



Inquiry into regulatory arrangements for small-scale water, sewerage and energy services

Consultation on the Draft Inquiry Report

Protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services

Overview of the Inquiry

Proposals and feedback

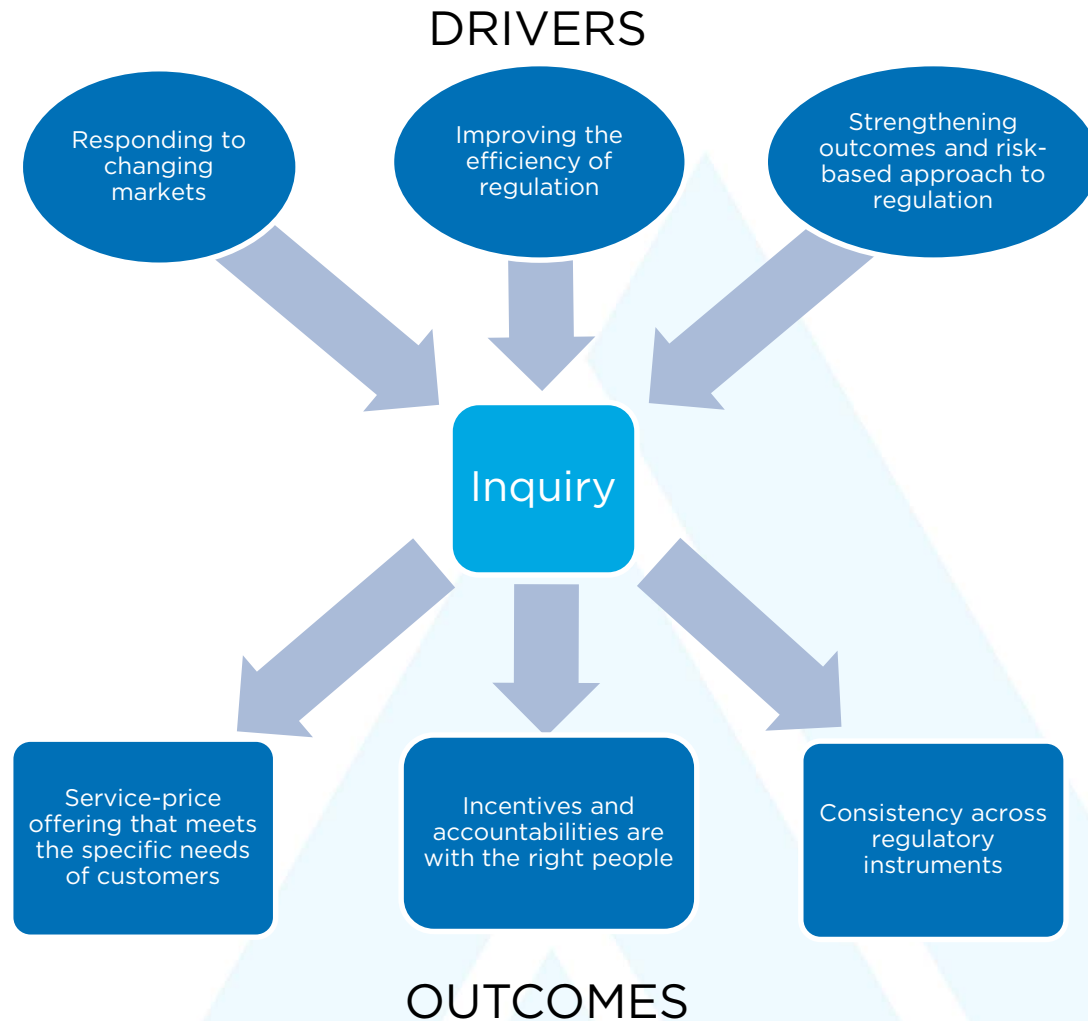
1. Verified Trust and Accountability model
 - concepts, benefits and processes
2. Harmonisation project
3. Compulsory EWOSA membership

Next steps

Overview of the Inquiry



Purpose
How can we help achieve the best outcomes for customers?



