



**CONSUMER PROTECTION
FRAMEWORK FOR THE
SOUTH AUSTRALIAN
WATER INDUSTRY
EXPLANATORY
MEMORANDUM**

- Public Version -

August 2011



REQUEST FOR SUBMISSIONS

The Essential Services Commission of SA (**the Commission**) invites written submissions from interested parties in relation to the issues raised in this paper. Written comments should be provided by **Monday 19 December 2011**. It is highly desirable for an electronic copy of the submission to accompany any written submission.

It is Commission policy to make all submissions publicly available via its website (www.escosa.sa.gov.au), except where a submission either wholly or partly contains confidential or commercially sensitive information provided on a confidential basis and appropriate prior notice has been given.

The Commission may also exercise its discretion not to exhibit any submission based on their length or content (for example containing material that is defamatory, offensive or in breach of any law).

Responses to this paper should be directed to:

Consumer Protection Framework for the South Australian Water Industry - Explanatory Memorandum

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Public Information about the Commission's activities

Information about the role and activities of the Commission, including copies of latest reports and submissions, can be found on the Commission's website at www.escosa.sa.gov.au.

PURPOSE AND PROCESS

On 27 September 2010, the Treasurer wrote to the Essential Services Commission seeking its advice on what it would consider to be an appropriate form of price and non-price regulatory regime to apply to the South Australian water industry were the proposed Water Industry Bill 2010 to be enacted.

The Treasurer sought that advice under section 5(f) of the Essential Services Commission Act and required the Commission to consult publicly on the matter in accordance with its Charter of Consultation and Regulatory Practice.

On 3 December 2010, the Commission submitted to the Treasurer an initial Statement of Issues, which was subsequently publicly released on 14 December 2010 for stakeholder consultation.

On 15 August 2011, following the introduction into Parliament of the revised Water Bill 2011, the Commission provided to the Treasurer Draft Advice on its view of the appropriate form of regulatory regime.

On 27 October 2011, the Treasurer wrote to the Commission noting the Draft Advice provided and requiring the Commission to: provide additional advice in respect of the regulation of non-recycled, non-drinking water; make a specified amendment relating to the setting of 2012/13 prices; and, remove material regarded by the Treasurer as confidential.

This Explanatory Memorandum forms a part of that Draft Advice and the Commission has therefore removed the information considered confidential by the Treasurer for the purposes of this public version of the Draft Advice.

Essential Services Commission

9 November 2011

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GLOSSARY OF TERMS

| | |
|----------------------------|---|
| Bill | <i>Water Industry Bill 2011</i> , as introduced into Parliament on 27 July 2011 |
| Commission | Essential Services Commission of South Australia |
| CWMS | Community Wastewater Management System |
| EPA | Environment Protection Agency |
| ESC Act | <i>Essential Services Commission Act 2002</i> |
| Government | Government of South Australia |
| LG Act | <i>Local Government Act 1999</i> |
| NPR | National Performance Reporting |
| NWC | National Water Commission |
| NWI | National Water Initiative |
| Sewerage Act | <i>Sewerage Act 1929</i> |
| Statement of Issues | Statement of Issues on the Economic Regulation of the South Australian Water Industry, released by the Commission in December 2010. |
| Water Retail Code | An industry Code to be developed by the Commission, in accordance with Part 4 of the ESC Act. |
| Waterworks Act | <i>Waterworks Act 1932</i> |
| Water for Good | A comprehensive framework of reforms and commitments to address water security issues in South Australia, is contained in “ <i>Water for Good: a plan to ensure our water future to 2050</i> ”. This plan, published by the Government in June 2009, designates the Commission as the independent economic regulator for monopoly supplies of urban water and sewerage services in South Australia. |

KEY DEFINITIONS

| | |
|--|---|
| Consumer* | a person supplied with retail services as a consumer or user of those services. |
| Customer* | a person who owns land in relation to which a retail service is provided and includes: <ul style="list-style-type: none"> • where the context requires, a person seeking the provision of a retail service; and • in prescribed circumstances—a person supplied with retail services as a consumer or user of those services (without limiting the application of this definition to owners of land); and • a person of a class declared by the regulations to be customers. |
| Drinking Water | water that is suitable for drinking, cooking or kitchen use, personal washing or household cleaning. |
| Drinking Water Retail Service | a retail service constituted by the collection, storage, production, treatment, conveyance, reticulation or supply of drinking water. |
| Licensee | a water industry entity licensed in accordance with Part 4 of the Bill. |
| Non-drinking Water | water that is suitable for watering lawns, parks and gardens, flushing toilets or washing cars. |
| Non-drinking Water Retail Service | a retail service constituted by the collection, storage, production, treatment, conveyance, reticulation or supply of non-drinking water (and includes dual-reticulation systems that use non-drinking water for basic). |
| Non-residential Customer | a customer other than a residential customer. |
| Residential Customer | a customer who acquires a retail service primarily for domestic use. |
| Retail Service | has the same meaning as given to the term in the Bill and covers a water retail service and/or a sewerage retail service supplied through a reticulated system, including: <ul style="list-style-type: none"> • drinking water retail services; • non-drinking water retail services; • sewerage retail services; and • trade waste retail services. |
| Sewage* | includes any form of waste that may be appropriately removed and dealt with through the use of a sewerage service. |

| | |
|-----------------------------------|--|
| Sewerage Retail Service | a service constituted by the collection, storage, treatment or conveyance of sewage through the use of a reticulated system (and includes sanitary drainage) (i.e. the effluent from a CWMS is “sewage” while the “other matter” is treated on site in a septic tank). |
| Trade Waste | material (other than sewage) that undergoes pre-treatment prior to being discharged into sewerage infrastructure (as sewage) in the course of carrying out an industrial or manufacturing process. |
| Trade Waste Retail Service | a service for the treatment of trade waste prior to being discharged into sewerage infrastructure (as sewage). |
| Water* | includes rainwater, stormwater, desalinated water, recycled water and water that may include any material or impurities, but does not include sewage. |
| Water Industry Entity* | a person licensed under Part 4 of the Bill or a person recognised by the Minister under subsection (4) as a water industry entity. |

*Has the meaning given to that term in the Bill.

1 OVERVIEW

The *Water Industry Bill 2011 (the Bill)* was introduced into the South Australian Parliament on 27 July 2011. The Treasurer has requested advice from the Commission on various issues relating to the Commission's appointment as the independent economic regulator for the South Australian water industry under the Bill.

The Commission regards the concept of a consumer protection framework as being very broad, capturing both the regulation of licensee behaviour when dealing with customers (such as information provision, billing matters and dispute resolution procedures) and the development of legally-enforceable service standards.

