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Essential Services Commission of SA
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SAFRRA Inc., Submission: - SA Water Regulatory Determination 2024 - 2028 (RD 24): planning / draft decision

Dear Commission

On behalf of SAFRRA Inc., we wish to thank you for the honour to submit our submission to the Essential Services Commission for the SA Water RD24.

SAFRRA Inc., believes that the proposed SA Water Regulatory Determination 2024 - 28 (RD 24), ESCOSA is undertaking a review of the Water Retail Code - Major Retailers WRC-MR/03. Arrangements are in place to monitor and evaluate SA Water's financial and operational performance.

Customer's expectations for a water utility business in the future hence four yearly regulatory period RD 24. SAFRRA Inc., believes SA Water as a monopoly utility in SA, and State Government backed means ESCOSA has a greater responsibility to South Australians regarding public SA Water's costs and customer's affordability for water.

Listed below are customer expectations for a water utility in the future RD24.

1. Ensures there is an uninterrupted and reliable supply of safe, quality water, even during extreme weather events (global warming).
2. Provides fair and equitable access to water for all South Australians, affordable water supply.
3. Expect cleans and disposes of wastewater in a safe, hygienic way, without risk to humans, wildlife, natural environment.
4. Invests in new solutions / technology that will reduce costs to customers, re preventing water leaks (cameras underground), smart meters, etc.
5. We expect the continual research to maintain clean water supply, normal business activity by SA Water.
6. SA Water please make it easier for customers to identify and report leaks earlier, good customer service, and smart meters. SAFRRA Inc., believes water leaks to be prioritized not the proposed delays SA Water may want to enforce in the RD24. SA Water monitors leaks and mains break with minimise water wastage, enforced by SA Water.

1.

Listed below are customer expectations for a water utility in the future RD24.

7. Not without saying SA Water acts ethically, with transparency, integrity and openness, ESCOSA must insure this happens. SAFRRA Inc., is led to believe these aspects need to be tightened so it actual happens.
8. SAFRRA Inc., believes in today's financial environment, cost of living, employment forecast to drop, high interest rates, huge hikes in mortgage interest rates and more businesses heading for insolvency. SA Water customers are under added stress to afford SA Water's utility costs. Keep water supply and sewerage affordable.
9. Ensure that SA Water customers can easily access hardship programmes and keep water supply on in their households. These measures are curial for all South Australians, especially the disabled, aged pensioners, unemployed, those residents and ratepayers on any benefit, first nation people, self-foundered retirees and the renters.

Consumer protection for tenants

10. SAFRRA Inc., believes all renters should have the same rights as every other resident and ratepayer in South Australia, SA Water customers, the renters to have access to hardship policies and access to their SA Water bill. These rights for renters has been a long time coming to be able to access their bills and hardship policies.

We believe legislation changes need to be implemented to enable rental customer's access to their water bills not just only the owner. Renters having all the detailed information to accessing SA Water's hardship policies by the review of the Residential Tenancies Act for residential tenancy agreements / documents naming the renter /s that would be then passed onto SA Water Customer Service. Renters legally to be able to access their water bills and for SA Water to list a phone number / email address on their bills for renters to contact regarding hardship policies and payment plans which are available.

We request that ESCOSA ask SA Water about their long term plan regarding treating tenants as water customers. We believe after ten years dealing with this issue little progress for tenants has been achieved for renters to be treated as customers has been actually implemented by SA Water. Enough is enough.

11. Not without saying to create more green space and cooler areas, residents and ratepayers should have an allowance / discount to water their gardens and green space around their home. These water costs for many SA Water customers are unaffordable and as a result are creating brown dry areas, hotter environments in the community. SA Water to avoid implementing water restrictions.
12. SAFRRA believes SA Water must ensure that a system be in place to stop the spreading of the impact of high bills in peak seasons, especially in the current financial and economic environment, utility bills stress.

2.

Family violence consumer protection

SAFRRA Inc., very strongly believes that there must be present consumer protection for SA Water customers experiencing family violence and to be implemented immediately. No individual or group are to be left unprotected: the partner, children elderly (elder abuse), 'family violence' protection to ensure people do and will get the support they need sooner rather than later.

SAFRRA Inc., believes that the current financial environment: high cost of living, mortgage stress, unemployment, and drug and alcohol addiction in the community people are staying together under acute family violence. Many may believe they have no other choice but stay in the current family environment, accept these at times life threatening terrible conditions to keep the family together. Especially when having no family or friends support.

