

Submission in response to ESCOSA's draft proposal re Compass Springs water rates increase

We were home number █ in the development of which we needed to sign a service agreement & encumbrances associated with the ownership of the land. The service agreement makes specific references to water rates.

Item 9.5.1 *The supply charge shall not exceed that which shall be fixed by the Minister under the Waterworks Act 1932 from time to time*

Item 9.5.2 *The consumption charge shall not be greater than that fixed by the Minister under the Waterworks Act 1932 from time to time increased by 15 per cent (15%)*

I spoke with Mr █ (Bizana Pty Ltd) regarding the 15% increase & was informed this was because we were to originally receive 200kl of free water as per the Schedule on Page 15 of the service Agreement (Refer Attachment). He then explained that the 15% increase would take effect once they started to charge for water usage under 200kl but was only to be used from time to time (Worded in section 9.5.1 & 9.5.2 [Refer Attachment]) to allow Bizana to increase rates up to but not more than the Rates set by the Minister

1. How can the service agreement be broken by a party whenever they see fit?
2. I was of the understanding a contract is a binding agreement to be followed by both parties unless otherwise agreed to by both parties, is this not the case?
3. There were no billing/invoicing issues with the previous owners of the water licence (Bizana), why have they only started occurring since Compass Springs have taken ownership?
4. How have the alleged extra costs to Compass springs only developed since Compass Springs has taken ownership of the water licence, the previous owners had no issues & made a reasonable profit?
5. My opinion is the alleged extra costs are connected with the expansion of the blocks of land the current owners of the development & water licence has somehow been allowed to sell. We were informed that the development was not to expand when we purchased our block. I believe Compass Springs has incorporated costs associated with expanding the original water infrastructure to accommodate the extra land he is selling & attempting to pass those costs of onto the residents. Why should the residents be expected to pay for what is essentially an expense created by the developer & has no association with the original infrastructure?
6. We were informed that the development was not to expand as if it was it would have an effect on the aquifer. Is there documentation to confirm expanding the development will not impact the quality of water?
7. I am not sure what evidence Compass Springs has provided justifying the extra costs with running the infrastructure but I have seen no extra work being conducted on the existing infrastructure to justify the increase Compass Springs is proposing.
8. Compass Springs in my opinion is using its monopoly to charge very unreasonable costs onto the residents. The previous owners had no trouble profiting from the existing set up so how come Compass Springs can't?
9. Having a monopoly on an essential service surely goes against the any competitive nature our economy is built upon as well as the Australian edict of "A Fair Go" especially if the owner is clearly gouging the residents due to the monopoly. It is firmly my belief that Compass Springs believes that they can charge whatever they like as we, the residents, have no option.

10. [REDACTED]
11. What is involved in having SAWater provide an alternate water supply as I understand that the SAWater supply infrastructure ends very close to the development?
 12. I really would have no interest if Compass Springs was to charge \$100.00/Litre as long as we had an alternate water supply & would strongly suggest that Compass Springs would not charge their proposed costs if an alternate water supplier was available.
 13. Why is it not feasible for SAWater to just "Tie in" from the end of their existing infrastructure to the Compass Springs infrastructure as I see this no different from receiving electricity via the many Electricity suppliers, we can choose from but all use the one "Poles & Wire" infrastructure used to transmit the electricity
 14. I Compass Springs are attempted unfairly increase pricing, they had no costings to show for justifying the extra costs but now that Compass Springs has expanded the infrastructure to feed the extra land, they are selling has incorporated these costs as justification for an increase.
 15. The current Government made great fanfare promising to reduce water bills. This is highlighted on the SAWater website that states **"The State Government is delivering cheaper water bills to all South Australian households"** Why therefore should the residents of this development have to pay higher costs, are we not South Australian residents?
 16. In my opinion the pricing structure should be set as per what SAWater has set for South Australian households. We should be receiving the discount that the State Government (In particular Mr Steven Marshall promised) has applied to SA households & that Compass Springs should if they believe make a submission to the State Government & seek a grant for absorbing any alleged costs.
 17. Why should the residents living on the original development (I understand this was for 165 blocks) should be expected to pay the costs associated with Compass Springs expanding the development? I wouldn't be surprised if Compass Springs is actually claiming some of the costs from the Golf Course/Restaurant as justification for a water rate increase.
 18. I would like an explanation on why this process has taken so long, roughly 4 years. I asked the question of the ESCOSA representative in the December 2017 meeting & was informed they were waiting for responses from Compass Springs & that [REDACTED] seemed to be taking his time in responding. I therefore would have thought it appropriate for ESCOSA to have set a date for Compass Springs to have responded (Say 3 months) so that a prompt determination be made & if Compass Springs hadn't lodged the appropriate documents then ESCOSA would make a determination on the data they had received at that period.
 19. How are ordinary residents expected to absorb such exorbitant cost increases for an essential product such as water. Even the proposed 21% increase currently being considered by ESCOSA would put further stress on our already stretched budget. We were & expect to have received a reduction in water bills like the State Government promised to **"ALL South Australian Households"**

