

SUBMISSION ON ESCOSA'S STATEMENT OF ISSUES

**Economic Regulation of the South
Australian Water Industry**

February 2011



BusinessSA
Your business is ours

Introduction

Business SA (formerly known as the South Australian Employers' Chamber of Commerce and Industry) is the State's leading business membership organisation, representing thousands of businesses through direct membership and affiliated industry associations.

We represent businesses across all industry sectors ranging in size from micro-businesses to multi-national companies. Business SA is the voice of business in South Australia and advocates on behalf of business to propose legislative, regulatory, policy and program reforms to ensure sustainable economic development in the State.

We deliver a wide range of integrated services to business, including:

- lobbying and representation
- workplace relations advice
- consultancy services
- wide-ranging training programs
- reference publications and handbooks
- international trade services
- management of apprenticeships and traineeships.

As the peak employer organisation in South Australia, Business SA is well placed in representing the interests of members across most industries in South Australia and welcomes the opportunity to make a submission on ESCOSA's Statement of Issues – Economic Regulation of the South Australian Water Industry.

The submission addresses the majority of the questions raised in the Statement of Issues Paper.

Response to Issues

1	<p>Are there any matters in addition to those set out in clauses 21(2) and (3) of the Bill which the Commission should consider when assessing a license application?</p>	No
2	<p>Taking into account the license conditions already mandated by clause 26 of the Bill, are there any additional license conditions that may be appropriate to apply to entities providing water and/or sewerage services?</p>	No
3	<p>Based on its experience in the regulation of other essential services, the Commission considers that a water retail services industry code should:</p> <ul style="list-style-type: none"> - reflect key customer concerns, particularly those related to reliability, billing and payment and complaint handling; - be consistent across the various water industry entities covered by the Bill, while allowing for arrangements to be tailored to reflect differences across the water industry (allow sufficient flexibility to design arrangements to meet localised customer issues); - facilitate consistency with consumer protection measures that apply in other essential services regulated by the Commission. <p>Are there any additional matters which should be dealt with in the development of the consumer protection framework under a water retail services industry code?</p>	<p>Consideration needs to be give to a Retailer of Last Resort.</p>
4	<p>Given the Commission’s understanding that the nature of the water retail service will vary by water type (drinking water, recycled or reuse water) and customer type (residential, commercial, industrial (light and heavy)) does any water industry code need to be tailored in application?</p> <p>What key distinctions give rise to differences across the various water industry entities that the development of any industry codes</p>	

	<p>should consider? How should differences between the retail services provided by different licensees be reflected in any industry code arrangements?</p> <p>Should the Commission make a single Water Retail Services Code or develop a discrete series of separate industry codes to establish its consumer protection framework?</p>	
5	<p>While the Bill indicates that each licensed water industry entity will have an obligation to provide designated services at the request of a designated customer (on standard contract price and terms and conditions), should such an obligation be subject to the customer meeting certain pre-conditions? If so, should any supply pre-conditions be limited to: the customer identifying themselves, providing name and address, contact details for billing purposes, fees and relevant charges for connection, payment of any security deposit and providing safe and unhindered access to their water meter?</p>	
6	<p>For the purposes of any water retail services industry code, what information should be sought from, and provided to, customers in relation to requests for new or upgraded connections to the network?</p>	<p>This may be different for different customer classifications; for industrial sites, growth and different water product requirements information may be required. Information such as this' while useful for new or upgrade request, can also inform a possible independent water planning authority.</p> <p>All aspects of the code should be clear and transparent ensuring that at all times water industry customers are provided with the best available water product and service.</p>
7	<p>Should all licensed entities be required to develop a customer charter and provide a copy to their customers? If so, what basic information should other water industry entities be required to provide to their customers?</p> <p>Should a water retail services industry code only set out "benchmark" or "minimum" requirements that each of the businesses must comply with in relation to customer</p>	<p>Yes – licensed entities should be required to develop a customer charter and provide this to customers in line with current gas and electricity requirements. The current SA Water customer charter is clear and concise, effectively outlining their commitment and responsibilities to customers.</p> <p>Yes - to establish minimum standards customers can expect in a regulated environment is essential. Through the establishment of minimum standards, innovation and</p>

