

Water Retail Code Fact Sheet Minor and Intermediate Water Retailers

This fact sheet provides a summary of the key elements of the *Water Retail Code - Minor and Intermediate Retailers (Code)*.

BACKGROUND

The Essential Services Commission of South Australia (**Commission**) is the independent economic regulator of a number of industries which provide essential services in South Australia. The Commission is a statutory authority, established under the *Essential Services Commission Act 2002 (ESC Act)* with 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”.

The Water Industry Act 2012 (**WI Act**) commenced on 1 July 2012. The WI Act establishes the regulatory framework for the water and sewerage industry covering economic regulation, technical regulation, water planning and customer complaint handling. Under the WI Act, the Commission has various regulatory functions in relation to water and sewerage retail services in South Australia; including industry licensing, consumer protection and retail pricing.

The WI Act applies to all water and sewerage retailing operations, regardless of the number of customers to whom those services are provided. Recognising that there are differences in scale and scope of retail operations provided throughout the State, the Commission has established three retail licence classes:

- **Major:** those retailing more than 50,000 customers (currently only SA Water);
- **Intermediate:** those retailing to between 500 and 50,000 customers; and
- **Minor:** those retailing to fewer than 500 customers.

Reflecting those differences, the Commission has adopted a more light-handed approach to regulation of Minor and Intermediate Retailers than that applied to Major Retailers.

WATER RETAIL CODE – MINOR AND INTERMEDIATE RETAILERS

The Code covers the key consumer protections to apply to all Minor and Intermediate Retailers, regardless of whether the retailer is a Council or a private operator.

A summary of the key areas of the Code follows.

- **Customer Sale Contracts** – Commission approved contracts that set out the terms and conditions on which retailers provide water and/or sewerage services to customers;
- **Customer Information Obligations** – requirements for retailers to develop customer charters, enquiry, complaint and dispute resolution procedures (including escalation of complaints to an independent dispute resolution body), customer communication policies and to adopt the residential customer hardship policy published by the Minister for Water and the River Murray;
- **Retailer Supply Obligations** – requirements for retailers in relation to customer connections, the quality and reliability of the supply of retail services, supply interruptions and emergencies and the recovery of monies for the illegal use of retail services;
- **Customer Service Obligations** – requirements for retailers in relation to billing, billing disputes (including undercharging and overcharging), payment methods and flexible payment arrangements; and
- **Restrictions, Disconnections and Restoration of Supply** – prohibitions on the disconnection of sewerage services for non-payment and obligations on retailers prior to the restricting of water services and requirements relating to the timeliness for restoration of supply.

COMMUNICATION OF CUSTOMER RIGHTS AND OBLIGATIONS

Under the Code, there are two mechanisms under which the rights and obligations of retailers and customers are to be clearly set out and communicated: customer sale contracts and customer charters.

In respect of customer sale contracts, the Code reflects the power given to retailers under section 36 of the WI Act to develop deemed statutory contracts for the sale and supply of water and/or sewerage services. This model allows for binding and valid contractual relationships to be deemed to exist between retailers and their customers in respect of the water and/or sewerage service being provided.

Given the binding statutory nature of the contract arising under this section, the WI Act establishes a measure of regulatory oversight and control, by providing that the terms and conditions of such contracts must comply with relevant regulatory requirements imposed by the Commission.

A retailer's customer charter should be a plain language (customer friendly) document which informs customers of their basic rights and responsibilities under their current customer sale contract or agreement. The purpose of a customer charter is to redress the potential imbalance of knowledge between a customer and a retailer in respect of the retail service being provided.

Where Minor and Intermediate retailers have decided not to utilise the statutory contract model (for example, where a local council relies on the rating provisions of local government legislation), the customer charter is the principal document pursuant to which retailers inform customers of their basic rights and responsibilities with respect to the water and/or sewerage service they receive.

ENQUIRIES, COMPLAINTS AND DISPUTE RESOLUTION

Under their Enquiries, Complaints and Dispute Resolution Procedures, Minor and Intermediate Retailers must provide for escalation of complaints to an independent dispute resolution body in the event that the dispute cannot be resolved between the customer and the retailer.

Intermediate Retailers with 5,000 connection points or more are required to join the Energy and Water Ombudsman SA (**EWOSA**) Scheme. While the Commission expects that most other Minor and Intermediate Retailers will choose to join the EWOSA Scheme, other independent, external dispute resolution bodies can be nominated by the retailer in their draft Enquiries, Complaints and Dispute Handling Procedures.

All Minor and Intermediate Retailers must provide their draft Enquiries, Complaints and Dispute Handling Procedures to the Commission for approval.

MORE INFORMATION – WATER RETAIL CODE

A copy of the **Water Retail Code – Minor and Intermediate Retailers** and accompanying **Explanatory Memorandum** can be found at <http://www.escosa.sa.gov.au/water-overview/codes-guidelines/water-codes.aspx>

FURTHER INFORMATION

If you have any questions or would like to discuss any matter relating to the *Water Retail Code – Minor and Intermediate Retailers*, please contact the Commission on 08 8463 4444 or at escosa@escosa.sa.gov.au



The Essential Services Commission of South Australia is the independent economic regulator of the electricity, gas, ports, rail and water industries in South Australia. The Commission's primary objective is the protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

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