



## Coorong Water Security Advisory Group

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### SA Water Third Party Access Regime Review Submission

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Dear Nathan, Mark, and Felix,

Thankyou for providing us with the opportunity to meet with you on Tuesday the 4<sup>th</sup> of December to discuss the SA Water Third Party Access Regime Review. Please find below our written submission.

If you have any further queries in regard to any of this please contact Tracey Strugnell at [tstrugnell@coorong.sa.gov.au](mailto:tstrugnell@coorong.sa.gov.au)

### SA WATER THIRD PARTY ACCESS REGIME REVIEW 2019

The intent of this amendment as we understand it is that it provided a mechanism to provide access from Third Parties to the SA Water infrastructure to deliver water. We also understand that there has not been any uptake of third party access since this amendment was put in place in 2016.

### COORONG WATER TRANSPORTATION SCHEME FEASIBILITY PROCESS

The experience of the Coorong Water Security Advisory Group and the Coorong District Council from working on the Coorong Water Transportation Scheme Feasibility process in 2016 – 2017 was:

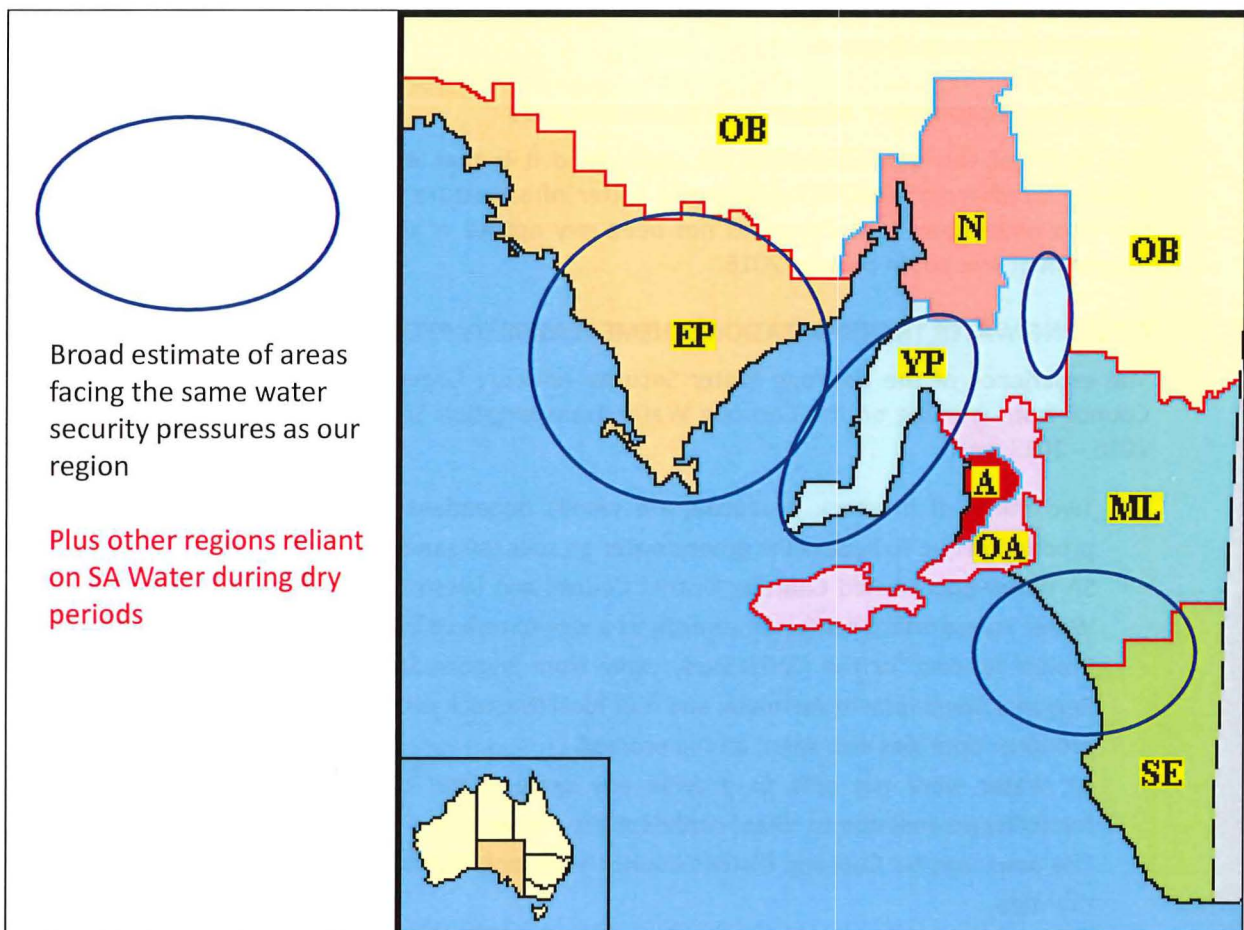
- Two thirds of livestock producers are wholly dependent of SA Water for livestock production due to hypesaline groundwater on soils too sandy for dams.
- SA Water approached Coorong District Council and livestock producers to explore the Water Transportation Scheme concept as a way to reduce livestock water costs.
- Project funding for the CWTS study came from Regions SA, Coorong District Council, Regional Development Australia, and four local livestock producers. Significant livestock producer time was also spent on the process.
- SA Water were not able to provide any useful water use data during the CWTS feasibility process due to 'client confidentiality' issues.
- The onus was on Coorong District Council and Seed Consulting to collect and analyze this data.
- The tone of the negotiations with SA Water changed markedly mid process for reasons not entirely apparent.