Please find attached documents copied from the original Service Agreement/Conveyancing document

**The State Government
is delivering cheaper
water bills for all South
Australian households.**

In just a few quick clicks, you can

This estimator is for households with one meter. If you live in a multi-unit dwelling, see [residential pricing](#) .

You can also find business pricing [here](#) .

THIS AGREEMENT is made on the day and date of Item 1 of the Schedule

BETWEEN: **BIZANA PTY LIMITED** A.C.N. 008 288 739 the registered office of which is situated at 121 Greenhill Road, Unley in the State of South Australia 5061 (hereinafter together with its successors and assigns called "the Supplier")

AND the person or persons described in Item 2 of the Schedule (hereinafter called "the Land Owner")

RECITALS

- A. The Land Owner is the registered proprietor of the whole of the land described in Item 3 of the Schedule hereto (hereinafter called "the land").
- B. The land is within the Development Area more particularly delineated on the plan attached hereto and known as Fleurieu Golf Course and Bizana Rural Living.
- C. The Supplier has constructed or is constructing a water supply system to supply water under pressure to each allotment within the Development Area including the land (hereinafter called "the Water Supply System").
- D. The Supplier has constructed or is constructing a sewer system capable of removing and treating sewerage from each allotment within the Development Area including the land (hereinafter called "the Sewer System")
- E. The Supplier and the Land Owner have agreed that the Supplier will on the terms and conditions contained herein and in the Second Schedule hereto provide to the Land Owner:
 - (1) a water supply connection and a pressurised water supply;
 - (2) a sewer connection and a sewer waste removal system.

ACCURACY OF RECITALS

1. The above Recitals are true and correct in every material particular and are deemed to form part of this Agreement.

DEFINITIONS

2. In this Agreement unless the contrary intention appears:
 - 2.1 "Connection Fee" means the fee payable by the Land Owner to the Supplier for connection to the Water Supply System or the Sewer System and shall be the respective amounts set out in Item 4 of the Schedule;
 - 2.2 "Consumption Year" means a period of approximately twelve (12) months in respect of which the amount of water supplied to or in relation to the land is assessed or measured;

8.2.5 take any other step which in the discretion of the Supplier is necessary to preserve the quantity of water available.

LAND OWNER TO PAY WATER RATE

9. 9.1 In consideration of the Supplier providing and maintaining the Water Supply System and a pressurised water supply the Land Owner shall pay to the Supplier a Water Rate which shall include.

9.1 1 a supply charge which is payable for the obligation to supply water to the land by the Supplier; and

9.1 2 a consumption charge based on the volume of water supplied to the land

9.2 The supply charge shall be payable by the Land Owner notwithstanding that the land is not connected to the Water Supply System or that the Supplier has lessened, discontinued or cut off the supply of water to the land in accordance with the terms of this Agreement.

