



**Government
of South Australia**

Minister for Human Services

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Our ref: 18MCOR/0116
Your ref: 7134700

Ms Nat Cook
Member for Hurtle Vale
PO Box 158
WOODCROFT SA 5162

Sent by email: Tristan.rust@parliament.sa.gov.au

Dear Ms Cook

Freedom of information application

I refer to your application under the *Freedom of Information Act 1991* (the Act), received by the Office of the Minister for Human Services on 17 October 2018 seeking access to:

Copies of any and all documents (including but not limited to physical and electronic material) regarding DHS or Ministerial Paper 18TDHS/1104.

Unfortunately, a determination was unable to be made within the 30 days, therefore it is considered to be a 'deemed refusal' under section 19(2)(b) of the Act. However, our office has continued to process your application outside of this timeframe. Section 19(2)(a) of the Act provides that an agency can release documents outside of the thirty-day timeframe, and this is still taken to be a determination under the Act.

Two documents have been identified as falling within the scope of your application and I have determined to release these documents in full.

Please find enclosed a copy of the documents, and a document schedule containing a brief description of the documents.

If you are dissatisfied with my determination, you can seek an internal review by writing to the Minister for Human Services as the Principal Officer of the agency. Your request should be sent within 30 days of your receipt of this letter.

In accordance with the requirements of Premier and Cabinet Circular PC045, details of your FOI application, and the documents to which you are given access, may/will be published on the agency's disclosure log. A copy of PC045 can be found at

<http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>.

If you have any questions in relation to this matter, please contact Amanda Hockings, Office Manager, on telephone 8463 3388 or by email at amanda.hockings2@sa.gov.au. If you are dissatisfied with the outcome of your FOI application, you have the right to complain to the Ombudsman SA. Please contact the Ombudsman directly on (08) 8226 8699.

Yours sincerely



Amanda Hockings
ACCREDITED FOI OFFICER

30 / 5 / 2019

SCHEDULE OF DOCUMENTS – MCOR/0116

Freedom of information application from the Ms Nat Cook seeking access to Copies of any and all documents (including but not limited to physical and electronic material) regarding DHS or Ministerial Paper 18TDHS/1104.

No	Author	Addressee	Date	Description of document	Determination	Reason
1.	Department of Human Services	Minister for Human Services	28/9/2018	Minister Signed Briefing RE: Consumer Advocacy and Research Fund: State Government's proposed water pricing inquiry	Released in Full	
2.				Attachment to Briefing: Consumer Advocacy and Research Fund – SACOSS Consultation Report (April 2018)	Released in Full	

18TDHS/1104



Government of South Australia

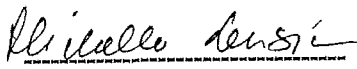
Department of Human Services

TO MINISTER FOR HUMAN SERVICES

RE: CONSUMER ADVOCACY AND RESEARCH FUND: STATE GOVERNMENT'S
PROPOSED WATER PRICING INQUIRY

Decision/action required by:...../...../.....

Reason:.....

Recommendation	Response
1. That you note that Business SA has been engaged, through the Consumer Advocacy and Research Fund, to conduct a Water Pricing Inquiry Research Project.	Approved / Not Approved <u>Noted</u>
Comments:	 Hon Michelle Lensink MLC 28/9 / 2018

KEY POINTS

- Business SA were recommended by SACOSS to undertake a project on consumer perspectives of the proposed Water Pricing Inquiry, an election commitment of your government.
- Business SA has the networks and capacity for this project and has been engaged to conduct this project.

DISCUSSION

The Consumer Advocacy and Research Fund (CARF) is an administered item (grant funding) under the *Water Industry Act 2012*, with funding applied to support research or advocacy that promotes the interests of consumers as outlined in section 87 (5) (a) and (b) of the Act. The Department of Human Services (DHS) is responsible for the activities of the Fund.

The South Australian Council of Social Services (SACOSS) has a contract to conduct ongoing research and advocacy for the CARF, including consultation and engagement to identify relevant research projects for CARF funding. In April 2018, SACOSS submitted a consultation report (attachment 1) recommending four priority water advocacy and research projects for 2018/19 (refer TDHS/660).

A Water Pricing Inquiry Research Project was one of the recommended projects as SACOSS and those consulted recommended this in light of your government's election commitment to establish an independent inquiry into water pricing in the first 100 days of office.

