



## SA Water Regulatory Framework - Information Sheet



The purpose of this information sheet is to provide an overview of the economic regulation framework that applies to SA Water.

SA Water is a government-owned provider of water and sewerage services. These essential services are regulated, including service level and revenue regulation by the Essential Services Commission (**Commission**).

This information sheet provides:

- ▶ an overview of the Commission's approach to regulating SA Water
- ▶ a description of the 18 service standards that apply across the drinking water and sewerage services SA Water provides

### How the Commission regulates SA Water

The Commission regulates the customer service and revenue aspects of SA Water's retail operations because SA Water holds a monopoly provider position in the market for those services on its network.

Economic regulation provides a counterbalance to that position, with the Commission able (under statutory powers) to set binding consumer protection obligations, operational service standards and make determinations on revenue and some pricing matters.

In regulating SA Water, the Commission:

- ▶ Establishes consumer protection frameworks to promote the delivery of levels of service valued by consumers.

- ▶ Keeps SA Water accountable by monitoring and reporting on its performance and being prepared to take enforcement action where necessary.
- ▶ Ensures the quality and reliability of services valued by customers are being provided at the lowest sustainable prices.

As a condition of its retail licence, SA Water is required to meet 18 customer service and network service reliability targets set by the Commission, as discussed below.

To help provide greater transparency of these matters, the Commission publishes annual regulatory performance reports to monitor performance against the service standard targets and average historical performance levels<sup>1</sup>.

Further information on the South Australian water and sewerage industry can be found at: <http://bit.ly/water-regulatoryperformancereports>.

### SA Water's customer service standards

The Water Retail Code for Major Retailers (**Water Retail Code**) places obligations on SA Water relating to customer responsiveness and complaints. These obligations include requirements for handling customer enquiries, complaints and dispute resolution processes, and compliance with customer service standards.

The key customer service standards are:

- ▶ telephone responsiveness
- ▶ complaint responsiveness, and
- ▶ drinking water complaint responsiveness.

<sup>1</sup> Based on regulatory performance data reported by SA Water to the Commission from 1 July 2013.

The applicable customer service standards and the associated targets are set out in Schedule 1.

The Commission also monitors other customer service metrics that impact on South Australian customers such as the number of complaints received by SA Water and the number of complaints escalated to the Energy and Water Ombudsman of SA.

### Telephone responsiveness

The Commission has set one service standard for responsiveness to telephone calls. SA Water is required to answer 85 percent of telephone calls within 30 seconds.

Further, the Commission monitors the following:

- ▶ average waiting time before a telephone call is answered, and
- ▶ total number of abandoned telephone calls.

### Written complaint responsiveness

The Commission has set one service standard for responsiveness to written complaints. SA Water is required to respond 95 percent of written complaints within the required timeframes.

Recognising that not all written complaints are of the same scale or impact, the service standards distinguish between the nature of the complaint, as follows:

- ▶ **Written complaints that do not require investigation** – SA Water is required to respond to these complaints within 10 business days.
- ▶ **Written complaints that require investigation** – SA Water is required to respond to these complaints within 20 business days.

### Drinking water quality complaint responsiveness

The Commission has set two service standards for responsiveness to water quality complaints. SA Water is required to respond 96 percent of drinking water quality complaints in the Adelaide Metropolitan area and 99 percent of drinking water quality complaints in the regional areas within the required timeframes.

Recognising that not all such complaints are of the same scale or impact, the service standards distinguish between different priority classes depending on the potential severity or priority of the issue, as follows:

- ▶ **Priority 1** – where there is a potential for serious risk to human health. SA Water is required to respond to these complaints within one hour.
- ▶ **Priority 2** – where there is the potential for low risk to human health. SA Water is required to respond to these complaints within two hours.
- ▶ **Priority 3** – all other complaints. SA Water is required to respond to these complaints within 48 hours.

### Customer connections

The Commission has set four service standards for customer connections.

Of these four service standards, two standards relate to SA Water's timeliness for installation of water or sewer connections. SA Water is required to connect 95 percent of water and 90 percent of sewer connections within the required timeframes.