This paper provides the Commission's draft advice on the development of industry codes relating to consumer protection under the licensing framework for retailing of water and sewerage services in the South Australian water industry where the services are provided to the customer by network infrastructure. It sets out the principles on which a consumer protection industry codes will be based. Subject to comments received, the Commission will prepare the text of the consumer protection industry codes for further public consultation.

This paper gives effect to the proposals outlined in the Commission's Draft Advice and should be read alongside that document.¹

1.1 Water Retail Code

The Bill requires that the Commission establish a consumer protection framework through the use of industry codes made under Part 4 of the *Essential Services Commission Act 2002 (ESC Act)*. Industry codes prescribe detailed rules of conduct and procedure which must be followed by industry participants. The use of industry codes, made in accordance with the requirements of the ESC Act, allows for a higher degree of regulatory flexibility, while maintaining appropriate scrutiny, accountability and transparency of process in their development.

Industry codes can cover any number of areas within a regulated industry, from consumer protection to technical matters. At this stage, the Commission is proposing to develop one single water industry code, a Water Retail Code (**the Code**). The Code will be the principal consumer protection document setting out the behavioural standards to be complied with by licensees when dealing with their customers.

Chapter 2 of this paper provides details of the proposed provisions of the Code. The Code will contain the minimum requirements to apply to all licensees selling and supplying retail services. However, the Commission would consider the need to exempt licensees from the Code, whether wholly or in part, on a case-by-case basis.

¹ Refer *Economic Regulation of the South Australian Water Industry: Draft Advice*, August 2011, available at www.escosa.sa.gov.au.



1.2 Standard Form Contract

The Bill provides a mechanism for the formation of deemed statutory contracts between licensees and customers. This model allows for binding and valid contractual relationships to be established between licensees and customers in respect of the sale and supply of services. Importantly, this model provides both parties with a legal means of enforcing their rights, which is particularly important in the event of a default by the other party.

Given the binding statutory nature of the contract arising under this clause, and the associated potential for “unfair” terms to be imposed on customers by licensees, the Government has introduced a measure of regulatory oversight and control in clause 36(4), by providing that the terms and conditions, including as to price, must comply with relevant regulatory requirements.

There are a number of options available to the Commission in exercising its power in this area. The Commission could develop a customer sale contract to be used by licensees and include it in the Code (for example, Part B of the Commission’s Energy Retail Code), or, in the alternative, require licensees to develop their own customer sale contract terms and conditions that are consistent with matters or principles specified by the Commission.

The Commission acknowledges that there are competing views on the appropriateness of it setting standard terms and conditions. On the one hand, there is a level of centralised oversight, certainty and competitive equity provided through the Commission setting terms and conditions. On the other hand, it must be acknowledged that fixed terms and conditions may impede retail activities in certain circumstances, particularly in smaller scale operations. Having regard to those matters, and the monopoly nature of the new water regime, the Commission’s proposed approach is to balance the need for certainty and consistency with the need for flexibility. The appropriate reference point for that balance is, in the Commission’s view, the nature of the customer receiving the retail service.

For residential customers, the Commission considers that certainty and consistency of treatment is paramount, particularly in a monopoly market. At this stage, the Commission proposes to require any licensee providing a retail service (water or sewerage) to use standard contractual terms and conditions set by the Commission, as prescribed in an industry code. For all other customers, the Commission is of the view that an appropriate level of certainty and consistency can be delivered by specifying a set of principles in an industry code. Any standard form contract utilised for non-residential customers of retail services would be required to be consistent with those principles.

The Commission is seeking submissions on its proposed approach.

1.3 Service Standards

The Bill provides the Commission with the power to set service standards as part of a cohesive and legally binding framework for licensees that provide designated retail services in South Australia.

Service standard setting can be thought of in the context of a regulatory bargain. This bargain refers to the situation where customers agree to pay the licensee a fixed return in exchange for delivery of a service at an agreed standard. Service standards are established to ensure that both parties' interests remain protected. Service standards form a separate set of metrics by which the performance of an individual licensee can be monitored and assessed; at either the individual customer or a whole-of-undertaking level. In addition, specific service standards are amenable to having specific financial penalties and rewards associated with them.

Service standards for utilities providing essential services can be disaggregated into technical service standards (reliability and quality of supply) and customer service standards (telephone/written responsiveness, timeliness of connections, and the like).

Chapter 3 of this paper provides the proposed service standards to apply to SA Water for 2011/12 and 2012/13. These service standards would apply to SA Water only, at this stage. Service standards for other licensees would need to be developed on a case-by-case basis. It is important to note that once developed and approved, the service standards for a licensee would form a part of the customer sale contract.

2 PROPOSED WATER RETAIL CODE

As discussed in the Draft Advice, clause 25(1) of the Bill provides guidance on the types of matters to be contained in any water industry code/s developed by the Commission. The Commission believes it is appropriate for the Code to establish behavioural standards and procedures for various parts of the customer-licensee relationship, including:

- ▲ limitations to the grounds on which, and the processes to be followed before, retail services can be discontinued or disconnected;
- ▲ provision of certain types of information (including, but not limited to, pricing information); and
- ▲ processes to be followed to resolve customer disputes and participation in any relevant ombudsman scheme.

The following proposals for the provisions of the Code have been developed by drawing on the Commission's energy industry codes and, where appropriate, the relevant provisions of the national energy consumer protection framework.² While the general elements of the consumer protection framework are broadly similar for governing the respective rights and obligations of essential services licensees and customers, there are some aspects of the licensee-customer relationship that are different in the water industry that must also be reflected.

The Code would distinguish between the requirements for water retail services and sewerage retail services, where deemed appropriate to do so. Within the broader water retail service, further distinction would also be made between the requirements for a drinking water retail service and a non-drinking water retail service, where required. Similarly, within the broader sewerage retail service, distinction would be made for the particular requirements for a trade waste retail service.

The Commission also considers it appropriate to differentiate between the different classes of water retail services customers. The Code would provide for two broad classes of customers: residential customers and non-residential customers. The Code would contain the consumer protections applicable to all customers and highlight where additional protections would be made available for residential customers.

While the Bill defines a customer as a person who owns land in relation to which a retail service is provided, this definition provides the Minister for Water with the discretion to broaden the category of persons considered customers to include:

- ▲ a person supplied with retail services as a consumer or user of those services, without limiting the definition of customers to owners of land; or
- ▲ a person of a class declared by the Regulations under the Bill to be customers.

² The National Energy Customer Framework is given effect through the National Energy Retail Law and National Energy Retail Rules, scheduled to be introduced from 1 July 2012. For copies of the legislation, refer <http://www.legislation.sa.gov.au>.



