

# SA Water Regulatory Performance Report 2017-18

## Key messages

- ▶ In 2017-18, SA Water met all 18 customer and reliability service standards. Of the 18 service standards, SA Water met 15 of the service standard targets and missed the remaining three targets by less than one percent.
- ▶ SA Water’s customer and reliability performance have both generally improved, compared to average historical performance.
- ▶ Although the duration and incidence of water and sewerage supply interruptions are both increasing, SA Water was timely in responding to the majority of those supply interruptions.

The Essential Services Commission (**Commission**) is the economic regulator of the South Australian water industry. One of the Commission’s key regulatory functions is to monitor and publicly report on the performance of water businesses.

This report covers the key performance indicators for the 2017-18 financial year for SA Water – the monopoly service provider of drinking water and sewerage retail services to the majority of South Australian customers.

As a condition of its licence, SA Water is required to comply with operational service standards and consumer protection measures set by the Commission.

SA Water has separately published a statement on its website regarding its 2017-18 regulatory performance. Refer to SA Water’s Annual Report published on its website at:

[www.sawater.com.au/about-us/annual-reports](http://www.sawater.com.au/about-us/annual-reports).

## How much were South Australians paying for their drinking water and sewerage retail services?

State-wide pricing applies to drinking water retail services in South Australia. Residential tariffs are made up of a fixed charge for water supply and a variable charge for water use.

For sewerage retail services, charges are determined by applying a rate in the dollar to the value of the property, as set by the Valuer-General every June for the following 12 months. There are different sewerage rates for metropolitan and regional customers to reflect differences in property capital values.

Figures 1 and 2 show the drinking water and sewerage components that make up a customer’s bill, based on a water consumption of 200 kL per annum. Annual bills for individual customers may differ from the figures based on the actual volume of drinking water used and the geographical location of the property.

Figure 1: Components of a typical annual metropolitan residential customer bill (\$nominal)

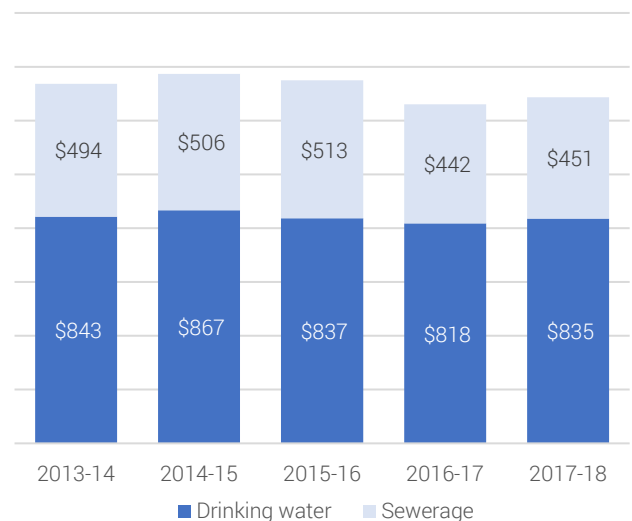
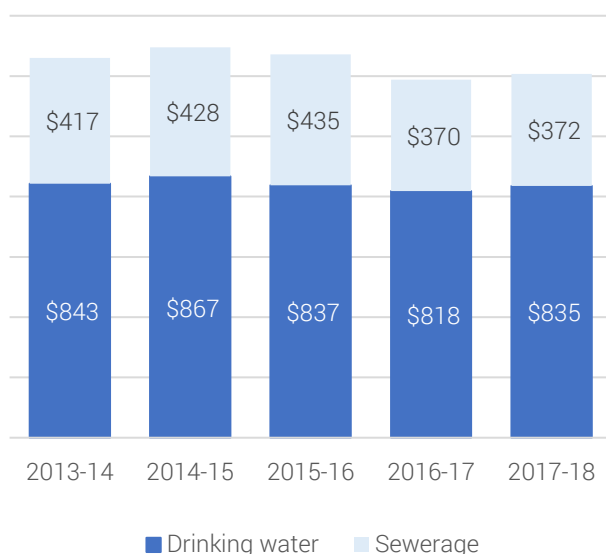


Figure 2: Components of a typical annual regional residential customer bill (\$nominal)



## How SA Water responded to its customers

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.