	<p>charters, or should it be more prescriptive?</p>	<p>development of best practice principles can drive the market; customers can easily compare service delivery and price, thereby making informed choices when choosing water retailers.</p>
8	<p>Should all licensees be required to have complaints handling procedures, including the allowance for escalation of disputes, in place?</p> <p>Should all licensees be required to participate in an independent industry ombudsman scheme?</p> <p>Are there other enquiries or complaints handling issues that a water retail services industry code should cover?</p>	<p>Yes - all licensees should be required to have complaints handling procedures, providing for both customer protection and licensee protection.</p> <p>To ensure equity in the way that disputes may be handled an independent industry ombudsman is the preferred option; possible expansion of the current roles and responsibilities of the energy ombudsman could support this role. All customers must have the same opportunity for conflict resolution; an independent ombudsman can provide this.</p>
9	<p>Should all billing requirements apply only to SA Water or should they apply to all licensees? If not, what billing information should other water industry entities be required to provide?</p> <p>Are there other billing and billing information issues that a water retail services industry code should cover?</p>	<p>Billing requirements should apply to ALL licensees; it is important all consumers are able to access the same information regardless of the retailer they choose.</p> <p>In an innovative open water market additional information such as alternative water uses is important, as with the electricity sector, the inclusion of green power.</p> <p>Consumers may be interested in the water portfolio they access from and at what quantities. Ie desal vs rain dependent, recycled vs potable.</p>
10	<p>Should the payment and payment difficulty requirements apply only to SA Water or should they apply to all licensees?</p> <p>Should a water retail services industry code prescribe the minimum requirements for a customer “hardship” program?</p> <p>Are there other payment, payment difficulty or hardship issues that a water retail services industry code should cover?</p>	<p>The same conditions should apply to all licensees; to make a truly independent yet regulated system, transparency of all retailers is important.</p> <p>A minimum requirement will ensure that interpretation of hardship and appropriate actions are the same across all retailers; this can be developed in collaboration with the Customer Advisory Council (CAC).</p> <p>Relevance of Pricing Orders as issued by the Treasurer should be mentioned when developing hardship policies. When the water retail market becomes truly open it may be relevant for ALL water retailers to ensure they have a customer voice with consideration given</p>

		to customer advocacy, if ESCOSA does not develop the CAC to include water issues.
11	<p>Should licensees be permitted to require security deposits in certain limited circumstances?</p> <p>If so, in what circumstances should licensees be able to require security deposits?</p>	<p>A number of ESCOSA comments within this issues paper refer to other jurisdictions and similar circumstances. In Victoria, a security deposit is not demanded unless approved by the commission, indicating the possibility of exceptional circumstances. Careful consideration must be given to this as a bond may be held for extended periods of time without return to the consumer, however with reward (interest) to the retailer.</p>
12	<p>Should protections around restriction of supply for nonpayment apply only to residential and small business customers, with large customers subject to normal credit procedures?</p> <p>Are there other disconnection related issues that a water retail services industry code should cover?</p>	<p>Business SA agrees with the identified conditions with additional thought be given to:</p> <ul style="list-style-type: none"> – Possible danger on high and extreme fire days – Explore and ensure that customers are not disadvantaged due to tenancy arrangements – Inclusion of a possible hardship clause, as in Victoria, where an outstanding amount must be a minimum of \$200 <p>Large business customers should be subjected to normal credit procedures.</p>
13	<p>Are there any special needs requirements that need to be addressed in a water retail services industry code?</p> <p>If so, what are the relevant special needs requirements?</p> <p>Could they be addressed through supply being restricted as an alternative to permitting disconnection where permitted to do so under a water retail services industry code?</p>	<p>Water as identified is an essential service and as such, health and hygiene issues must be considered when addressing restrictive access or disconnection. While restrictive use will address many health and hygiene issues, a balance must be found where the preferred option is to regain full water functions. Consideration could be required when looking at the location of dwelling or business, along with potential fire fighting needs.</p>
14	<p>Does the Commission need to have a separate price disclosure code for the water industry, or should provisions be included in a broad-based water retail services industry code?</p> <p>What price information should be included?</p> <p>Should all water industry entities be required to provide price information?</p>	<p>In developing a sustainable, reliable water portfolio for South Australia, integrated planning and development of a mix of water products is essential. In developing a price disclosure code, consideration is required on ensuring ALL water products are valued for their contribution to Water Security.</p> <p>All water industry entities should be required to meet the same regulation and scrutiny as each other; development and competition should be</p>