9.3 The Supplier shall forward to the Land Owner quarterly in arrears an account for the supply charge for the previous quarter together with a charge based on the estimated consumption of water for that Quarter

9.4 The Water Meter shall be read once in each calendar year and the consumption charge payable for water supplied during the previous Consumption Year shall be calculated and adjusted in the next quarterly account.

9.5 The Water Rate shall be fixed by the Supplier from time to time **PROVIDED THAT:**

9.5.1 the supply charge shall not exceed that which shall be fixed by the Minister under the Waterworks Act 1932 from time to time;

9.5.2 the consumption charge shall not be greater than that fixed by the Minister under the Waterworks Act 1932 from time to time increased by fifteen per cent (15%),

9.5.3 the Supplier shall give at least one quarter's notice of any change in the Water Rate;

9.5.4 if a supply charge or consumption charge is no longer imposed under the Waterworks Act 1932 then the supply charge or consumption charge shall not exceed the last supply charge or consumption charged imposed by the Supplier pursuant to this Agreement increased by five (5) per cent per annum.

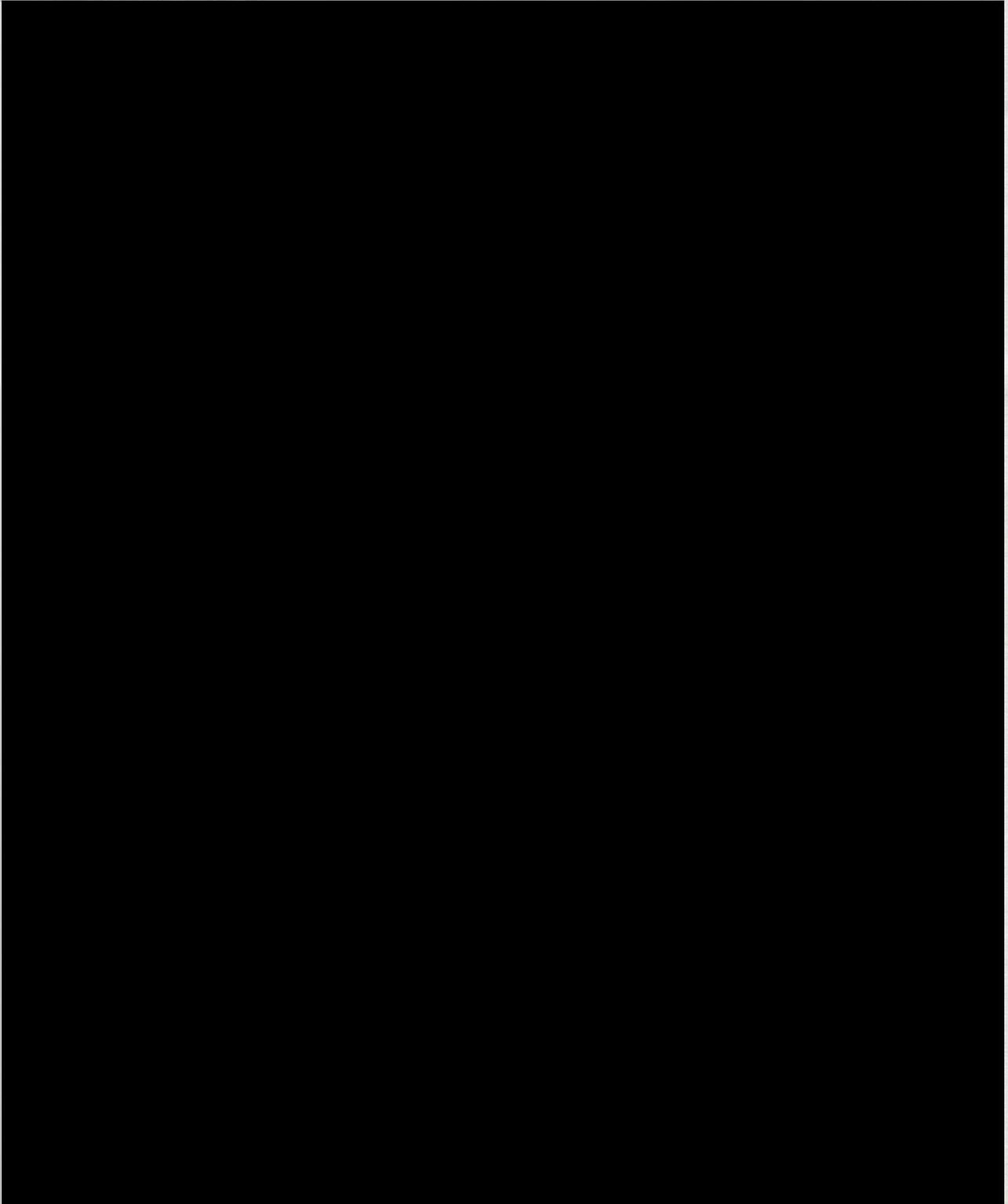
SECTION 2 - SEWER SYSTEM

SUPPLIER TO INSTALL SEWER SYSTEM

10. 10.1 The Supplier shall install and maintain a sewer system within the Development Area and shall do such other acts, matters and things as the Supplier may from time to time deem necessary and proper for making, amending, attaching, altering, repairing, completing or improving any such sewers or drains or Sewer Fittings.