If the Minister for Water exercises this discretion, there is the potential for occupiers of land who are not owners of land (e.g. residential and commercial tenants) to be afforded some of the consumer protections available under the Code. The Commission is seeking particular comment on the provisions of the Code that should be extended to all consumers of water retail services in the event that the Minister for Water exercises this discretion.

2.1 Customer Sale Contracts

2.1.1 Purpose of chapter

This chapter of the Code would establish the requirements for licensees in relation to the use of standard terms and conditions for the sale and supply of retail services to residential and non-residential customers. The terms and conditions of a licensee's customer sale contract (under clause 36 of the Bill) would have no effect to the extent of any inconsistency with the Code.

2.1.2 Authority

Clause 36 of the Bill provides for the formation of deemed statutory contracts between licensees and customers. Clause 36(4) of the Bill provides that the terms and conditions of these contracts, including as to price, must comply with relevant regulatory requirements.³

Clause 25(1)(c) of the Bill provides that a licensee must agree to sell and supply retail services to a customer, on request, at the licensee's standard contract price and subject to the licensee's standard contractual terms and conditions.

2.1.3 Principles

There are competing views on the appropriateness of it setting standard terms and conditions. On the one hand, there is a level of centralised oversight, certainty and competitive equity provided through the Commission setting terms and conditions. On the other hand, it must be acknowledged that fixed terms and conditions may impede retail activities in certain circumstances, particularly in smaller scale operations.

Having regard to those matters, and the monopoly nature of the new water regime, the Commission's proposed approach is to balance the need for certainty and consistency with the need for flexibility. The appropriate reference point for that balance is, in the Commission's view, the nature of the customer receiving the retail service.

³ The Code would not apply to a licensee in relation to a non-standard retail service provided under (Schedule 2, Part 9, Division 4, section 33(2)) of the Bill.

This chapter of the Code would establish the requirement for licensees to sell and supply retail services to residential customers using the standard form customer sale contract, set out in a Schedule to the Code. The residential customer sale contract would cover the following matters:

- ▲ the parties to the contract;
- ▲ definitions;
- ▲ application of the terms and conditions;
- ▲ commencement and termination of the contract;
- ▲ scope/coverage of the contract;
- ▲ preconditions;
- ▲ liability and limitation of liability;
- ▲ appointments;
- ▲ prices for retail services and how those prices can and will be varied;
- ▲ billing issues, including when bills are sent, calculation of bills and estimations;
- ▲ payment terms, methods and any applicable late fees;
- ▲ payment difficulties;
- ▲ undercharging and overcharging;
- ▲ restriction and disconnection of supply;
- ▲ reinstatement or reconnection of supply;
- ▲ illegal use;
- ▲ details outlining the processes for queries and complaints; and
- ▲ privacy and confidentiality.

This chapter of the Code would establish the requirement for licensees to sell and supply retail services to non-residential customers on terms and conditions consistent with the requirements of the Code.

2.2 Customer Charter

2.2.1 Purpose of chapter

This chapter of the Code would deal with the development of a Customer Charter by licensees and the circumstances in which it must be provided to customers. Customer Charters would need to include details of the minimum standards of service that licensees are required to comply with and the reporting of performance against these standards. The chapter would also require the development of policies and procedures to minimise the impact of unplanned interruptions to retail services, including the provision of information to customers

about the interruptions and when access to emergency supplies of drinking water would be required.

2.2.2 Authority

While there is no specific provision within the Bill, clause 25(1)(a) specifies that a licensee must comply with applicable codes or rules made under the ESC Act.

2.2.3 Principles

A Customer Charter ensures customers are provided with information concerning the key contractual obligations and protections afforded to them by the licensee. A Customer Charter can redress the imbalance of knowledge between a customer and a licensee by communicating the minimum standards of service that a licensee provides to its customers. It is seen to be an important consumer protection measure by assisting in addressing customers' key information needs.

Development of policies, procedures and practice in advance of unplanned interruptions allows the licensee to be better prepared to address such eventualities and hence achieve service restoration as quickly as possible. Customers benefit by having access to better thought out processes for provision of information and, if necessary, supply of emergency drinking water.

This chapter of the Code would establish the requirement for licensees to prepare a Customer Charter that sets out, as a minimum:

- ▲ the respective rights and obligations for a retail service under the Code; the standard customer sale contract; the Water Industry Act (and associated Regulations under the Act); and any relevant health or water quality guidelines;
- ▲ the minimum standards of service (as determined by the Commission and set out in the Code) that a licensee must provide to its customers;
- ▲ for a water retail service, details of where the customer can obtain water efficiency advice; and
- ▲ for a non-drinking water retail service, information on the safe and proper use of the non-drinking water.

This chapter of the Code would also outline the requirements for a licensee to provide a copy of the Customer Charter:

- ▲ as soon as practicable following the commencement of the standard customer sale contract;
- ▲ as soon as practicable following any amendments that materially affect a customer's rights or obligations under the standard customer sale contract; and
- ▲ on its website.

This chapter of the Code would set out the licensee's requirement to comply with applicable service standards and report to the Commission on its achievement towards those standards.

2.3 Enquiries, Complaints and Dispute Resolution

2.3.1 Purpose of chapter

This chapter of the Code would deal with the development of procedures for handling customer enquiries, complaints and disputes. It would also require that such procedures must include the ability for customers to have their complaints addressed by an independent party where the issue cannot be satisfactorily resolved by the licensee.

2.3.2 Authority

Clause 25(1)(g) of the Bill requires licensees to have specified processes to be followed to resolve disputes between the licensee and its customers. In addition, clause 25(1)(h) of the Bill requires licensees providing designated services to designated customers to participate in an ombudsman scheme determined or approved by the Commission.

2.3.3 Principles

It is important for customers to have clear and accessible information about how to make an enquiry or complaint about their water and sewerage retail services. Customers need to be able to contact their retail services provider to enquire about the sale and supply of water and sewerage services; report problems with the quality and reliability of those services; the payment options available; what they can do to avoid disconnection/restriction if they are experiencing payment difficulties; and how to lodge a complaint.

A complaints handling procedure should provide an efficient, fair and accessible mechanism for resolving customer complaints, including the ability for escalation of a dispute both within the business and then to an external independent party for resolution in the event that the complaint remains unresolved.

This chapter of the Code would establish:

- ▲ the requirement for licensees to prepare customer enquiry procedures which establish the requirement for a readily available customer enquiry telephone line capable of providing information to customers concerning matters such as connection of supply, quality and reliability of retail services, billing and payment arrangements, how to make enquiries and complaints and details about the Industry Ombudsman scheme. These procedures would need to be approved by the Commission;

- ▲ an obligation for licensees to prepare complaints and disputes resolution procedures. The procedures would need to include information on how complaints can be made, how they will be handled, response times and the ability for customers to have unresolved complaints referred to an independent dispute resolution body (i.e. an industry Ombudsman scheme, or other approved independent complaint handling body). These procedures would need to be approved by the Commission;
- ▲ licensees obligations in providing certain types of information to customers (e.g. water efficiency advice, (other)). Licensees would also be required to provide access to multi-lingual services or large print versions of certain customer communications, such as bills or the licensee’s Customer Charter.

