

Submission to the Essential Services Commission, with regards to Pricing of reticulated water supplies.

It is with pleasure, we make this submission to the enquiry into the future of water pricing in South Australia.

This submission is with regards to the current costs for supply by measure to communities in remote South Australia, the supplies are un treated and non potable, it is understood the inquiry is for the pricing of drinking water, but for a significant geographic area of South Australia the reticulated water supply is untreated and unsafe for human consumption.

The Office of the High Commissioner for Human Rights¹, in 2008 stated "*Having access to safe drinking water and sanitation is central to living life in dignity.*"

The Government of South Australia has demonstrated by The Water for Good Policy and the current State Wide water pricing policy for drinking water showed an understanding of the social and health benefits of accessing safe affordable drinking water.

The following is a direct quote from the S.A Water website²

Residential water rating system

There is a Statewide price for water. This means that whether you live in Ceduna or Campbelltown, Goolwa or Glenelg, everyone pays the same price per kilolitre (kL, 1 kL equals 1000 litres) for water regardless of the cost of getting that water to your home.

This system is considered the fairest way to spread the cost of providing and maintaining basic water facilities across the community.

This submission is based on a S.A Water corporation invoice dated 30 January 2013 and August 2013 for a reticulated supply for domestic use to the community of Cockburn South Australia "Supply by Measure". The water supplied is Non potable.

The Cockburn, is a Northern Railway Town, is located on the Barrier Highway, at the New South Wales, South Australian Boarder, co-located with the NSW town of Burn. A majority of the reticulated water infrastructure is a legacy from the Railways infrastructure for S.A Water. The water supply is untreated surface water captured in dam, this water is pumped approximately 1800 metres directly from a dam without treatment, to a decommissioned

1 <http://www.ohchr.org/EN/Issues/WaterAndSanitation/SRWater/Pages/SRWaterIndex.aspx>

2 <http://www.sawater.com.au/SAWater/YourAccount/UnderstandingYourAccount/Pricing+Information.htm>

Railway's elevated water tank, This tank originally used to supply water to replenish steam trains and never intended as a potable supply. Water is gravity fed to the reticulated system and our houses via a domestic water meter to 1000 square metre blocks of land with conventional built timber framed, fibre cement clad houses laid out in a rectangular grid pattern of streets, with street lights within a gazetted town, with Land usage code of 01, the activities of the property selected are purely domestic with a current value of the property from which this billing information was sourced is less than \$30,000 Australian Dollars.

The SA Water website³ lists the state wide unit price for safe potable water for residential use as \$2.26/KL and the Quarterly supply charge of \$68.70.

Our current invoice from S.A Water, for the supply of untreated non-potable supply a Quarterly Supply Charge for August 2013 of \$137:40 and a unit price of \$2:42/KL.

The S.A Water web site⁴ lists this unit price of \$2:26 /KL unit for residential supply, with a Quarterly supply Charge of \$68.70 and a unit charge of \$3:23 per KL for the non-residential water rating.

2013-14 Prices - From 1 July 2013

Water use price	Water price per litre	Indicative quarterly threshold	Indicative daily threshold
\$2.26/kL	\$0.00226	0 to 30kL	0 to 0.3288kL
\$3.23/kL	\$0.00323	30 to 130kL	0.3288kL to 1.4247kL
\$3.49/kL	\$0.00349	Above 130kL	Above 1.4247kL

Non-residential water rating

SA Water has two categories of non-residential customers:

- ^ Commercial customers, including retail, wholesale, and various other service providers.
- ^ Other non-residential customers, including industrial and rural customers, hospitals and hotels.

Commercial Customers

Customers classified commercial for the purpose of the water rating system are broadly those with land use codes related to the wholesale, retail, finance and other service sectors.

The water price structure for commercial customers comprises a supply charge, based on the capital value of your property and a single water use charge.

Water supply charge: quarterly charge based on the following

The greater of:

- \$68.70/ quarter;

OR

- a charge based on the capital value of your property.

Your property valuation is set by the Valuer-General each year in June for the next 12 months.

