

6 November 2013

Inquiry into Drinking Water and Sewerage Retail Services Pricing Reform  
Essential Services Commission of South Australia  
GPO Box 2605  
ADELAIDE SA 5001

By email: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)

To whom it may concern

***RE: Inquiry into Drinking Water and Sewerage Retail Services Pricing Reform***

Thank you for the opportunity to provide comments to the *Inquiry into Drinking Water and Sewerage Retail Services Pricing Reform*.

Woolworth makes a significant contribution to the economy of South Australia, employing more than 12,200 team members in 298 stores across the State including Woolworths supermarkets, BIG W department stores, Woolworths Petrol sites, Dan Murphy's and BWS liquor outlets and our Masters Home Improvement store.

Woolworths' Sustainability Strategy 2007-2015 has seen a significant investment in water efficient fittings, equipment and infrastructure. Since 2008, across Australia this investment has saved an estimated 1.1 billion litres of water in our supermarkets. A further 90 million litres of rainwater was harvested from regional distribution centres in this time.

Woolworths has previously provided comments to ESCOSA's *Review of SA Water's Regulatory Business Proposal 2013 to 2016 - Issues Paper*. In that submission, Woolworths highlighted that in the course of developing our stores, it has been our company's experience that water charges in South Australia are much higher than in other jurisdictions. Woolworths would like to take this opportunity to further reinforce that submission.

In other states water supply charges are typically in the order of a few thousand dollars per year. In South Australia however, the costs incurred are substantially greater. For example, Woolworths Murray Bridge Marketplace development in South Australia is incurring an annual water supply charge of approximately \$51,000. A comparably sized development, Bega Marketplace in New South Wales, incurs an annual water supply charge of \$3,000. A similar discrepancy is evident in the charge for sewerage services. The charge at Bega Marketplace for a sewerage service is \$15,000 per annum. In comparison, the cost incurred at Murray Bridge Marketplace is \$126,000 per annum.

While different states and authorities charge in different ways, Woolworths also undertook a hypothetical analysis of what South Australian water and sewage charges would be for two of our interstate shopping centres. Our analysis showed that our Pakenham Marketplace in Victoria and Chermside Marketplace in Queensland would face charges that are 250% and 100% more expensive respectively if these shopping centres were located in South Australia.

The case for regulatory reform in this area is strong. Linking water charges to the improved capital value of property discourages investment within the State. Woolworths believes these charges should be based on the recovery of efficient costs, rather than on the value of buildings and commercial operations.

Woolworths is a significant investor in the South Australian economy and we're committed to growing our business and creating jobs and opportunities for South Australians. Woolworths recommends ESCOSA review the regulatory approach to charging for water supply and sewerage services in other states and so ensure South Australia is following best regulatory practice and provides an environment to ensure retailers and developers like ourselves can continue to invest with confidence, create jobs and continue to positively contribute to the South Australian economy.

Should you require any further information or wish to discuss this further, please do not hesitate to contact Michael Samaras, Government Relations Manager on 02 8885 4900 or at [msamaras@woolworths.com.au](mailto:msamaras@woolworths.com.au).

Yours sincerely



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