

SUBMISSION

TO | Essential Services Commission of South Australia (ESCOSA)

TOPIC | Feedback on SA Water's Regulatory Business Plan Proposal 2024-2028

DATE | 4 October 2023

CONTACT

E | advocacy@unitingcommunities.org

P | 08 8202 5111

The participation in responses to this consultation by Uniting Communities is possible due to funding received from the Department for Environment and Water's (DEW) Consumer Advocacy and Research Fund (CARF). The views expressed through our engagement cannot be regarded as reflecting those of the SA Government as a provider of CARF funding.

About Uniting Communities

We are an inclusive not-for-profit organisation working alongside more than 80,000 South Australians each year and have been creating positive change for South Australian communities for more than 120 years. Uniting Communities works across South Australia through more than 100 community service programs, including: aged care, disability, youth services, financial inclusion, homelessness intervention, foster care, family and financial counselling. We advocate for systems change across diverse social justice issues to shape public and social policy that delivers better outcomes for marginalised communities. We strive to build strong and supportive communities, to help people realise their potential and live the best life they can.

We help those in need find the courage to move forward through enriching their lives and uniting the communities in which they live. By tackling the deep-seated challenges that affect people's lives, we are working to create systemic change and brighter futures for all South Australians. We have a bold and unceasing commitment to social justice, advocating for change and improvement in the lives of those who need it most.

We have a long-standing role as a provider of financial counselling services and have observed over recent years that utilities affordability is the number one presenting issue across our financial counselling services. Consequently, we have actively engaged in advocacy and engaged with energy and water businesses and regulators to seek to make these essential services more affordable.

Uniting Communities acknowledges and thanks Mark Henley (the previous Manager of Advocacy and Communications at Uniting Communities) who willingly shared his expertise and contributed over a decade and a half of active engagement in utilities policy and regulation advocacy. He was a member for the Consumer Negotiation Committee (CNC) that engaged in active discussion for SA Water during 2019, in accordance with the process for engagement outlined in ESCOSA's Final Framework and Approach paper for the regulatory determination, 2020-24 (RD20).

Executive Summary

Uniting Communities thanks the Essential Services Commission of South Australia (ESCOSA) for providing an opportunity for interested stakeholders to provide input into the SA Water Regulatory Determination 2024 consultation.

SA Water's Regulatory Business Plan (RBP) 2024-28 is a detailed 306-page document that is expected to outline their four-year expenditure proposals and to have been developed through ongoing, transparent and genuine customer, community and stakeholder engagement.

Uniting Communities has enthusiastically engaged in a variety of stakeholder forums, including the Peak Bodies Engagement Forum (PBEF), to ensure that the voices of some of South Australia's most financially disadvantaged communities were considered during the development of SA Water's RBP.

We pay particular attention to individuals and families that are renting (tenants), as they tend to experience the most significant barriers to accessing fair and transparent billing of their water supply and usage. They also tend to be some of the poorest people in our communities.

Tenants are not considered customers (for SA Water billing purposes). While tenants are end-use consumers, they are not billed directly and therefore cannot form a relationship with SA Water. Hence, tenants cannot easily access SA Water's hardship programs and the South Australian Energy and Water Industry Ombudsman (EWOSA) dispute resolution service.

SA Water have suggested in their RBP that 78% of the 895,000 SA Water Accounts are residential accounts, equating to 698,100 residential accounts. At present there are over 225,000 renters in South Australia, and this is a significant proportion of households that cannot easily access the same level of hardship support as property owners.

We continue to encourage SA Water to better understand the situation of renters as bill paying customers and to seek to have closer relationships with them, including making hardship support more accessible for renters.

Uniting Communities also notes that SA Water's RBP does not make any reference to SA Water's Resilient Water Futures project (announced in early 2023) that aims to develop a 50-year plan for South Australia's water requirements. The strategy is expected to outline how SA Water (together with other key stakeholders) will ensure a secure and sustainable water supply for generations to come. It remains unclear how this project will be funded and if SA Water are expected to financially contribute to this project.