		encouraged through transparency, without breaking confidence.
15	<p>Is the list of the above basic components for quality and reliability for the provision of water and sewerage services comprehensive enough to satisfy the needs of customers in South Australia?</p> <p>Are there any other basic components of service that should be included?</p> <p>Should these provisions only apply to SA Water being the major provider of water and sewerage services in SA?</p> <p>Are the provisions considered too onerous to be considered for smaller service providers? If so, what provisions should apply?</p>	<p>Provisions must be consistent across all water industry providers, relative to the service delivered; they must be realistic and in line with services provided the complexity of provisions relative to the size of provider.</p> <p>Provisions must be such that a secure, safe and reliable supply of water is delivered with minimal interruptions that also can be rectified as soon as possible.</p>
16	<p>Should a series of performance measures be newly established or should the existing reporting and performance methodology be maintained?</p> <p>Should the performance standards differentiate between Country and Metropolitan areas as is the current practice or should the same service standards apply on a Statewide basis?</p> <p>Should various regions be established as a refinement to the separation between Country and Metropolitan areas and acknowledgement of smaller service providers and if so, on what criteria should performance measures be set?</p> <p>Should a “best endeavours” performance standard or a minimum service standard with appropriately targeted performance levels be introduced for entities providing water and sewerage services?</p> <p>Should a transitional minimum service</p>	<p>Current measures can act as a baseline in the development, evaluation and efficiency of reporting and performance methodology but should not be considered exclusively. Reduction of red tape while maintaining best practice must be considered.</p> <p>Regulation consistency should be the same across metropolitan and country areas, however consideration must be given to the various operators, partnerships and service provision they are offering. Country consumers should also be entitled to a quality reliable service.</p> <p>The best endeavors approach is working within the electricity distribution system currently and is able to provide regulation consistency.</p>

	<p>standards framework be introduced for later review, with the objective of moving to differential service standards in a subsequent Price Determination to reflect the different costs of delivering the regulated services to different geographical areas?</p>	
17	<p>Are telephone and written responsiveness performance standards important to customers?</p> <p>Are there any other customer service standards that should be applied?</p> <p>Should such standards apply to all licensed water industry entities, or initially confined to SA Water?</p> <p>Should consistent customer service standards be adopted across the energy and water sectors in South Australia?</p>	<p>Yes – it is important to develop a responsive level of performance standards that customers can expect from a service provider.</p> <p>Standards of service should apply to ALL water industry entities, however service standards must be appropriate to services offered and must not prove onerous on small providers. Minimum customer service standards should occur across all essential services.</p>
18	<p>As the Bill gives the Commission the power to regulate the standard terms and conditions to be established under deemed statutory contracts between water entities and customers, what form should that regulation take?</p> <p>For example, should the Commission simply require terms and conditions to be consistent with specified matters or principles, or should the Commission require compliance with a set of specified terms and conditions contained within an industry code?</p>	
19	<p>Should the Commission develop a Water Metering Code? That is, specify the requirements for services such as :</p> <ul style="list-style-type: none"> - the provision of metering installation, meter reading and the associated data services; - meter certification, accuracy and testing; - meter reading, data validation and substitution; and - the requirements of a Water Measurement Management Plan? <p>Is the metering information currently</p>	<p>In regulating the industry and supporting the entry of new providers across the water industry, development of a Water Metering Code will provide clarity and protection for both new businesses entering the market and customers. Consultation with the plumbing industry on this issue is important when considering all aspects of metering.</p>

	<p>available from SA Water adequate for customers? If not, what additional information should be provided to customers? Should all customers have a separate (individual) water meter?</p> <p>If it is thought desirable for all customers to have an individual water meter then it is important to determine who should be responsible for installing the meter, reading the meter and issuing the bills, including who should pay?</p>	<p>While desirable for all consumers to have the assurance of billing based upon usage through individual metering, to comply with this benchmark would be a very significant task. Questions on how this cost would be recovered are raised and as such potentially would become another burden on consumers (all consumers) to recover costs.</p> <p>In opening up the water market when discussing meter installation, licensing in collaboration with the plumbers association is essential. As in the electricity and gas sector reading and billing is the responsibility of the service provider. Cost recovery of the meter does require careful consideration.</p>
20	<p>The Commission considers that the performance reporting framework should be developed having regard to the following principles:</p> <ul style="list-style-type: none"> - performance indicators need to be relevant to the services provided by each business; - performance indicators need to be meaningful and relate to key issues of importance to both businesses and their customers; - performance indicators need to be defined and collected on a consistent basis across businesses to provide a valid measure of actual performance and to allow reasonable comparisons; - the costs of collecting information and data need to be balanced against the benefits of collecting the information. The performance monitoring framework should focus on a reasonable range of meaningful indicators, so it is not excessively onerous or costly to implement; - wherever possible, the framework 	<p>Performance reporting will be important in water regulation; this must be meaningful, targeted and with an assurance that red tape has been reduced as much as possible.</p> <p>In developing performance reporting consideration for small and new retailers is required, once again to ensure that there is a balance of red tape and performance indicators.</p>