In 2017-18, SA Water met all eight customer service standard targets (refer Table 1).

Table 1: SA Water 2017-18 performance against customer service standard targets

Standard category		Number of service standard targets met
Telephone responsiveness		1 out of 1 met
Complaints responsiveness		1 out of 1 met
Water quality complaints responsiveness	Adelaide metropolitan	1 out of 1 met
	Regional	1 out of 1 met
Timeliness of connection		3 out of 3 met
Timeliness of processing trade waste applications		1 out of 1 met

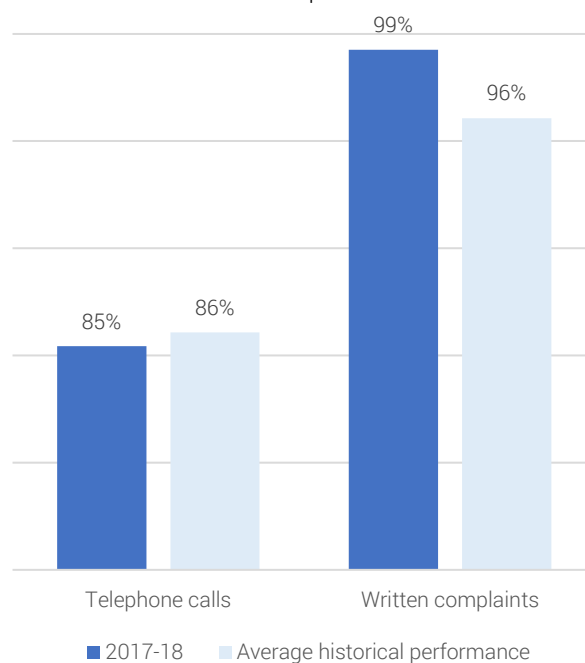
Further information on SA Water's customer service-related regulatory obligations and service standards can be found at: <http://bit.ly/water-regulatoryperformancereports>.

## SA Water responded to the majority of telephone calls and written complaints in a timely manner

SA Water reported receiving approximately 396,000 telephone calls and 680 written complaints in 2017-18.

Figure 3 shows the proportion of telephone calls and written complaints responsiveness performance, compared to average historical performance.

Figure 3: Timeliness of response to telephone calls and written complaints



## SA Water reported an increase in customer complaints

SA Water reported receiving approximately 1,700 customer complaints in 2017-18, of which 50 percent of those complaints were related to drinking water quality.

Table 2 shows the number of complaints received by SA Water on a per 1,000 customers basis, compared to preceding years.

Table 2: Number of complaints per 1,000 customers (by category)

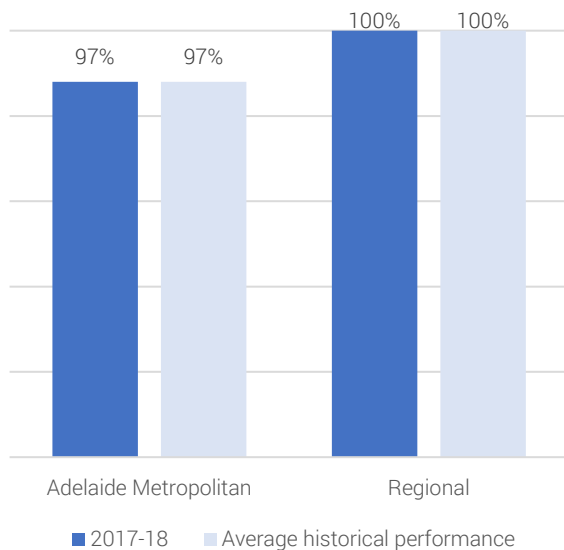
Complaint category	2014-15	2015-16	2016-17	2017-18
Billing and account	0.31	0.27	0.37	0.28
Water service	0.22	0.23	0.22	0.23
Drinking water flow rate or pressure	0.01	0.02	0.02	0.03
Drinking water quality	1.03	0.96	1.01	1.13
Sewerage service (including CWMS)	0.10	0.10	0.10	0.06
Others	0.78	0.72	0.78	0.56
<b>Total</b>	<b>2.45</b>	<b>2.29</b>	<b>2.50</b>	<b>2.29</b>