Licensees would be provided with the ability to send or issue, with the agreement of the customer, certain documents, bills or notices via an electronic mail address direct to the customer.

2.4 Critical Needs Customers

2.4.1 Purpose of chapter

This chapter of the Code would contain obligations for customers to register a supply address in which a person reliant on life support equipment resides to ensure their water service is not restricted or disconnected.

2.4.2 Authority

While there is no specific provision within the Bill, clause 25(1)(a) specifies that a licensee must comply with applicable codes or rules made under the ESC Act.

2.4.3 Principles

The key consumer protections afforded to customers with critical needs are to facilitate notification about planned network outages (to allow the customer to make alternative arrangements for the duration of the outage) and to prohibit restriction or disconnection of supply while the critical needs customer continues to reside at those premises.

Customers that are reliant upon life support equipment that requires a constant supply of water need to be identified by licensees upon commencement of a customer sale contract for a water retail service (in the first instance, or if a customer’s circumstances subsequently require) so that the customer can be registered with the licensee as a “critical needs customer”.

This chapter of the Code would place the onus for registration as a “critical needs customer” with the customer. Where a customer provides a licensee with confirmation from a registered medical practitioner or a hospital that a person at

the customer's supply address is a "critical needs customer", the licensee would be required to:

- ▲ register the supply address as a critical needs customer address;
- ▲ not disconnect or restrict the water retail service at that supply address while a registered critical needs customer continues to reside at that address;
- ▲ provide the critical needs customer with advanced notification of any planned interruptions affecting that supply address; and
- ▲ provided the critical needs customer with an emergency telephone contact number.

This chapter of the Code would allow a licensee to require a customer to inform the licensee when the person at the customer's supply address vacates the supply address or is no longer eligible to hold the status of a critical needs customer. A licensee exercising this right would be able to rely on the advice of a registered medical practitioner or a hospital that a person at the customer's supply address is no longer eligible to hold the status of a critical needs customer.

2.5 Billing

2.5.1 Purpose of chapter

This chapter of the Code would deal with measures designed to ensure that customers receive accurate billing information in a timely manner to allow them to verify that their bills have been correctly calculated and to monitor and manage their consumption.

2.5.2 Authority

While there is no specific provision within the Bill, clause 25(1)(a) specifies that a licensee must comply with applicable codes or rules made under the ESC Act. In addition, clause 25(1)(e) of the Bill requires licensees to include specific information (to be prescribed by regulation) on each water account issued to designated customers.

2.5.3 Principles

As a general principle, customers should be provided with accurate billing information in a timely manner to allow them to verify that their bills have been correctly calculated and to monitor and manage their consumption. It is important for customers to have certainty that their bills are accurate and based on a meter reading of their actual consumption on a regular basis, at least for those services which are metered. For customers that have not been billed correctly, it is important that protections are put in place so that the customer's needs are addressed when errors are determined.

As it is unclear what information will be required by regulation, the Commission proposes that, as a minimum, the following matters should be addressed by the Code:

- ▲ how and when bills are issued;
- ▲ the particulars to be included on each bill;
- ▲ meter reading and estimated bills;
- ▲ processes to be followed for the review of a bill where the amount payable is in dispute;
- ▲ allow for customers to request that meter testing be conducted to verify the accuracy of a bill;
- ▲ undercharging;
- ▲ overcharging; and
- ▲ customer access to historical billing data.

While it would be expected that SA Water would need to adhere to all requirements of the Code in this area, the extent to which all or some of these provisions would apply to other licensees is yet to be determined.⁴

2.6 Payment and Payment Difficulties

2.6.1 Purpose of chapter

This chapter of the Code would contain provisions relating to minimum requirements for payment terms, payment methods and the requirements for managing temporary payment difficulties experienced by customers.

2.6.2 Authority

While there is no specific provision within the Bill, clause 25(1)(a) specifies that a licensee must comply with applicable codes or rules made under the ESC Act.

2.6.3 Principles

Mandated minimum payment options ensure that all customers have a range of accessible payment options and are able to pay accounts through a range of no cost or low cost methods, irrespective of their location. Establishing a minimum payment period allows customers adequate time to better manage their finances.

To the extent that utility prices continue to increase, there is the potential for more customers to experience financial difficulties from time to time. It is therefore important for the Commission to ensure that those customers

⁴ For example, Councils providing sewerage retail services through Community Waste Management Systems (CWMS) currently bill customers through the annual rate notice system under the *Local Government Act 1999*.

experiencing temporary financial difficulties are able to negotiate flexible payment options while those experiencing prolonged financial hardship are afforded additional appropriate protections. The existence of such protections ensures that customers are only disconnected (or have their supply restricted) as a last resort.

Payment and payment difficulties are areas where the Commission will make a distinction between the consumer protections afforded to residential customers and non-residential customers. Residential customers must be given more opportunities and greater flexibility to make alternative arrangements for the payment of their bills. Where a residential customer is experiencing payment difficulties, licensees will need to offer the residential customer the ability to pay their bill by instalments, over an extended period of time, or make payments towards future bills.

The Commission proposes that, as a minimum, the following matters should be addressed by the Code:

- ▲ Establish mandatory billing frequency (i.e. quarterly billing);
- ▲ establish a minimum time for payment of a bill/due dates for payment;
- ▲ require various payment methods to be provided to customers (e.g. mail, direct debit, in person);
- ▲ establish rules for entering and terminating direct debit arrangements;
- ▲ require referral to Government concessions, rebates or grants;
- ▲ require licensees to provide payment flexibility for customers experiencing temporary payment difficulties;
- ▲ allow for customers to make payments in advance or have their bills forwarded to someone else upon request free of charge;
- ▲ require referral to a licensee's hardship program for customer's experiencing more permanent financial difficulties; and
- ▲ establish limitations on debt recovery if customer is participating in an agreed payment plan or is a hardship program customer.

While the high-level requirements for minimum payment and payment difficulties would apply to all licensees to ensure equal consumer protections across the state, the detailed requirements for individual licensees is yet to be determined. In the absence of the definition of "customers" including tenants, flexible payment options and temporary financial hardship will not be available for all consumers.

2.7 Hardship Programs

2.7.1 Purpose of chapter

This chapter of the Code would deal with measures designed to assist hardship customers to avoid having their retail services restricted or disconnected due solely to an inability to pay.

