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Dear Mr Hardy,

Re: SACOSS Submission to the Review of the Urban National Performance Reporting Framework reporting themes and indicators

The South Australian Council of Social Service (SACOSS) is the peak body for the community services sector in South Australia, with a long-standing interest in the efficient and equitable delivery of essential services such as water, energy and telecommunications.

We thank the Bureau of Meteorology (the Bureau), the Commonwealth Department of Agriculture, Water and the Environment (DAWE) and the National Performance Reporting Technical Working Group (TRG) for the opportunity to provide input into the Urban National Performance Reporting Framework indicator review.

In support of this submission, SACOSS refers HARC to the following reports and submissions, prepared or commissioned by SACOSS, which consistently highlight the importance of ensuring ongoing and expanded reporting and monitoring of water service providers in regional and remote South Australia:

- Jeanette Gellard and Kerri Muller Innovative Influences & Kerri Muller NRM Pty Ltd, *Dealing With Rural Water Customers In Financial Difficulty*, March 2020¹

¹ Jeanette Gellard and Kerri Muller Innovative Influences & Kerri Muller NRM Pty Ltd, [*Dealing With Rural Water Customers In Financial Difficulty*](#), March 2020

- SACOSS, *Scoping Study on Water Issues in Remote Aboriginal Communities*, June 2020²
- SACOSS, *Towards Equitable Access to Clean Water and Sanitation for All South Australians: SACOSS Discussion Paper*, August 2020³ (**Attachment A**)
- SACOSS *Submission to the Productivity Commission’s National Water Reform Issues Paper*, August 2020⁴
- SACOSS, *Submission to ESCOSA’s Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services*, September 2020⁵ (**Attachment B**)

The information provided below (and referred to in the above documents) responds both to broader issues around inadequate available water data (specifically relating to water service providers with fewer than 50,000 connections in South Australia), and to some of the key issues identified by the consultants (HARC) within the Submissions Guide.

Issue 1 – The relevance of existing reporting themes and indicators

In August last year, SACOSS completed a mapping exercise of existing data sources and monitoring frameworks against UN Sustainable Development Goal (SDG) 6, which aims to ensure the availability and sustainable management of water and sanitation for all (SACOSS’ Discussion Paper⁶). Whilst the achievement of SDG6 is not directly covered in the National Water Initiative (NWI) or the Urban National Performance Reporting Framework (the Framework), SACOSS notes the Aither review of the National Performance Reporting Framework for Urban Water Utilities⁷ (the 2019 Review) referred to submissions supporting the inclusion of indicators relating to the SDGs within the Framework, and submissions to the 2017 Productivity Commission Inquiry into National Water Reform also supported greater alignment between the NWI and the SDGs.⁸

SACOSS strongly supports the inclusion of indicators relating to SDG6 within the Framework and refers HARC to our Discussion Paper⁹ in support of this submission. SACOSS’ Discussion Paper attempts to map existing water-related policies, monitoring frameworks and activities in South

² SACOSS, [Scoping Study on Water Issues in Remote Aboriginal Communities](#), June 2020

³ SACOSS, [Towards Equitable Access to Clean Water and Sanitation for All South Australians: SACOSS Discussion Paper](#), August 2020

⁴ SACOSS, [Submission to the Productivity Commission’s National Water Reform Issues Paper](#), August 2020

⁵ SACOSS, [Submission to ESCOSA’s Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), September 2020

⁶ SACOSS, [Towards Equitable Access to Clean Water and Sanitation for All South Australians: SACOSS Discussion Paper](#), August 2020

⁷ Aither, 2019. [National Performance Reporting Framework for Urban Water Utilities – A review of the NPR Framework](#). Melbourne, Australia, p.55, 105

⁸ Productivity Commission, [National Water Reform](#), Report no. 87, Canberra, p.322

⁹ SACOSS, [Towards Equitable Access to Clean Water and Sanitation for All South Australians: SACOSS Discussion Paper](#), August 2020

Australia to identify gaps and opportunities to deliver on SDG 6. Clearly, the inclusion of SDG6 related indicators within the Framework represents an important opportunity to move towards achieving these goals by 2030 (particularly if the operation of the Framework extends to retailers with fewer than 10,000 connections).