The objective of this CARF project is to provide a consumer perspective on the proposed inquiry. The intended outcome is to ensure water pricing delivers optimal consumer outcomes. It will involve research and advocacy around the Water Pricing Inquiry and commissioning of a consultant's report on key aspects of water pricing.

SACOSS nominated Business SA to undertake this project as the organisation has the required capacity and networks. Business SA recently submitted a project proposal at a total cost of \$30,000 (excluding GST).

The CARF Priority Project Review Committee reviewed the merits of this project on 13 June 2018, together with the urgency under which this activity needed to occur, noting the proposed Water Pricing Inquiry was set to take place within the first 100 days of your Government.

Contact has been made with the lead agency for this election commitment, the Department of Treasury and Finance who have advised they have begun establishing the office with the inquiry to be an independent activity led by Mr Lew Owens. DHS officials will liaise with the office once established to ensure they are across this activity.

On 18 July 2018, Acting Director - Community Services Division, Paul Tsoundarou, approved DHS undertaking the relevant procurement protocols to procure this activity, which is expected to be undertaken over the next 12 months and completed by 30 June 2019.

Information regarding the other three projects will be provided to you in due course.

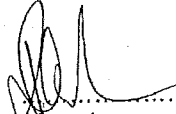
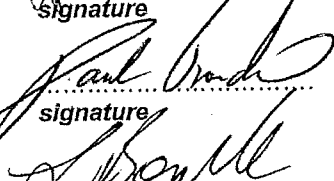
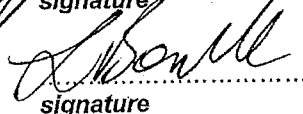
BUDGET

Are there financial implications

No

MEDIA/SENSITIVE:

No

Division	Community Services		
Deputy Director	Pat Maher	 signature	6.15.2018
A/Director	Paul Tsoundarou	 signature	8.18.2018
Deputy Chief Executive	Lois Boswell	 signature	29.8.18
Chief Executive	Tony Harrison signature date

ATTACHMENTS:

1. Consumer Advocacy and Research Fund – SACOSS Consultation Report (April 2018)

Contact Officer:	Rory Spreckley, Principal Policy and Programs Officer - Engagement and Grants 820 70351 / rory.spreckley@sa.gov.au
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**Consumer Advocacy and Research Fund (CARF) -
SACOSS Consultation Report**

April 2018

Recommendations

This report summarises a SACOSS consultation on the Consumer Advocacy Research Fund (CARF) for water advocacy and research. The purpose of the consultation was to identify priority water advocacy and research projects for 2018-19 and beyond. The report is provided by SACOSS to the Department of Human Services for consideration as part of the process of allocating funds under the CARF. This is one of two reports that SACOSS will provide the Department for consideration when allocating 2018-19 funds.

The consultation has identified a series of issues for further advocacy and research:

- SA Water Revenue Determination
- Water Pricing
- High water use among consumers living with disability
- Tenants increasingly paying the supply charge

The priority end-users that were proposed for the first two years (2016-17 and 2017-18) were:

- Renters;
- Consumers with a disability;
- Low income consumers;
- Consumers located in a regional area of the state, and;
- Culturally and linguistically diverse background consumers including refugees and asylum seekers.

For detail on the proposed 2018-19 issues and end-users, refer to Part 2, Table 2.

SACOSS proposes an initial 4 projects in 2018-19 to address the identified issues:

- *SA Water Revenue Determination Project*
- *Water Pricing Inquiry Project*
- *High Water Needs of Consumers Living with Disability Research Project*
- *Tenants and Supply Charge Project*

The objective of the SA Water Revenue Determination Project is to provide a consumer perspective on SA Water's proposed expenditure 2020-24. The intended outcome is to ensure SA Water proposed expenditure is efficient and prudent and in line with consumer expectations. The project will involve research and advocacy around the development of SA Water's Regulatory Business Proposal and will include the position of tenants as a priority focus group. Uniting Communities is the nominated organisation for this project as the organisation with capacity and networks to deliver the project. The project is proposed as a 1 year project.

The objective of the Water Pricing Inquiry Project is to provide a consumer perspective on the proposed Water Pricing Inquiry. The intended outcome is to ensure water pricing delivers optimal consumer outcomes. The project will involve research and advocacy around the Water Pricing Inquiry and may involve the commissioning of a consultant's report on aspects of water pricing. Business SA is the nominated organisation for this project as the organisation with capacity and networks to deliver the project. The project is proposed as a 1 year project.

