

REPORT

TO	SA Water and Essential Services Commission, SA
TOPIC	Customer Priorities Report
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SA CUSTOMER PRIORITIES STATEMENT

SA Water Regulatory Determination 2024: Customer Priorities Report

1 Summary

- 1.1 This report summarises the priorities of organisations representing a diversity of consumer interests regarding water services. This input will feed into SA Water's Regulatory Determination 2024 - 28 (RD24) process, ultimately helping to shape their business and investment decisions.
- 1.2 The RD24 process will highlight several consumer-focused issues for consideration. SA Water has directly engaged with consumer and business groups as part of regular meetings with the Peak Bodies Engagement Forum. Many of the stakeholders contributing to this report have engaged with SA Water as part of these group meetings.
- 1.3 This report aims to:
 - ❖ provide a broad overview of diverse views of consumers and highlight their priorities for water services and feedback on their engagement with SA Water. The key purpose of this report is to help ensure that SA Water's proposed business plan due for submission to the Essential Services Commission (ESCoSA) in 2023 responds to and reflects a clear understanding of the concerns raised by consumers;
 - ❖ provide a space for stakeholders to raise issues that have not already been raised in meetings with SA Water due to time constraints or other reasons; and
 - ❖ serve as a reference document for SA Water as it develops its Regulatory Business Plan and for the Essential Services Commission (ESCoSA) as the regulator considers its Draft Determination and final decision.
- 1.4 The consultation as part of developing this report included asking stakeholders the following:
 - ❖ top three priorities the organisation (or the constituents they represent) want SA Water to consider as they finalise their proposed business plan; and
 - ❖ feedback on engagement as part of SA Water consultations they were involved in
- 1.5 The author notes that stakeholders were made aware that a consensus view was not required and that the report sought to highlight a diversity of views for SA Water's consideration. This report does not necessarily reflect the views of either the Commission or SA Water.

- 1.6 Furthermore, the author notes that organisations such as Conservation SA, JFA Purple Orange, Youth Affairs Council of South Australia, Primary Producers SA, Property Council of Australia (SA), Local Government Association SA, Business SA, Regional Communities Consultative Council, Uniting Care Wesley Bowden, Salvation Army, and Anti-Poverty Network were contacted but did not have the capacity to respond within the short timeline provided for consultation.
- 1.7 This Customer Priorities Report will be provided to SA Water's Board and will be made publicly available by the Commission.
- 1.8 As part of assessing SA Water's Regulatory Business Plan, the Commission will consider the issues raised in the Customer Priorities Report and the extent to which the plan addresses the long term interests of consumers, as outlined in the regulator's Framework and Approach, and Guidance Papers.

2 Consultation process

- 2.1 Stakeholders provided a broad range of views and insights both about the concerns of customers and feedback on SA Water's engagement process.
- 2.2 There was agreement among stakeholders that SA Water has improved its community engagement. Stakeholders highlighted the importance of the RD24 process being transparent and inclusive, while also ensuring the perspectives of different kinds of customers in the community were sought.
- 2.3 Stakeholders recognised the competing priorities SA Water is navigating and reported having a better understanding of these priorities resulting from the group meetings they attended facilitated by SA Water's Peak Bodies Engagement Forum (PBEF) and Customer Advisory Groups (CAG).

3 Top three customer priorities for SA Water consideration

Consumers Association of SA

- 3.1. There is a segment of consumers who do want to know more about water-saving methods. This may not be new information but consumers need to be pointed to the availability of updated information when they are ready. This could include concessional products, available funding, whether rented or properties being purchased or owned. It is unreasonable for SA Water to want to conserve water without looking to also work with customers with similar goals at that time. There is a lot of information online but this may not be relevant to local conditions including availability of suitable drought tolerant plants suitable for small gardens, available water conservative tap devices,

rainwater tanks, and more. A regularly updated and available source of information for when consumers are ready is a priority.

- 3.2. SA Water needs to make better efforts to identify rentals to target information and hardship assistance. This may require a legislative amendment to access information or to encourage details to be provided without any risk to tenants or landlords.
- 3.3. Regarding recycled water, SA Water must work tirelessly to earn a social license before considering providing recycled drinking water. Any effort by SA Water must include provision for sampling and testimonials, for instance. A wider comprehensive campaign designed to earn the critical social license is needed so they can be ready to implement promptly once they have a social license.

Feedback on SA Water engagement process:

- 3.4. While SA Water seemed less sure of outcomes from the Peak Bodies Engagement Forum (PBEF) meetings, in the beginning, the staff managing the meetings and their approach improved significantly. They appeared to listen to us and met us individually to engage with us.
- 3.5. The 'willingness to pay' survey could have been improved, and it would have been helpful for them to show us the survey and get our feedback on the wording. While SA Water staff provided a general description of the survey approach, we felt the survey was a bit biased and could have been improved.
- 3.6. There is more room for improvement in providing stakeholders with all their papers and materials well before the meeting. This would provide members with an opportunity to consult more widely before the meeting. They also seem to be dragging the chain by providing us with the results of the willingness to pay survey, even just the summary of the results.
- 3.7. It was disappointing when SA Water did not provide any indication of the possible bill impact at the most recent meeting.

