

CONSUMER ENGAGEMENT AND THE WATER INDUSTRY

SA WATER 2013-5

ESCOSA ACT 2002

- 5. Functions

The Commission has the following functions:

....(d) to provide and require consumer consultation processes in regulated industries

- 6. Objectives

In performing the Commission's functions, the Commission must –

(a) have as its primary objective protection of the long term interests of SA consumers with respect to the price, quality and reliability of essential services; and

(b) at the same time, have regard to the need to ...

(v) ensure consumers benefit from competition and efficiency

Some Issues/Questions

- Can the Regulator transfer its key responsibility to determine the customer interest? What should it do in addition to requiring regulated businesses to consult and present a customer perspective?
- How can the Regulator determine the consumer long term interest? What is it? Is there an increasing tendency to emphasise the short term and leave it to others to worry about the long term?

“Your Say” Customer Engagement Program

- Oct 2012 to April 2015: 5 stage program
- Workshops (Adelaide and regional), Online survey, Customer Advisory Groups
- ESCOSA representatives observed workshops
- Ongoing checking back with customer groups

But:

- Not statistically significant
- Used to provide insights, views and priorities
- Expenditure proposal attempts to accommodate customer perspectives, but is ultimately an SA Water proposal on what needs to be done to ensure compliance with obligations.

Key Insights

- Affordability is key concern
- Generally satisfied with current levels of service
- Support cost effective investment in pressure modulation to reduce water bursts
- Like to improve their experience: multiple channels of communication
- Support limited expansion of customer assist program
- Value water recycling schemes with broad community impacts
- Support on-going cost reduction initiatives
- Endorse ongoing investment to maintain the infrastructure for the future
- Support investment in environmental projects where costs and benefits are defined
- Support SA Water contributing to economic development of SA
- Support investment in improving water quality in areas where it is poor
- See potential in smart meters but concerned at cost

SA WATER PROPOSAL

- Have taken the proposed programs and expenditures back to consumers to check
- Spoken to all key consumer representative organisations and groups
- Intend to revisit with complete details of programs once Proposal submitted 31 August
- Planning to discuss tariff design with customer representatives over Sept '15 to March '16.

FINAL OBSERVATION

- Serious attempt to listen to and involve customers in developing the operating and capital programs. However, there is no such thing as a single customer interest or view.
- Ultimately, the Proposal has to be what we believe needs to be done to ensure water quality, public health and environmental standards are met over the long term.
- Focus on doing this in most efficient and cost-effective way.
- Finally, ESCOSA has the responsibility under the Act to determine if we have reflected customers' long term interest in the Proposal.