



CONSUMERS SA

[CONSUMERS' ASSOCIATION OF SOUTH AUSTRALIA INC.]

Member of Consumers' Federation of Australia Inc.

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19th December 2019

To the Commissioner,
Essential Services Commission of South Australia.

Re: S.A. Water Regulatory Determination 2020.

Dear Commissioner

Brief overview of Consumers SA

Consumers SA has a proud history of representing the consumers' voice in South Australia since the 1970s. We are a community based, unfunded, non-profit organisation that represents consumers' interests, and encourages the dissemination of information on issues affecting consumers, as well as providing a forum for discussion of those issues and lobbying all levels of government when we feel appropriate.

Since consultation commenced for the 2020 Determination Consumers SA has participated in discussions with SA Water, ESCOSA's Expert Panel and SACOSS's Essential Services Group. In addition we have attended extra meetings called by both ESCOSA and SA Water to hear explanations to further our understanding of the issues, and contributed to the Priorities Report as a basis for the Negotiating Committee.

Consumers S.A. finds it supports (in the main) the comments made by SACOSS in their submission and with whom we have worked over the engagement process.

However we would emphasise the following:

Although the Negotiating Committee was set up with very little time to achieve its objectives, Consumers SA supports the continuation of this process. That there were short comings and different expectations of the procedure should not prevent the refining of the process so that it can be more successful and commence in a more timely fashion in the future. An earlier start would also allow the ESCOSA Experts panel to receive feedback and discuss the progress of the Negotiation Forum during the process, rather than at the end of it. We base this on the success of the final meeting the Experts panel which allowed all present to discuss their views on the S.A. Water Regulatory Proposal together - for the one and only time.

Consumers SA commends the members of the Negotiation Forum for the amount of work they have managed to achieve in such a short time and the information they have made available to the Experts Panel as a result of their discussions.

Service Standards:

We support S.A. Water's Proposed Service Standards and applaud the new measures adopted which they have determined from customer engagement.

Customer Engagement:

With regard to customer engagement, we are aware that the success of such engagement is dependent upon how this is carried out, the questions asked, how they are phrased and presented, the number of people canvassed and different socio-economical groups consulted. Also who conducts the engagement. We note the criticism of the Chair of the Negotiating Forum's report in this matter and while S.A. Water may not have achieved 'best practice' in consumer consultation, we feel a genuine attempt has been made to gauge their customers' views. We also note his comments that consumers should be involved in S. A. Water's decision making with regard to projects earlier rather than later in the process.

Consequently S.A. Water might like to consider in the future making available to the Negotiating Forum more detailed information on how their consultation led to the decisions they made regarding what was included in their Regulatory Proposal. As an example, initially the Zero Cost Energy Future was outside the RD 20 but is now part of it. There doesn't appear any evidence it was part of the consumer engagement which led to its inclusion. It is quite an expenditure and no doubt will be beneficial for S.A. Water to be self sufficient in the future with regard to energy, but there are other aspects such as its impact on the electricity market as a whole which should be taken into account and it is not clear whether other ways of managing the project were canvassed.

State wide pricing.

One area where Consumers S. A. may disagree with others is in the supply of potable water to those 650 customers to whom S.A. Water provide water, but not to drinking standards. As we understand it, customers who don't receive potable drinking water still pay the same price for water they cannot drink. This is grossly unfair. They would in fact pay even more if they have to buy in potable water. Consumers SA would be confident in saying that most consumers would not be aware that statewide pricing does not mean statewide service levels. We would support the remarks of the Chair of the negotiating committee, (page 67) of his report to remove the cost of supplying potable water to these remote communities from S.A. Water *customers*, to S.A. Water and ultimately its owner, the government. Meantime those customers should either receive a rebate on the cost of their water or be subsidised for buying potable drinking water, if they do not have drinkable water from rainwater tanks. They should at the very least be given some options.

Willingness to pay:

Consumer consultation carried out by S.A. Water has indicated that consumers are willing to pay a small amount extra on their own bills to subsidise others, in one instance for the 650 customers mentioned in the Regulatory Proposal who don't have potable water, and at one time even for customers who are experiencing hardship. While we understand that people want to assist others less fortunate, it sets a dangerous trend if this practice is adopted. While a dollar on a customer's bill may be relatively insignificant as a once off, as others are added, costs can increase more than a customer may realise or expect. Can you ever opt out?

Why should a relatively small group of people determine what others have to pay?

Smart meters:

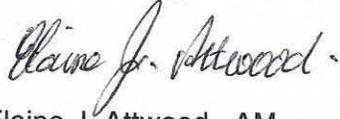
We commend the increasing use of smart meters to assist in determining where likely bursts will occur and fixing them before they happen. This is money well spent.

Water Quality:

Taste is subjective. While some customers are happy drinking water as it comes from the tap, others can taste chlorine and detect odour. S.A. Water admit that with chlorine there can be a strong taste at the beginning of a pipe and little at the end of it. Therefore the change to chloramination for disinfection is supported.

In summary, Consumers S.A. supports SACOSS' submission to the Essential Services Commission of South Australia on S.A. Water's 2020-2024 Regulatory Business Proposal. We also thank the Commission for the opportunity to have been included in the many informative meetings leading up to it's lodgment.

Yours Sincerely,



Elaine J. Attwood AM
Executive Committee Member,
Consumers' SA.

18th December, 2019

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