The objective of the High Water Needs of Consumers Living with Disability Research Project is to document the particular conditions of people living with a disability which necessitate high use of water. The intended outcome is a series of recommendations for better support of high water use conditions. The project will involve a range of people with different disability identities and engage them with appropriate qualitative research techniques. Some attention will be paid to regional and rural consumers with a disability. Julia Farr Purple Orange is the nominated organisation for this Project as the organisation with capacity and networks to deliver the project. The project is proposed as a one year project. This project involves further research, the subject of which arises out of consideration of the previously funded Consumers with a Disability Research Project.

The objective of the Tenants and Supply Charge Project is to review the extent to which tenants are required to pay the water supply charge. The intended outcome is to ensure policy and regulatory decisions relating to tenants give full consideration to the extent to which tenants are now required to pay the water supply charge. The project will involve a survey of tenants to gather baseline data on the extent to which tenants are charged the supply component of the bill as well the usage component. The project will examine recent legislative changes which have led to an increased number of landlords passing on supply charges, and assess the extent to which further legislative review is required. Uniting Communities is the nominated organisation for this Project as the organisation has previously conducted utilities work with tenants and also has some in-house policy expertise which can be brought to bear on the Project. The Project is proposed as a one year project. This project involves further research, the subject of which arises out of consideration of the previously funded Tenants and Water Charges Project.

Table 1: Proposed Water Advocacy and Research Projects

Project	Description	Priority Issues	Target groups that will benefit	Expected outcomes	How the project was identified	Budget
SA Water Revenue Determination Project	<p>The objective of the Project is to provide a consumer perspective on SA Water's proposed expenditure 2020-24. The intended outcome is to ensure SA Water proposed expenditure is efficient and prudent and in line with consumer expectations.</p>	<ul style="list-style-type: none"> • Consumer expectations • Services • Price • Quality 	<ul style="list-style-type: none"> • SA Water customers • Tenants 	<p>Comprehensive understanding of key consumer issues; The process of policy and regulatory decision making gives full consideration to stakeholder concerns; Nurturing a deeper understanding amongst consumers and consumer representatives of key consumer issues; Building a broader network of people connected to the consumer interest.</p>	<p>A stakeholder consultation session was conducted and the listed issues and target groups were identified.</p>	<p>Project budget: \$30,000 for one year</p>

Water Pricing Inquiry Project	<p>The objective of the Project is to provide a consumer perspective on the proposed Water Pricing Inquiry. The intended outcome is to ensure water pricing delivers optimal consumer outcomes.</p>	<ul style="list-style-type: none"> • Pricing • Value of RAB • Value of desalination plant • Other issues as identified by Inquiry TOR 	<ul style="list-style-type: none"> • Residential consumers • Business consumers 	<p>Comprehensive understanding of key consumer issues; The process of policy and regulatory decision making gives full consideration to stakeholder concerns; Nurturing a deeper understanding amongst consumers and consumer representatives of key consumer issues; Building a broader network of people connected to the consumer interest.</p>	<p>The project was identified by SACOSS and this has included discussion of the strategic policy issues underlying the proposed project.</p>	Project budget: \$30,000 for one year
High Water Needs of Consumers Living with Disability Research Project	<p>The objective of the Project is to document the particular conditions of people living with a disability which necessitate high use of water. The intended outcome is a series of recommendations for better support of high water use conditions.</p>	<ul style="list-style-type: none"> • Pricing • Consumer Protection • Consumers with a disability 	<ul style="list-style-type: none"> • People with disability and Carers 	<p>Comprehensive understanding of key consumer issues; The process of policy and regulatory decision making gives full consideration to stakeholder concerns; Nurturing a deeper understanding amongst consumers and consumer representatives of key consumer issues; Building a broader network of people connected to the consumer interest.</p>	<p>The project was identified by SACOSS and arose from consideration of previously funded disability report (CARF) in discussion with SA Water. This has included discussion of the strategic policy issues underlying the proposed project.</p>	Project budget: \$30,000 for one year

Tenants and Supply Charge Project	<p>The objective of the Project is to review the extent to which tenants are required to pay the water supply charge. The intended outcome is to ensure policy and regulatory decisions relating to tenants give full consideration to the extent to which tenants are now required to pay the water supply charge.</p>	<ul style="list-style-type: none"> Who should pay supply charge? 	<ul style="list-style-type: none"> Tenants 	<p>Comprehensive understanding of key consumer issues; The process of policy and regulatory decision making gives full consideration to stakeholder concerns; Nurturing a deeper understanding amongst consumers and consumer representatives of key consumer issues; Building a broader network of people connected to the consumer interest.</p>	<p>A stakeholder consultation session was conducted and the listed issues and target groups were identified. The project arose out of consideration of previously funded tenants project (CARF).</p>	<p>Project budget: \$30,000 for one year</p>
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PART 1: BACKGROUND

