

# SIMPLIFYING ANNUAL REPORTING REQUIREMENTS FOR MINOR AND INTERMEDIATE RETAILERS

*Final Decision*

July 2015



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The Essential Services Commission of South Australia 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, please visit [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

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## GLOSSARY OF TERMS

<b>Commission</b>	Essential Services Commission of South Australia
<b>ESC Act</b>	the Essential Services Commission Act 2002
<b>Guideline No. 1</b>	Compliance Systems and Reporting, Water Industry Guideline No. 1 (WG1/02)
<b>Guideline No. 3</b>	Water Regulatory Information Requirements for Minor and Intermediate Retailers, Water Industry Guideline No. 3 (WG3/03)
<b>Intermediate retailer</b>	means a <b>retailer</b> which provides <b>retail services</b> to more than 500 and up to and including 50,000 connections
<b>Minor retailer</b>	means a <b>retailer</b> which provides <b>retail services</b> to up to and including 500 connections
<b>Price Determination</b>	means the 2013-2017 Price Determination for Minor and Intermediate Retailers made by the <b>Commission</b> under the Water Industry Act 2012 and Part 3 of the Essential Services Commission Act 2002
<b>Retailer</b>	means a <b>minor retailer</b> or an <b>intermediate retailer</b> that holds a licence issued by the <b>Commission</b> under Part 4 the Water Industry Act 2012 (SA)
<b>Retail service</b>	means a service constituted by: <ul style="list-style-type: none"> <li>▲ the sale and supply of water to a person for use through a reticulated system, or</li> <li>▲ the sale and supply of sewerage services (the collection, storage, treatment or conveyance of sewerage through the use of a reticulated system) for the removal of sewage.</li> </ul>
<b>WI Act</b>	the Water Industry Act 2012 (SA)

## EXECUTIVE SUMMARY

The Essential Services Commission of South Australia (**Commission**) is established under the *Essential Services Commission Act 2002 (ESC Act)* as a regulator of certain essential services in South Australia, with the primary objective of protecting the long-term interests of South Australian consumers with respect to the price, quality and reliability of those essential services.

In doing so, the Commission collects information on the performance of Minor and Intermediate Retailers<sup>1</sup> (**retailers**) which focuses on:

- ▲ whether retail prices reflect the full, efficient costs of service provision, to ensure customers pay a fair price and the service is financially sustainable
- ▲ customer service and reliability of supply metrics, to highlight systemic issues that are impacting on the quality and reliability of supply to customers
- ▲ whether retailers are providing appropriate financial assistance and consumer protection, as required by the Water Retail Code.

To enable an assessment on performance, retailers have annual reporting obligations in four areas - financial, operational performance, price monitoring and compliance. These reporting requirements are set out in the following regulatory instruments:

- ▲ *Water Industry Guideline No. 1 - Compliance Systems and Reporting (Guideline No. 1)*
- ▲ *Water Industry Guideline No. 3 - Water Regulatory Information Requirements for Minor and Intermediate Retailers (Guideline No. 3)*
- ▲ *2013-2017 Price Determination for Minor and Intermediate Retailers (Price Determination).*

Based on their experiences for the 2013-14 reporting year, retailers provided feedback that the annual reporting process could be simplified. Based on that feedback, the Commission has reviewed the need for simplified annual reporting requirements.

This Final Decision paper sets out the Commission's decision to simplify those requirements by amending the abovementioned instruments to:

- ▲ extend the submission date for the price monitoring reports to 30 November of each year, to align with the submission date for other annual reports to the Commission
- ▲ simplify the Pricing Policy Questionnaire (part of the price monitoring report)
- ▲ simplify sign-off arrangements by requiring a single sign-off to cover all annual reports
- ▲ correct any minor errors identified in Guideline No. 1 and Guideline No. 3.

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<sup>1</sup> A minor retailer means a retailer which provides retail services to 500 or fewer connections. An intermediate retailer means a retailer which provides retail services to more than 500 but less than 50,000 connections.

These changes do not diminish consumer protections, but achieve the same regulatory outcome at a lower cost to retailers and, consequently, customers.