	<p>should draw on accepted existing performance indicators to minimise the costs of collecting information and to aid comparison; and</p> <p>- the accuracy and reliability of information provided by businesses must be verifiable.</p> <p>What, if any, additional principles should guide the development of a performance reporting framework to apply to licensed water entities?</p>	
21	<p>Do stakeholders support the development of a comprehensive performance monitoring framework?</p> <p>What sources of performance information should the Commission have regard to in developing the performance reporting framework? Are there any performance monitoring measures in addition to those identified in this Statement of Issues that warrant inclusion in the performance reporting framework?</p> <p>Is annual reporting by the Commission on water entity performance, with ad hoc reports released to respond to any significant events, considered appropriate?</p>	<p>Yes – this is important in developing and ensuring best practice service and ongoing continuous improvement principles.</p> <p>Annual reporting is considered reasonable with ad hoc reporting to be considered carefully to ensure a cohesive collection of performance data.</p>
22	<p>Are there any aspects of the compliance regime that the Commission currently administers that would be problematic if implemented for all water industry entities? If so, how?</p> <p>Should the Commission adopt a different compliance approach to licensees that provide limited retail services to only a small community or region? If so, to what extent?</p>	<p>Compliance is directly linked to the identified role of the commission, and enforcement of improvement in standards and conditions of service and supply.</p> <p>Linked closely to supply standards and conditions is the importance of planning. If planning of water supply and services is departmental (as determined in the draft Water Industry Act 2010) and not independent, a gap may arise in ongoing best practice standards and performance.</p> <p>Consideration needs to be given to how audits of standards in supply and demand will be fed into planning to ensure ongoing continuous improvement in water delivery systems, to water supply.</p> <p>The outlined compliance structure looks fair and provides a water retailer size and distribution equity in the first instance through the “off grid”</p>

		<p>proposed licenses.</p> <p>Greater consideration may be required when assessing and determining compliance regimes across all possible water products.</p>
23	<p>Are there any good reasons why the Commission shouldn't apply direct price controls to SA Water's drinking water and sewerage services?</p> <p>What is the appropriate form of regulation for SA Water's other services?</p> <p>Are there other providers of retail services for which price regulation of some form is required? If so, what form of price regulation should be applied?</p>	<p>No</p> <p>SA Water provides a very complex suite of interactive water products; development of how potential impacts of regulation on current service delivery, pricing of services, opportunity for entry of competitive services must all be considered carefully.</p> <p>Currently there are a number of small retail providers in South Australia; careful consideration must occur to also encourage engagement into the water industry by alternative services, especially niche services, either geographical or product needs. Balanced competition should occur between both regional and metropolitan markets.</p>
24	<p>A key issue for the Commission is whether or not the typical approach used by Australian regulators should be applied to SA Water, in the current context of significant increases in capital expenditure intended to increase the security of water supply in South Australia.</p>	<p>Encouraging the development of a diverse water portfolio to ensure water security should be considered when applying any approach to price regulation. South Australia must continue to explore ALL water options; rain alone cannot be relied upon as a secure water source.</p> <p>Consideration is required along with a level of forward planning in determining a clear direction and vision of water products. Who may be best placed in the market place to develop and deliver innovative water options?</p> <p>Consideration in this area must also be made for water delivery infrastructure as some areas cannot provide alternative water options. For example: greenfield sites verses established suburbs - it is difficult to provide recycled piping (purple pipes) and this alternative water option in developed suburbs.</p>
25	<p>The Commission requests comments on these key drivers and any other drivers that are influencing water demand in South Australia.</p>	<p>A key driver in influencing water demand in South Australia is industry. Demand from industry may also be in waste water removal and treatment. It is very important to look at ALL</p>

