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16 June 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 the Draft Decision: Customer Contracts and Customer Charter**

I write with reference to the Commission's request for submissions on the Water Retail Code Draft Decision for Minor and Intermediate Retailers, 2 May 2014 in relation to the proposed standardised customer supply contracts and customer charters.

In summary our assessment of the proposed draft Standard Customer Sale Contract is that it is a lengthy and complex document containing direct extracts from the Water Industry Act 2012. While it is essential our customers are informed and knowledgeable about their rights and responsibilities according to the Water Industry Act 2012, it is our experience, particularly for residential customers, that any customer supply contract needs to be as clear and concise as possible to prevent any unnecessary angst and confusion.

The draft Standard Customer Sale Contract as produced by the Commission is designed to cover all customers; however it appears to be more specifically targeted towards the residential customer. Our preference would be for a simplified version of this contract which would be applicable for residential customers only and that a separate standardised supply contract for non-residential customers be developed and tailored to suit the needs of this quite different customer base.

The Commission's proposal to have all variations to the standard supply contract approved by the Commission before sending to the customer is of concern, particularly for our non-residential supply customers. Schedule 2 would be utilised by a reasonable number of non-residential supply customers and to have to seek the Commission's approval beforehand may cause unnecessary delays in securing customers, potentially leading to a loss of sale. Some assurance from the Commission is needed in relation to the anticipated turn-round time, if this approval process is mandated.

The draft Customer Charter – Water Services appears to duplicate a lot of the information already contained in the draft Standard Customer Sale Contract. This is an unnecessary duplication of information which we feel would be more suited to being displayed on a Retailer's website as customer information.

It is in our view that the complexity of the information in both the draft documents is unnecessary and duplicated. Should a customer wish to read the Water Industry Act 2012, a copy can be made available to them if requested and it could also be accessed from our website.

Specific areas of concern in the Standard Customer Sale Contract include:

Section 1 – The Parties

This section should include space to include the commencement date of the Customer Contract and signature of both the customer and a representative from the retailer.

Section 4 – Does this document apply to you

This section is not relevant. Our customer contracts are only prepared and sent to a customer when a connection is installed or will be installed. This section could be simplified more in line with how the document applies to either residential / non-residential customer.

Section 5 – Classification of Customer Class

The customer classification would be determined before commencement of the contract and this determines the type of customer supply contract that would apply (residential v's non-residential). Therefore this section is not considered relevant.

Section 6 & 7 – Commencement / Termination

Our current residential customer supply contracts do not have an expiry date and are only terminated when a property is sold and a property transfer occurs.

Non-residential customer supply contracts are typically renewed on a 5 yearly basis unless otherwise negotiated at the time of connection.

Section 8 – What you have to do to receive a connection

This section is not relevant information to be included in a customer supply contract; rather the information should be displayed on a retailer's website and other informational outlets. As a retailer, we only send out a Customer Supply Contract when a connection is installed or about to be installed or a property transfer has occurred.

Section 10 – Fees and Charges

This section should be more specific to the customer.

Information can be included on where the customer can view all the fees and charges; however this section should also include specific information on the fees and charges that are applicable to their contract. For example, our residential customers must pay a usage fee plus an annual supply charge.

The terms of this clause are considered suitable for residential customers however for non-residential customers there can be varying fee conditions which are negotiated at the time of connection and reflect the actual cost of connection.

Section 12 – Billing

Section 12.6 – If a Salisbury Water customer fails to pay their account by the due date as found on their quarterly invoice, it is a Council procedure to then issue them with a Final Notice giving them another 7 days to pay the account ie we cannot be in conflict with Local Government regulations.

Sections 13 – 21 (Payment Options/Difficulties/Disputes/Over – Under Charging/Debt Recovery) The information included in these sections is more suited to being included in the Customer Charter and or Enquiries, Complaints and Dispute Resolution Policy. These documents should be referenced in the supply contract with associated links to the Council's website.

Referral to the hardship policy is only applicable for residential customers. This should not be included in non-residential customer supply contracts.

Section 22 – Quality, Safety and Reliability of Supply

Residential customers – this clause should reflect the applicable type of water supply service only, to avoid unnecessary confusion.

Non-Residential customers – again this clause should be tailored to reflect the applicable type of water supply only to avoid unnecessary confusion however a reference to Schedule 2 - Special Characteristics should be included. Certain customers have connections that can only be used for specific uses; while other customers require further disinfection on site or need to install their own tanks and booster pumps etc.

Section 23 – Life Support Equipment

This information section should be optional depending on the water supply type or included in the Customer Charter instead. Recycled Water should at no time be used for the life support equipment.

Section 24 – 27 (Restrictions/Warning Notice/Disconnection/Restoration of Service)

The information contained in these sections is better suited to the Customer Charter and should be referenced to this document in the water supply contract in lieu of repeating the information.

Section 28 – Enquiries, Complaints and Dispute Resolution

This section should refer customers to the Enquiries, Complaints and Dispute Resolution process document. Include the website link and contact phone number of the retailer where this specific policy can be obtained.

Section 30 – Force Majeure

This information should be included in the Customer Charter rather than the Customer Contract.

In summary we would recommend that the Commission considers the following:

- remove unnecessary duplication of information between customer sales contracts and the customer charter.
- a simplified version of the draft standard customer sale contract specifically for residential customers which provides suitable references for customers to obtain the necessary information to adequately inform them of their rights and responsibilities.
- a more comprehensive standard customer sale contract for non-residential customers, with the ability to incorporate a 'summary schedule' and the ability to modify specific conditions/operational guidelines in the Schedules without seeking the Commission's approval. The standard terms and conditions of the customer sales contract would remain unchanged from that approved by the Commissioner.

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

Yours sincerely,



Bruce Naumann

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