

7 December 2018

Mr Adam Wilson  
Chief Executive Officer  
Essential Services Commission of South Australia  
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Dear Mr Wilson

Working for your business.  
Working for South Australia

I am writing in relation to ESCOSA's review of the existing third-party access regime for SA Water. Business SA strongly supported a third-party access regime for South Australia and acknowledges that no party to date has successfully applied to utilise SA Water's assets since the legislation was implemented in 2016 through an amendment to the *Water Industry Act 2012* (the Act).

While this could be argued as a factor of demand, we understand there has been interest but parties have not been able to reach commercial terms with SA Water.

It is in the interests of South Australian water consumers to have access to the lowest sustainable cost sources of water. Whether that can be delivered through SA Water, or by a third party, is irrelevant to the business community who compete on price with interstate and overseas counterparts.

Business SA is not arguing that third party proponents should be able to avoid costs which are otherwise going to have to be borne by the remainder of SA Water's customers, but if there is an ability for third party infrastructure providers to meet latent demand or provide a service which on balance reduces the total cost of delivering water in South Australia, this should be facilitated. Third-party operators can also introduce innovative practices which the monopoly provider may not always be driven to implement themselves.

Business SA sees the current review of the Act by the Department of Water and Environment as the primary vehicle for any changes required to ensure third party proponents have every reasonable opportunity to access SA Water's assets. Subsequently, we encourage ESCOSA to ensure its review and recommendations help to facilitate any required changes through that specific process.

Should you require further information, please contact Andrew McKenna, Senior Policy Adviser, Business SA, on (08) 8300 0009 or [andrewm@business-sa.com](mailto:andrewm@business-sa.com).

Yours sincerely,

Anthony Penney  
Executive Director Industry and Government Engagement