Recognising that not all connections are of the same scale, the service standards distinguish between different types of connection, as follows:

- ▶ **Standard connections** – where there is an existing water or sewer network adjacent to the property being connected. SA Water is required to construct these connections within 20 business days (water) or 30 business days (sewer).
- ▶ **Non-standard connections** – where an extension of water or sewerage mains/network or other specific construction work is required. SA Water is required to construct these connections within 35 business days (water) or 50 business days (sewer).

The remaining two service standards relate to SA Water's timeliness for processing of connection and trade waste applications. SA Water is required to connect 95 percent of connection applications within 20 business days and 99 percent of trade waste applications within 10 business days.

## SA Water's water network reliability standards

The Water Retail Code sets out minimum requirements to be complied with by SA Water when dealing with its customers and includes obligations relating to the quality, safety and reliability of the water supply (including the requirement for SA Water to minimise supply interruptions and provide information to customers on planned interruptions).

The key water network reliability service standards are:

- ▶ attendance at water breaks, bursts and leaks, and
- ▶ restoration of water service interruptions.

The applicable water network reliability service standards and the associated targets are set out in Schedule 1.

While the Commission assesses some aspects of SA Water's performance against annual service standards and regulatory obligations, events may occur during the year that warrant special ad hoc reporting outside of that standard framework (for example, an event that may result in large numbers of customers being without a retail service for an extended period).

These events are assessed in accordance with the Commission's Significant Event Reporting Framework to determine whether or not they constitute a significant performance event.<sup>2</sup>

### Attendance at water breaks, bursts and leaks

The Commission has set two service standards to attend the location of breaks, bursts and leaks within specified timeframes. Recognising that not all such incidents are of the same scale or impact, and that not all bursts lead to a loss of supply, the service standards distinguish between different priority classes:

- ▶ **Priority 1** – high-priority events where a leak or burst may result in total loss of supply to a customer, major loss of water or damage to property, or may pose immediate danger to people or the environment. SA Water is

required to respond to these events within one hour.

- ▶ **Priority 2** – all other bursts or system failures. SA Water is required to respond to these events within five hours.

### Restoration of water service interruptions

The Commission has set two service standards to attend the location for restoration times according to the priority given to restorations:

- ▶ **Category 1** – the interruption could be life threatening or otherwise have serious consequences (for example impacting critical needs customers, hospitals, nursing homes, schools and child care centres). SA Water is required to respond to these events within five hours.
- ▶ **Category 2** – the interruption causes a disruption to a customer's business activities. SA Water is required to respond to these events within eight hours (Adelaide Metropolitan area) or five hours (regional areas).
- ▶ **Category 3** – all other cases. SA Water is required to respond to these events within 12 hours.

### Water service supply interruptions

As unplanned water supply interruptions can cause significant disruption and inconvenience to customers, the Commission monitors two measures relating to the impact of unplanned interruptions on customers:

- ▶ The **incidence** (or frequency) of unplanned supply interruptions, measured by the number of customers experiencing a loss of water supply during the year (per 1,000 customers).
- ▶ The average **duration** of customer interruptions in minutes.

## SA Water's sewerage network reliability standards

The Water Retail Code sets out minimum requirements to be complied with by SA Water when dealing with its customers and includes obligations relating to the quality, safety and

<sup>2</sup> Refer: <http://bit.ly/Significant-performance-event-reporting-framework>

reliability of the sewerage supply (including the requirement for SA Water to minimise supply interruptions and provide information to customers on planned interruptions).

The key sewerage network reliability service standards are:

- ▶ attendance at sewerage overflows,
- ▶ restoration of sewerage service interruptions, and
- ▶ sewerage overflow clean ups.

The applicable sewerage network reliability service standards and the associated targets are set out in Schedule 1.

Similarly, any events that may occur during the year that warrant special ad hoc reporting outside of that standard framework are assessed in accordance with the Commission's Significant Event Reporting.