### SA Water responded to the majority of drinking water complaints in a timely manner

SA Water reported receiving approximately 1,100 water quality complaints in 2017-18.

Figure 4 shows the proportion of drinking water quality complaints that was responded to by SA Water within the required timeframe in 2017-18, compared to average historical performance.

Figure 4: Timeliness of response to water quality complaints



### SA Water constructed the majority of new water and sewerage connections in a timely manner

SA Water reported constructing approximately 12,500 water and sewer connections in 2017-18.

A further 12,700 of connection and trade waste applications were received for processing.

Figures 5 and 6 show the proportion of water and sewer connections constructed and applications processed by SA Water within the required timeframe in 2017-18, compared to average historical performance.

Figure 5: Timeliness of water and sewer connection construction

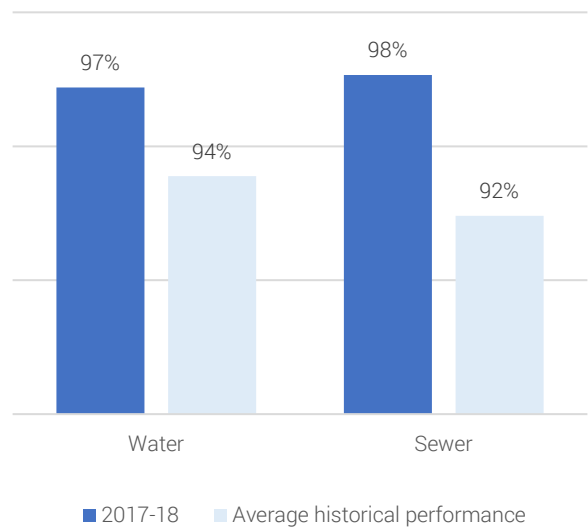
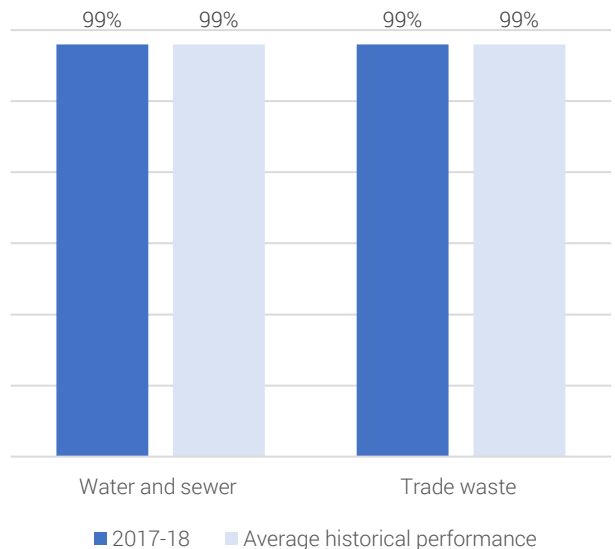


Figure 6: Timeliness of connection and trade waste application processing



## How reliable were SA Water’s drinking water and sewerage retail services?

Under the Water Retail Code, SA Water must its best endeavours to achieve all applicable service standards. It must also comply with obligations relating to the quality, safety and reliability of water and sewerage supply (including minimising supply interruptions and informing customers about planned interruptions).

In 2017-18, SA Water met seven out of ten drinking water and sewerage reliability service standard targets (refer Table 3).

All of the three missed targets were missed by less than one percent, and that performance was consistent with average historical performance.