Proposals and feedback



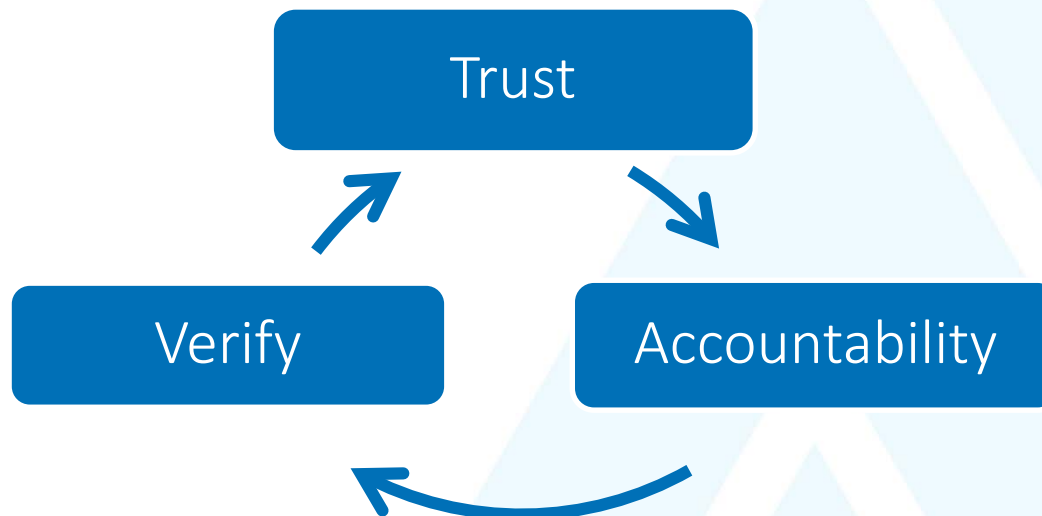
Proposals	Stakeholder responses
VTA model	<ul style="list-style-type: none">• Generally supportive, provided safety is not compromised• Concerns of lessening of protections for consumers
Harmonisation	<ul style="list-style-type: none">• Generally supportive, provided fit for purpose and provides net community benefit• Concerns that the process may lead to more requirements being imposed on some licensees.
EWOSA membership	<ul style="list-style-type: none">• Generally supportive• Small number of stakeholders against membership• Some concerns about duplicating processes

VTA concepts

Competent operation

providing services that

- customers want
- are sustainable, and
- are priced accounting for customers' willingness to pay, legislative requirements and affordability



Benefits of the VTA model



For customers

- ▶ Customer focused: places greater emphasis on licensees engaging with their customers
- ▶ Long-term interest: greater emphasis on sustainability of services

For service providers

- ▶ Targeted: less prescriptive for trusted licensees
- ▶ Flexible: can account for the diversity of small-scale networks

