



SA Water Regulatory Performance Report 2016-17

Executive summary

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Executive summary

The Essential Services Commission (**Commission**) reports annually on the performance of water and sewerage service retailers in South Australia. This report – SA Water Regulatory Performance Report 2016-17 – covers the South Australian Water Corporation (**SA Water**), which is the monopoly provider of water and sewerage services in South Australia. The Commission reports separately on the performance of other retailers.

The SA Water regulatory framework has two aspects: a regulatory determination, which determines the maximum amount of revenue that SA Water can recover from its customers for the delivery of water and sewerage retail services; and a consumer protection framework setting out the consumer protections and service standard performance targets with which SA Water must comply.

For 2016-17 period, the Commission's key observations on SA Water's performance are:

- ▶ SA Water met 17 out of 18 service standards set by the Commission. It did not meet the service standard for timeliness in processing connection applications due to using unreliable data to measure performance. The Commission is conducting an external audit of all four connection service standards to gain assurance as to SA Water's data collection, processes, management and reporting systems, in respect of its connection service standards. This external audit is in addition to the remedial actions that have already been implemented by SA Water in response to the issue.
- ▶ The average duration of unplanned water supply interruptions for customers in the Metropolitan area rose to 195 minutes (190 minutes in 2015-16), but the incidence of unplanned water network supply interruptions per 1,000 properties fell to 153 (165 in 2015-16).
- ▶ The average duration of unplanned sewerage service supply interruptions for customers in the Metropolitan area decreased in the year to 384 minutes (454 minutes in 2015-16). The incidence of unplanned sewerage network supply interruptions per 1,000 properties also fell to 27 (34 in 2015-16).
- ▶ The number of residential customers in the Metropolitan area participating in SA Water's hardship program fell to 1,700 as at 30 June 2017 (1,878 as at 30 June 2016), but the number of residential customers on a flexible payment plan increased to 309 (298 as at 30 June 2016).
- ▶ SA Water took fewer legal actions against residential customers to recover debt (272 in 2016-17 compared to 368 in 2015-16), but restricted water supply to more residential customers with long-term outstanding bills (443 in 2016-17 compared to 258 in 2015-16).
- ▶ The average debt of Adelaide Metropolitan customers participating in SA Water's hardship program was \$1,297 (equivalent to 1.12 times the annual combined residential water and sewerage bill). For regional customers participating in the program, the average debt was \$1,806 (equivalent to about 1.75 times the annual combined regional residential water and sewerage bill).

The Commission reviews the service standards that apply to SA Water every five years, prior to the commencement of a new price regulation period. It is currently reviewing the service standards that will apply to SA Water from 1 July 2020 to 30 June 2024. The overall objective for this review is to establish service standards for SA Water that are valued by its customers. This will include considering both average reliability standards and the effectiveness of the current service standards.



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