

ABN 14 725 309 228  
Enterprise House  
136 Greenhill Road  
Unley South Australia 5061  
Telephone 08 8300 0000  
Facsimile 08 8300 0001  
Email customerservice@business-sa.com  
www.business-sa.com

11 March 2013

Regulatory Policy  
Department of Treasury and Finance  
GPO Box 1045  
Adelaide SA 5001

Dear Sir/Madam,



I write to you in relation to the Department of Treasury and Finance report on *Access to Water and Sewerage Infrastructure*.

Business SA is South Australia's leading business membership organisation, representing thousands of businesses through direct membership and affiliated industry associations. We represent businesses across all industry sectors, ranging in size from micro-business to multi-national companies. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

Business SA supports the development of arrangements that enable greater access to water and sewerage infrastructure in South Australia. Indeed, "allow third party access to water distribution networks for both water suppliers and retailers" was a recommendation in *A Charter for a Prosperous South Australia*, Business SA's major pre-2010 State election policy document.

Third party access arrangements would enable businesses and other entities, such as Local Councils, collecting or producing water to supply that water to SA Water and other customers through existing pipelines and other infrastructure. This would increase competition in both the production and retailing of water. It would incentivise activities to capture and treat water that would subsequently reduce South Australia's take from the River Murray.

While there are advantages to a voluntary access regime – either through a Ministerial direction to SA Water or an undertaking under the national access regime – such as lower costs and less regulation, these types of arrangements do not provide a level playing field for all businesses and other entities seeking to access water infrastructure or wishing to provide such infrastructure for others to access.

A legislated State-based access regime for water and sewerage infrastructure is therefore Business SA's preferred alternative.

It should be broader in scope than a voluntary arrangement for SA Water would be and apply to bulk water transport, water distribution transport, local sewage transport and bulk sewage transport. Consideration could be given to including water storages and treatment plants, if this was deemed to aid access and where it was not economic to build additional facilities. This would provide a level playing field for all stakeholders.

Business SA would support the Essential Services Commission of South Australia (ESCOSA) being appointed as the regulator of a State-based access regime for water. A light-handed regime is preferred to a heavy-handed regime, where the regulations and prescriptions may be too restrictive and cause higher costs.

That said, all access arrangements should have:

- a transparent and common set of minimum terms and conditions
- a negotiation framework established to determine other terms and conditions, such as in the *Railways (Operations and Access) Act 1997*
- clear information requirements
- robust dispute resolution processes
- pricing principles, including differentiation for water of differing quality and intended uses, where necessary
- appropriate health, safety and environmental standards and safeguards.

As discussed in the report, while it would be costly and impractical to include some of the smaller water infrastructure facilities in the access regime, there should be mechanisms to allow the operators of the services to opt-in and also to allow businesses and other entities seeking access to apply to ESCOSA for facilities to be included. These would need to be assessed on a case by case basis.

Should you require any further information or have any questions, please contact Mr. Rick Cairney, Director of Policy, Business SA on (08) 8300 0060 or [rickc@business-sa.com](mailto:rickc@business-sa.com).

Yours sincerely

Nigel McBride

**Chief Executive Officer**