Context

Uniting Communities received funding from a DEW CARF grant in 2021 to undertake a project that aimed to identify issues faced by tenants in relation to water bills and access to customer protections for essential water services. As a result of this grant we published a [final recommendations report](#) in July 2022 titled "Tenants are water customers: Supporting low-income tenants and equitable water billing in SA".

This report outlined recurring themes from numerous engagement activities that included:

1. **Lack of consensus on interpretation of ‘customer’ in the *Water Industry Act 2012 (WIA)*:** There is no consensus on whether tenants are customers as per the interpretation of ‘customer’ in ‘prescribed circumstances’. This is important as only customers can access hardship assistance from the utility. The Department for Environment and Water agree that ‘residential customers’ includes tenants. However, SA Water points out that the Act does not indicate the ‘prescribed circumstances’ under which tenants are considered customers and hence, they are not required to provide hardship assistance to tenants. Given the different interpretations of the legislation, tenants need to be explicitly recognised as customers in the WIA to remove any doubt. Tenants need to be recognised as customers for the utility to deliver customer obligations, including hardship assistance.
2. **Limited access to dispute resolution:** Tenants have little recourse to dispute water bills. Given the landlord is the customer, tenants cannot access EWOSA for dispute resolution. As water disputes fall under tenancy agreements, they are resolved at SACAT. The appropriate pathway should be EWOSA as tenants often report the SACAT process is time consuming, formal, expensive, and intimidating. In contrast, EWOSA’s service is informal, low-cost, and timely. EWOSA has confirmed that they would be able to help tenants if tenants were recognised as customers.
3. **Lack of billing transparency:** Several tenants reported not receiving an itemised invoice of their bill. As the law currently stands, the responsibility of requesting a bill lies with tenants and low-income tenants often do not request a copy of the bill as they fear a rent increase or non-renewal of lease. As a result, tenants do not have information and awareness about their water bill, whether they are being charged incorrectly, and their usage information.
4. **Little to no access to hardship provisions:** Vulnerable tenants cannot access SA Water’s hardship program without landlord approval. This is a significant issue as the power imbalance between landlords and tenants discourages tenants from informing landlords about their financial situation. Additionally, as bill paying consumers of an essential service, tenants should be able to access hardship programs by speaking directly with the utility as per the WIA. However, the author observes this is not the case in practice.
5. **Inequitable supply charge responsibility without caveats:** The supply charge is a statutory charge that is typically payable by the property owner. SA is one of the only states where tenants are made to pay the supply charge. In other states including New South Wales, Queensland, and Victoria, the supply charge can only be passed on to tenants if the property is individually metered and complies with minimum water efficiency requirements. Given the lack of such caveats and tenants not being able to access hardship programs and dispute resolution, SA’s water billing system is not equitable and fair to tenants and needs reform.
6. **Billing system impacts on tenants:** Data from multiple sources including SA Water, Uniting Communities, EWOSA, and Rentright SA shows that tenants are negatively

impacted by the current water billing process. The data shows that tenants want a direct relationship with the water utility, direct billing process, improved access to hardship, and enhanced billing transparency and information.

In October 2022 Uniting Communities published a [Customer Priorities Report](#). This document outlined the priorities of organisations representing a diversity of consumer interests regarding water services and aimed to help ensure that SA Water's RBP responded to and reflected concerns raised by consumers.

Numerous stakeholders identified their top 3 customer priorities for SA Water's consideration. These priorities included:

- 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.
- 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.
- 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.
- 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.
- Given the increasing cost of living pressures, water charges need to be kept low, especially for low income earners.
- 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.

Conclusion

Uniting Communities is supportive of the position adopted by SA Water to prioritise affordability and thanks SA Water for openly acknowledging the pressures associated with current the cost of living crisis. We hold the same view as SACOSS and strongly recommends that ESCOSA align the definitions of 'customer', 'consumer' and 'residential customer' under the *Water Industry Act 2012* so that tenants can be covered by the same consumer protections afforded to all customers.

If those who pay the bills and consume the services are genuinely SA Water customers, then it is necessary that amendments to the WIA 2012 are made immediately. Too many tenants cannot easily access SA Water's Customer Assist Program because they fear jeopardising the relationship that they have with their property owner/manager.