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Mr Sean McCormish  
Director Advisory and Research  
Essential Services Commission  
GPO Box 2605  
ADELAIDE SA 5001

Dear Mr McCormish,

#### **ESCOSA Small-scale Networks Inquiry**

Thank you for the opportunity to provide a submission on the Small-Scale Networks Inquiry.

Adelaide Hills Council (AHC) administration have reviewed the Commission's Small-Scale Networks Inquiry Framework and Approach paper and recently attended a presentation on the paper by Commission staff. As a holder of a Water Industry Retail Licence - for sewerage services (CWMS), the Commission's framework and approach to regulation, directly impacts AHC as a small-scale network service provider.

AHC is supportive of a more light handed approach and a reduction in the annual reporting obligations for competent operators as proposed in *Option 3 – Trust verify without changing regulatory instruments* and *Option 4 – Trust verify and harmonisation between and within industries*.

In relation to Option 4 we do have a concern with the concept of harmonisation between and within industries. Specifically, we are concerned that the process of harmonising the regulatory instruments across industries may result in an increase in regulatory requirements for one or more industries to bring them in line with the others. Further, the same may apply to harmonisation within industries.

In relation to ESCOSA's review of customer's access to external complaint handling mechanisms (i.e. Electricity and Water Ombudsman SA (EWOSA)) as local government entities councils are already heavily governed. Examples include the *Local Government Act 1999* and a number of existing complaint handling mechanisms in place such as:

- *Council Complaint Handling Policy*
- Section 270 reviews under the *Local Government Act 1999*
- *Council Debt Recovery Policy*
- Ombudsman SA

Council is supportive of the Commission identifying and exploring potential opportunities for better customer outcomes however we do have several concerns regarding the proposed requirement for all small scale network service providers to become members of the EWOSA scheme.

One of those concerns is that EWOSA is a non-government body and we are not clear on what legislative powers EWOSA have to enforce a decision. Additionally, it was viewed that EWOSA may predominantly be a mediation service. If this is the case and as Council already has a number of complaint resolution processes available we do not see any significant customer benefit from joining EWOSA. Membership fees are required for councils to become members of EWOSA and noting the above feedback we are uncertain on what additional value will be provided for our CWMS customers by becoming a member of this scheme.

Over the past few years AHC have not dealt with any CWMS complaints that have not been resolved through Council's complaint handling processes. Therefore, we are cautious about the proposed requirement to join a non-government body such as EWOSA that may not result in an increase level of service to our customers.

In conclusion, we are supportive of ESCOSA's framework and approach to reducing the regulatory and reporting burden required of small-scale network providers that are operating competently.

If you require any further information on this submission please contact Council's Manager of Waste and Emergency Services, John McArthur, via phone on 8408 0507 or email at [jmcarthur@ahc.sa.gov.au](mailto:jmcarthur@ahc.sa.gov.au).

Thank you for the opportunity to provide feedback on this matter.

Yours sincerely



**Andrew Aitken**  
Chief Executive Officer