



Our Ref: I20147378

2 September 2014

Nathan Petrus
Director Pricing and Analysis
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

Dear Mr Petrus

RE: DRAFT INQUIRY REPORT – SA WATER’S DRINKING WATER & SEWERAGE PRICES – JULY 2014

The City of Port Lincoln’s response to the request for written submissions on the draft Inquiry Report of the Essential Services Commission of SA into Reform Options for SA Water’s Drinking Water and Sewerage Prices is as follows:

1. *That Council provides the following response to the Draft Inquiry Report of the Essential Services Commission of SA into Reform Options for SA Water’s Drinking Water and Sewerage Prices:*
 - a. *While pricing of essential services to reflect true costs is supported in principle, those costs should be assured as prudent and efficient*
 - b. *Any process of change or transition from current pricing to revised structures should have particular regard to the social, environmental and economic impacts on the State’s regions which are recognised for their critical role in the State’s economy and society but may require more essential services investment than the Adelaide or near metropolitan settled areas*
 - c. *To the extent that in-built regional subsidies currently exist within SA Water charging structures and may be ‘unwound’, alternative methods of providing the same or better support for regional communities, economies and environments must be developed and implemented, unless/until the underlying need for those subsidies is transparently reviewed and confirmed*
 - d. *Network augmentation charges to new development should reflect reasonable cost recovery across all future infrastructure users over the whole of life of new network assets, in order to ensure the apportionment of appropriate costs to each development and minimise disincentive to development investment*

- e. *The final report and recommendations should make clear that the focus of the Inquiry on SA Water's operations means the findings and recommendations are not applicable to local government operations in the areas of water re-use and Community Wastewater Management Schemes unless/until a properly scoped review presents findings directly applicable to those services in a local government context.*

2. *That Council seeks the active monitoring and if appropriate response and advocacy of Whyalla and Eyre Peninsula RDA in relation to the Inquiry as it progresses to final recommendations and Government consideration.*

We appreciate the opportunity of providing Council's view on this very significant issue.

Yours sincerely



Rob Donaldson
CHIEF EXECUTIVE OFFICER