SA Water reported that it met the obligation to use its best endeavours to achieve the three standards where targets were missed.

Table 3: SA Water 2017-18 performance against drinking water and sewerage reliability standards

Standard category		Number of service standard targets met
Timeliness of attendance at water network breaks, leaks and bursts	Adelaide metropolitan	0 out of 1 met
	Regional	1 out of 1 met
Timeliness of attendance at sewerage network overflows	Adelaide metropolitan	0 out of 1 met
	Regional	1 out of 1 met
Timeliness of water network service restorations	Adelaide metropolitan	1 out of 1 met
	Regional	1 out of 1 met
Timeliness of sewerage network service restorations	Adelaide metropolitan	1 out of 1 met
	Regional	1 out of 1 met
Timeliness of sewerage network overflow clean-ups	Adelaide metropolitan	0 out of 1 met
	Regional	1 out of 1 met

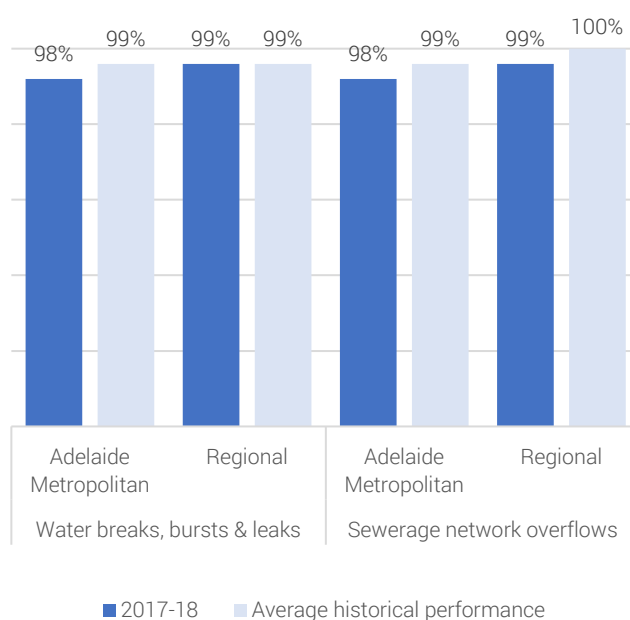
Further information on SA Water’s water and sewerage network reliability-related regulatory obligations and service standards can be found at: <http://bit.ly/water-regulatoryperformancereports>.

## SA Water attended the majority of water and sewerage network events in a timely manner

SA Water reported attending approximately 14,600 water network breaks, bursts and leaks events and 7,500 sewerage overflow events in 2017-18.

Figure 7 shows the timeliness of SA Water’s attendance to water and sewerage network events in 2017-18, compared to average historical performance.

Figure 7: Timeliness of attendance at water and sewerage network events



## SA Water was timely in restoring drinking water and sewerage network service interruptions

SA Water reported restoring approximately 4,600 water network service interruptions and 20,400 sewerage interruptions in 2017-18.

Figure 8 shows the timeliness of SA Water’s restoration of water and sewerage network service interruptions in 2017-18, compared to average historical performance.

Figure 8: Timeliness of restoration of water and sewerage network service interruptions