SACOSS Context

The South Australian Council of Social Service (SACOSS) is the peak non-government representative body for the health and community services sector in South Australia. SACOSS believes in justice, opportunity and shared wealth for all South Australians, and has a strong membership base representing a broad range of interests. SACOSS' core activities include analysing policy and advocating on behalf of vulnerable and disadvantaged South Australians; providing independent information and commentary; and assisting the ongoing development of the health and community services sector.

SACOSS leverages over 10 years of experience in utilities advocacy and research which it has drawn on for this consultation.

In 2004, SACOSS received its first Consumer Advocacy Panel funding to deliver a 12 month 'Energy Consumer Advocate Training Project'. Regular Consumer Advocacy Panel funding for energy advocacy and research capacity commenced in 2006-07 and has been on a year-by-year basis ever since. This work is now funded by Energy Consumers Australia. The South Australian Government commenced ongoing funding for SACOSS energy advocacy and research in 2012-13. The Essential Services Commission of South Australia (ESCOSA) has made provisions for a 'small grants program' (circa \$5k-\$10k) for specific activities and SACOSS has availed itself of this on at least 4 occasions, for both energy and water advocacy and research.

In 2015-16, SACOSS received ongoing funding from the then Department of Communities and Social Inclusion for water advocacy and research. This report forms part of the deliverables for that advocacy and research project work.

SACOSS has actively engaged in water advocacy and research since late 2010, and in January 2011 SACOSS made submissions to ESCOSA and the Department for Water on the then proposed new water legislation. Since then, SACOSS has made many additional water submissions including: SA Water Rate of Return (ESCOSA); Economic Regulation of the Water Industry (ESCOSA); Hardship Policy for Customers of Water Entities (formerly DCSI); SA Water's Regulatory Business Proposal (ESCOSA); Economic Regulation of Minor and Intermediate Retailers of Water and Sewerage Services (ESCOSA); Draft Water Industry Hardship Policy for Minor and Intermediate Retailers (formerly DCSI), and; SA Water Service Standards Draft Decision (ESCOSA).

SACOSS also provides representatives to:

- SA Water Residential Customer Advisory Group
- ESCOSA Consumer Advisory Committee

Policy accountability is assured through regular engagement with SACOSS Policy Council and the SACOSS Essential Services Group.

Summary of SACOSS CARF consultation process

In early June 2013, SACOSS and the then Department for Communities and Social Inclusion (DCSI) commenced formal discussions about a Consumer Advocacy and Research Fund (CARF) consultation.

The CARF is established under the Water Industry Act 2012. The Fund consists of the amount of \$250,000 (indexed) paid into the Fund on an annual basis from water licence fees. The Fund may be applied to support research or advocacy that promotes the interests of consumers with a disability, low-income consumers, or consumers who are located within a regional area of the State; or to support projects that advance the interests of consumers from an advocacy perspective.

On 21 June, SACOSS and the former DCSI met to outline the scope of a proposed CARF consultation. During late June to mid-July 2013, SACOSS organised a series of consultation meetings on the CARF to identify priority water advocacy and research projects.

SACOSS invited participation from key consumer groups, including the Local Government Association, The Natural Resource Management Council, SA Water Residential Customer Advisory Group, Consumers SA and the SACOSS membership of more than 100 health and community sector organisations.

SACOSS held four CARF consultation sessions: 1 in Port Pirie, 2 in Adelaide and 1 teleconference. One of the sessions in Adelaide was a part plenary during the SACOSS Hardship and Affordability Conference. The aim of this session was to provide an overview of the CARF and offer further opportunities for participation. There were more than 100 conference attendees, and these included representatives from industry, government and the community sector.

The following organisations provided formal input in to the 2013 CARF consultation:

- Centacare Port Pirie
- UnitingCare Wesley Country SA
- Consumers SA
- St Vincent de Paul Society, Port Pirie Central Council
- Uniting Communities
- SA Water, Customer Assist Program
- National Disability Services
- Anglicare SA
- UnitingCare Wesley Port Adelaide
- Grandparents for Grandchildren
- St Kitts Associates

A report on the 2013 consultations was provided to the former DCSI titled "SACOSS Consumer Advocacy and Research Fund Consultation Report".