Monitory and Evaluating Performance Frameworks Service

SAFRRA Inc., believe many residents and ratepayers find it difficult to locate performance reports on SA Water's website. We support an independent analysis by ESCOSA of SA Water's performance reports and publications to be more transparent to all SA Water's customers.

SA Water is failing to report on hardship and payment plan information separately, how we can know the real figures printed are correct to give the independent body ESCOSA the true picture of hardship amongst SA Water customers, essential to know.

SAFRRA Inc., supports SA Water to be asked to report on additional indicators around hardship plans, debt levels both before and after entering a payment plan/s. This will support SA Water's business plan and show the full extent of customers in financial hardship which we believe will increase in the current South Australian / Australian environment.

We believe it is the right thing to do for SA Water to provide information publicly and regular than for either an individual, group or a regulatory body having to go through to the freedom of information for requests.

All stakeholders need to understand what are the issues / problems to be able to respond to SA Water's Regulatory Business Proposals. Sooner rather than later, no delays. The public in South Australia so to speak own the SA Water and residents and ratepayers have a right to know without smoke and mirrors SA Water's Regulatory Business Proposals.

SA Water's Challenging Previous Years Impacting RD24, SAFRRA Inc., believes SA Water and all of Australia have had to manage the COVID - 19 protocols, vaccinations, hygiene, collective risks, and staff risks (staff required working from home). Government COVID -19 restrictions, affecting operations and project delivery restricting movement both local and interstate, constraining interactions and isolation requirements.

SA Water's business service desk, treatment plants, non-essential construction activities. Projects delayed, additional costs cleaning, protective clothing, rapid antigen tests, additional labour re safety. Labour shortages, retaining staff. Overall COVID - 19 has caused additional cost to SA Water and projects delayed but commencing these projects have incurred increased costs, labour shortages, and materials being more expensive. Business after COVID - 19, the cost impacts RD24. As a result will more services and projects be delayed or abandoned. Will the next Regulatory Period have services reinstated and projects commenced?

SA Water's Reporting - financial, performance, investments and 30 year asset management SA Water customers find it difficult to locate performance reports on SA Water's website, this must improve immediately. ESCOSA as an independent body position to able to easily review and analyse SA Water published information, is this information correct. Another aspect is for SA Water must report on hardship and payment plan data separately. Even SACOSS would like to view more reporting on debt, hardship to really know how many customers are really struggling financially.

SAFRRA Inc., would like to see **annual and quarterly performance statements** to be easily available on SA Water's website. **Annual financial performance report** available on SA Water's website but we would like to see the quarterly financial performance report. Why not see these financial issues that can be managed correctly before they may seem out of control in 12 months. The **key investment areas of report** showing ESCOSA and stakeholders the asset management plan against proposed investment expenditure in the regulatory period.

The **30 year asset management plan** focusing on longer-term investments, if we know the projected value of the future costs approaching they can be costed into different regulatory periods. Thus avoiding huge spikes in water and sewerage pricing costs for residents and ratepayers in one or two set regulatory periods, these water rate bills (spikes) being unaffordable water cost to the customer.

Costs escalate and materials availability

SAFRRA Inc., believes, not just for what SA Water is experiencing in the current and future materials costs escalating, which will result in major increase in costs to finish and start projects. SA Water in one of the largest users of electricity and current hikes in electricity cost are effecting SA Water by the added costs to the business. SA Water can purchase electricity at wholesale spot prices. Cost of Chemicals used have increased significantly. As a result some projects may need to be deferred into the next / next regulatory period. Future customers we believe will be paying more for water and sewerage prices, with project delays and we believe these costs for water will become unaffordable to most SA Water customers in the coming years.

SA Water like the many of us in South Australia is having to deal with **interest rate rises**, impacting into the business of SA Water operating costs resulting in increasing water and sewerage cost to the customers. Many businesses and homeowners are suffering severely and are struggling to pay their **mortgage rate repayments**, increases effecting their ability to pay rising cost of living expenses and utility bills (Water Bills).

Major **material costs increases** and availability of materials has and will add further costs to SA Water's business affecting maintenance and project works and again these works being deferred into the next regulatory period or beyond.

SA Water's maintenance and project works will be delayed by **the shortage of labour and expertise, plus increased cost of labour** again adding to the costs of completing maintenance and project works pushing up water and sewerage prices to SA Water customers in the future.

SAFRRA Inc., believes with these **massive increases in costs – that's labour and materials** what works will actually be completed and in then in what regulatory period will they actually be completed or abandoned.

We are wondering what maintenance and project works will actually get started and completed in the coming years and in what regulatory period is a question ESCOSA and all stakeholders need to know in RD24. Thank you.

Kevin Kaeding
President
SAFRRA Inc.