In making this Final Decision, the Commission sought stakeholder comment on the Draft Decision by way of a public consultation, which commenced on 13 May 2015. Submissions were received from:

- ▲ City of Tea Tree Gully
- ▲ City of Onkaparinga
- ▲ City of Port Lincoln
- ▲ Local Government Association of South Australia.

The Commission has been assisted by the submissions it has received through this review process.

Table 1 below summarises the revised annual reporting requirements for retailers.

**Table 1: Annual reporting requirements for Minor and Intermediate Retailers**

Annual Report	Reporting Description	Purpose of Report	New reporting due date and sign-off requirements
<b>Financial Report</b>  <b>Operational Report</b>	Revenue, costs and asset data relating to the retail service  Customer service, financial assistance measures and reliability of supply data relating to the retail service	Demonstrates the degree of cost recovery for retail services  Highlights customer service and reliability issues. Helps demonstrate provision of appropriate financial assistance measures	30 November
<b>Price Monitoring Report</b>	Prices charged, how prices are set, and compliance with pricing principles	Shows price changes and any changes to pricing methodology  Self-assessment of compliance with the pricing principles	Annual Compliance Report Declaration to cover all annual reports
<b>Annual Compliance Report</b>	Compliance with regulatory obligations, e.g. information provision, customer service, quality, safety and reliability of supply etc	Self-assessment of compliance with regulatory obligations	

Further information on annual reporting, annual report templates and guidance material can be found at <http://www.escosa.sa.gov.au/water-overview/reporting-and-compliance/reporting-minor-intermediate-retailers.aspx>.

# 1. INTRODUCTION

## 1.1 Purpose of this Final Decision

The Commission has made a Final Decision on amendments to reporting requirements for Minor and Intermediate Retailers. The changes made are intended to:

- ▲ simplify and align the sign-off requirements for all annual reporting to the Commission
- ▲ streamline the price monitoring reporting requirements relating to compliance with the pricing principles.

Section 3 of this report details the specific changes made to Guideline No. 1, Guideline No. 3 and the Price Determination to give effect to these amendments.

## 1.2 The Commission's role in water and sewerage service regulation

Under the *Water Industry Act 2012 (WI Act)*, the Commission is responsible for the economic regulation of water and sewerage retail services.<sup>2</sup> The WI Act applies to all water and sewerage service retailing operations, regardless of the number of customers to whom those services are provided. This includes services provided by SA Water, Local Government and private operators. The Commission's role includes licensing, consumer protection, performance monitoring, compliance and retail pricing matters.

The regulatory regime is twofold: a Price Determination which guides the cost to consumers of water and sewerage retail services; and a consumer protection framework setting out the behavioural standards and minimum requirements to be complied with by retailers. In administering the regulatory framework, the Commission:

- ▲ monitors retailers' compliance, and promotes improvement, in standards and conditions of service and supply
- ▲ monitors retailers' consumer protection delivery
- ▲ publicly reports on performance of the water industry, which provides South Australian consumers with information on the quality and reliability of services
- ▲ seeks to promote greater transparency of prices, the cost of providing water and sewerage services, and any subsidies being applied to those services.

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<sup>2</sup> A retail service means a service constituted by:

- ▲ the sale and supply of water to a person for use through a reticulated system, or
- ▲ the sale and supply of sewerage services (the collection, storage, treatment or conveyance of sewerage through the use of a reticulated system) for the removal of sewage.

### 1.2.1 *The Performance Monitoring of Minor and Intermediate Retailers*

The Commission's performance monitoring of Minor and Intermediate Retailers' focuses on:

- ▲ whether retail prices reflect the full, efficient costs of service provision, to ensure customers pay a fair price and the service is financially sustainable
- ▲ customer service and reliability of supply metrics to highlight systemic issues that are impacting on the quality and reliability of supply to customers
- ▲ whether retailers are providing appropriate financial assistance and consumer protection, as required by the Water Retail Code.

### 1.3 *Process*

Based on their experiences for the 2013-14 reporting year, retailers provided feedback that the annual reporting process could be simplified. The Commission undertook a review and, in May 2015, released a Draft Decision on proposed changes to simplify annual reporting for retailers. In summary, the Draft Decision proposed to:

- ▲ extend the submission date for the price monitoring reports to 30 November of each year, to align with the submission date for other annual reports to the Commission
- ▲ simplify the Pricing Policy Questionnaire (one of the price monitoring reports)
- ▲ simplify sign-off arrangements by requiring only a single sign-off for all annual reports
- ▲ correct any minor errors identified in Guideline No. 1 and Guideline No. 3.