A 2016 report built on the 2013 consultations and report. As part of the round of consultations to prepare the June 2016 report, SACOSS met with the following organisations over April – May 2016:

- Essential Services Commission of South Australia
- SA Water
- Uniting Communities
- Consumers SA
- South Australian Financial Counsellors Association
- UnitingCare Wesley Bowden
- Primary Producers
- DCSI
- Yarra Valley Water

SACOSS held individual meetings with key stakeholders, as well as a broader consultation forum with a range of stakeholders. The broader consultation forum considered themes emerging from the individual meetings, and tested strategic policy issues. The 2016 report

was provided to the then DCSI titled "SACOSS Consumer Advocacy and Research Fund Consultation Report". Its purpose was to identify priority water advocacy and research projects for CARF funding.

A 2017 report built once again on these previous consultations as well as ongoing SACOSS research and advocacy. As part of this round of consultations, SACOSS met with the following organisations:

- Essential Services Commission of South Australia
- SA Water
- Uniting Communities
- Consumers SA
- South Australian Financial Counsellors Association
- UnitingCare Wesley Bowden
- Salvation Army
- Julia Farr Purple Orange
- DEWNR

In addition, SACOSS has conducted desktop research and analysis and also commissioned a telephone survey (n=600) along with four focus groups (two face to face and two online) of South Australian water consumers.

The 2017 report was provided to the then DCSI titled "Consumer Advocacy and Research Fund (CARF) - SACOSS Consultation Report". Its purpose was to identify priority water advocacy and research projects for CARF funding.

The consultations for this 2018 report have been based on ongoing SACOSS research and advocacy as well as meetings with the following organisations:

- Essential Services Commission of South Australia
- SA Water
- Uniting Communities
- Council of the Ageing
- South Australian Financial Counsellors Association
- UnitingCare Wesley Bowden
- Julia Farr Purple Orange
- Consumers SA
- Anti-Poverty Network
- St Vincent de Paul Society
- DEWNR
- Business SA

The SACOSS research has included desktop reviews comparing how 'vulnerability' is defined in the water and energy retail sector in Australian jurisdictions, the profile of vulnerable customers, water affordability, how costs and benefits are weighed in consumer engagement around regional water infrastructure improvements, Guaranteed Service Levels and Incentive Schemes and whether it would be prudent to implement in South Australia, SA Water's regulatory obligations outside of those imposed by ESCOSA (e.g. EPA, DEWNR, Health, Technical regulator obligations) and license fee arrangements for water and sewerage utilities in Australia to explore differences in total costs, cost components and the fee setting processes (including transparency and consultation). SACOSS has also undertaken a major project on restricted water customers and produced a report on this cohort, as well as produced a report on water revenue stability versus volatility. The breadth of this research has well positioned SACOSS to have oversight of key themes and trends in

water advocacy and research, a position which is utilised to provide strategic advice to DCSI regarding priority water advocacy and research projects.

In addition to the above research, SACOSS has been a member of the Julia Farr Purple Orange Advisory Group on Water Consumers. SACOSS is chairing an ongoing group to oversee the recommendations of the report flowing from this group.

PART 2: CONSULTATION FINDINGS

Minor and Intermediate Retailers

Water and sewerage retailers providing retail services to up to 50,000 customers are known in South Australia as Minor and Intermediate Retailers. They are predominantly rural and regional local councils and there are 65 such entities in South Australia.

The Water Retail Code – Minor and Intermediate Retailers is the main consumer protection document developed by the Essential Services Commission of South Australia (the Commission). It includes requirements about:

- Information provision
- Connections and reliability of supply
- Billing, bill disputes and review of bills
- Payment methods and payment flexibility
- Restrictions, disconnections and restoration of supply.

It also includes model standard contracts and customer charters that retailers can use. In addition to the Code, minor and intermediate retailers are also required to comply with the Minister's residential hardship policy.

The Minor & Intermediate Retailers Price Determination 2013-2017 is the legal instrument setting out the requirements for minor and intermediate retailers in relation to the pricing for water and sewerage retail services. It requires minor and intermediate retailers to take certain pricing principles into account, and demonstrate to the Commission that they have done so, in determining their costs and developing their prices.

A key aim in setting this form of price regulation was to increase the transparency around current pricing practices. As such, the Commission monitors and publicly reports on progress towards meeting the pricing principles on an annual basis.