2.7.2 Authority

Clause 25(4) of the Bill provides that the Minister for Water may require the Commission to include provisions in a water retail services industry code to assist customers who may be suffering specified types of hardship.

2.7.3 Principles

While some customers may experience hardship as a result of a temporary event, others are perpetually in hardship as a result of lack of income, poor housing stock and/or other factors.

It is important to ensure that small customers do not lose access to an essential service because financial hardship is limiting their capacity to pay for the service. Obligations on licensees to implement hardship mitigation strategies seek to reduce the number of residential customers being disconnected, and, in some instances, reduce the long-term financial hardship of utility customers. At the same time, it is important to recognise that hardship programs should not provide incentives for customers to avoid the payment of utility bills, undermine the financial position of licensees or impose costs on licensees in excess of the benefits that the program derives.

In addition to the benefits provided to customers, appropriately established hardship programs can assist licensees to identify customers in potential financial difficulties and offer payment assistance measures before substantial debts accrue, which can, in turn, allow licensees to recoup payment in situations where a customer is unable to pay immediately and thereby reduce bad debt losses incurred by licensees.

Identifying customers in hardship is the first step to providing targeted assistance. Identification of hardship customers is recognised as a mutual obligation on both customers and licensees. While customers must be able to self-identify, licensees should also have processes in place to identify customers in potential hardship and respond to internal and external referrals to move customers onto a hardship program.

In cases of identified financial hardship, licensees will need to remove the customer from the normal credit and collection debt recovery processes and offer to establish flexible personalised payment arrangements based on the customer's

capacity to pay. Licensees will be prohibited from restricting or disconnecting a customer participating in a licensee's hardship program. However, to remain eligible to participate in a licensee's hardship program, a customer would need to continue to demonstrate their willingness to pay.

The Commission is proceeding to develop hardship provisions to include in the Code noting that, as contemplated in the Bill, at some stage the Minister for Water may require the Commission to include specific hardship provisions.

This chapter of the Code would establish licensees' requirements around establishing customer hardship programs that include, as a minimum:

- ▲ removal from normal debt collection processes;
- ▲ allocation of a personal case manager;
- ▲ offer of flexible payment arrangements (based on the customer's capacity to pay);
- ▲ assessment for eligibility for applicable concessions, assistance or rebate schemes;
- ▲ referral to external community financial counselling services; and
- ▲ clear entry and exit requirements for the hardship program.

Due to the importance of ensuring licensees are able to identify and provide adequate assistance to all customer's experiencing financial hardship, regardless of their location, the Commission is proposing to apply the requirement to offer hardship programs to all licensees, in some form. However, while the Bill provides that the Minister for Water may require the Commission to include provisions in an industry code to assist customers who may be "suffering specified types of hardship", it is unclear at this point what the "specified types of hardship relevant to the supply of any services" will be at this point.

2.8 Restrictions and Disconnections

2.8.1 Purpose of chapter

This chapter of the Code would contain limitations on the grounds on which water services can be restricted or disconnected and the obligations on licensees prior to restricting (or, in limited circumstances, disconnecting) water services. This chapter would also contain a prohibition from disconnecting or restricting sewerage services for non-payment.

2.8.2 Authority

Clauses 25(1)(b)(iii) and (iv) of the Bill provide that a water retail services industry code must include limitations on the grounds on which the supply of designated services may be discontinued or disconnected and the processes to be followed before designated services can be discontinued or disconnected. The Commission

is interpreting these clauses of the Bill to refer to restriction of supply for non-payment.

It is important to make the distinction between restriction of water services for non-payment of amounts owed by customers and the restriction of water when the quantity of water available for supply is insufficient to meet the demand for that water. Clause 58 of the Bill provides for the power to restrict or discontinue the water where the supply of water is insufficient to meet demand. The Commission is proposing that the Code would cover restrictions for non-payment only.

2.8.3 Principles

Disconnection (or restriction) of a customers' essential services should be the last resort for a licensee attempting to recover debt. Further, customers should not have their water services restricted or disconnected due to incapacity to pay alone. While it is recognised that an effective sanction to address non-payment for water services includes restriction of water supplies, disconnection of sewerage services should only be contemplated where illegal discharge has occurred as the disconnection of sewerage services would constitute an unacceptable public health risk.

In establishing requirements for the water industry, as distinct from other essential service utilities, the physical nature of the services being provided make it important to consider the circumstances in which supply should be restricted, rather than disconnected. Unlike other essential services regulated by the Commission, the disconnection of water and sewerage services for non-payment is not feasible, as public health must be protected at all times. However, the flow-rate for the water services provided to customers can be restricted, to a prescribed level, to provide for basic public health requirements, rather than disconnecting a customer's service altogether.

There is general agreement that flow restricting devices can be justified in circumstances in which customers have repeatedly failed to pay their bills, meet the conditions of an agreed payment plan or comply with an agreed payment plan under a licensee's hardship program. The Commission is proposing that the use of a flow restriction device should be governed on a similar basis using the conditions applying to disconnection for non-payment in the energy industry.

Obligations on licensees prior to restriction of water services

This chapter of the Code would place obligations on licensees prior to allowing the restriction of a customer's water service.

While the overall obligations on licensees prior to restricting water services would apply to all customers, the Commission would impose a requirement to offer residential customers additional assistance. Prior to restricting a residential

customer's water service, licensees must have provided the residential customer with all reasonable opportunities to pay their bill. For residential customers, licensees must have:

- ▲ offered the residential customer alternative payment options;
- ▲ given the residential customer information about its hardship policy and any applicable Government concessions or rebates;
- ▲ sent a reminder notice with an extended period to pay;
- ▲ after the expiry of the period referred to in the reminder notice, sent a written restriction warning notice of the licensee's intention to install a flow restriction device at the residential customer's water services connection point; and
- ▲ used its best endeavours to contact the residential customer personally either by telephone, mail or visiting the property.

Recognising that for non-residential customers water services are simply another business input cost, the consumer protections extended to non-residential customers would be more restrictive. For non-residential customers, licensees must have:

- ▲ offered the non-residential customer an extension of time to pay;
- ▲ sent a reminder notice with an extended period to pay;
- ▲ after the expiry of the period referred to in the reminder notice, sent a written restriction warning notice of the licensee's intention to install a flow restriction device at the non-residential customer's water services connection point; and
- ▲ used its best endeavours to contact the non-residential customer personally either by telephone, mail or visiting the property.

The extent to which all or some of these provisions would apply to all licensees has yet to be determined.

Limitations on grounds for restriction/disconnection of retail service

Licensees would be able to fit a water flow restriction device at a residential customer's water services connection point if the residential customer had, after being given opportunities to make alternative arrange for payment of a bill, not paid a bill and refused to enter into, or make payments in accordance with, an instalment plan or other payment option to pay a bill as agreed with the licensee.