These proposed changes do not diminish consumer protections, but achieve the same regulatory outcome at a lower cost to retailers and, consequently, customers.

The Commission did not propose any substantive changes to the information being reported by retailers in their annual reports to ensure that processes set up by retailers to collect data would not be affected. Prior to 1 July 2017, the Commission will consult on a full review of regulatory documents to ensure that the framework is operating effectively, reporting requirements are appropriate and that consumers' interests are being protected.

Table 2 below summarises the current and proposed reporting due date and sign-off requirements for Minor and Intermediate Retailers.

**Table 2: Changes to annual reporting requirements for Minor and Intermediate Retailers**

Reference Document	Annual Report	Reporting Description	Previous reporting due date and sign-off requirements	Proposed reporting due date and sign-off requirements
<i>Water Industry Guideline No. 3 – Water Regulatory Information Requirements</i>	<b>Financial Report</b>	Revenue, costs and asset data relating to the retail service	30 November	30 November
	<b>Operational Report</b>	Customer service, financial assistance measures and reliability of supply data relating to the retail service	Responsibility Statement	
	<b>Price Monitoring Report</b>	Prices charged, how prices are set, and compliance with pricing principles	31 August	Annual Compliance Report Declaration to cover all annual reports
<i>Water Industry Guideline No. 1 – Compliance Systems and Reporting</i>	<b>Annual Compliance Report</b>	Compliance with regulatory obligations, e.g. information provision, customer service, quality, safety and reliability of supply etc	30 November Declaration	

In accordance with Part 4 of the ESC Act and the Commission’s *Charter of Consultation and Regulatory Practice*,<sup>3</sup> the Commission consults with all stakeholders when making or varying Price Determinations and industry guidelines.

With the release of the Draft Decision in May 2015, the Commission invited written submissions on its proposal to simplify annual reporting for retailers as described above. The Commission received submissions from the City of Tea Tree Gully, the City of Onkaparinga, the City of Port Lincoln and the Local Government Association of South Australia,<sup>4</sup> and had discussions on the proposals with various other stakeholders.

The issues raised by stakeholders through the consultation period have been carefully considered and, where relevant, certain arguments and submissions have been mentioned in the text to assist in understanding the decisions that have been reached.

<sup>3</sup> Refer: <http://www.escosa.sa.gov.au/consultation/charter-of-consultation-and-regulatory-practice.aspx>

<sup>4</sup> Copies of the submissions received are available on the Commission’s website at <http://escosa.sa.gov.au/projects/223/simplifying-annual-reporting-requirements-for-minor-and-intermediate-retailers.aspx>

A failure to reference an argument or submission does not mean that it has not been taken into account in reaching the final positions. While not all of the positions put in the submissions have been adopted, all submissions have been helpful in considering each of the relevant issues.

## 2. DISCUSSION

Respondents to the Draft Decision were generally supportive of the proposed changes set out in the Draft Decision. The City of Tea Tree Gully, the City of Port Lincoln and the Local Government Association of South Australia supported all of the proposed simplifications. The City of Onkaparinga supported the principle of a single reporting date and simplification of the Pricing Policy Questionnaire, but had some reservations over the proposed single sign-off of all annual reports.

Taking into account the matters raised, the Commission has reviewed its rationale for the proposed changes, and sets out its Final Decision below.

### *2.1 Price monitoring reports and publication of pricing information*

The Price Determination and Guideline No. 3 require all retailers to submit their price monitoring reports by 31 August of each year. Price monitoring reports consist of:

- ▲ a Pricing Schedule
- ▲ a Pricing Policy Statement – explaining how prices were developed by the retailer
- ▲ a Pricing Policy Questionnaire - demonstrating whether retail prices are compliant with the pricing principles set out in the Price Determination.<sup>5</sup>

The Draft Decision proposed to align the submission dates for all regulatory reporting to the Commission by extending the submission date for all elements of the price monitoring annual reports from 31 August to 30 November of each year.

