



Tatiara
the good country

4 October 2023

10/67/3

SAWRD24 submission – Regulatory business proposal
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

reviews@escosa.sa.gov.au

- To Whom it May Concern

Re: SAWRD24 submission – Regulatory business proposal

Thank you for the opportunity to comment on SA Water's 2024 – 2028 regulatory business proposal.

A little background on the Tatiara

The 'good country' is beautiful, prosperous and innovative. Centred around the commercial service hubs of Bordertown and Keith, the region takes in the prime sheep and cattle grazing areas around Willalooka, Mundulla and Wolseley and the wine growing region of Padthaway.

Our district has proven fertile ground for entrepreneurs, and our underground water and a mild Mediterranean climate drive our prosperous primary production sector – from livestock, wool and grain to seed growing, horticulture and wine. This is reflected in the intensive value-added industries that continue to expand in the Tatiara – from meat processing, seed cleaning and grain milling to timber processing and wine – as well as a vibrant national road and rail transport network.

We opened, and completely sold, stage 3 of the Bordertown Industrial Estate in 2020. We are currently developing stage 4, as well as stage 2 of the Keith Industrial Estate.

Though a small, regional community, the Tatiara's population increased by 3.8% between the 2016 and 2021 Census. Bordertown, our largest community, grew by 11% in the last 10 years, at the same pace as greater Adelaide over the same time period. Our growth not only outstrips other regional towns, it also commenced well before the more recent growth seen elsewhere in response to COVID-19.

Regulatory business proposal

I would like to focus my comments on Sections 4. *Customer and stakeholder engagement*, 5. *Demand and customer growth*, and 8. *Capital expenditure*.

Customer and stakeholder engagement

The proposal summarises the key insights gained from stakeholder engagement.

In our community, as expressed in formal meetings of the Council, the Tatiara Economic Development Committee and Tatiara Business



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Association, and many informal meetings with community and business representatives, the highest priorities are for:

- Safe, clean drinking water
- Future water security
- Growth and development
- Equitable services for regional areas

The Tatiara's top priorities align with and support those gathered in SA Water's stakeholder engagement. To explain our community's strong prioritisation of safety, security, growth and equity:

As noted above, Bordertown has seen significant growth in recent years with multi-million-dollar business developments completed as well as planned in the near future. On preparing the land division documentation for the expansion of the Bordertown Industrial Estate in mid-2022, Council was advised that Bordertown's water supply was at capacity, and neither the new industrial development nor future residential developments would be able to be serviced by SA Water at the current time.

Bordertown's water supply

Bordertown's public water supply relies on a fresh groundwater lens with salinity less than 1000mg/L under Poocher Swamp. This freshwater lens is fed by flows from Tatiara Creek, which infiltrate through the limestone karst at the bottom of the swamp. Reduced rainfall and flow in Tatiara Creek since the mid-1990s have reduced the extent of the freshwater lens and increased salinity in some monitoring wells near Poocher Swamp.

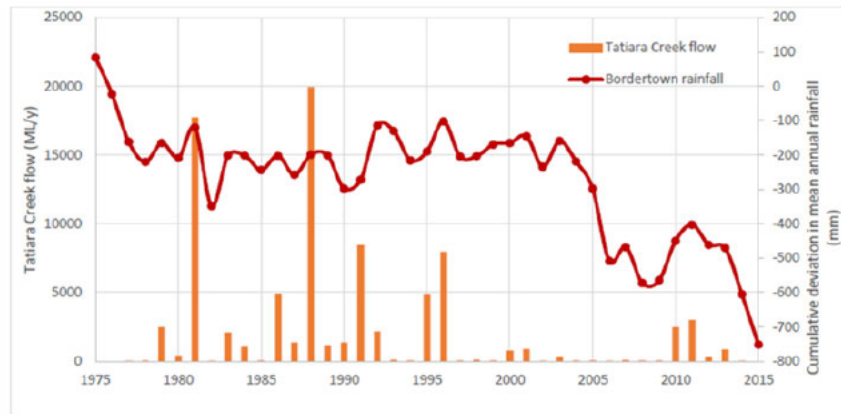


Figure 2.3. Annual flow volumes in Tatiara Creek and rainfall trends (taken from Bordertown station # 25525)

Wood C, 2016, Poocher Swamp groundwater model, DEWNR report to SA Water, Government of South Australia, Department of Environment, Water and Natural Resources, Adelaide.