- 10.2 The Supplier shall at the request of the Land Owner and on payment of the Connection Fee by the Land Owner provide a connection from the Sewer System to a point determined by the Supplier immediately inside the boundary of the land adjacent to the Sewer System
- 10.3 In order to provide for the removal of waste material from the land in accordance with the terms of this Agreement or to improve the drains, Sewer Fittings, equipment or works by means of which waste materials are removed from the land the Land Owner shall install a connection to the Sewer System or alter, replace, maintain, repair or cleanse such connection, drain, Sewer Fittings or equipment as are installed on the land to the reasonable satisfaction of the Supplier at the cost of the Land Owner.
- 10.4 Where the Land Owner fails to carry out such work as may be reasonably required by the Supplier pursuant to Clause 10.3 the Supplier shall serve a notice on the Land Owner specifying the work to be completed and providing for a reasonable time being not less than fourteen (14) days to complete such work. If at the expiration of the period stated in the notice the work has not been done the Supplier may carry out such work as is specified in the notice and the cost of doing the work shall be a debt owed by the Land Owner to the Supplier
- 10.5 After a drain connecting the land to the Sewer System has been installed or constructed the Land Owner shall not discharge or permit to be discharged any waste material on to the land or into a pit, well or tank dug or erected on the land or from the land on to any neighbouring land or any pit, well or tank dug or erected on