COTA SA

- 3.8. SA Water's strategy for planning for the infrastructure and service needs in regional areas is a key priority. Older persons make up a high percentage of customers in regional areas and the demography of regional areas are experiencing significant change since the COVID-19 pandemic. How do SA Water's strategies consider and plan for the changing needs of older people, including the services they need, in regional areas?
- 3.9. SA Water is agile in responding to the increasing cost of living pressures experienced by older people, particularly those on a low and fixed income. We would like to see greater support for people wanting to lower and manage their bills, and receive assistance if they are struggling to pay their SA Water bill.

- 3.10. Services such as paying a bill or reporting a fault should continue to be available in the non-online environment so that customers who are not able to connect with SA Water digitally can receive the same level of service and not be penalised for not engaging online.

Feedback on SA Water engagement process:

- 3.11. SA Water has put a lot of effort into the way they engage with peak bodies through this process and their level of transparency and information has improved considerably.
- 3.12. It is unclear the level of empowerment the Peak Bodies have in SA Water's business planning process and ESCOSA's Regulatory Determination, making it difficult to determine the level of effort we should dedicate to its regulatory process and whether it is best spent engaging with ESCOSA as the decision makers.
- 3.13. We expect SA Water to demonstrate it has engaged with a diverse and representative sample of older South Australians in its business planning process.
- 3.14. We expect SA Water to engage with South Australians in different ways so that those who cannot engage online have an opportunity to have their say.

Energy and Water Ombudsman of South Australia

- 3.15. Seeks confidence that services provided accurately reflect what end-use customers (including occupiers) value and that they are provided at the most efficient cost.
- 3.16. Supports mechanisms (i.e., hardship) for customers being extended to all end users (notably tenants), not just the proprietor of the property who can simply pass the cost on to the tenant.
- 3.17. Seeks that SA Water consider best practice electronic tools for communicating with customers in terms of faults, new connections and other services it provides.

Multicultural Communities Council of SA

- 3.18. Considers affordability the most important priority, as customers in regional areas struggling financially need more assistance with their water bills. Most regional customers don't pay for water or pay a small proportion. They would like to see SA Water better support customers with financial issues by providing support with costing, accessing hardship, and understanding their usage.
- 3.19. Wants to see the reliability of water supply being prioritised, as some customers in regional areas are impacted by interruptions in supply.
- 3.20. Wants SA Water to ensure consistency in engagement with customer groups. Currently, active engagement such as the current RD24 process is a one-off. Consultation should not just occur every four years and should be ongoing and continuous so customers are

informed and engaged throughout. A continuing engagement process will help them provide more information and better reflect the needs of the customers represented by MCCA.

Feedback on SA Water engagement process

- 3.21. The engagement was robust and we appreciated hearing about the direction of SA Water. The information provided was helpful and it would be good to know where it can be accessed in the future.

South Australian Council of Social Service

- 3.22. Considers equity and affordability as the most important priority, and needs to underpin all other areas, as opposed to being considered as a standalone priority.
- 3.23. Would like greater clarity on the role of State Government policy and directions and how these influence proposed expenditures and costs to consumers, noting that this was designated as out of scope from the Peak Bodies Engagement Forum terms of reference.
- 3.24. Is of the view that robust discussion needs to be had on the costs of which activities should be recovered from customers, funded through Government general revenue, or funded via community service obligations (CSO). This includes greater transparency around how CSOs are spent. For example, \$43 million was received for SA Water RD20 to support remote Aboriginal Communities (State Government funding 84% of this cost, and the remainder being recovered from SA Water customers).

Feedback on SA Water engagement process:

- 3.25. SA Water has demonstrated that it is willing to respond to feedback throughout the engagement process. For example, the Peak Bodies Engagement Forum (PBEF) was not initially envisioned as part of SA Water's engagement program or outlined in the Essential Services Commission of South Australia (ESCOSA) Framework and Approach. Following concerns from stakeholders, SA Water established the PBEF to allow for increased diversity of views, across a variety of representative groups. It is noted that given the late addition to the process, timelines have often appeared compressed and it is unclear the level of influence the forum has for influencing SA Water's business cases.
- 3.26. SACOSS views the PBEF as having a critical ongoing function as it helps to build the capacity of the community sector and representative bodies to engage in water issues impacting South Australians across a variety of segments. We note that individuals within representative organisations are often time-poor, with levels of engagement in PBEF varied among members due to conflicting priorities. The continued engagement and development of consumer advocates in South Australia is crucial in any process safeguarding the long term interest of consumers. This is particularly the case given that

a number of consumer advocates with a wealth of experience, knowledge and experience have moved into retirement and/or new roles since the last SA Water regulatory proposal (e.g. Mark Henley, Uniting Communities; Andrew McKenna, Business SA; Brian and Elaine Attwood, Consumers SA; Wendy Shirley, SAFCA).