Submissions to the Draft Decision supported aligning the submission dates for all regulatory reporting. Accordingly, the Commission reaffirms its Draft Decision to extend the submission date for the annual price monitoring report.

Guideline No. 3 required retailers to publish their Pricing Schedule and Pricing Policy Statement on their website by 31 August each year. As prices, and the methodology used to develop those prices, could change during the year, the Commission has decided instead to require each retailer to publish its Pricing Schedule and Pricing Policy Statement on its website within two months of changing prices. Pricing information must be readily accessible on the retailer's website, and it should have in place operating procedures to direct customers with pricing related queries to the right part of their website.

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<sup>5</sup> The pricing principles relate primarily to cost recovery of services. For the first regulatory year, retailers were required to provide information demonstrating how each pricing principle was being met (positive assurance). The pricing principles are set out in the Price Determination available at <http://www.escosa.sa.gov.au/projects/182/economic-regulation-of-minor-and-intermediate-water-retailers.aspx>.

### **Final Decision:**

The submission date for the annual price monitoring report (Pricing Schedule, Pricing Policy Statement and Pricing Policy Questionnaire) will be extended from 31 August to 30 November of each year. Retailers may continue to submit reports to the Commission earlier if preferred.

Retailers will also be required to publish Pricing Schedules and Pricing Policy Statements on their websites within two months of changing prices, and all pricing information must be on a readily accessible part of their website.

## *2.2 Pricing Policy Questionnaire simplifications*

The Draft Decision proposed to simplify the Pricing Policy Questionnaire. The proposed Pricing Policy Questionnaire was released with the Draft Decision.<sup>6</sup>

The proposed Pricing Policy Questionnaire will require retailers to state their level of compliance with each pricing principle (compliant, partially compliant or non-compliant) and provide detailed information only where they are not fully compliant with a pricing principle. Retailers should explain the remedial action being undertaken to ensure full compliance is achieved. This is considered to be less onerous for retailers than the current requirements, particularly those retailers that completed a full self-assessment against the pricing principles for the 2013-14 reporting year.

Submissions to the Draft Decision supported simplifying the Pricing Policy Questionnaire. Retailers have also asked for the Commission to provide more guidance on the application of the pricing principles. The Commission maintains a plain English Explanatory Memorandum<sup>7</sup> that describes the provisions of Guideline No. 3. Part D (Price Monitoring and Reporting) of this Explanatory Memorandum will be updated to provide further guidance on the application of the pricing principles to assist retailers in completing the Pricing Policy Questionnaire.

Accordingly, the Commission reaffirms its Draft Decision in respect to the Pricing Policy Questionnaire simplifications. The amended Pricing Policy Questionnaire is available on the Commission's website.

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<sup>6</sup> Available at <http://www.escosa.sa.gov.au/projects/223/simplifying-annual-reporting-requirements-for-minor-and-intermediate-retailers.aspx>.

<sup>7</sup> The Essential Services Commission of South Australia, *Water Industry Guideline No. 3 - Water Regulatory Information Requirements for Minor and Intermediate Retailers – Explanatory Memorandum*, August 2014, available at [http://www.escosa.sa.gov.au/library/140804-Water-Guideline-WG3-03-Minor\\_IntermediateRetailers-ExplanatoryMemo.pdf](http://www.escosa.sa.gov.au/library/140804-Water-Guideline-WG3-03-Minor_IntermediateRetailers-ExplanatoryMemo.pdf).

**Final Decision:**

The Pricing Policy Questionnaire will be amended by requiring retailers to state their level of compliance with each pricing principle. Explanations will only be required for principles where a retailer does not assess itself as being fully compliant. By 31 August 2015, the Commission will update the Explanatory Memorandum for Guideline No. 3 to provide further guidance on the application of the pricing principles to assist retailers in completing the Pricing Policy Questionnaire.

The Pricing Policy Questionnaire submission date will be 30 November of each year.

### 2.3 *Sign-off requirements simplification*

A retailer is required to give assurance over the accuracy of the data and information provided in its annual reports to the Commission. For the 2013-14 reporting year, retailers were required to provide:

- ▲ a price monitoring annual report with a signed responsibility statement
- ▲ a financial and operational performance annual report with a signed responsibility statement
- ▲ a signed Annual Compliance Report.

