



Government
of South Australia

PUBLIC AND ENVIRONMENTAL HEALTH COUNCIL

11 Hindmarsh Square, Adelaide SA 5000
PO Box 6, Rundle Mall, SA 5000

Telephone (08) 8226 7100
Fax (08) 8226 7102

SA Health

<http://www.dh.sa.gov.au/pehs/Health-Councils/PEHC-Home.htm>

SA HEALTH

eA489133

Economic Regulation of the South Australian Water Industry
Statement of Issues
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001
Attention: Adam Wilson

Dear Mr Wilson

**RE: ECONOMIC REGULATION OF THE SOUTH AUSTRALIAN WATER
INDUSTRY: STATEMENT OF ISSUES PAPER**

Thank you for the opportunity to comment on the Statement of Issues paper. The Public and Environmental Health Council (PEHC) is a statutory body established under the *Public and Environmental Health Act 1987* (the Act). Reporting to the Minister for Health, the PEHC is responsible for monitoring the administration of the Act and initiating and overseeing programs designed to improve or promote public and environmental health within South Australia.

The membership of the PEHC comprises expertise in public health and Local Government and as the Bill has implications for both, the specific and general comments provided seek to address issues that may impact on these areas.

Disconnections (Issue 12 of the Statement of Issues)

Section 66 of the Water Industry Bill allows for disconnection of sewerage drains if entry to the property is refused. While it is recognised that an effective sanction is required to address non-payment for water services includes restriction of water supplies, the PEHC considers that disconnection of sewerage services would constitute an unacceptable public health risk (excluding cases involving the discharge of a prohibited substance). The Bill must ensure that public health is protected at all times.

Community Impacts

In response to Issue 40 of the Statement of Issues, the growth of water recycling in South Australia is considered to be highly dependent on the financial viability of schemes.

Many local councils presently operate recycled water and stormwater schemes and supply this water (in many cases at no cost) to members of the community such as golf courses and football clubs. Under the proposed legislation, Local Government may be forced to charge a fee in order to cover the additional costs imposed by compliance with the Water Industry Bill. Given that many schemes were recently installed with the assistance of a \$20 million Federal Government grant, the consequences of the proposed legislation need to be thoroughly considered during development of the Water Industry Codes and license arrangements in order to ensure schemes remain viable. These schemes provide significant community benefits and are not profit driven.

It is therefore considered that the pricing of recycled water (including that originating from stormwater) should not become a disincentive to the growth of recycled water schemes in South Australia. Additionally, the proposed Water Industry Code and license conditions should not be so onerous that compliance with the requirements inhibits the viability of new and existing water recycling schemes.

Service Standards

Further issues with regards to the economic regulation of local government community wastewater management schemes (CWMS) are likely to arise, for example issues surrounding billing and service, quality and reliability standards as well as compliance. While the PEHC has member representatives from local government, it is considered that individual councils are best placed to comment on how the proposed regulatory package will affect their operations.

Consultation

It is noted that some consultation has occurred to date, however the PEHC strongly supports further targeted consultation with the Department of Health and Local Government during development and implementation stages. It is anticipated that such discussions would ensure the best possible outcomes for the water industry and ensure protection of public and environmental health.

Please contact Dr Chris Lease, Deputy Presiding Member PEHC on 8226 7165 or chris.lease@health.sa.gov.au if you wish to discuss any of these issues further.

Yours Sincerely



Dr Kevin Buckett
Presiding Member
Public and Environmental Health Council

7/2/11