South Australian Financial Counsellors Association

- 3.27. Given the increasing cost of living pressures, water charges need to be kept low, especially for low income earners.
- 3.28. It would be good for tenants to be recognised as customers of SA Water. This includes tenants receiving a copy of the water bill directly, being placed on hardship programs (if required) and supported when there are possible pipe leaks increasing usage charges.
- 3.29. In communities where there is limited access to quality water supply, including communities such as Coober Pedy (which is not currently managed by SA Water) it would be great for SA Water to actively engage the communities for support to provide adequate, safe, quality drinking water at an affordable price. When there are health needs for extra water use (e.g. people with certain health conditions or disabilities) and customers sometimes need to take longer showers or do significantly more washing and also for people in Port Pirie where they have to hose down houses and wash more because of lead levels, it would be good if there was some cost relief for these groups too, especially for those on lower incomes who cannot afford the extra cost.

SA Federation of Residents and Ratepayers Association

- 3.30. A key concern continues to be the affordability of water services for all customers. Older people being able to afford water bills is a priority. These groups aren't able to water their garden as water bills are increasing. Simple activities like watering gardens help take care of mental health for the elderly and young people.
- 3.31. Similarly, for some vulnerable customers, water cost is so high that they are cutting down on flushes and showers. People with extreme health conditions may need to use more water to care for themselves, so affordability is a concern.
- 3.32. Would like to see tenants be recognised as SA Water customers and be provided with billing information and access to hardship by SA Water. Vulnerable customers, including tenants, should be able to access customer privileges such as negotiating payment plans and bill extensions with SA Water.

Feedback on SA Water engagement process

- 3.33. While the supplied information is helpful, SA Water should consider not getting into too much detail. Some technical information could have been broken down to ensure better understanding.
- 3.34. We would like the chance to provide greater input as individuals into these decisions in the future.

Uniting Communities

- 3.35. Would like to see SA Water work out mechanisms through which tenants can access the suite of customer privileges currently unavailable to them, including bill extensions, applying for concessions, and access to hardship. SA Water should prioritise and invest in ways to help tenants access hardship without landlord authorisation. Additionally, we want to see SA Water actively engage with vulnerable customers as part of implementing an ongoing communications strategy (e.g. through public events such as 'Bring your Bill' sessions).
- 3.36. Wants SA Water to invest in collecting and confirming accurate, up-to-date information on customers (including landlords and tenants) as part of updating their customer database.
- 3.37. Would like to see SA Water develop yearly customer satisfaction targets that are enforceable (and have financial backing, e.g., if customer satisfaction targets are not met, a portion of profits are returned to customers as a community rebate). Additionally, we want to see SA Water co-design its hardship program and vulnerable customer outreach with social and community sector advocates to ensure vulnerable customers' views are adequately considered and represented.

Uniting Country SA

- 3.38. Would like to see affordability prioritised, especially in regions such as Port Pirie where local issues with higher lead levels mean bills are higher due to washing paths and houses to reduce lead levels.
- 3.39. Would like SA Water to provide customers with more information in regards to leaks and what they should do as many of their clients cannot afford the internet to look this up online.
- 3.40. Would like more information on any additional hardship support available to customers.

Urban Development Institute of Australia

- 3.41. Would like to be involved with and see the infrastructure planning for the next 5-10 years. The government and developer community knows where development will happen in the next 10-15 years, and it would be beneficial to know more about SA Water's plan to service these specific areas.
- 3.42. Wants SA Water to be more responsive from a business point of view to the needs of the market. The regulatory cycle is like a political cycle, which doesn't lend itself to planning for assets that live for 30-40 years. There is a need for a more visionary approach to planning for their assets and future-proofing.
- 3.43. Would like to see more focus on long term water security planning and wastewater security planning.

4 Next Steps

There will be opportunities for interested stakeholders to engage in the next phases of the SA Water Regulatory Process. Major upcoming milestones are outlined below.

November 2022	SA Water to release the 'What we heard' report
3 July 2023 – September 2023	SA Water to submit its Regulatory Business Plan to ESCoSA
July 2023	ESCoSA to invite stakeholder comment and feedback on SA Water's Regulatory Business Plan
November 2023	ESCoSA to release its Draft Determination, with stakeholder comment and feedback sought over an 8-week period
May 2024	ESCoSA to release its Final Determination

Appendix 1: Key Stakeholder List

Organisation	Representative	Role
Consumers Association of SA	Ron Shanks	President
COTA SA	Jodi Slater	Senior Policy and Engagement Officer
Energy and Water Ombudsman of South Australia	Jo De Silva	Policy and Communications Manager
Multicultural Communities Council of SA	Helena Kyriazopoulos	Chief Executive Officer
South Australian Council of Social Services	Rebecca Law	Senior Policy Officer
South Australian Financial Counsellors Association	Kate Fox	Executive Officer
SA Federation of Residents and Ratepayers Association	Kevin Kaeding	President
Uniting Communities	Aasha Sriram	Advocacy Officer
Uniting Country SA	Katie Sedunary	Financial Inclusion Team Leader
Urban Development Institute of Australia	Glenn Hordacre	Managing Director