



# FACT SHEET

## Compliance Reporting Fact Sheet Minor and Intermediate Water Retailers

From 1 January 2013, any person or entity providing “water retail services” to South Australian customers will be required to be licensed by the Commission. This document gives a summary of the compliance reporting obligations applicable to Minor and Intermediate Water Retailers each year.

- A **minor retailer** means a retailer which provides retail services to 500 or fewer connections, with minor licensee having the same meaning.
- An **intermediate retailer** means a retailer which provides retail services to more than 500 but fewer than 50,000 connections, with intermediate licensee having the same meaning.

The Commission has established *Water Industry Guideline 1 – Compliance Systems and Reporting (Water Guideline No. 1)* which:

- encourages regulated entities to actively cooperate in the early reporting and rectification of any identified non-compliance;
- uses a risk based approach as far as possible in both compliance monitoring and enforcement, based on the likelihood of a breach of a regulatory obligation and the possible consequences (for example, on South Australian consumers) of such a breach; and
- reserves stronger enforcement action (for example, prosecution) for more serious cases involving wilful or systemic non-compliances with major consequences, or circumstances in which other processes have not had the desired remedial effect.

The Commission adopts a multi-tiered approach to compliance reporting, based on the assessment and categorisation of obligations arising under applicable regulatory instruments (for example, the water retail licence and the *Water Retail Code – Minor and Intermediate Retailers*).

The Commission expects that Minor and Intermediate Retailers will monitor compliance with all regulatory obligations throughout the year and resolve any potential non-compliances as they arise. However, the Commission only requires reporting on these regulatory obligations as follows:

- **Type 1:** those regulatory obligations which are identified as being of such importance that a breach of one gives rise to an immediate requirement to provide to the Commission a Material Breach Compliance Report; and
- **Type 3:** all regulatory obligations other than those identified as Type 1, a breach of which must be identified to the Commission in the Annual Compliance Report.

**Material Breach Compliance Reports** must be provided to the Commission in the form set out in Guideline No. 1 if a Minor or Intermediate Retailer breaches a Type 1 obligation, or an obligation that the Commission or a retailer otherwise considers to be “material”. This report must be provided as soon as the retailer becomes aware of the breach and, in any event, no later than 3 days after becoming aware that the breach has occurred.

**Annual Compliance Reports** must be provided to the Commission by Minor and Intermediate Retailers in respect of all Type 1 and Type 3 obligations in the form set out in Water Guideline No. 1, by 30 November of each reporting year. Minor and Intermediate Retailers are required in their Annual Compliance Reports to warrant the accuracy of information contained in all of their annual reports to the Commission.

The Commission encourages Minor and Intermediate Retailers to remain in regular contact with it, should any issues or questions arise.

The Commission also has a range of stronger administrative enforcement options provided for in the ESC Act and relevant industry regulation acts, such as verbal and written warnings, formal Warning Notices and prosecutorial and disciplinary powers (reserved for the more serious matters of non-compliance).

The Commission has published an **Enforcement Policy**, providing guidance on the criteria and processes it uses in determining the type of enforcement action required on a case by case basis.

#### MORE INFORMATION – COMPLIANCE REPORTING

Refer to ***Water Industry Guideline 1 – Compliance Systems and Reporting*** and ***Enforcement Policy*** for further information.

#### FURTHER INFORMATION

If you have any questions or would like to discuss any matter relating to regulatory reporting, please contact the Commission on 08 8463 4444 or at [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)



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