A water flow restriction device could be fitted if a customer continued to deny access to a meter, after the licensee had given the customer the opportunity to make other reasonable alternative access arrangements. However, prior to being able to restrict a customer's water service where access to the meter has been denied, licensees would be required to provide a customer with written notice of

the failed attempt to read the meter on each occasion that an actual read could not be obtained. The written notice would need to include, as a minimum:

- ▲ that a meter read was attempted but could not be completed, and the reason that the reading could not be obtained;
- ▲ a reminder to the customer of their obligation to provide access to the meter;
- ▲ advice that the customer should contact the licensee to discuss any alternative meter access arrangements; and
- ▲ advice that continued refusal to provide access to the meter could result in the flow rate of their water service being restricted, and that restoration of their water service could incur a fee (as applicable).

Licensees would only be able to disconnect a customer's water services immediately if the customer had used the retail services illegally or refused entry to a water industry officer authorised to enter their property.

Licensees would not be able to restrict a customer's water services if:

- ▲ the customer is a hardship customer;
- ▲ the outstanding amount of the bill is less than a prescribed amount;
- ▲ the customer (or someone else whose primary residence it is) is a designated life support equipment customer;
- ▲ the customer has made a complaint directly related to the reason for the proposed flow restriction (to the Industry Ombudsman or other external dispute resolution body, as approved);
- ▲ where the customer is awaiting a decision on an application for Government assistance;
- ▲ after certain time on a business day, a Friday, on weekends, a day before a public holiday or on a public holiday; or
- ▲ if a "Total Fire Ban" has been declared for an area, the area in which the supply address is located.

The extent to which all or some of these provisions would apply to all licensees has yet to be determined.

Prohibition from disconnecting or restricting sewerage services

Due to the paramount importance of ensuring that public health requirements are protected at all times, licensees would be prohibited from disconnecting or restricting sewerage services for non-payment. Licensees would only be able to disconnect a customer's sewerage connection point in the event of illegal use of sewerage services, (for example, the disposal of unauthorised material to sewer, such as stormwater or trade waste without an appropriate permit).

All licensees would be required to comply with these provisions.

2.9 Reinstatement of Supply after Restriction or Disconnection

2.9.1 Purpose of chapter

This chapter of the Code would contain the requirement for licensees to restore a customer's water services. The key elements of this chapter would be recognition of the ability for licensees to charge a reasonable fee for removal of a flow restriction device and the inclusion of mandatory timeframes for supply to be restored.

2.9.2 Authority

Related to clauses 25(1)(b)(iii) and (iv) of the Bill.

2.9.3 Principles

As discussed above, licensees would only be able to install a flow restriction device in a limited number of circumstances and always as a last resort.

Where a customer has had their water service restricted (or disconnected), supply should be restored as soon as practicably possible, once the customer has paid a licensee's reasonable cost for removal of the flow restriction device.

However, the Commission recognises that reconnection fees can disproportionately impact customers experiencing financial hardship that may not have been identified prior to having their supply restricted. In these circumstances, licensees may be required to waive reconnection fees for these customers.

As noted above, prior to restricting a customer's water services, licensees would be required to provide the customer with a written restriction warning notice of the licensees' intention to install a flow restriction device at the customer's water services connection point and that restoration of their water service could incur a fee.

This chapter of the Code would allow licensees to require that a customer pay a reasonable charge for removal of a flow restriction device, provided that the customer was informed of this fee in the written restriction warning notice. Applicable charges would need to be published by licensees in a "standard fees and charges price list".

Where a request to have a flow restriction device removed is received by a licensee before a specified time, a licensee would be required to restore supply on the same day (in major metropolitan areas) and use its best endeavours to have supply restored on the same day (in areas other than metropolitan areas) and, in any event, ensure supply is restored on the following business day.



Where a request was received after a specified time, a licensee would be required to use its best endeavours to restore the supply on the same day (in metropolitan areas) and, in any event, ensure supply is restored on the following business day.

2.10 *Illegal Use*

2.10.1 Purpose of chapter

This chapter of the Code would deal with the rights and obligations of licensees and customers where a customer has used a retail service illegally.

2.10.2 Authority

Clause 25(1)(a) of the Bill requires that the Commission make a licence subject to conditions determined by the Commission requiring compliance with applicable codes or rules, as in force from time to time. Clause 25(1)(b)(iii) requires the water industry entity to comply with Code provisions relating to limitations on the grounds on which the supply of retail services may be discontinued or disconnected. Clause 49 covers the protection of infrastructure and equipment, not permitting a person without lawful authority to disconnect or interfere with any water/sewerage infrastructure. Clause 57 permits a water industry entity to close off or disconnect sewerage infrastructure where the entity believes that material has been discharged contrary to the Bill and it is likely that it would occur again. Clause 76 provides that an authorised officer may disconnect the water supply on finding that water is being supplied or consumed contrary to the Bill.

2.10.3 Principles

If a customer has used retail services illegally (including discharging trade waste without the agreement of the licensee) the customer should be liable to pay any applicable charges, along with the cost of any necessary rectification work.

It is also considered appropriate that normal consumer protections be suspended in relation to the payment arrangements (e.g. licensee would not be obliged to offer instalment plans) where the customer is convicted of an offence involving fraud or theft of retail services. In addition, only limited (if any) customer protections would apply surrounding disconnection (e.g. no requirement for licensee to provide a disconnection warning notice prior to disconnection), unless the customer is a registered “critical needs customer”.

3 PROPOSED SERVICE STANDARDS FOR SA WATER

The Bill provides the Commission with the power to set service standards as part of the consumer protection framework. As SA Water will be issued with a licence on the date that the Act is proclaimed, the service standards applying to SA Water need to be established as soon as possible. The setting of services standards will put a positive obligation on SA Water to provide a level of service to its customers and give rights to those customers in relation to those services, including the ability take action for failure to provide.

As discussed in the Draft Advice, there are two options to consider when determining the nature of each service standard: setting a mandatory obligation and setting a “best endeavours” target. The Commission is proposing that annual average standards of a “best endeavours” nature will be set for the initial years of regulation. The three key aspects that these service standards will focus on are:

- ▲ Customer service standards - telephone and written responsiveness by licensees;
- ▲ reliability of supply service standards - the obligation to provide reliable services; response times for unplanned interruptions; response to bursts, leaks, blockages and spills; provision of information about planned interruptions; and provision of information for critical needs customers; and
- ▲ Quality of supply service standards - product quality; delivery quality (flow rates); and rectification of quality deficiencies.

The following tables provide the initial set of service standards proposed for SA Water, concentrating on the 2011/12 and 2012/13 financial years. The initial set of service standards have been drawn from **[confidential information removed]**. The intention of this set of standards is to continue the current standards that SA Water reports (given that prices have already been set for these periods) and seek to obtain the underlying performance data for those standards so that future targets can be set appropriately.