³ <http://www.sawater.com.au/SAWater/YourAccount/UnderstandingYourAccount/Pricing+Information.htm>

⁴ <http://www.sawater.com.au/SAWater/YourAccount/UnderstandingYourAccount/Pricing+Information.htm>

Water use charge: based on the amount of water you use and therefore varying each billing quarter. It is calculated based on a single price of \$3.23/kL.

Other non-residential customers

The Water price structure for other non-residential customers comprises a supply charge and a single water use charge. The Water supply charge for 2013-14 is \$68.70/quarter. The water use charge, based on the amount of water you use and therefore varying each billing quarter, is calculated based on a single price of \$3.23/kL

There is no mention of a Quarterly Supply Charge of \$137:40 or a unit price of \$2:42/KL. on the S.A Water web page or supporting documentation.

On contacting the accounts department of S.A Water, they confirmed we were charged at the Commercial rate for water consumption, but unable to offer an immediate answer on the Quarterly Supply Charge, they offer to research the charges and provide information they have not been able to supply an answer within four weeks.

The reticulated water supply to the houses and businesses in Burn and Cockburn is untreated, non potable nor is the supply at mains pressure, this requires house holders to supply and maintain water electric pumps to boost the mains pressure to domestic supply pressure.

S.A Water Account for the residents of Cockburn reticulated water supply has a disclaimer the water supplied to the house via the reticulated supply is not safe for drinking, food preparation, or teeth cleaning.

The Supplier S.A water is happy to advise customers the supply is "Non potable and is not required to comply with the Australian Drinking Water Guidelines 2011. The Cockburn Reticulated supply is not included in the annual drinking water report as it is not a potable supply, regrettably there appears to be no process of providing feedback to customers on water quality or publish water quality sampling regime.

A comparison of rural water supply prices in Australia has found:

In Western Australia The Water Corporation Tariff for country⁵ is \$205.71 yearly supply charge, and a water unit cost of \$1:381/KL and the Desalination rate of \$0:62.2/KL.

⁵ <http://watercorporation.com.au/my-account/rates-and-charges/country-rates>

The Northern Territory Power⁶ and Water, water tariff connection fee is \$0:7225 per day and a domestic unit rate of \$1:7366/KL

Essential Water, Broken Hill yearly supply charge of \$253:66 and a unit cost of \$0:72/KL for untreated water.

Interesting S.A Water have a unit price for the reticulated supply of grey water, which is treated, the residents of Burn NSW and Cockburn South Australia are charged a premium for unsafe, untreated water.

S.A Water supplied limited free bottled water to the residents for cooking and drinking however this has been withdrawn. The nearest available bottle water supply is Broken Hill 50Klms away, the cost per litre of bottled water is about \$0:40 /L for the water plus freight. The purchase of bulk potable supply from Broken Hill is 72 cents per Kl with a freight charge of \$150 plus the cost of private infrastructure to store this water.

Whilst researching this submission, the mention of the commercial cost of maintaining supply as the reason for variation in tariff. Within the S.A water reticulated system there are a number of reticulated supplies with extensive transport infrastructure to provide supply, an example, the potable supply for Ceduna is piped hundreds of Kilometres to the town, however the tariff for Ceduna is covered under the residential supply tariff.

The current situation where the supply of water to the residents of Cockburn S.A and Burn NSW, and collectively the communities are beyond the protection of state wide pricing policy have possibly the most expensive reticulated un sanitised, non potable water supply in Australia with a cost of \$12:095 per KL including supply quarterly supply charge for the invoices assessed.

There is a need for the Essential Services Commission to extend the parameters of the current review to include the review of all reticulated supplies in South Australia with a view to extend the protection offered to a vast majority of S. A residents, to all the residents of South Australia including those of remote South Australia currently beyond the

6 [http://www.powerwater.com.au/data/assets/pdf_file/0005/55715/Tariff_brochure - July 2013.pdf](http://www.powerwater.com.au/data/assets/pdf_file/0005/55715/Tariff_brochure_-_July_2013.pdf)

protection provided to customers on potable reticulated supply.