



Coorong Water Security Advisory Group

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SA Water Price Inquiry
Care of Ann Pataki
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Submission in response to the 'A Cautious Conclusion' Report

The Coorong District Council and the Coorong Water Security Advisory Group welcome the key points of the recently released State Water Price Inquiry Report 'A Cautious Conclusion'.

As you are aware Coorong District Council and the Coorong Water Security Advisory Group have worked hard over the last few years to highlight the impact of high SA Water prices on livestock producers across South Australia, as well as promoting on farm water security technologies and other options to reduce mains water use.

Although CDC and the CWSAG welcome the conclusions of the report, we stand firm on the following;

- This must result in a decrease in mains water prices, rather than just a commitment from the SA Government to not increase prices further.
- Provision of financial assistance to help livestock producers reduce their reliance on SA Water, to improved their climate resilience and water security into the future. This will reduce levels of extraction of River Murray water at a time when this is an extremely high priority across the Basin.

We have found of particular interest in this report the statements, 'the Government would appear to have unfairly benefitted from these decisions over many years, and a reduction in Regulated Asset Base would remove this ongoing benefit. This was a case of conflicted interests, where the Government was making decisions which benefitted itself, and without any independent review'.

We also strongly endorse the following points made within the 'A Cautious Conclusion' Report;

- Asset values account for up to 70% of the price (page 14)
- Asset valuation does not appear to have been externally reviewed by an independent expert, and not subject to external expert valuer review (page 23)
- Some assets have remained in the Regulated Asset Base (RAB) even when their earning potential has ceased (page 24)
- The South Australian cost of water is higher than other jurisdictions (page 29 and figure 3)
- ESCOSA in its reviews of the Transparency Statements continued to call for at least an estimate to be made of the different approaches of valuing pre-corporatisation assets but this was never adopted (page 37)
- Compared to the independent inquiries and price reviews undertaken around Australia, the process in South Australia has been secretive and limited in its engagement (page 44)
- We strongly endorse Professor Bandy's observations, particularly that the Inquiry should not take into account the impact on Government revenues and programs supported by SA Water dividend payments

We look forward to making submissions to the next stages of the State Water Pricing Inquiry, and are watching with interest to see if the SA Government make real changes to bring down the cost of mains water to ease the cost squeeze on SA livestock producers.

We look forward to your response. If you would like to discuss this further, please do not hesitate to contact us.

Kind regards,

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