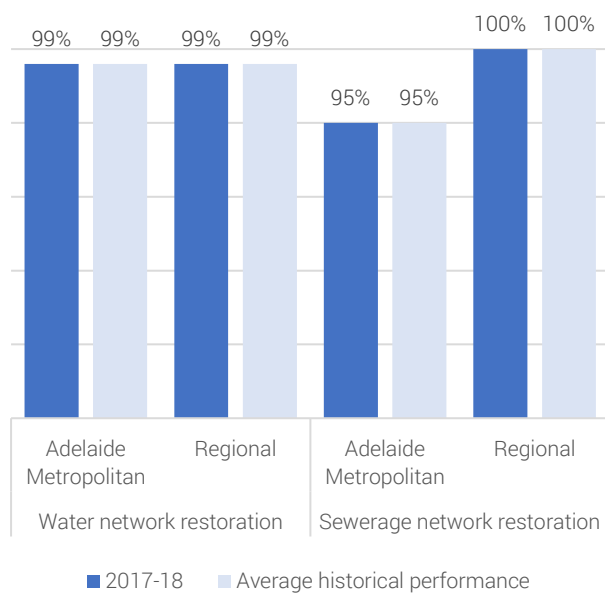
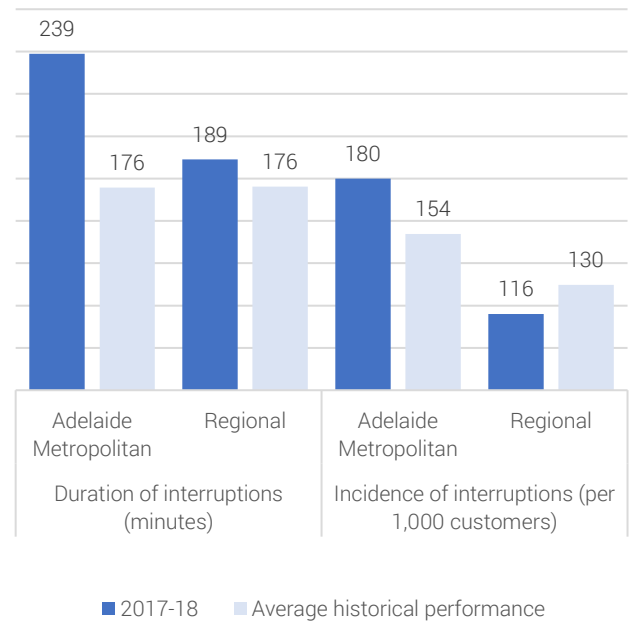


Figure 9: Unplanned water network supply interruptions



### SA Water reported more water and sewerage network service interruptions

SA Water reported approximately 2,400 unplanned water network service interruptions for the Adelaide metropolitan area. Each event is likely to have affected multiple customers with 1,234 SA Water customers reported to be affected by three or more of those events.

In regional areas, there were approximately 1,100 unplanned interruptions and 1,081 customers experienced three or more unplanned interruptions.

Figure 9 shows SA Water’s unplanned water network supply interruptions performance in 2017-18, compared to average historical performance.

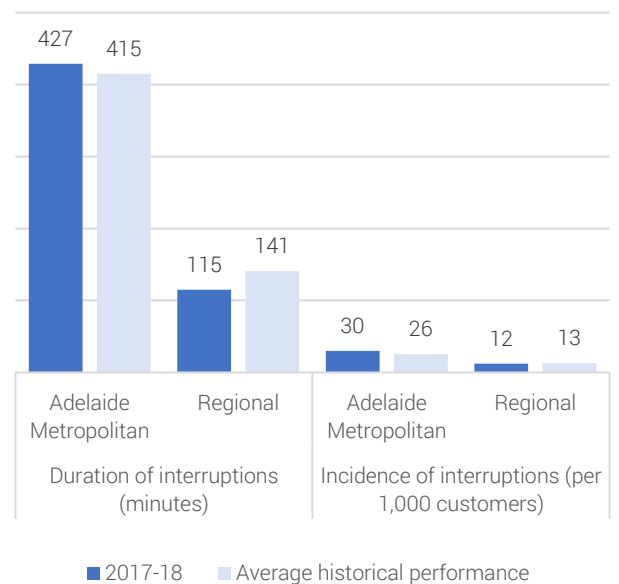
The increase in the duration of interruptions results was mainly driven by changes in procedures for the repair of cast iron mains introduced by SA Water in 2015.

Those mains were previously repaired under pressure; however, new Work, Health and Safety measures require the water supply to be shutdown and the area excavated before repair can take place. This process increases the number and duration of shutdowns.

SA Water reported approximately 3,600 unplanned sewerage network interruptions for the Adelaide metropolitan area and 60 unplanned interruptions for the regional area. Each event is likely to have affected multiple customers.