SCHEDULE

The COMMON SEAL of



EVANS & MURRAY

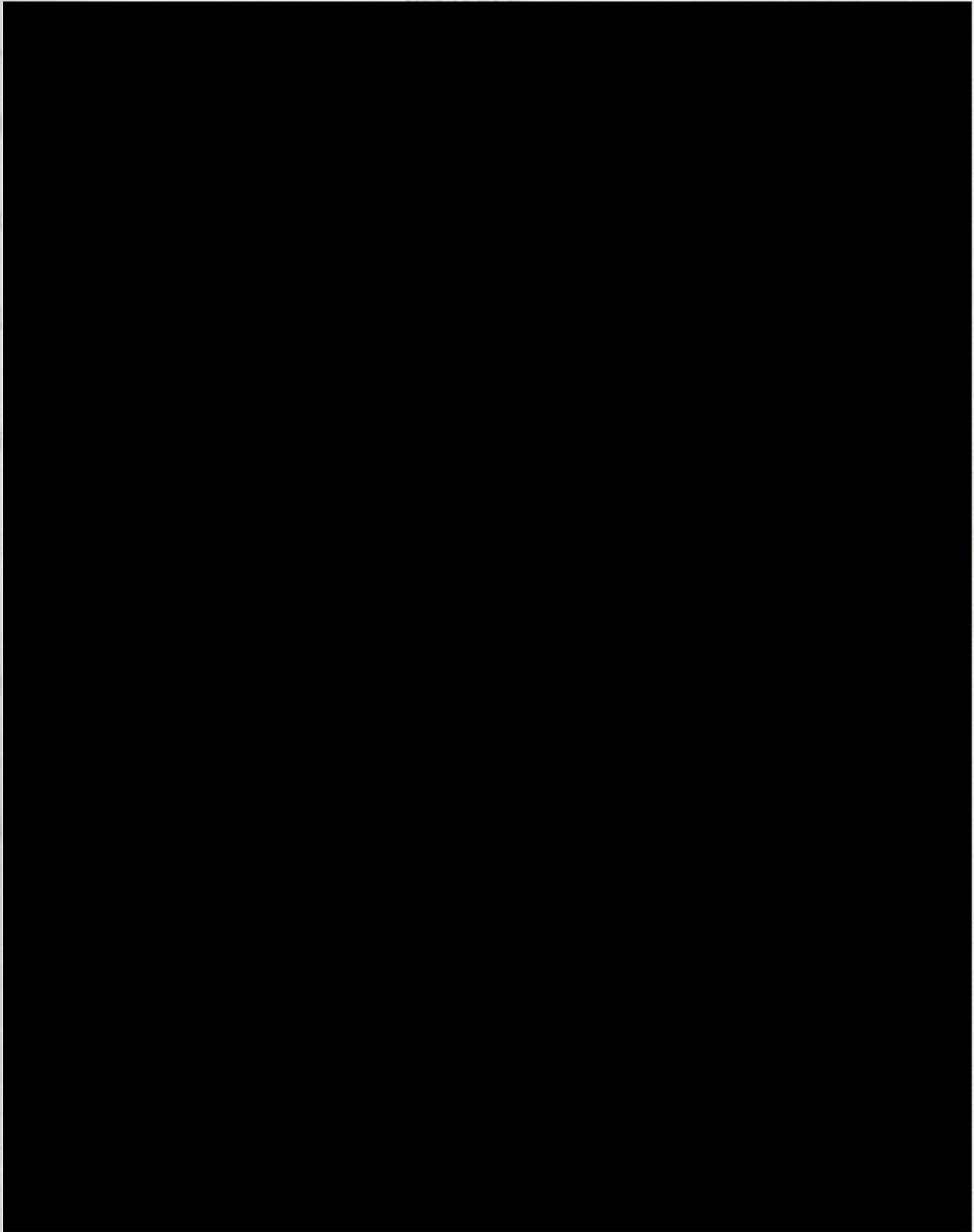
FINANCIERS & CONVEYANCERS

THIS AGREEMENT is made in accordance with Item 1 of the Schedule

BETWEEN BIZANA PTY LIMITED A.C.N. 008 258 732 the registered office of which is situated at 121 Greenhill Road, Unley in the State of South Australia 5061 (hereinafter together with its successors and assigns called "the Supplier")

AND the person or persons described in Item 2 of the Schedule (hereinafter called "the Land Owner")

DETAILS



Optima Conveyancing



Jon Lovejoy FAIC
Nick Xenides A.A.I.C.
Owen Stephens A.A.I.C. MREI

Fred Northcott A.A.I.C.
Jack Cocks A.A.I.C.

Adelaide
First Floor
74 Pirie Street
Adelaide
GPO Box 2326
Adelaide 5001
Telephone
08 8224 0011
Facsimile
08 8232 1007

Victor Harbor
73 Ocean Street
PO Box 740
Victor Harbor 5211
Telephone
08 8552 1511
Facsimile
08 8552 3389

Goolwa
29 Cadell Street
Goolwa 5214
Telephone
08 8555 3282

LTO DX 58220
DX190

Optima Conveyancing
Pty. Ltd.
ACN 008 161 215
Optima Mortgage Fund
Pty. Ltd.
ACN 008 122 567