

To: Mark Caputo

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Essential Services Commission of SA (ESCOSA)

**RE: Preservation Regulatory Determination – Robusto Investments TA Compass Springs**

Dear Mark,

I am in total opposition to the proposed determination as I have been to previous determinations made by ESCOSA. I have made a number of submission in relation to this.

1 Firstly, your draft document at page 2 Next Steps, states that officers of the ESCOSA are prepared to meet with individuals or organisations. However, the Mount Compass Community Association Inc and individual members have asked for meetings for a number of years and were advised that this clause was a mistake and should not have been included. How can therefore those affected by the proposed Determination seek a meeting to discuss the details in a meaningful way rather than in exchanges of correspondence and distribution of that information to/from the affected residents. An argument you have used is that the matter is subject to court procedures and ESCOSA is not in a position to convene a meeting until such time as the matter has been resolved.

**It is therefore requested that the matter of a determination is stayed until such time as the Tribunal makes a decision or if Compass Springs withdraws their claim.**

2. I am a member of the Mount Compass Community Association Inc and was a founding member with significant responsibilities with its establishment and in the preparation and lodging of its Constitution. At the most recent meeting the members (and attended by the Member for Finniss, Deputy Mayor and Councillors from Alexandrina Council) made it quite obvious that they too were opposed not only to the proposed Preservation Determination but also to the whole business of what should be essentially 'cost recovery' as opposed to a 'profit motive'.

Your records already show that the purchase of the water supply was by a 100% debt financed by a loan from Capitoline Properties P/L at \$100,000 interest per year (approx. 10% plus interest only), however, the directors of that company are the same as Compass Springs.

The supply of water to the users in Mount Compass is very simple; it is drawn from an aquifer very near to the ground surface, pumped to holding tanks on a nearby hill and then fed via 'plastic' agricultural piping to the some 180 plus residents. Very little water treatment (if any) is undertaken. SAWater do exactly the same for the remaining two thirds of the Mount Compass township.

Although acknowledged that SAWater is large and have a uniform charging regime for most (or all) of South Australian users, they are also responsible for a very old pipe network, a significant desalination plant, reservoirs, pumping stations and a large system of pumping water from the Murray River.

Our argument is and has always been therefore, that despite a claim of being a small private company, that the cost of producing the water should be significantly less than that of

SAWater. This is why we have always said that the residents are prepared to pay at the SAWater rates, but no more.

3. Compass Springs has a small number of pumps which supply the residents, an adjacent sand mine and of course the watering of the golf course itself (which is also owned by the same directors). They utilise the stormwater system in the estate to route water to ponds on the golf course which is then used to water the course. We ask whether ESCOSA are assured that the costs of providing the water used by the sand mine and the watering of the course is not being passed on to the residents?

4. One of the issues previously raised was the total lack of competition for the supply of water. We have asked for consideration of SAWater becoming either the provider or to introduce competition by a duplication of infrastructure which would allow residents to choose. I can confirm that there is a general support for SAWater becoming the supplier.

5. We are amazed that your calculations for maximum revenue have escalated significantly to some \$414,000 when nothing much has changed except for an increase in customers. You have not provided any detailed rationale for this nor have you included the costing claims being made by Compass Springs. This information must be made public before any Determination is implemented because consultation would otherwise be meaningless.

6. Sadly, one of the requirements within your determinations is for the supplier (Compass Springs) to consult with its customers on matters that relate to them in relation to any changes etc of the supply and charging of the water. Unfortunately, this has not, and is not occurring. Not only are the meters read on an ad hoc basis, the billing is often questionable. Because of this the residents have been advised to read their own meters on the first day of the billing cycle to ensure some accuracy of the billing cycle.

In conclusion, it is my view and that as one of many others, that ESCOSA should be conducting a serious public inquiry into the operations of Compass Springs. Such review must include a full audit of all of the customer accounting systems, the billings and assessment of the structure and reliability of the infrastructure. The information gained can then be used to more accurately assess the actual costs of providing the 'service'. We think that Compass Springs is operating as a very profitable business well beyond that of a 'cost recovery' organisation (this is also confirmed by the previous owner who charged at SAWater rates).

**ESCOSA is urged to seek the implementation of a water charging regime immediately that ensures charging for service and tiers is the same as that of SAWater.**

Bill Coomans JP  
Resident

[REDACTED]

11 May 2023

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