In 2016, the Commission indicated that it would be seeking evidence based research on the consumer issues emerging in the South Australian market related to minor and intermediate retailers. The Commission was also seeking involvement from advocacy organisations and individuals in the Inquiry consultation points. The SAFCA Minor and Intermediate Retailers Research and Advocacy Project Report formed a key input to this process, and was funded by the CARF. At the time of writing, ESCOSA was yet to release the draft determination for the Inquiry into Regulatory Arrangements for Small-scale Water, Sewerage and Energy Services.

Market Segmentation

The water market regulatory framework only distinguishes between consumers by certain attributes. These include:

- Property owners vs tenants
- Residential vs non-Residential
- SA Water as supplier (or one of over 50 'Minor and Intermediate' water retail licensees)
- Property value (allocation of sewerage charges)
- Annual consumption (tiered consumption charges, also defines the proportion of the bill recovered from fixed charges).
- Concession eligibility (Water and Sewerage)
- Whether or not connected to a Community Waste Water Management System (CWMS via Local Government)

Other than based on these attributes, all consumers are largely treated the same. SACOSS believes that CARF supported water advocacy and research needs to take account of these consumer attributes, alongside those identified in the CARF legislation.

Regulatory timetable

The Commission will be reviewing the framework to apply for SA Water's 2020 Revenue Determination over the next four years, with a view to having a revised framework in place at least a year before the Final Determination in late 2019-20. Particular issues to be considered include the perspectives of renters and delivering service improvements to regional consumers.

The State Government has announced that it will conduct a Water Pricing Inquiry, with commencement to occur within its first 100 days of office. The outcomes of this Inquiry will inform improvements to the pricing of water pricing in South Australia.

Research

Consumers with a disability and regional consumers are identified in the Act as priority groups for CARF funded advocacy and research. There has previously been a need identified for research into the key consumer issues for culturally and linguistically diverse communities including refugees and asylum seekers.

The consultation process for this report has revealed a possible project that would investigate the potential cooling benefits of irrigated green infrastructure, and potentially other outdoor water use (e.g. misters), at a residential dwelling scale, with particular focus on the cooling effect during hot weather events. Better understanding of the cooling capability and benefits of irrigated green infrastructure during hot weather has potential to inform policies that influence water access and water use and the resilience of socioeconomically disadvantaged water consumers to hot weather events.

The consultation process for this report considered the Julia Farr Purple Orange report on water issues for consumer living with disability. The particular needs of consumers living with disability requiring high water use were raised as an area for further investigation.

SACOSS has also considered the Uniting Communities report on water issues for renters. The issue of how extensive recovery of supply charges from tenants is was raised as an area for further investigation.

SACOSS has also considered our previous recommendation to the Department relating to how farmers can track and understand their water use through linking of all hidden and direct water-related costs to their production process, with a view to delivering water efficiency products, policies and programs and thereby deliver water bill reductions for farming communities. While we believe this project is a priority, we will await further advice from the Department prior to recommending further steps.

Activity Categories

The following table has been constructed based on analysis of the consultation and the regulatory timetable for 2018-19 to 2019-20.

The Categories are:

- Revenue
- Consumer Protection
- Priority end-users

The priority end-users over 2018-19 are:

- Renters
- Consumers with a disability
- Refugees, asylum seekers and culturally and linguistically diverse consumers
- Low income consumers
- Consumers located in a regional area of the state.