		key drivers in water demand as not all demand is residential.
26	<p>In what form should demand forecast information be sought, having regard to the key drivers of demand (e.g. by customer group, by geographic basis)?</p> <p>Is there a need to differentiate between average demand and peak demand, given that peak water demand impacts on the capacity requirements of the network infrastructure?</p>	<p>Water demand forecasts must be holistic and independent in development, with collaboration from industry, scientists, consumer advocacy and planning principles.</p> <p>With water now part of essential service regulation along with gas and electricity, whole of cycle demand may be considered. Can a link to on and off peak energy and water needs be considered viable by industry, linking production and opportunity?</p>
27	<p>How can the Commission best balance the need to undertake sufficiently robust scrutiny of business costs with the need to avoid undue reporting requirements on SA Water?</p>	<p>Business SA supports the removal of red tape and lengthy bureaucratic processes, however in the regulation of an essential service there is an ongoing need to ensure business costs are relative to the proposed activity and consumers are receiving value for money.</p> <p>Current practices require SA Water to report at various levels within government such as to Cabinet the Minister for Water and Public Works Committee. The question should be raised as to whether all of the above scrutiny is independent and robust, and whether an independent system that deals with both SA Water and any new water retailer would be more appropriate.</p>
28	<p>What other factors should the Commission consider relevant in assessing whether forecast costs are both prudent and efficient?</p> <p>How can SA Water best demonstrate that its expenditure forecasts are efficient?</p>	<p>For non routine activities (pure supply and removal) forecast costs should be linked to good planning principles; do they offer innovation, will they be establishing South Australia as a world leader in the provision of a secure water source, where does planning start / end and do price determinations influence planning?</p>
29	<p>Are the proposed measures appropriate to test the efficiency of the Metropolitan Adelaide Service Delivery Contract?</p>	<p>Details of this were unclear in the issues document; however the identified process should be thorough and have passed scrutiny of both the SA Water board, SA Water Customer Council and Minister for Water's office.</p> <p>With independent providers operating in the future, transparent testing of efficiencies will be required.</p>
30	<p>How can the Commission be assured that the drinking water supply mix is optimised,</p>	<p>Reliance on climate dependent water sources must be independently managed to ensure</p>

	<p>given the additional supply resource of the Adelaide Desalination Plant?</p>	<p>water security and quality. Rainfall and River Murray flows are unpredictable and reliance on the River Murray naturally increased in dry years. A complete independent assessment of South Australia's water portfolio and identifying all options is required.</p> <p>Identifying the maximum benefit for all water products available, ensuring balance between urban, country, residential, industry and irrigation uses is essential.</p>
31	<p>How should uncertainties associated with material unforeseen events be addressed?</p>	<p>With thorough and fully independent planning and analysis, unforeseen events should be minimised, however as recently experienced with severe drought and now potential flooding, pass through options should be included with careful monitoring and guidelines from ESCOSA.</p>
32	<p>Should consideration be given to assessing and potentially disallowing historic investment as part of this review process?</p> <p>Over what past period should any such assessment cover?</p>	<p>Yes - consideration should be given to assessing historic investment; it is important to ensure at all times investment in infrastructure and trends are utilised in collaboration with independent assessment of future supply and demand. South Australia water consumers deserve balanced investment to ensure infrastructure replacement is relative to age and optimum efficiency. This is especially significant when analysing new and emerging technologies along with replacement of old.</p>
33	<p>What information can the Commission draw upon to assess the productivity of SA Water relative to its peers? Over what period should any identified 'performance gap' be closed?</p>	<p>SA Water should be benchmarked against its peers who operate at a world's best practice standard. This standard should encompass all aspects of a water retailer, including and not limited to; customer service, delivery efficiencies, growth of a sustainable water portfolio that can deliver in times of low rainfall and engaging in technology for cost efficiencies.</p>
34	<p>Views are sought on the appropriate tariff structure for SA Water drinking water charges.</p>	<p>WA clearly articulates water pricing for ALL regions on the WA Water website, while different regions attract different pricing structures. At this stage only non-residential water is based upon flow rates, once again based upon geographic regions.</p> <p>Base potable water needs for all South Australians must be affordable and clear. Any tariff structure must be clear and pre-</p>