Figure 10 shows SA Water’s unplanned sewerage network supply interruptions performance in 2017-18, compared to average historical performance.

Figure 10: Unplanned sewerage network supply interruptions

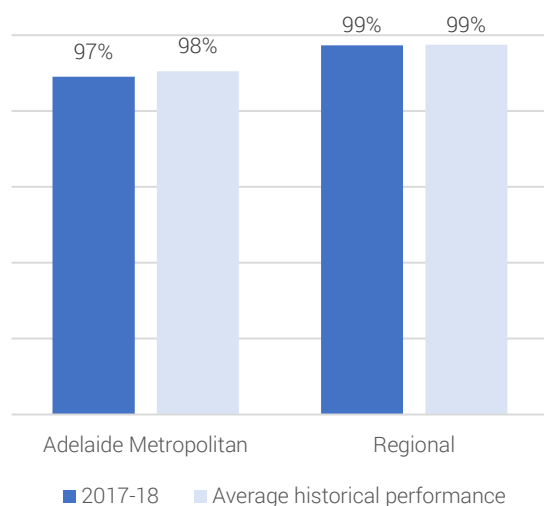


## SA Water was timely in cleaning up sewerage network overflows

SA Water undertook approximately 3,500 sewerage network overflow clean ups in 2017-18.

Figure 11 shows SA Water's sewerage overflows clean up performance in 2017-18, compared to average historical performance.

Figure 11: Timeliness to clean up sewerage network overflows



## How compliant was SA Water with its regulatory obligations?

Under the regulatory framework, SA Water is required to have robust compliance and reporting systems. This is to ensure SA Water is complying with its regulatory obligations and enable the Commission to effectively monitor its operational performance.

During 2017-18, SA Water reported incidences of non-compliance with the Water Retail Code, including the following:

- ▶ **Provision of emergency phone line:** SA Water reported that there was failure of phone systems on four occasions resulting in unavailability of emergency phone numbers to customers. SA Water has provided assurance that, when these issues occurred, it had appropriate business continuity plans in place and in case any such issues occur in future, that its compliance team will be actively involved in root cause analysis and investigation.
- ▶ **Planned interruptions:** SA Water reported non-compliances due to operational issues such as moving forward planned work, miscommunication between contractors, administrative errors, inaccurate information provided by the geographical information system (GIS) and leakages due to faulty valves. SA Water rectified these issues by manually updating the GIS system, conducting risk assessment of affected streets to ensure that no critical customers were impacted and door knocking on customers and gaining approval for early commencement of work, providing boxed water services to affected customers.
- ▶ **Contents of the bill:** SA Water reported one instance of non-compliance, where electronic bills for residential customers did not include water usage comparative information. This impacted all residential customers in a single billing cycle. SA Water has rectified this issue in the Customer Relationship Management System and all bills now include comparative water use chart.
- ▶ **Basis for bills:** SA Water is undertaking a review of the billing processes to address the issues regarding billing of sewerage charges to customers post subdivision of existing land. Options for alternative billing processes are being considered.

## SA Water's financial and business performance

The Commission monitors SA Water's financial performance across a range of indicators. Analysis of these indicators provides a guide as to SA Water's financial efficiency, viability and long-term sustainability.

## How is SA Water tracking against the maximum revenue allowances?

Figures 12 and 13 shows the actual/forecast capital and operating expenditure versus those allowed in the Commission's regulatory determinations for SA Water.