The Draft Decision proposed that the sign-off of the Annual Compliance Report would warranty the accuracy of all annual reporting information provided to the Commission.

Guideline No. 1 specifies who in an organisation may approve and sign the Annual Compliance Report on behalf of the licensed retailer (for example the Chief Executive Officer under delegation). The person(s) responsible for approving and signing the Annual Compliance Report would provide a warranty to the Commission, regarding the accuracy of the data and information provided in all reports.

The City of Onkaparinga's submission stated that the Commission should be mindful that a single sign-off could delay the submission of reports if there was an internal concern with one of the reports, and that the Commission should consider allowing annual report sign-off by a responsible officer under delegation of the Chief Executive Officer.

The Commission has considered the comments made by the City of Onkaparinga, but has reaffirmed its Draft Decision for the following reasons.

First, retailers should have systems and processes in place to ensure that all reports can be completed and signed off within five months of the year's end. In the event that a retailer incurs an unexpected delay in submitting annual reports, the Commission may consider a request by a retailer for a short extension of time to submit the signed reports.

Second, it is presumed that the role of Chief Executive Officer (or equivalent) has the appropriate degree of accountability to certify the accuracy of information contained in the retailer's annual reports and the integrity of the retailer's compliance reporting system.

However, to cater for different organisational structures, clause 3.10 of Guideline No. 1 provides for Commission approval of alternative sign-off options. In seeking an alternative option, the retailer must demonstrate to the Commission that it has a sound and effective compliance system.

**Final Decision:**

A retailer will be required, in its Annual Compliance Report, to warrant the accuracy of information contained in all its annual reports submitted to the Commission. The Annual Compliance Report will be signed in accordance with the requirements of Guideline No. 1.

## 3. AMENDMENTS TO GUIDELINES

For the reasons set out above, the Commission’s Final Decision is to amend the provisions of Guideline No. 1 and Guideline No. 3 as set out below. For the avoidance of doubt, all other provisions remain unchanged.

### 3.1 Amendments to Guideline No. 1

#### 3.1.1 Annexure D – Annual Compliance Report for Minor and Intermediate Retailers

To give effect to the Commission’s Final Decision to have a single sign-off requirement that warrants the accuracy of information in all annual reports, clause 5 of Annexure D – Annual Compliance Report for Minor and Intermediate Retailers will be amended by replacing the current text with the following:

5. *Both Directors\*/ External Directors\*/ parent company External Directors\*/ Member of Compliance Committees\*/ External Members of Compliance Committee\*/Chief Executive Officer (or equivalent)\* who have signed the Report below state that:*

*“We certify that we have made all necessary inquiries of appropriate officers in this organisation to confirm that management has developed a robust compliance system that meets the regulatory arrangements relating to the water industry in South Australia, and that the system has been implemented and is being appropriately used by the organisation. Further, we warrant the accuracy of data and information provided in the reports prepared in accordance with the Price Determination for Minor and Intermediate Retailers and Water Industry Guideline No. 3 - Water Regulatory Information Requirements for Minor and Intermediate Retailers.*

#### 3.1.2 Additional Amendments

Further, minor amendments have been made to the following provisions to reduce uncertainty around how Guideline No. 1 is to be applied. These amendments do not change the nature of the requirements:

- Clause 1.1.3 – unnecessary words removed
- Clause 1.1.4 – inserted to reflect current practice for classifying information
- Clause 1.3.1 – unnecessary word removed
- Clause 1.4 – removed as it does not apply to Guideline No. 1
- Clause 1.6.1 – email address updated
- Clause 3.3.2 – updated reference to Annexures
- Clause 3.3.3 – updated reference to Annexures
- Clause 3.4.1 – updated reference to Annexure
- Clause 3.4.2 – updated reference to Annexures