For 2011/12 and 2012/13 periods, the Commission will adopt the current split of regions that SA Water maintains: Metropolitan and Country. The Commission may seek to change these regions in future price determination periods if experience demonstrates certain parts of the State receive markedly different levels of service.

Table 3.1: General Requirements (Metropolitan and Country)

| Customer Service | Target 2011-12 | Target 2012-13 |
|--|--|-------------------|
| <p>Telephone calls answered within 30 seconds⁽¹⁾</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of calls answered within 30 seconds⁽²⁾ - total number of calls received | <p>[confidential information removed]</p> | |
| <p>Respond in writing to a written complaint about service or compliance with charter within 5 business days</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of written complaints responded to ≤ 5 business days - total number of written complaints received | | |
| <p>Respond in writing to a written complaint about service or compliance with charter where an investigation is required within 20 business days</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of written complaints where an investigation is required responded to ≤ 20 business days - total number of written complaints received that require investigation | | |
| <p>Process applications to discharge trade waste into SA Water sewer system within 10 business days</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of trade waste applications responded to ≤ 10 business days - total number of applications received | | |

| New Connections ⁽³⁾ | Target 2011-12 | Target 2012-13 |
|---|---|-------------------|
| <p>Standard new water connections installed within 25 business days once payment received by SA Water</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of standard water connections installed ≤ 25 business days - total number of standard water connections installed | [confidential information removed] | |
| <p>Non-standard new water connections installed within 35 business days once payment received by SA Water</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of non-standard water connections installed ≤ 35 business days - total number of non-standard water connections installed | | |
| <p>Standard new sewer connections installed within 30 business days once payment received by SA Water</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of standard sewer connections installed ≤ 30 business days - total number of standard sewer connections installed | | |
| <p>Non-standard new sewer connections installed within 50 business days once payment received by SA Water</p> <p>Supporting data:</p> <ul style="list-style-type: none"> - total number of non-standard sewer connections installed ≤ 50 business days - total number of non-standard sewer connections installed | | |

Table 3.2: Metropolitan – Water Retail Service

| Attending bursts and leaks | Target 2011-12 | Target 2012-13 |
|--|---|---------------------------|
| Attend to a Priority 1 ⁽⁴⁾ event within 1 hour Supporting data: - total number of priority 1 events attended ≤ 1 hour | [confidential information removed] | |
| Attend to a Priority 2 ⁽⁵⁾ event within 5 hours | | |
| Attend to a Priority 2 event within 12 hours Supporting data: - total number of priority 2 events attended ≤ 5 hours - total number of priority 2 events attended ≤ 12 hours - total number of bursts and leaks attended | | |
| Restoration of service | Target 2011-12 | Target 2012-13 |
| Category 1 ⁽⁶⁾ events restored within 5 hours: Supporting data: - total number of category 1 events restored ≤ 5 hours | [confidential information removed] | |
| Category 2 ⁽⁷⁾ events restored within 5 hours | | |
| Category 2 events restored within 18 hours Supporting data: - total number of category 2 events restored ≤ 5 hours - total number of category 2 events restored ≤ 18 hours | | |
| Category 3 ⁽⁸⁾ events restored within 12 hours | | |
| Category 3 events restored within 24 hours Supporting data: - total number of category 3 events restored ≤ 12 hours - total number of category 3 events restored ≤ 24 hours - total number of events restored | | |

| Quality of Supply | Target 2011-12 | Target 2012-13 |
|--|------------------------------------|-------------------|
| Attend to a Priority 1 ⁽⁹⁾ complaint about quality of supply within 1 hour Supporting data: - total number of priority 1 complaints attended ≤ 1 hour | [confidential information removed] | |
| Attend to a Priority 2 ⁽¹⁰⁾ complaint about quality of supply within 2 hours | | |
| Attend to a Priority 2 complaint about quality of supply within 12 hours Supporting data: - total number of priority 2 events attended ≤ 2 hours - total number of priority 2 events attended ≤ 12 hours | | |
| Respond to a Priority 3 ⁽¹¹⁾ complaint about quality of supply by contacting the customer within 2 hours to negotiate attendance within 24 hours Supporting data: - total number of priority 3 complaints attended ≤ 2 hours - total number of water quality complaints received | | |
| Infrastructure | Target 2011-12 | Target 2012-13 |
| Number of properties with 3 or more unplanned water interruptions per year | [confidential information removed] | |
| Infrastructure leakage | | |
| Minimum flow rates (litres per minute) for a 20mm meter | | |



Table 3.3: Metropolitan – Sewerage Retail Service

| Sewerage interruption restoration | Target 2011-12 | Target 2012-13 |
|---|---|-------------------|
| Category 1 ⁽¹²⁾ events restored within 5 hours Supporting data: <ul style="list-style-type: none"> - total number of category 1 events restored ≤ 5 hours | [confidential information removed] | |
| Category 2 ⁽¹³⁾ events restored within 5 hours | | |
| Category 2 events restored within 18 hours Supporting data: <ul style="list-style-type: none"> - total number of category 2 events restored ≤ 5 hours - total number of category 2 events restored ≤ 18 hours | | |
| Category 3 ⁽¹⁴⁾ events restored within 12 hours | | |
| Category 3 events restored within 24 hours Supporting data: <ul style="list-style-type: none"> - total number of category 3 events restored ≤ 12 hours - total number of category 3 events restored ≤ 24 hours - total number of interruptions | | |
| Partial loss of service restored within 18 hours | | |
| Partial loss of service restored within 36 hours Supporting data: <ul style="list-style-type: none"> - total number of partial loss restored ≤ 18 hours - total number of partial loss restored ≤ 36 hours - total number of partial interruptions | | |

| Sewerage overflow attendance | Target 2011-12 | Target 2012-13 |
|--|---|---------------------------|
| Attend to overflow inside building within 1 hour Supporting data: <ul style="list-style-type: none"> - total overflows inside building attended ≤ 1 hour - total overflows inside building attended | [confidential information removed] | |
| Attend to overflow outside building within 2 hours Supporting data: <ul style="list-style-type: none"> - total overflows outside building attended ≤ 2 hours - total overflows outside building attended | | |
| Attend to overflow external to customer's property within 4 hours Supporting data: <ul style="list-style-type: none"> - total overflows external to property attended ≤ 4 hours - total overflows external to property attended | | |
| Sewerage overflow clean up | Target 2011-12 | Target 2012-13 |
| Clean up overflow inside building within 4 hours Supporting data: <ul style="list-style-type: none"> - total overflows inside building cleaned up ≤ 4 hours - total overflows inside building cleaned up | [confidential information removed] | |
| Clean up overflow outside building within 6 hours Supporting data: <ul style="list-style-type: none"> - total overflows outside building cleaned up ≤ 6 hours - total overflows outside building cleaned up | | |
| Clean up overflow external to customer's property within 8 hours | | |
| Clean up overflow external to customer's property within 15 hours Supporting data: <ul style="list-style-type: none"> - total overflows external to customer's property cleaned up ≤ 8 hours - total overflows external to customer's property cleaned up ≤ 15 hours - total overflows external to customer's property cleaned up | | |

