

February 13 2019

Ms A. Pakati
Executive Officer
SA Inquiry into Water pricing

waterpricinginquiry@sa.gov.au

Dear Ms Pakati

RE: Submission from SA Financial Counsellors Association

The South Australian Financial Counsellors Association (SAFCA) provides advocacy, information and support to our members, the 130 financial counsellors who assist over 35,000 people and families in financial difficulty in this State annually.

Our members work for some 21 not for profits around the state and they assist South Australians facing many issues – debt, mortgage stress, unemployment, mental health problems, disability, problem gambling and family violence to state only some. We also currently have members who work for the Department Child Protection, some 40 members in the Northern Territory and 11 rural financial counsellors.

SAFCA would like to make two comments on the current Inquiry into Water pricing. Although these comments are outside of the Inquiry's terms of reference, we do wish to ensure the voice of financially vulnerable South Australians is heard.

Transparency

SAFCA makes no comment on the method used to assess the opening value of SA Water's Regulated Asset Base (RAB). We understand there are varying views on this matter, and it is beyond the resources of our small association to understand this fully. However, as a matter of principle we suggest that the policy and regulatory objective needs to be for the lowest prices for consumers, consequently the SA Government should accept the lower of the range of reasonable RAB valuations.

We do, however, wish to make the point that whatever method is determined for the future, that it be transparent and explained to the people of South Australia. The community needs to understand that the SA Government is the sole shareholder and that the dividend is used to support schools, hospitals and community services, amongst other things.

Suite 7Wellington Centre, 2 Portrush Rd Payneham SA 5070

Tel 8337 0898 Mob 0427 823 656 Email safca@safca.org.au www.safca.org.au

The Price of Water and the Dividend back to the SA Government

Although the matter of water pricing has been excluded from the ToR, SAFCA surveyed its members to seek data on whether or not water pricing is a matter of concern with their clients. We did this as we are mindful that a reduction in the RAB may lead to a reduction in water pricing.

Our members reported that the actual price of water per kL is not of primary concern, either in relation to the other parts of the bill (supply and sewerage) or in relation to other utility bills. This should be taken in the context that financially vulnerable clients find all utility bills difficult to pay, but relative to others, the actual usage amount does not cause the biggest distress.

There is some concern about the situation for lower income people who are private sector renters and the extent to which charges are passed onto them, both for water and sewerage. Some of our members have had reported that accessing hardship programs for renters through SA Water is not always straightforward. We do not agree that the supply charge should be paid by the renter, and would be very worried if there was a move towards renters also having to pay the sewerage portion of the bill.

In addition, our members are very concerned that a reduction in the dividend received by Government may lead to a decrease in funding for the already underfunded community services budget.

SAFCA will make representation to the Treasurer, the Hon Rob Lucas, seeking a guarantee that any decrease in dividend will not impact the community services budget.

Yours sincerely



Wendy Shirley
Executive Officer