



Australian Government Water Fund
Water Smart Australia

Waterproofing Northern Adelaide Regional Subsidiary



Submission to the Inquiry into water and wastewater pricing processes.

Waterproofing Northern Adelaide Regional Subsidiary has been established by the Councils of Playford, Salisbury and Tea Tree Gully under the Local Government Act to implement a major water recycling project called "Waterproofing Northern Adelaide". This Project has been offered a \$38m grant under the Australian Water Smart program to accelerate the provision of recycled water for community, industrial, residential and irrigation use. One of the conditions of funding is that the three Constituent Councils work towards water prices which are in conformity with the NWI and COAG principles to the extent that they are being achieved by the SA Government.

The subsidiary has no additional information about SA Water's costs or practices but has some particular concerns arising from the Transparency Statement.

These concerns are;

- The rate of progress towards Upper Bound pricing is too slow and this is compounded by the fact that water systems costs are rising at a greater rate than CPI.(our estimates are in the range of 6-8%/an)
- The omission of externalities until the various studies and reports have been undertaken is inadequate, some estimate or range of estimates could be made and included.
- The extent of Local Government and State contribution to achievement of the NWI appear far too low, again reducing the level of the Upper Bound.

The combined effect of all these is to set the Upper Bound too low and the rate of progress towards it is too slow and may never achieve it.

If you wish to follow these up with the subsidiary please contact the acting Executive Officer at ckaufmann@salisbury.sa.gov.au

C. Kaufmann
9/3/7