Table 3.4: Country – Water Retail Service

| Attending bursts and leaks | Target 2011-12 | Target 2012-13 |
|--|---|---------------------------|
| Attend to a Priority 1 ⁽⁴⁾ event within 1 hour | [confidential information removed] | |
| Attend to a Priority event within 2 hours Supporting data: - total number of priority 1 events attended ≤ 1 hour - total number of priority 1 events attended ≤ 2 hours | | |
| Attend to a Priority 2 ⁽⁵⁾ event within 5 hours | | |
| Attend to a Priority 2 event within 12 hours Supporting data: - total number of priority 2 events attended ≤ 5 hours - total number of priority 2 events attended ≤ 12 hours - total number of bursts and leaks attended | | |
| Restoration of service | Target 2011-12 | Target 2012-13 |
| Category 1 ⁽⁶⁾ events restored within 5 hours | [confidential information removed] | |
| Category 1 events restored within 12 hours Supporting data: - total number of category 1 events restored ≤ 5 hours - total number of category 1 events restored ≤ 12 hours | | |
| Category 2 ⁽⁷⁾ events restored within 5 hours | | |
| Category 2 events restored within 18 hours Supporting data: - total number of category 2 events restored ≤ 5 hours - total number of category 2 events restored ≤ 18 hours | | |
| Category 3 ⁽⁸⁾ events restored within 12 hours | | |
| Category 3 events restored within 24 hours Supporting data: - total number of category 3 events restored ≤ 12 hours - total number of category 3 events restored ≤ 24 hours - total number of events restored | | |

| Quality of Supply | Target 2011-12 | Target 2012-13 |
|---|------------------------------------|-------------------|
| Attend to a Priority 1 ⁽⁹⁾ complaint about quality of supply within 1 hour | [confidential information removed] | |
| Attend to a Priority 1 complaint about quality of supply within 12 hours Supporting data: - total number of priority 1 complaints attended ≤ 1 hour - total number of priority 1 complaints attended ≤ 12 hours | | |
| Attend to a Priority 2 ⁽¹⁰⁾ complaint about quality of supply within 2 hours | | |
| Attend to a Priority 2 complaint about quality of supply within 12 hours Supporting data: - total number of priority 2 events attended ≤ 2 hours - total number of priority 2 events attended ≤ 12 hours | | |
| Respond to a Priority 3 ⁽¹¹⁾ complaint about quality of supply by contacting the customer within 2 hours to negotiate attendance within 24 hours Supporting data: - total number of priority3 complaints attended ≤ 2 hours - total number of water quality complaints received | | |
| Infrastructure | Target 2011-12 | Target 2012-13 |
| Number of properties with 3 or more unplanned water interruptions per year | [confidential information removed] | |
| Infrastructure leakage | | |
| Minimum flow rates (litres per minute) for a 20mm meter | | |



Table 3.5: Country – Sewerage Retail Service

| Sewerage interruption restoration | Target 2011-12 | Target 2012-13 |
|--|---|-------------------|
| Category 1 ⁽¹²⁾ events restored within 5 hours | [confidential information removed] | |
| Category 1 events restored within 12 hours Supporting data: <ul style="list-style-type: none"> - total number of category 1 events restored ≤ 5 hours - total number of category 1 events restored ≤ 12 hours | | |
| Category 2 ⁽¹³⁾ events restored within 5 hours | | |
| Category 2 events restored within 18 hours Supporting data: <ul style="list-style-type: none"> - total number of category 2 events restored ≤ 5 hours - total number of category 2 events restored ≤ 18 hours | | |
| Category 3 ⁽¹⁴⁾ events restored within 12 hours | | |
| Category 3 events restored within 24 hours Supporting data: <ul style="list-style-type: none"> - total number of category 3 events restored ≤ 12 hours - total number of category 3 events restored ≤ 24 hours - total number of interruptions | | |
| Partial loss of service restored within 18 hours | | |
| Partial loss of service restored within 36 hours Supporting data: <ul style="list-style-type: none"> - total number of partial loss restored ≤ 18 hours - total number of partial loss restored ≤ 36 hours - total number of partial interruptions | | |

| Sewerage overflow attendance | Target 2011-12 | Target 2012-13 |
|--|---------------------------|---|
| Attend to overflow inside building within 1 hour Supporting data: <ul style="list-style-type: none"> - total overflows inside building attended \leq 1 hour - total overflows inside building attended | | [confidential information removed] |
| Attend to overflow outside building within 2 hours Supporting data: <ul style="list-style-type: none"> - total overflows outside building attended \leq 2 hours - total overflows outside building attended | | |
| Sewerage overflow clean up | Target 2011-12 | Target 2012-13 |
| Clean up overflow inside building within 4 hours | | [confidential information removed] |
| Clean up overflow inside building within 15 hours Supporting data: <ul style="list-style-type: none"> - total overflows inside building cleaned up \leq 4 hours - total overflows inside building cleaned up \leq 15 hours - total overflows inside building cleaned up | | |
| Clean up overflow outside building within 6 hours | | |
| Clean up overflow outside building within 15 hours Supporting data: <ul style="list-style-type: none"> - total overflows outside building cleaned up \leq 6 hours - total overflows outside building cleaned up \leq 15 hours - total overflows outside building cleaned up | | |

Notes: **[confidential information removed]**

4 NEXT STEPS

This paper should be read alongside the Commission's Draft Advice to the Treasurer.

This paper is the first step in the process for developing any water industry codes under the ESC Act. It sets out the principles on which consumer protection industry codes will be based. Subject to comments received, the Commission will prepare the text of the consumer protection industry codes, for further public consultation.

The Commission is also seeking views on its proposed approach to the requirement for the Commission's standard form contract to apply only to residential customers, while allowing licensees to develop contracts for non-residential customers on terms and conditions consistent with the requirements of the Code.

As SA Water will be issued with a licence on the date that the Water Industry Act is proclaimed, the service standards applying to SA Water need to be established as soon as possible. Accordingly, the Commission seeks comment on the proposed service standards for SA Water.

The Commission invites comment on any of the issues raised in this paper, and any other related matters considered relevant to the Commission's consideration in preparing draft regulatory instruments.