Table 2: Priority Activities - Water Advocacy and Research

Category	Description	Research needs	Advocacy priorities	Key dates	Notes
Revenue	ESCOSA will commence the SA Water Revenue Determination process.	<ul style="list-style-type: none"> • Best practice consumer engagement in regulatory processes. • Methods for determining the price-service-quality mix. • Water efficiency measures. 	<p>Formal participation in the inquiry processes.</p> <p>Ability to test consumer views on issues and ways of reconciling / communicating disparate views.</p> <p>Participation in SAW consumer engagement.</p> <p>ESCOSA will release 10 issues papers for consultation.</p>	SA Water regulatory framework under consideration to late 2019-20.	There needs to be a provision for advocacy and research on revenue issues to late 2019-20.
Pricing	The State Government has announced it will initiate an independent Water Pricing Inquiry	<ul style="list-style-type: none"> • Value of Regulated Asset Base • Value of desalination plant • Other needs as determined by Inquiry TOR to be released 	<p>Formal participation in the inquiry processes.</p> <p>Ability to test consumer views on issues and ways of reconciling / communicating disparate views.</p>	The Inquiry will commence within 100 days of the election	There may need to be a provision for advocacy and research on pricing issues to late 2019-20.
Consumer Protections	The broad framework for consumer protections for water and sewerage incorporates regulation of retailer behaviour when dealing with consumers, contracts, service standards, industry codes and shared responsibility.	<ul style="list-style-type: none"> • Best practice implementation of hardship policies. • The use of flow restrictions (literature review, case studies). • Best Practice approach to concessions and other community service obligations. • Baseline research of consumer experiences with Minor and 	<p>Establish collaborative pathways for regulators, businesses, government, ombudsman, financial counsellors and other stakeholders.</p>	<p>Inquiry into regulatory arrangements for small-scale and off-grid water, gas and electricity services commenced 1 July 2016.</p> <p>SA Water regulatory framework under consideration to late 2019-20.</p>	<p>Lessons to be learned from energy markets, including exploration of payment scheme for people in water hardship, as per the Emergency Electricity Payment Scheme and adequacy of water concession.</p>

		Intermediate Retailers. • GSLs and compensation schemes.			
Priority End-Users					
Renters	Community sector workers are reporting a changing treatment of supply charges by landlords.	<ul style="list-style-type: none"> Extent to which tenants are required to pay supply charges. 	Quantitative research. Ongoing advocacy arising out of research recommendations.	To be determined on an ongoing basis in line with relevant retailer, government and ESCOSA processes. SA Water regulatory framework under consideration to late 2019-20.	Research needs to incorporate access to hardship provisions, stronger consumer protection provisions, awareness of protections and use of 'water bonds'.
People with a disability	The interests of consumers with a disability are prioritised in the Act.	<ul style="list-style-type: none"> The needs of consumers living with disability who have conditions which require high water use. 	Baseline study. Ongoing advocacy arising out of research recommendations.	Ongoing.	There may need to be a contingency for advocacy and research on related issues to continue beyond any CARF funded project, as additional issues may be identified.
Culturally and linguistically diverse consumers including refugees, asylum seekers	Little is known about the specific water needs of these consumers.	<ul style="list-style-type: none"> Baseline Study incorporating survey methodologies. 	Baseline study. Ongoing advocacy arising out of research recommendations.	Ongoing.	There may need to be a contingency for advocacy and research on related issues to continue beyond the proposed CARF funded project, as additional issues may be identified.
Low income consumers	Ensuring access to financial counselling, hardship assistance and complementary measures.	<ul style="list-style-type: none"> Water restrictions research a priority (undertaken by SACOSS). Heat island mapping: impact of heat and low levels of green cover; 	Report based on research findings. Ongoing advocacy arising out of research recommendations.	Ongoing.	Research needs to incorporate No Interest Loans Scheme, water audits and lessons to be learned from other jurisdictions.

		potential benefits of external water use.			Lessons to be learned from energy markets, including exploration of payment scheme for people in water hardship, as per the Emergency Electricity Payment Scheme and adequacy of water concession.
Consumers located in a regional area of the state	Households, businesses and community organisations receiving water and sewer from their local government, a private supplier other than SA Water or farm dam. Also regional consumers supplied by SAW with water quality issues.	<ul style="list-style-type: none"> Research of consumer experiences with a focus on Community Wastewater Management Systems and drinking water to identify the key consumer issues. Deliver enhanced equity of water sharing from farm dams. Exploration of water efficiency projects, including for farming communities. 	Input into ESCOSA Inquiry. Pathways for businesses to better engage with financial counsellors. Develop improved policies for water sharing. Develop improved policies and programs for water efficiency. Engagement with catchment authorities and local and state government.	Minor and Intermediate Retailers Inquiry to commence 1 July 2016. SA Water regulatory framework under consideration to late 2019-20.	Potential to work with the LGA but is required to be independent research. Combine with Consumer Protection theme.