In short, the aquifer supplying Bordertown's 2,800 residents with drinking water is not replenishing at a rate sufficient to respond to the increasing demand.

SA Water completed a six-year study into Poocher Swamp in 2017 to help operate the borefield and plan the long-term security of Bordertown's water supply, safeguarding it for future generations.

Infrastructure work is now urgently required to ensure continuity of supply and to meet increasing demand.

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As a result, over the last year, significant concern has been expressed by many members of our community, industry and business, about the capacity and long-term security of Bordertown’s water supply.¹

Demand and customer growth

SA Water uses estimated resident population (ERP) projections provided by the Department for Infrastructure and Transport in its forward planning (see 5.1.3.1 Population projections).

The RGB notes:

Between 2010 and 2020, the annual rate of change in South Australia’s population ranged between 0.6 per cent and 1.0 per cent. In 2020-21, this dropped to a record low of 0.07 per cent due to net negative overseas migration and it is yet to recover from these low levels. The low population projection (Figure 5-6) was used in the demand model for this reason.

Though in line with Department for Infrastructure and Transport projections, the population projections used in the RGB are well below the historic and projected population increases for Bordertown.

Bordertown has seen a significant population increase over the last 20 years, 6.5% from 2016 to 2021 and 11% from 2011 to 2021 (based on usual resident population figures). This is the same population growth as Greater Adelaide for the same period (2011 to 2021).

	2021	2016	2011	2006	2001
Bordertown	2,840	2,669	2,549	2,581	2,440

Source: ABS, Census of Population and Housing 2001 and 2021.

It is worth noting that the population increase in Bordertown commenced many years prior to the more recent population shift noted in other regions in the wake of COVID-19.

It is instead driven by the growth of business and industry in our district. A conservative estimate would see this growth continue at the same rate in coming years.

Significant growth is also projected in Bordertown’s industry and business sector. Stage 4 of the Bordertown Industrial Estate will create a further 29 industrial allotments, delivered over two stages – 14 allotments in the first, 15 in the second stage. Though the development is yet to be completed, eight of the first stage allotments already have buyers, coming from within and outside of the district.

Multimillion dollar developments in the Bordertown CBD are expected to add a further 100 beds to the accommodation sector. Council itself has recently purchased residential land for housing development which will accommodate between 40 to 50 new homes.

Capital expenditure

It is difficult to ascertain from the information provided in the RGB what capital works projects are proposed in the regulatory period, aside from

¹ <https://www.adelaidenow.com.au/news/south-australia/inside-ground-zero-for-sas-regional-worker-and-housing-crisis-bordertown/news-story/2e5f8fd701b16fcadebe5cf18182dfe8>



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the comparatively small number of projects identified individually.

Securing Bordertown's ongoing water supply is absolutely essential to our community and will require both short-term and long-term action.

SA Water has indicated that the installation of additional tanks and water main along Cannawigara Rd can support the industrial and residential developments currently proposed.

We understand that a budget allocation in a previous regulatory period has been carried over but that additional funds will be required to complete the works because of the significant cost increases in the construction sector due to the combined impacts of global pandemic, war in Ukraine and national climate events.

A long-term solution is currently being investigated and may include a desalination plant, extension of the network from Keith, which is supplied by pipeline from the Murray, or other options yet to be identified. Considering the expected capital costs for the construction of a desalination plant or approx. 45km pipeline to supply Bordertown, it is likely that the capital cost in either scenario will exceed \$100 million.

Though it is difficult to determine with certainty from the information before us, it appears that neither the short nor the long-term solutions are included in the 2024-2028 regulatory business proposal.

If they are, Council and our community strongly support this work and appropriate budget allocations for it to occur.

If they are not currently included, we would like to urgently call for consideration of any capital works required to secure Bordertown's water supply in the short and long-term, and any funds required to support their investigation, planning and delivery to be included in this and future RGBs.

I would be pleased to provide further information and can be contacted on email annechampness@tatiara.sa.gov.au or mobile [REDACTED].

Yours faithfully,

Anne Champness
Chief Executive Officer