		determined ensuring that all users can easily calculate water pricing for all water products.
35	The Commission requests comments on issues surrounding universal access and how the requirement for cost reflective pricing and transparency can be best applied and reconciled with statewide pricing.	Statewide pricing is the preferred option; this must not hinder the opportunity for new retailers entering the market and reducing SA Water's share hence the viability of delivering services statewide and maintaining profitability. Currently non SA Water providers do operate in some remote and regional locations; viability of such services must not be compromised in pricing structures.
36	The Commission requests views on the issues surrounding protection of low income households during transitional moves to cost reflective pricing.	Pricing Orders can assist in protection of low income households, along with a pricing structure recognising basic water requirements of ALL households. Water users should be rewarded for efficiencies and consumption. Consideration should be given to households where water needs for health care are essential
37	The Commission seeks views on the pricing of sewerage services along with the potential to more closely align pricing with usage moving forward.	Volumetric sewage pricing may be the way forward, however clarity in how this will occur is essential. Metering will have initial cost implications, however current pricing influences may not prove the most fair and equitable system. Any new pricing structure MUST ensure that customers cannot endanger public health through "risky" alternatives of sewage disposal. Opportunities for better technologies may be encouraged at a household level and should be considered in sewage and grey water removal.
38	Having regard to the fragmented nature of both the drinking water and sewerage services industry, and issues such as Community Service Obligations, the Commission seeks comments on the most appropriate form of price regulation (if any) that should be applied to water retail services in South Australia	By the very nature of the South Australia's diverse water needs and challenges in water security, some communities are very innovative in finding the solution. In determining the most appropriate form of price regulation, consideration should be given to why current (non SA Water) systems are in place, who supplies and maintains the infrastructure along with the efficiency of such systems? Any form of price regulation implemented MUST encourage diverse and lateral application of water technology allowing for the introduction of alternative systems. Community Waste Water Systems (CWWS) require that they be financially sustainable with

		consideration given to the fact many CWWS do not have the critical mass of users to ensure commercial success.
39	The Commission requests comments on the form of economic regulation that should apply to SA Water’s trade waste services.	Trade waste pricing has in recent years moved from site valuation to the current system; this has in turn raised (and continues to raise) the cost of this service. It is acknowledged current technologies can offer alternatives such as onsite treatment. All aspects of this service must be considered; business cannot continue to absorb such large price increases (in some cases 20% per annum) and remain viable. Encouragement of alternative innovative technologies must occur, providing a price sustainable option for businesses. This issue has potential for significant negative impact on business if not considered carefully. Engagement of key trade waste customers and independent planning experts in determining options for both price regulation and alternative options must be considered.
40	What is the potential for growth in water recycling in South Australia? How does it impact on the Commission’s price regulation function?	Water recycling is essential to long term water sustainability; this should not be looked at in isolation and at all times ongoing independent options for continued growth must be considered. Pricing structures of all water services must encourage innovative management options for recycling and water reuse. South Australia is leading the nation in current recycling opportunities and as the driest state, must continue to do so. The Commission has to consider carefully how independent planning and price regulation can occur simultaneously ensuring a competitive yet innovative view of water portfolio products. Public private partnerships have in the past and can in the future offer opportunity for growth and development, adding to the complexity of competitive pricing structures.
41	The Commission requests comments on the extent to which providers of recycled water have market power in the provision of recycled water in South Australia. If providers of recycled water have market power, what is the most appropriate form of	

	economic regulation that should be applied?	
42	<p>Is a “pricing principles” approach the most appropriate form of economic regulation that should be applied to recycled water and, if so, what are the principles that should apply?</p>	<p>The recycled water market needs to be competitive and a valued contributor of water security in South Australia. The value of recycled water in a competitive water market will establish the real value of potable fresh water. It seems the light handed approach adopted in other jurisdictions provides opportunity for recycled water to continue to be valued and embraced. It is also essential recycled water technologies continue to be developed and as such, pricings must reflect this.</p>
43	<p>The Commission seeks comments on whether or not SA Water has market power in the provision of miscellaneous water retail services in South Australia and, if so, whether there is potential for that market power to be misused.</p> <p>The Commission seeks comments on the potential for competition in the provision of miscellaneous water retail services in South Australia.</p>	<p>Any form of monopoly in service provision creates an opportunity for market power and potential misuse; this does not imply that SA Water is misusing their position in miscellaneous water retail services in South Australia.</p> <p>Competition in the provision of miscellaneous water retail services is possible, with clear service and technical standards; along with collaboration with the plumbing industry opportunity exists for greater alignment of service provision with new providers.</p>
44	<p>Having regard to the differing price regulation approaches that are applied to water retail services in other jurisdictions and, issues of market power and potential for competition in the provision of those services, the Commission requests comments on the most appropriate form of price regulation that should be applied to water retail services in South Australia.</p>	<p>It would seem that the light handed approach once again is appropriate, however not at the risk of creating market power or lessening opportunity for competition.</p> <p>Analysing jurisdictional differences with a view to creating a structure to entice competition, while not becoming administratively heavy is important.</p>