APPENDIX 1: LEGISLATION

Version: 1.1.2013

South Australia

Water Industry Act 2012

<http://www.legislation.sa.gov.au/LZ/C/A/WATER%20INDUSTRY%20ACT%202012.aspx>

Part 10—Miscellaneous

87—Consumer Advocacy and Research Fund

- (1) The Consumer Advocacy and Research Fund is established.
- (2) The Fund must be kept as directed by the Treasurer.
- (3) The Fund consists of—
 - (a) the amount of \$250 000 (indexed) paid into the Fund on an annual basis (at a time determined by the Treasurer) from the total amount of annual licence fees payable under section 24 attributable to designated prescribed costs in any particular financial year; and
 - (b) any money provided by Parliament for the purposes of the Fund; and
 - (c) any income arising from investment of the Fund under subsection (4); and
 - (d) any additional money that is paid into the Fund under a determination of the Treasurer; and
 - (e) any other money that is required or authorised by another law to be paid into the Fund.
- (4) The Fund may be invested as approved by the Treasurer.
- (5) The Minister may apply the Fund—
 - (a) to support research or advocacy that promotes the interests of consumers with a disability, low-income consumers, or consumers who are located within a regional area of the State; or
 - (b) to support projects that advance the interests of consumers from an advocacy perspective; or
 - (c) in making any other payment required by another law to be made from the Fund; or
 - (d) in payment of the expenses of administering the Fund.
- (6) The administrative unit of the Public Service that is, under the Minister, responsible for the administration of this Act must, on or before 30 September in each year, present a report to that Minister on the operation of the Fund during the previous financial year.
- (7) A report under subsection (6) may be incorporated into the annual report of the relevant administrative unit.
- (8) The Minister must cause a copy of the report to be laid before both Houses of Parliament within 12 sitting days after the report is received by that Minister.
- (9) The amount of \$250 000 (indexed) referred to in subsection (3)(a) is to be adjusted on 1 July of each year (commencing on 1 July 2013) by multiplying that amount by a proportion obtained by dividing the Consumer Price Index for the immediately preceding March quarter by the Consumer Price Index for the March quarter, 2011.
- (10) In this section—

Consumer Price Index means the Consumer Price Index (All groups index for Adelaide) published by the Australian Bureau of Statistics.

APPENDIX 2: HANSARD

The CARF was introduced to the legislation as an Amendment from Greens MLC the Hon. Mark Parnell Legislative Council - Tuesday, 13 March 2012, Page 471

The Hon. M. PARNELL: *"This amendment inserts a community advocacy and research fund. This amendment has had a number of different iterations, and I think that I have settled on a version that I hope will meet with the committee's satisfaction."*

Basically, what I think all members would know is that, when it comes to the engagement of stakeholders in a process, it is important that those stakeholders be empowered to engage at a level that is commensurate with the subject matter and, when it comes to utilities, whether it is service contracts for electricity or, in this case, in relation to water, the interests of consumers are best met through empowered advocacy on the part of those groups.

This is an amendment that certainly SACOSS was supporting, but a range of other community groups are supporting it as well. Basically, what this amendment does is it creates a community advocacy and research fund which can be used by the minister to support research or advocacy which promotes the interests of consumers with a disability, low-income consumers or consumers who are located within a regional area of the state.

I see this as complementary, if you like, to some of the other amendments we have passed today. The hardship provisions have had the support of the committee. I think this advocacy fund does as well. It would be too difficult, whether it is welfare, disability or regional groups, to participate meaningfully if that participation is not resourced. I urge all members to support this amendment."

The Hon. I.K. HUNTER: The government supports the amendment in the interests of supporting advocacy and research that assists vulnerable consumers, and provided the fund is limited to \$250,000.

The Hon. D.W. RIDGWAY: The opposition was not going to support the amendment as we believe the bill already provides in section 14 for consumer advisory committees to enable the consumers to provide advice to ESCOSA on any matter relating to the water industry. In fact the same committees may also be established under the Electricity Act, so it is our view that a provision is there already for consumer advocacy and we think this is another duplication, but at the end of the day if the government is supporting it and there is sufficient support for the Greens amendment, we will not be dividing.

The Hon. R.L. BROKENSHIRE: It is our intention to support this. I had a meeting with the CEO of SACOSS and there are a range of issues that we would have introduced also. Suffice to say that an effort has been made by crossbench members to try to get up some amendments to assist people, and this one will assist people I believe and we will support it.

The Hon. K.L. VINCENT: I am very happy to support this amendment. To put it simply, there are many people within the disability sector on low incomes who do need assistance and advocacy when it comes to essential services like these. It is particularly relevant, given that this government is now attempting to move the disability sector in particular to a human rights framework, and I think that will require a lot more advocacy than we have available currently and I think this is a good place to start, so I fully support the amendment.

WATER INDUSTRY BILL

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly. CARF was Amendment No. 10.

There was no debate related to the CARF clauses.