Will not reduce customer protections

VTA implementation



Trusted Not trusted

Existing licensees

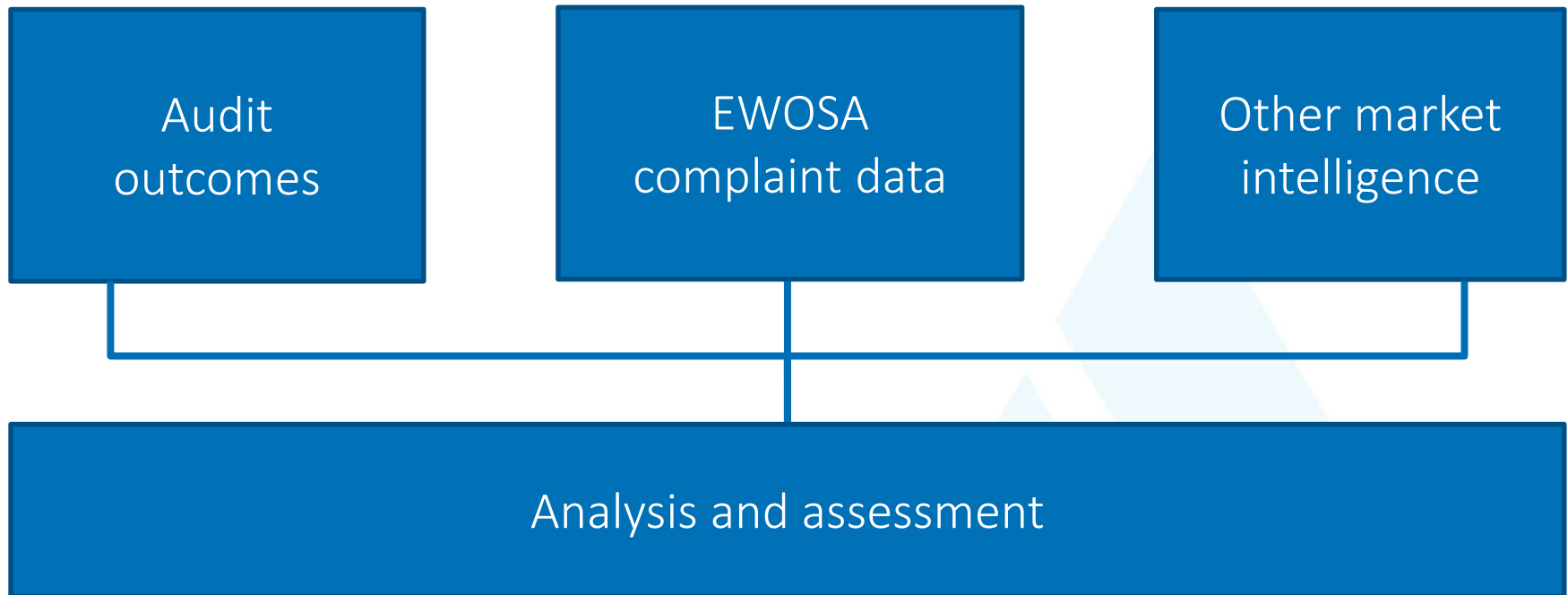


New licensees



Verify

Verification



- ▶ Provide direct and targeted feedback to service provider
- ▶ Provide public information for transparency

Reduced reporting requirements



Annual returns

- ▶ Office holders
- ▶ Connection/customer numbers
- ▶ Material changes to operations
- ▶ Assurance statement

in addition to...

- ▶ Immediate notification of issues

Questions on reporting



- ▶ Are the reduced reporting requirements for trusted licensees appropriate?
- ▶ Are guidelines on materiality required?
- ▶ Are the proposed checks and balances – assurance statement, audits and compliance – appropriate?
- ▶ What information should be reported on in the annual performance reports produced by the Commission?

Harmonisation



- ▶ Streamlining, simplifying, making consistent
 - Won't be simply 'lowest common standard'
 - Needs to have a net benefit

- ▶ Parallel to implementing the VTA approach
 - Separate consultation period to identify potential changes

- ▶ Questions:
 - Should the Commission undertake harmonisation?

 - How important is it that the timing of harmonisation aligns with the implementation of the VTA model?

 - Relevant issues/examples?

EWOSA membership



Benefits	Costs
Expert in customer complaint and dispute resolution.	Membership fees
Customers will benefit from a consistent, impartial dispute resolution process, with the ability to impose remedies.	
Licensees benefit from a cost-effective achievement of outcomes.	
The Commission benefits through a consistent complaint reporting process.	

Questions:

- Do you support the proposed role of EWOSA?
- If not, what approach would you prefer?

Next Steps



Consultation period

Submissions close 2 October 2020

Final Inquiry Report February 2021

Further information



The Draft Inquiry Report can be found on Commission's website:

www.escosa.sa.gov.au

Submissions can be sent to:

smallscale@escosa.sa.gov.au

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