More broadly, SACOSS acknowledges there is a need for balance between voluntary self-assessment, reducing administrative burden for small-scale water providers, and public transparency and accountability. However, currently (and with the introduction of the VTA model outlined in more detail below) the balance is weighted very heavily in favour of reducing administrative burden for minor and intermediate water service providers, with little or no public transparency and accountability for the quality of the provision of that essential service. We consider broadening the reporting themes / indicators and extending the operation of the Framework will work to redress that imbalance in South Australia.

Issue 2 – The basis for reporting

SACOSS strongly supports the recommendation of the 2019 review that the ‘Framework be extended to include water service providers with less than 10,000 connected properties’. Specifically, we support the inclusion of all ‘intermediate’ water retailers that provide drinking water and / or sewage services to more than 500 connected properties.

The Urban National Performance Report information sheet provides that ‘any urban water service provider (**water supply and/or sewage services**) that serves more than 10,000 properties is required to report under the National performance reporting framework’.¹⁰ SA Water is currently the only South Australian NPR reporting entity (this is despite the Mt Barker District Council being licensed in 2013 to provide sewage services to 10,302 (units for charging) customers).¹¹

Beyond SA Water, there are an additional 66 licensed water and sewage service retailers in South Australia who provide drinking water services to approximately 5,600 customers and sewage services to approximately 99,100 customers.¹² These water and sewage service retailers are known as ‘minor and intermediate retailers’. A minor retailer means a retailer that provides retail services to (up to and including) 500 connections, and an intermediate retailer means a retailer that provides retail services to more than 500 but up to and including 50,000 connections. These minor and intermediate retailers are largely regional councils and private water providers.

The number of connections each individual minor and intermediate retailer is licensed to provide retail services to is not detailed on the licence, or publicly disclosed by the Essential Services Commission of South Australia (ESCOSA). SACOSS has contacted ESCOSA to determine the current

¹⁰ <http://www.bom.gov.au/water/about/publications/document/urbanNationalPerformanceReport.pdf>

¹¹ [Water Licence Application, Mt Barker Council](#), August 2012, p.7 and District Council of Mount Barker Class-intermediate (2) Retailer, [Water Retail Licence](#), 4 January 2013

¹² Essential services Commission of SA, Minor and Intermediate Retailers Regulatory Performance Report 2018-19, June 2020, <https://www.escosa.sa.gov.au/ArticleDocuments/547/20200702-Water-RegulatoryPerformanceReport-2018-19-MIR.pdf.aspx?Embed=Y>

number of intermediate retailers that provide retail services to more than 10,000 connections, but we have been unable to obtain that information.

There is currently extremely limited data on the operation of these minor and intermediate retailers in South Australia. ESCOSA does publish an annual Regulatory Performance Report for Minor and Intermediate retailers¹³, but our understanding is that the Report for 2019-20 (due in March / April 2021) will be the last of these publicly available reports (see further discussion on the proposed regulatory changes below). Notably, the limited data that is available points to a marked disparity between service provision and price amongst retailers (although the comparisons are difficult to make as the data on the relative size of each retailer is not available). For example, in 2018-19, minor and intermediate retailers reported an increase in the number of legal actions and water restrictions (939 in total) to recover debts, compared to 908 in the previous year. In contrast, over the same period, SA Water reported a total of 29 residential restrictions and 9 residential legal actions across its 1.7 million customer base.¹⁴ In terms of price, the annual residential drinking water bills based on an annual consumption of 200 kilolitres (kL) for drinking water services ranged from \$662 (Clare and Gilbert Valleys Council) to \$1,273 (District Council of Ceduna). ESCOSA's Performance Report also suggests that 71 per cent of minor and intermediate retailers in South Australia **self-reported** full compliance with all of the relevant NWI pricing principles.¹⁵ It is unclear what the relative indicators are for self-reported compliance with the NWI pricing principles, and how this self-reporting is interrogated by ESCOSA.

Other specific examples of issues in regional and remote areas are raised in SACOSS' June 2020 scoping paper into water issues in Aboriginal communities (referred to above). As noted in the Scoping Paper, there is a lack of visibility around water, sanitation and hygiene (WASH) issues in Remote Aboriginal communities, which remains a worrying and significant ongoing challenge.

