



Fact Sheet



Water Industry Operational and Performance Reporting

Introduction

This explanatory note aims to provide background and transparency in relation to the Essential Services Commission's (**Commission**) reporting requirements. It has been developed as part of a joint project between water industry regulators (Technical Regulator, Environment Protection Authority, Department for Health and Ageing, Department of Environment, Water and Natural Resources and the Commission) to highlight the legislative and practical reasons for the request of certain data, and how those data are used.

Background

The Water Industry Act 2012 (**Water Act**) governs all water industry entities providing 'retail services' to South Australian customers. A 'retail service' is the sale and supply (even if the service is not actually used) of:

- ▶ water to a person for use where the water is to be conveyed by a reticulated system, or
- ▶ sewerage services (the collection, storage, treatment or conveyance of sewage through a reticulated system) for the removal of sewage.

The Water Act establishes the regulatory framework for the water and sewerage industry covering economic regulation, technical regulation, water planning and customer complaint handling. The Water Act applies to all water and sewerage service retailing operations, regardless of the location or number of customers to whom those services are provided. It covers services provided by SA Water, Local Government and private operators.

The Commission has functions under the Water Act for licensing, consumer protection, performance monitoring, compliance and retail pricing.

In order to perform its performance monitoring functions, the Commission has issued guidelines which detail the information it requires to monitor retailers' performance.

These were developed following public and industry consultation in accordance with the Commission's Charter of Consultation and Regulatory Practice.

Further information

Economic regulation of minor and intermediate water retailers

- ▶ <http://bit.ly/regulation-miw-retailers>

Charter of consultation and regulatory practice

- ▶ <http://bit.ly/charterofconsultation>

Under the Essential Services Commission Act 2002 the Commission has the primary objective of:

'... protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services'

Current reporting requirements

For minor and intermediate retailers (those which supply to 50,000 or fewer connections), the Commission collects financial, operational and price monitoring data through Water Industry Guideline No. 3 – Water Regulatory Information Requirements. The reasons for collecting this information are further explained in an associated Explanatory Memorandum, and are summarised below.

Water and sewerage service reliability

The Commission monitors and reports publicly on operational performance to inform customers about the quality and reliability of the services they receive (at an aggregate level) and identify reasons for poor performance. This allows for the comparison of businesses, by gauging relative performance within an industry (comparative competition) or with businesses performing comparable operations in other industries. It also allows for the identification of the baseline performance of individual businesses, providing incentives for improvement.

Performance monitoring also provides information and data for developing service standards (or targets) and for ongoing assessment of compliance with such standards. It also informs the decision-making processes of regulatory agencies, water businesses and the Government. To that end, the Commission collects data on:

- ▶ planned interruptions
- ▶ unplanned interruptions
- ▶ water main breaks
- ▶ sewerage main breaks and chokes, and
- ▶ sewerage overflows.

The Commission only requests data for the total number of water or sewerage service planned and unplanned interruptions. It does not require the reporting of these measures to be disaggregated according to type of customer (for example, residential vs. non-residential) or priority of event, as the additional benefit does not warrant the additional cost.

Statistical information

The collection of statistical data provides information on the nature and scale of a retailer's operation and also assists in making comparisons between retailers. It informs the Commission of any changes to the licenced operations year-on-year.

The Commission requires the reporting of customer number statistics to ascertain the scale of a retailer's operations, and to enable many of the performance measures to be placed in terms of 'per 100 customers', this allows for performance to be more readily compared across water industry entities and for a given retailer.

The Commission monitors the volume of water supplied, in various categories. From the data received, it monitors trends in overall consumption by types of water (for example, drinking water, non-drinking water) and by types of customer (for example, residential and non-residential). Combined with customer number data, trends in average consumption across these categories are also monitored.

The Commission requires length of mains statistics to be reported to indicate the size of the retailer's operation and to enable many of the performance measures to be placed in terms of 'per 100 km of mains'. This allows for performance to be more readily compared across water industry entities and for a given retailer over time.

The Commission also collects data on a retailer's the total number of water connections and sewer connections. The Commission compares data collected under this measure with data collected under customer numbers and uses that information to ensure licensees are paying the correct licence fee, as set by the Treasurer of South Australia.

Further information

Reporting guidelines and explanatory memoranda

- ▶ <http://bit.ly/codesandguidelines>

Water industry licence fees

- ▶ <http://www.treasury.sa.gov.au/economy/water-pricing>

Regulatory Performance Reports

The Commission publishes annual Regulatory Performance Reports to inform stakeholders and consumers of regulatory performance outcomes. Reporting of service and operational performance outcomes helps provide greater transparency to minor and intermediate retailers' customers. It informs customers about the quality and reliability of the services they receive.

Further information

Regulatory performance reports

- ▶ <http://bit.ly/reg-performancereporting>

Review of reporting requirements

The Commission is currently conducting an Inquiry into appropriate regulatory arrangements to apply in relation to the small-scale water, sewerage, non-national market electricity (off-grid) and reticulated liquid petroleum gas operations which it regulates in South Australia. This includes a review of the current reporting arrangements for minor and intermediate water retailers.

The Commission has formed the view that this Inquiry is necessary and desirable to ensure that

the regulatory frameworks which it applies under industry regulation Acts continue to protect consumers' long term interests and are proportionate and responsive having regard to developing trends and technologies in the sectors.

In considering the new regulatory and reporting framework to apply to small-scale operations, the Commission is seeking a risk and outcomes-based solution that better meets the community's needs in a cost effective manner. The Commission welcomes submissions on the review from stakeholders and interested parties.

Further information

Our approach to regulation and advice

- ▶ <http://bit.ly/regulationadvice-factsheet>

Inquiry into regulatory arrangements for small-scale and off-grid water, gas and electricity services

- ▶ <http://bit.ly/inquiry-smallscaleOffgrid>

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.

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