### Attendance at sewerage overflows

The Commission has set two service standards to attend the location for sewerage overflow events within specified timeframes. Recognising that not all overflow events have the same impact, the service standards distinguish between where the overflow occurs:

- ▶ Inside the building events (higher priority). SA Water is required to respond to these events within one hour.
- ▶ Outside the building events (but on customers' property). SA Water is required to respond to these events within two hours.
- ▶ External overflow events (not on customers' property) (lower priority). SA Water is required to respond to these events within four hours.

### Restoration of sewerage service interruptions

The Commission has set two service standards to attend the location for restoration times according to the priority given to restorations:

- ▶ **Full loss Category 1** – where the interruption could be life threatening or otherwise have serious consequences (impacting critical needs customers, hospitals, nursing homes

and schools). SA Water is required to respond to these events within five hours.

- ▶ **Full loss Category 2** – where the interruption causes a disruption to a customer's business activities. SA Water is required to respond to these events within five hours.
- ▶ **Full loss Category 3** – all other full loss of service interruptions. SA Water is required to respond to these events within 12 hours.
- ▶ Partial loss of service. SA Water is required to respond to these events within 18 hours.

### Sewerage service supply interruptions

As unplanned sewerage service interruptions can cause significant disruption and inconvenience to customers, the Commission monitors two measures relating to the impact of unplanned interruptions on customers:

- ▶ The **incidence** (or frequency) of sewerage service interruptions, as measured by the number of sewer breaks and chokes during the year per 1,000 properties.
- ▶ The average **duration** of customer interruptions in minutes.

### Sewerage overflow clean ups

The Commission has set two service standards to attend the location for clean-up of overflow events within specified timeframes. The timeframes for overflow clean up begin once the event has been attended.

The service standards distinguish between where the overflow occurs (as with the service standards for attendance at overflows):

- ▶ Inside the building events (higher priority). SA Water is required to respond to these events within four hours.
- ▶ Outside the building events (but on customers' property). SA Water is required to respond to these events within six hours.
- ▶ External overflow events (not on customers' property) (lower priority). SA Water is required to respond to these events within eight hours.

Schedule 1: Service standards from 1 July 2016 to 30 June 2020)

Service area	Category	#	Service Standard	Target
Customer service and complaint handling	Customer Service	1	Telephone calls answered within 30 seconds	85%
	Customer Service	2	Written complaints responded to within the required timeframes	95%
	Customer Service	3	Water quality complaints in Adelaide Metropolitan area responded to within the required timeframes	96%
	Customer Service	4	Water quality complaints in regional areas of South Australia responded to within the required timeframes	99%
Connection services	Customer Service	5	Connection applications processed within 20 business days	95%
	Customer Service	6	Water connections constructed within the required timeframes	95%
	Customer Service	7	Sewerage connections constructed within the required timeframes	90%
	Customer Service	8	Trade waste applications processed within 10 business days	99%
Field crew attendance at the site of service issues in the Adelaide metropolitan area	Reliability	9	Water network breaks, leaks and bursts in the Adelaide Metropolitan area attended to within the required timeframes	99%
	Reliability	10	Sewerage network overflows in the Adelaide Metropolitan area attended to within the required timeframes	99%
Service restoration and clean-up in the Adelaide Metropolitan area	Reliability	11	Water network service restorations performed in the Adelaide Metropolitan area within the required timeframes	99%
	Reliability	12	Sewerage network service restorations performed in the Adelaide Metropolitan area within the required timeframes	95%
	Reliability	13	Sewerage network overflow clean-ups performed in the Adelaide Metropolitan area within the required timeframes	98%
Field crew attendance at the site of service issues in regional areas of South Australia	Reliability	14	Water network breaks, leaks and bursts in regional areas of South Australia attended to within the required timeframes	99%
	Reliability	15	Sewerage network overflows in regional areas of South Australia attended to within the required timeframes	99%
Service restoration and clean-up in regional areas of South Australia	Reliability	16	Water network service restorations performed in regional areas of South Australia within the required timeframes	99%
	Reliability	17	Sewerage network service restorations performed in regional areas of South Australia within the required timeframes	99%
	Reliability	18	Sewerage network overflow clean-ups in regional areas of South Australia performed within the required timeframes	99%

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

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