a written "Notice of Intention to Restrict" with 7 business days' notice of its intention to install the restriction; and
- e) Advise the residential customer of the existence and operation of Councils external dispute resolution body or industry ombudsman (whichever is applicable at the time).

## **4. Prohibition on Residential Water Flow Restriction**

4.1. In the following instances, the Council must not arrange for the supply of a residential customers water service to be restricted:

- a) where supply to the residential customer is in accordance with the terms of the Residential Customer Hardship Policy and the residential customer is adhering to those requirements.
- b) for non-payment of a bill where the amount is less than an amount approved by the Commission and the residential customer has agreed with Council to repay that amount.
- c) where the residential customer or a person residing at the residential customers supply address has advised the Council that the person ordinarily residing at the supply address is dependent on life support equipment.

- d) where a residential customer has made a complaint, directly related to the reason for the proposed flow restriction, to the industry ombudsman or another external dispute resolution body and the complaint remains unresolved,
- e) Where the residential customer is the landlord, and the supply address is occupied by a tenant and the tenant has:
  - Provided acceptable evidence (such as an executed tenancy agreement, proof of rental receipts or other bills for goods and services) demonstrating the tenant's residence at the supply address; and
  - Satisfied its payment obligations (if any) in respect of the retail service in accordance with the terms of the relevant tenancy agreement

## **5. Flow Restriction Procedures**

**5.1. The Council will recover outstanding residential water usage charges through the restriction of water supply by following the procedure below:**

### **a) Initial invoice**

- Issued by the Salisbury Water Business Unit at end of billing quarter.
- Allow the customer 30 days to make payment/arrangements.

### **b) Final Notice**

- Issued by Financial Officer 7-10 days after the due date.
- The final notice is to include a copy of the initial notice, including
  - advisement that failure to pay will result in restriction of flow
  - costs associated with the installation of a flow restrictor will be charged to the customers account.

### **c) Notice of Intention to Restrict Flow (minimum outstanding balance \$200 or 4 quarters in arrears).**

- Subject to satisfying Council's obligations under Clause D1, the Salisbury Water Business Unit will attempt to make direct 'face to face' contact, issue a written reminder notice (as per section 7) followed by a "Notice of Intention to Restrict", nominally 7 days from the date of the Final Notice issued by the Financial Officer.
- The Notice of Intention to Restrict must contain the following information:
  - Date of issue;
  - The matter giving the rise to the potential restriction;
  - Where the notice has been issued for not paying a bill, state the date on which the restriction warning notice period ends and state that the payment of the bill must be made during the restriction warning notice period;
  - Informs the customer of applicable restoration procedures and charge that will be imposed;
  - Includes details of Councils telephone number and website for complaints, and disputes; and
  - Includes details of the existence and operation of Councils external dispute resolution body or the industry ombudsman scheme (whichever is applicable).
- The notice is to be delivered via Registered Mail or Hand Delivered. Copies to be provided to the Salisbury Water Business Unit Technical Officer.



- Flow restriction will only be avoided if the balance of the account is paid in full or arrangements to pay have been agreed to by Council or other criteria as detailed in Clause D4 are met.
- All correspondence shall be registered in Pathway / Dataworks.

**d) Flow Restriction Installation**

- Restrictor to be installed on the existing purple recycled water meter.
- The restrictor will not be installed:
  - after 3.00pm on a business day
  - on a Friday, on a weekend, on a public holiday or on the day before a public holiday, except in the case of a planned interruption; or
  - if it is a day of total fire ban declared by a relevant authority in the area in which the supply address is located.
- Two water staff members are to be present at each installation
- Only 0.4 litres per minute restrictors are to be utilised.
- An "installation of flow restrictor fee" will be charged to the customer's account in accordance with Council's Fees and Charges.

**e) Flow Restrictor Removal**

- The removal of the flow restrictor will take place after the balance of the account is paid in full or an agreed payment scheme has been negotiated with Council or other Clause D4 criteria come into effect.
- The removal of the flow restrictor will take place as soon as possible but within 2 working days from clearance of funds.
- Restrictors will be removed during normal working hours, unless otherwise instructed by the Manager Salisbury Water.

**f) Legal Action**

- Legal action will only be taken in accordance with the Council's debt recovery procedures.

**6. Full Disconnection from Salisbury Water Supply**

- 6.1. In accordance with the Water Retail Code – Minor and Intermediate Retailers, the Council must not arrange for the full disconnection of supply of a water service to a customer's supply address for non-payment of bills.
- 6.2. Permitted disconnections are only permitted if:
  - a) a customer has requested the disconnection;
  - b) a customer has used the retail service illegally; or
  - c) a customer has refused entry to Council staff for the purposes of meter reading or other purposes consistent with carrying out duties in accordance with the applicable regulatory instruments.

Clause D4 Prohibition clauses still apply in all cases.

- 6.3. The disconnection fee will be in accordance with the Council's Fees & Charges.

**7. Recovery of Outstanding Balances after Installation of a Flow Restrictor or Disconnection**

- 7.1. Following installation of a flow restrictor or disconnection of supply, the Council may

without further notice commence proceedings for recovery of all amounts due.  
Recovery proceedings available to Council include:

- a) Proceedings in any court of competent jurisdiction
- b) Such other legal processes as deemed appropriate by Council.

#### **8. Reconnection to Salisbury Water Supply**

- 8.1. Should a customer wish to be reconnected to Salisbury's Water Supply (eg. change of ownership), then reconnection will be at the owners cost.

### **E - LEGISLATION**

1. City of Salisbury Water Industry Retail License (Minor Retailer);
2. Water Retail Code – Minor & Intermediate Retailers (WRC-MIR/01)
3. Water Industry Act 2012 (SA);
4. Essential Services Commission Act 2002 (SA);
5. Local Government Act, 1999.

#### **Document Control**

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