Figure 12: Actual and forecast capital expenditure vs regulatory determinations, 2013-14 to 2019-20 (\$nominal)

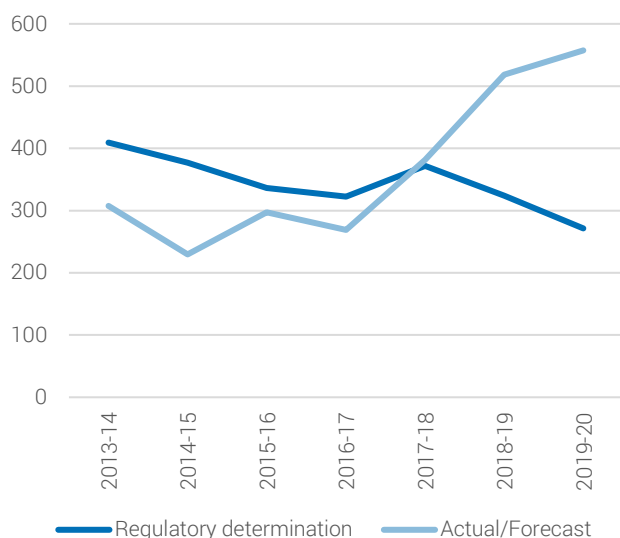
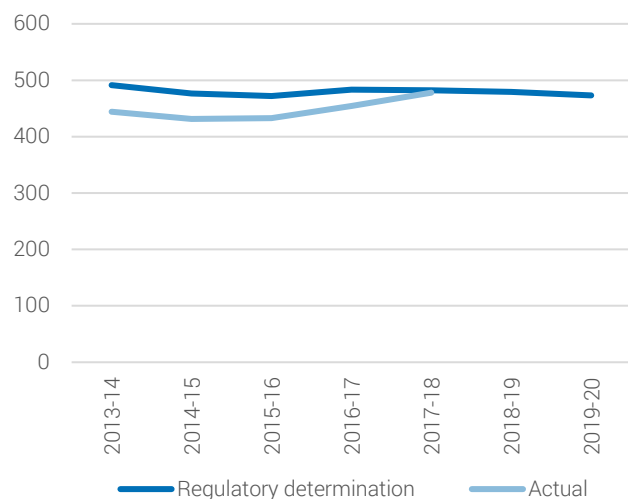


Figure 13: Actual operating expenditure vs regulatory determinations, 2013-14 to 2017-18 (\$nominal)

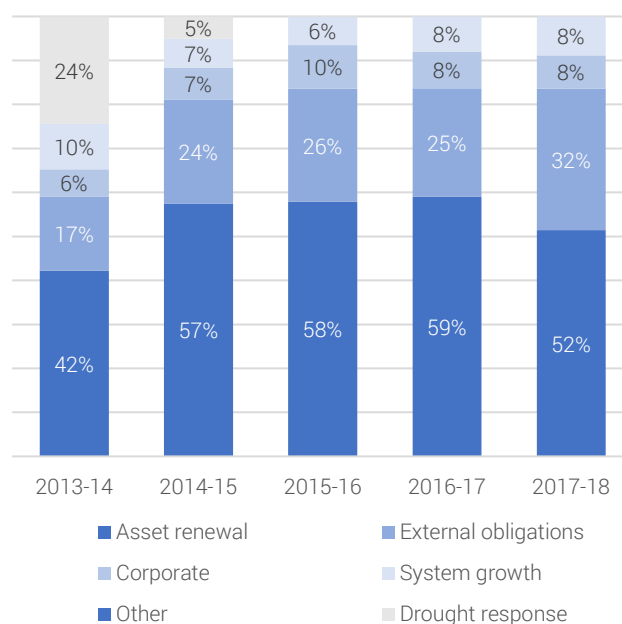


## Composition of capital expenditure

Capital expenditure refers to the monies spent by SA Water on investment in new assets including expenditure on new works, renewals or replacements.

Figure 14 shows the composition of SA Water's capital expenditure for both drinking water and sewerage retail services.

Figure 14: Composition of SA Water's total capital expenditure



## Further information

The complete time series performance data for SA Water can be found at: <http://bit.ly/water-regulatoryperformancereports>.

In addition, SA Water publishes information on a quarterly basis on its customer service and operational performance against service standard targets at: <https://www.sawater.com.au/about-us/our-commitment-to-you/our-performance-scorecard>.

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).

Essential Services Commission

GPO Box 2605 ADELAIDE SA 5001

Telephone: (08) 8463 4444

E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)

Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)