- SA Water were not interested in engaging in a CWTS as the amount of water sought (approximately 1GL) was not considered sufficient, and was considered to be a very small proportion of their market state wide.
- There was no likelihood for any growth in demand for water through a CWTS.
- SA Water verbally told the project group that the cost of delivering water through the Tailem Bend to Keith pipeline was well in excess of \$ 1kL.
- A comprehensive record of the Coorong Water Transportation Scheme Feasibility Study and process can be accessed at [www.coorong.sa.gov.au/cwts](http://www.coorong.sa.gov.au/cwts)

#### AMENDMENTS TO THE THIRD PARTY ACCESS AMENDMENT

If a version of the Third Party Access Amendment should remain in place can some of the following points be considered to allow for models of delivery to agricultural industries other than large water users eg. viticulture, intensive livestock production;

- The current Third Party Access Amendment only allows a price reduction of approximately 20 cents per kilolitre (waiving of the River Murray license component). This price reduction is not sufficient enough to be competitive with other on farm water security options (see below).
- Not being able to store large amounts of water off peak (deep sandy soils are not compatible with dam building across much of SA).
- Allow access to low water use forms of agriculture such as livestock production – a very significant contributor to the State Economy.
- Filtered and treated water is not required for livestock production.





## THE INTENT

The Coorong Water Security Advisory Group respectfully suggests that the intent of the original Third Party Access Amendment be reconsidered. Could consideration be given to the following potential drivers of any future amendment which will lead to more positive economic outcomes statewide? Such as;

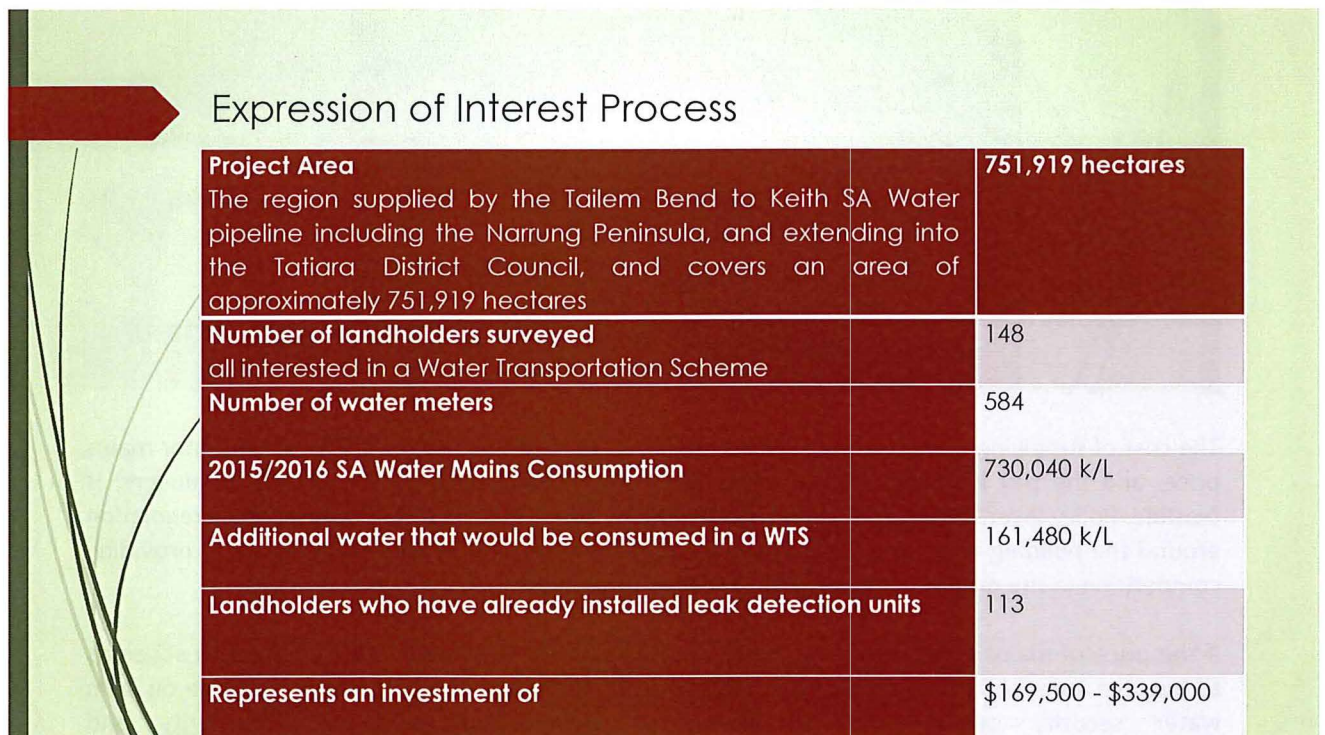
- Economic growth in the SA livestock industry, and the communities they support.
- Environmental benefits of supporting grazing as a land use that is perfectly matched to the Coorong District and other SA landscapes.
- The environmental benefits of promoting water saving technologies (as outlined below) that could make a positive contribution to the Murray Darling Basin Plan 450GL return to the environment.