- Clause 3.5.1 – updated reference to Annexure
- Clause 3.6.1 – updated reference to Annexure
- Clause 3.6.2 – updated reference to Annexure
- Clause 3.6.3 – updated clause references
- Clause 3.6.3(d) – unnecessary word removed
- Clause 3.6.3(e) – separated into clause 3.6.3(e) and clause 3.6.3(f)
- Clause 3.6.4 – updated clause references
- Clause 3.6.5 – updated clause references
- Clause 3.8.2 – updated reference to Annexure and corrected grammatical errors
- Section 4 Glossary – updated reference to Annexures

Annexures A to D have been revised to the following:

- *Annexure A – Material Breach Compliance Report* which includes a list of all Type 1 indicative obligations.
- *Annexure B – Quarterly Compliance Report for Major Retailers* which lists all indicative obligations for a quarterly report
- *Annexure C – Annual Compliance Report for Major Retailers* which lists all indicative obligations for an annual report
- *Annexure D – Annual Compliance Report for Minor and Intermediate Retailers* which lists all indicative obligations for an annual report

## 3.2 Amendments to Guideline No. 3

### 3.2.1 General principles of preparation

To give effect to the Commission’s Final Decision to simplify sign-off requirements, clause 2.6.2(c) has been deleted and clause 2.4 will be amended by replacing the current text with the following:

#### 2.4 Warranty of the accuracy of submitted information and data

2.4.1 *The accuracy of data and information provided in the reports prepared in accordance with this Guideline must be warranted in accordance with the requirements of **Guideline No. 1**. For the avoidance of doubt, signing the Annual Compliance Report, as set out in Annexure D of **Guideline No. 1**, also warrants the accuracy of all data and information reported by a **retailer** in accordance with this Guideline.*

### 3.2.2 Information requirements for financial performance reporting

To give effect to the Commission’s Final Decision to have a single sign-off requirement that warrants the accuracy of information in all annual reports, clause 4.2 will be amended by replacing the current text with the following:

#### 4.2 Summary of reporting requirements

- 4.2.1 A **retailer** must prepare **regulatory accounting statements** in accordance with the proformas in Schedule 1 and the specific requirements in this Guideline in respect of each 12 month regulatory accounting period.
- 4.2.2 In respect of the **regulatory accounting statements**, a **retailer** must unless agreed in writing with the **Commission**, by no later than 30 November immediately following the start of each regulatory year submit to the **Commission** an electronic copy of:
- (a) **regulatory accounting statements**, including disaggregation statements and other workpapers;
  - (b) the audited **statutory accounts** of the Entity or Entities that have been disaggregated to provide the **regulatory accounting statements**; and
  - (c) the **regulatory accounting principles and policies** and any details of changes or developments, as referred to in clause 3.1.
- 4.2.3 Where required by the templates, a **retailer** must prepare explanatory notes which explain the basis of the information recorded in the **regulatory accounting statements**.

### 3.2.3 Information requirements for operational performance reporting

To give effect to the Commission's Final Decision to have a single sign-off requirement that warrants the accuracy of information in all annual reports, clause 5.1.2 and clause 5.3 will be amended.

Specifically, clause 5.1.2 will be amended by replacing the current text with the following:

#### 5.1 Use of proformas to report information

- 5.1.2 Those Operational Performance Proformas specify how information is to be reported to the **Commission**, including general guidance notes where relevant.

Clause 5.3 will be amended by replacing the current text with the following:

#### 5.3 Annual Reporting

- 5.3.1 The **Commission** has determined that **retailers** to whom this guideline applies need only provide an **annual operational report** to the **Commission** in respect of each 12 month period 1 July to 30 June.
- 5.3.2 In respect of the **annual operational report**, a **retailer** must unless agreed in writing with the **Commission**, by no later than 30 November immediately following the end of each regulatory year, submit to the **Commission**:
- (a) an electronic copy of the report using the **Commission's** reporting template;

- (b) ensure that the report conforms with the relevant *Operational Performance Proformas and guidance notes in Schedule 2*; and
- (c) any other report or information identified by the **Commission**.

### 3.2.4 Information requirements for price monitoring and reporting

To give effect to the Commission's Final Decision to extend the submission date of the price monitoring reports and to have a single sign-off requirement that warrants the accuracy of information in all annual reports, clause 6.3 will be amended by replacing the current text with the following:

#### 6.3 Annual Reporting

6.3.1 The **Commission** has determined that **retailers** to whom this guideline applies need only provide an **annual pricing report** to the **Commission** in respect of each 12 month period 1 July to 30 June.

