

Our ref: ASF/221086

21 May 2021

Essential Services Commission of South Australia
Level 1, 151 Pirie Street
ADELAIDE SA 5001

Attention: Ms Jessica Farrell

By email: Jessica.Farrell2@sa.gov.au

Dear Ms Farrell

Bibaringa Water Incorporated – ESCOSA Request for information

This firm acts for Bibaringa Water Incorporated (Bibaringa). I refer to your email addressed to Mr John Bell who is currently the Chairman of Bibaringa, requesting information relating to Bibaringa's activities as a supplier of water.

Bibaringa manages and maintains a water supply scheme which was established in the 1970's to supply water to newly created residential allotments which did not have access to mains water supply. It continues to supply water only to allotments without access to mains water supply on a non-commercial and non-profit basis. It is essentially a community run and managed water scheme.

We submit the following information to you in response to your questions.

The entity - Bibaringa Water Incorporated

Bibaringa is a charitable not-for-profit association incorporated under the Associations Incorporation Act 1985 (SA). It is registered as a charity with the Australian Charities and Not-for-profits Commission. Under its rules of incorporation Bibaringa's only object is "*to operate a water supply system to supply bore water to members in the absence of a mains supply*".

Membership of Bibaringa is available only to owners of property which is or may be supplied with water from the bores and existing pipelines owned by the association. It currently has 65 members all of whom must agree in writing to the Bibaringa's conditions of membership. A copy of the Members Agreement together with Bibaringa's Rules of Incorporation is *enclosed* for your information.

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Bibaringa is run entirely by a management committee made up of eight members who volunteer their time. There are no paid employees of Bibaringa, nor are the management committee remunerated for their work in running the association.

Prior to incorporation under the Associations Incorporation Act, Bibaringa existed in previous form as a Co-Operative company known as Bibaringa Co-Operative Limited. That entity was formed in the 1970's by the then owner of a large farm holding who subdivided his land into smaller allotments and sold them for residential use. The Bibaringa Co-Operative was formed to supply water to those allotments which did not have access to mains water supply. A network of pipes and bores facilitated the supply.

Water Supply "Services"

Bibaringa currently supplies non-potable water to 65 allotments within approximately 4km² of the area known as Bibaringa. None of these allotments have access to mains (ie. SA Water) water supply.

The water is sourced from two bores which are metered by the Department of Environment and Water. Bibaringa holds a water licence permitting it to take a total water allocation of 34,500kL from these bores.

Bibaringa owns all the infrastructure required to deliver water to the allotments, and holds long-term (99 year) leases over the portions of land which house the various components of the infrastructure (pipes, pumps, bores etc). Water is pumped and/or gravity fed through a network of pipelines to each of the member allotments. Each allotment has a meter supplied and fitted by Bibaringa to record water use.

Bibaringa services and maintains the infrastructure both when problems with the infrastructure are detected and in accordance with a planned maintenance and replacement schedule. Bibaringa is fortunate to have members with expertise in engineering and other relevant fields which assists it to undertake maintenance and monitoring of the system. It engages contractors as required to undertake repairs and maintenance that cannot be addressed by members.


Water Use & Charges

Members are permitted by the terms of their membership agreement to use water supplied by Bibaringa on or within their own land only. Water is generally used for stock and domestic purposes. They are not permitted to use the water for commercial purposes.

Bibaringa charges its members an annual fee comprised of a fixed fee component and a usage charge to cover the costs of running and maintaining the water supply scheme. Usage is charged per kilolitre consumed with prices increasing on a sliding scale. The charges are set out at the back of the Members Agreement and Rules of Incorporation. Again, we make the point that there is no commercial benefit to Bibaringa in levying these charges.

A copy of Bibaringa's most recent Financial Report for the financial year ending 30 June 2020 is *enclosed*.

Bibaringa endeavours to hold a cash reserve to allow it to undertake major maintenance and replace equipment and infrastructure as and when required and to meet those expenses without delay so as to minimise interruption to water supply. It has set the level of its desired cash reserve to a level that would enable it to respond to a worst-case scenario of infrastructure failure occurring in one year (a bore collapse requiring drilling of a new well and tank failure are the two most significant infrastructure failure risks).



Exemption

Should ESCOSA be of the view that Bibaringa is a water industry entity, I confirm that it will be Bibaringa's intention to apply to ESCOSA for an exemption (with the approval of the Minister pursuant to s108(1) of the *Water Industry Act*) from the requirement to be license on the basis that it is a non-commercial entity run by its members without remuneration for the sole purpose of supplying water to landowners who do not have access to mains water supply from SA Water.

We trust that the information provided in this letter demonstrates that Bibaringa is an extremely well organised and well run community association. Further more detailed information would be supplied in the event that ESCOSA determines that an application is required.

Please do not hesitate to contact me should you require any further information. We will otherwise await your response.

Yours faithfully



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Encl:

