

Submission - ESCOSA Draft Price Determination 20/11/2020 – Robusto Investments Pty Ltd.

I have now lived adjacent to the Mt Compass golf course for 12 years and previously had no problems regarding the supply and cost of drinking water provided by Hillrise Investments Pty Ltd whose water charges were linked to then SA Water prices. When the new owners (Robusto Investments Pty Ltd) took over in mid 2016, an immediate demand was made for a 15% price increase over then SA Water rates plus an additional \$1,000 per year infrastructure charge. Although this infrastructure charge was soon withdrawn, Robusto has never been able to provide any transparency regarding the scale of fees it has subsequently been charging. I have been advised by ESCOSA that there is no direct link between SA Water charges and what Robusto might charge because of the differing infrastructure and operating costs involved. Nevertheless, Robusto is still charging customers at 2019/20 SA Water rates plus an additional 15% for water consumption.

The water licence issued by ESCOSA to Hillrise Investments in 2013 was for the “provision of water services within the Mt Compass sub-division adjacent to the Fleurieu Golf Course”. When the licence was subsequently transferred to Robusto Investments in 2016, the water services were expanded to allow for up to 250 connections and the Mount Compass Golf Course was then included in the licence. It is unclear as to how many non-residential customers are currently being supplied by Robusto. In your statement of reasons, you mention that there are 2 non-residential customers, but I would suggest that there are more i.e. the two sand mines, the Range Restaurant (separate business) and the golf course itself. From the costings provided by Robusto and ESCOSA’s amended costings, it is quite unclear if the 172 residential customers are subsidising the non-residential customers. In addition, the current owner has approval to develop additional residential blocks at the end of George Francis Drive and it is not clear if the infrastructure costs associated with this development project have been excluded from Robusto’s costing submissions to you.

Your draft determination states at 1.4.1 that when the new price determination takes effect from 1 April 2021 and that the previous price determination dated 1 July 2013 will no longer apply. I would submit that Robusto has never been able to demonstrate that their water prices have ever complied with the NWI pricing principles as required by that 2013 determination.

Your draft determination sets a maximum revenue cap of \$282,337 (Dec 2018 prices) but will allow Robusto to set its own prices within that revenue cap. I believe it is not in the best interests of customers to allow Robusto to have pricing flexibility which could be easily misused to the detriment of existing customers. For example – customers who have installed rain water tanks could be levied a higher standing/supply charge compared to other customers. Residential customer prices could be set at a level to recoup the cost of supplying water to the golf course and other non-residential clients. I would strongly request that ESCOSA set reasonable customer water prices as part of its price determination process.

According to ABS statistics, there are 555 households in the Mt Compass township. 31% of residential properties (172) are located in the Golf Course Estate with the remaining 69% nearby properties being serviced by SA Water. The property directly opposite me is serviced by SA Water and I am angry and frustrated that I am paying to Robusto an additional 41% more than what my neighbour pays. Your proposal to allow for a further 21% fee increase over Robusto’s 2018 charges will only increase this differential between Robusto’s and SA Water charges.

It has been my understanding that one of your legislated objectives is to prevent the misuse of monopoly or market power. It is therefore frustrating that the process of setting equitable water prices is still ongoing after 4 ½ years with no final resolution in sight especially if your final price determination happens to be disputed and appealed against by Robusto. This matter needs to be resolved as soon as possible.


Resident of Mount Compass Golf Course Estate