Relevantly, ESCOSA recently conducted a review into the regulatory arrangements for small-scale energy and water licensees, proposing to introduce a Verified Trust and Accountability model (VTA model) of regulation to apply to small scale energy networks/retailers and minor and intermediate water retailers. ESCOSA considered the benefits of this model for licensees will be 'a reduction in the nature and scope of regulatory reporting requirements, as compared to current levels', and the benefits for consumers will 'arise from the criteria themselves: they can have confidence that their provider has a competent operation'.¹⁶

¹³ Essential services Commission of SA, [Minor and Intermediate Retailers Regulatory Performance Report 2018-19](#), June 2020

¹⁴ Essential services Commission of SA, [SA Water Regulatory performance – times series data, 'restrictions and legal actions applied for non-payment'](#),

¹⁵ Essential services Commission of SA, [Minor and Intermediate Retailers Regulatory Performance Report 2018-19](#), June 2020

¹⁶ ESCOSA, [Draft Inquiry Report into regulatory arrangements for small-scale water, sewerage and energy services](#), August 2020 p.2

SACOSS' submission to the Inquiry¹⁷ did **not** support the introduction of the VTA model and the corresponding reduction of performance monitoring and reporting for minor and intermediate water retailers. We submitted that publicly reported data 'is not just important for monitoring and compliance on a state level, it is also important to support transparency, accountability and to measure compliance against national and international obligations relating to equitable access to essential services in remote communities'.¹⁸ We referred ESCOSA to SACOSS' Discussion Paper¹⁹ which highlights the need for *more* data relating to the provision of essential services in regional and remote Australia, not less. We raised concerns that reduced transparency and accountability of water service provision in regional South Australia will lead to negative outcomes for consumers.

At the time of writing this submission, ESCOSA has not yet published its Final Decision in relation to the regulatory arrangements for Small Scale Networks in South Australia.²⁰ However, SACOSS has been advised by ESCOSA that its decision will be to introduce the VTA model for small scale energy networks / retailers and water retailers. SACOSS submits this decision will further reduce visibility of the operation of those smaller utilities and lends additional weight to the need for the NPR Framework to be extended to include water service providers with more than 500 connected properties (intermediate retailers). Without some form of consistent, transparent and comparable performance monitoring and reporting for smaller water licensees, there is little or no data to benchmark performance, identify opportunities for improvement, develop policy and ensure consumers across South Australia have equitable access to water and sanitation.

Our research contained in the reports and submissions referred to above has reaffirmed the (often observed) fragmentation in roles and responsibilities for different aspects of water management, planning, supply, and monitoring across South Australia. Better alignment of water monitoring across the state and between states is needed to provide the necessary data to compare and improve water service provision nationally. The following principles were developed by the South Australian Water Information Program Board in 2012 to guide a state-wide water monitoring investment and strategy,²¹ and are still relevant today:

1. **Monitoring is coordinated** to minimise duplications and to help identify gaps and opportunities
2. **Monitoring is fit for purpose** and aligned to long-term objectives (e.g. safe reliable water supplies, sustainable environments, economic and industry growth, resilient communities)

¹⁷ SACOSS, [Submission to ESCOSA's Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), September 2020,

¹⁸ SACOSS, [Submission to ESCOSA's Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), September 2020, p.13

¹⁹ SACOSS, [Towards Equitable Access to Clean Water and Sanitation for All South Australians: SACOSS Discussion Paper](#), August 2020

²⁰ ESCOSA's [website](#) indicates the Final Decision will be published in February 2021.

²¹ Geraghty, K. and Barratt, R. (2012) [South Australian Water Monitoring Investment Framework and Strategy](#). South Australian Water Information Program Board.

3. **Monitoring is adaptive** and responsive to new priorities, and are regularly reviewed
4. **Monitoring is consistent** with regards to aligning to best practice standards for data collection, analysis and reporting
5. **Monitoring information is accessible** and available for re-use by relevant stakeholders
6. **Monitor once, use many times**
7. **Existing investment is leveraged** rather than creating individual, standalone data collections
8. **Collaborative partnership opportunities are realised**

SACOSS considers expanding the indicators and extending the operation of the Framework aligns with these principles, and will shine a light on existing inequities in the provision of water services across the state, leading to appropriate policy development and targeted performance improvements. SACOSS therefore strongly submits the NPR Framework be expanded to include SDG6-related indicators, and be extended to include all intermediate retailers (between 500 and 50,000 connections) operating in South Australia.

We thank you in advance for consideration of our comments. If you have any questions relating to this submission, please contact Georgina Morris on georgina@sacoss.org.au or 08 8305 4214.

Yours sincerely,



Dr Catherine Earl

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South Australian Council of Social Service