



Your strong and independent
voice for livestock producers

LIVESTOCK SA...

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15 April 2020

Mr Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia
GPO Box 2605, ADELAIDE SA 5001
Email: escosa@escosa.sa.gov.au

Dear Mr Wilson,

RE: Draft SA Water regulatory determination 2020

Livestock SA welcomes ESCOSA's draft determination. We believe it is a step in the right direction towards lower water bills.

The draft determination proposes reductions to the total revenue that SA Water may recover during the four-year period commencing 1 July 2020 compared to the current four-year period (2016-2020). On the Commission's analysis, the revenue outcomes proposed would still provide SA Water with sufficient revenue to fund efficient operations, finance prudent investments on a long-term basis and meet the health, safety, environmental and customer service standards that will apply to SA Water over the coming four years.

Livestock SA represents the interest of more than 3,500 sheep, beef cattle and goat producers in South Australia. One of the major concerns for these producers is security of water supplies for livestock at reasonable prices and unfortunately, the increasing cost of water has become an effective restraint on investment in livestock production systems in key areas of South Australia. This is particularly so for those livestock producers reliant on SA Water.

In the draft determination, ESCOSA has noted that the South Australian Government is considering the recommendations of an independent Inquiry into SA Water's drinking water regulated asset base (RAB) and prices. Livestock SA is hopeful that the outcomes of both the State Government's Water Pricing Inquiry and this draft determination will mean a reduction in water prices.

In Livestock SA's initial submission, it was indicated that we would like consideration to be given to how SA Water can best assist livestock producers, and we made suggestions on a possible program to manage water as well as costs through improved water efficiency and new technology. We also requested that consideration be given to a rebate on water used by livestock. It is not clear whether this is covered in the service standards ESCOSA proposes for SA Water.

Yours sincerely

Joe Keynes
PRESIDENT