## CAN COMPETITION IN THE WATER MARKET BE INTRODUCED IN OTHER WAYS?

Some landholders in the greater Coorong District have implemented on farm water security options to reduce or eliminate their SA Water bills using the following options;

- Water Leak Detection Units
- Lined Catchments / Water Harvesting
- On Farm Desalination Units (now solar powered options)
- Piping Projects from Lake Albert (for those close enough to be economic)
- Shandyng mains water with other sources to reduce usage and cost

A survey of landholders was undertaken during the 2016/17 CWTS study in to explore current uptake of these technologies (reducing or eliminating use of SA Water mains), and interest from others in taking up these options. In all cases if a financial incentive, or low interest loan was offered to assist with implementing these options, the numbers expressing an interest increased. A snapshot of this data is shown below.



The table is titled "Expression of Interest Process" and is set against a light green background with a dark red arrow pointing right. The table itself has a dark red header and alternating light and dark red rows. The data is as follows:

Expression of Interest Process	
<b>Project Area</b> The region supplied by the Tailem Bend to Keith SA Water pipeline including the Narrung Peninsula, and extending into the Tatiara District Council, and covers an area of approximately 751,919 hectares	<b>751,919 hectares</b>
<b>Number of landholders surveyed</b> all interested in a Water Transportation Scheme	148
<b>Number of water meters</b>	584
<b>2015/2016 SA Water Mains Consumption</b>	730,040 k/L
<b>Additional water that would be consumed in a WTS</b>	161,480 k/L
<b>Landholders who have already installed leak detection units</b>	113
<b>Represents an investment of</b>	\$169,500 - \$339,000



## Existing On Farm Water Security alternatives (non SA Water)

Early water security adopters have secured	- 500ML / annum of non mains water - with an estimated value of \$1.6 million - supplied at <80 cents per k/L* - servicing a land area of 76,429 hectares
Landholders who have installed lined catchments	2
Cost of installing lined catchments	\$130,000 - \$250,000
Landholders who have installed desalination	3
Cost of installing desalination	\$130,000
Landholders who have installed private pipeline projects From Lake Albert	11
Cost of installing private pipeline projects From Lake Albert	\$162,000 - \$544,500
Landholders who have installed private pipeline projects From Groundwater	5
Cost of installing private pipeline projects From Groundwater	\$80,000 - \$150,000
Landholders who have already installed leak detection units	113
Represents an investment of	\$169,500 - \$339,000

## Interest in On Farm Water Security alternatives (non SA Water)

Landholders interested in installing lined catchments	30
Potential investment in lined catchments	\$3.9m- \$7.5m
Landholders interested in installing desalination	29
Potential investment in desalination	\$3.7m
Landholders interested in private pipeline projects	30
Potential investment in private pipeline projects	\$2.4m - \$16.3m
Landholders interested in leak detection units	70
Potential investment in leak detection units	\$105,000 - \$210,000

The cost of supplying water through the schemes above is vastly cheaper than the SA Water mains price, and the pay back periods for larger livestock producers (particularly cattle producers) is feasible. Policy levers introduced in the areas of financial support, and minimizing future regulation around the building of lined catchments, and on farm desalination units would assist in providing competition in the provision of water for livestock producers.

If the price of mains water does not reduce, more and more landholders will implement schemes to become independent of the SA Water network. Further information in regard to these on farm water security options can be found at [www.coorong.sa.gov.au/watersecurity](http://www.coorong.sa.gov.au/watersecurity) and [www.coorong.sa.gov.au/waterharvest](http://www.coorong.sa.gov.au/waterharvest)

An alternate model is to introduce a water rebate similar to the diesel rebate to support livestock producers.

The Coorong Water Security Advisory Group would like to extend the invitation to ESCOSA to visit our region and to discuss your work on this review further in the New Year. This would provide a good opportunity to hear the views of a broader range of water users in our region.

We appreciate being given the opportunity to make a submission to this review.

Kind regards,

Jason Schulz *on behalf of*  
**Coorong Water Security Advisory Group**

Tracey Strugnell  
**Coorong District Council**