6.3.2 In respect of the **annual pricing report**, a **retailer** must:

- (a) unless agreed in writing with the **Commission**, by no later than 30 November immediately following the start of each regulatory year submit to the **Commission** an electronic copy of:
  - (i) a completed Pricing Policy Questionnaire;
  - (ii) a completed Pricing Schedule; and
  - (iii) a completed Pricing Policy Statement.
- (b) ensure that the material provided under clause 6.3.2 (a) conforms with the relevant *Price Monitoring and Reporting Proformas and guidance notes in Schedule 3*; and
- (c) provide to the **Commission** any other report or information identified by the **Commission**.

6.3.3 Additionally, a **retailer** must:

- (a) publish on its website within two months of changing its retail prices:
  - (i) a Pricing Schedule; and
  - (ii) a Pricing Policy Statement.
- (b) publish all pricing information on a readily accessible part of its website.

### *3.2.5 Proforma PM3.1 – Pricing Policy Questionnaire*

To give effect to the Commission’s Final Decision to simplify the Pricing Policy Questionnaire, the Pricing Policy Questionnaire has been replaced with a new version.

## 4. VARIATION TO THE 2013-2017 PRICE DETERMINATION FOR MINOR AND INTERMEDIATE RETAILERS

For the reasons set out above, the Commission's Final Decision is to amend the provisions of the Price Determination as set out below. For the avoidance of doubt, all other provisions remain unchanged.

### 4.1.1 Authority

The 2013-17 Price Determination for Minor and Intermediate Retailers was made by the Commission on 28 June 2013 under Part 3 of the ESC Act, as authorised by Part 4, Division 3 of the WI Act, regulating conditions relating to prices for water and sewerage retail services provided by Minor and Intermediate Retailers.

The Commission has varied the Price Determination pursuant to section 26(8) of the ESC Act.

### 4.1.2 Variation to the Price Determination

Clause 2.3.1 of the Price Determination is varied, on and from the commencement date, to change the reporting requirements due date to "30 November each year". The varied clause reads:

A **retail licensee** must provide the **Commission**, by 30 November each year:

- (a) a Pricing Schedule containing the **retail prices**, fees and charges for **water services** and **retail services** imposed by the **licensee**, for the current and previous **financial year**; and
- (b) a Pricing Policy Statement demonstrating compliance of those **retail prices** with the **National Water Initiative Pricing Principles** relevant to the **retail services** offered by the **licensee**, in accordance with clause 2.1.1 of this **determination**.

### 4.1.3 Commencement

The Price Determination as varied has effect on and from 23 July 2015, and is to apply until 30 June 2017.

## 5. NEXT STEPS

The changes made in this Final Decision come into force with immediate effect.

The following updated documents are also released:

- ▲ *2013-17 Price Determination for Minor and Intermediate Retailers*
- ▲ *Water Industry Guideline No. 1 – Compliance Systems and Reporting*
- ▲ *Water Industry Guideline No. 3 – Water Regulatory Information Requirements for Minor and Intermediate Retailers*
- ▲ Financial, Operational and Price Monitoring Reporting excel templates (Excel)
- ▲ Pricing Policy Questionnaire template (Word)
- ▲ Annual Compliance Report template (Word)
- ▲ Annual Reporting Checklist for Minor and Intermediate Retailers

All of these documents can be found at:

<http://www.escosa.sa.gov.au/water-overview/reporting-and-compliance/reporting-minor-intermediate-retailers.aspx>

By 31 August 2015, the Commission will provide further guidance on application of the pricing principles to help retailers complete the Pricing Policy Questionnaire.

Prior to the end of the first regulatory period (30 June 2017), the Commission will consult on a full review of regulatory documents to ensure that the regulatory framework is operating effectively, reporting requirements are appropriate and that consumers' interests are being protected.

To assist retailers in implementing the consumer protection framework, retailers are invited to contact the Commission should any matters or questions arise. Information sessions and detailed support is available on all aspects of the Commission's consumer protection, pricing and reporting framework. Inquiries should be directed to [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) or by calling the Commission switchboard on (08) 8463 4444.



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