



Mr Adam Wilson
CEO
Essential Services Commission of South Australia
By email

23 September 2016

Dear Mr Wilson,

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RE: Inquiry into Regulatory Arrangements for Small-scale Water, Sewerage and Energy Services

SACOSS is the peak body for the community services sector in South Australia, with a long-standing interest in the efficient delivery of essential services. We thank the Commission for the opportunity to comment on this Inquiry.

SACOSS appreciates the complex considerations at play with respect to the regulatory arrangements for small-scale suppliers relative to larger suppliers. SACOSS agrees with the Commission that it is essential to ensure a well-functioning market for services and prevent market failure while at the same time ensuring that suppliers are responsive to customers' service needs and requirements. In principle SACOSS is not opposed to an outcomes based framework coupled with a risk based approach to regulation, but SACOSS is also keen to ensure that the long term interests of consumers are not compromised by such an approach.

SACOSS will be conducting our own research on the experience of consumers with both small and large scale suppliers later in 2016. SACOSS will make available the results of this research to ESCOSA to inform this present Inquiry. SACOSS strongly believes that the outcomes based measures that the Commission develops should be informed by consumer experience, and that the outcomes sought should not only reflect suppliers' conduct but also how well consumer needs are met. In this context, SACOSS considers that ESCOSA may wish to consider a set of minimum service standards to ensure all customers are guaranteed that essential needs are met by all South Australian sewerage and water suppliers.

SACOSS has also understood that the monitoring, reporting and enforcement applied to small-scale suppliers may be different to that applied to large scale suppliers dependent on risk, proportionality and cost versus benefit but it is essential that high risk suppliers are identified and appropriately monitored. Further, SACOSS would recommend that ESCOSA consider a range of monitoring indicators for vulnerable customers, and refers the Commission to the range of indicators that the Australian Energy Regulator use including payment plans and successful graduation from hardship plans.

Finally, SACOSS believes that customers of these small-scale suppliers are at a significant disadvantage when compared to large scale suppliers' customers in terms of dispute resolution. This issue makes it even more difficult to assess the level of customer satisfaction and for this reason, SACOSS encourages the Commission to consider to the fullest extent possible evidence of customer experience.

We thank you in advance for consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on (08) 8305 4211 or via jo@sacoss.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read "J. De Silva".

Ross Womersley
Executive Director