

2010-11 Pricing

Understanding water and sewer pricing from 1 July 2010

Why are water prices increasing?

New water prices will be introduced in 2010-11. The pricing increase will contribute to critical water security investment for South Australia's future, including Adelaide's accelerated and expanded 100 gigalitre desalination project.

The annual water supply charge will increase from \$137.60 to \$142.40, while the annual average residential bill will increase by about \$1.62 a week.

Water prices will rise in real terms by 21.7 per cent on average (before inflation) from 1 July. The fixed annual water supply charge will rise by \$4.80 (3 per cent).

Why are sewer prices increasing?

Sewerage rates are based on the capital value of the property, set by the Valuer-General for the financial year.

Sewerage charges will rise in real terms by 0.8% for metropolitan customers and 1.3% for country customers.

Who regulates these pricing changes?

Water and sewer prices are set according to the National Water Initiative (NWI) pricing principles approved by the Natural Resource Management Ministerial Council.

The State Government is committed to transparency in setting water and wastewater prices. A Transparency Statement on the new prices will be referred by the Treasurer to the Essential Services Commission of South Australia (ESCOSA). They review the price setting each year to ensure it complies with the NWI requirements.

The State Government's Water For Good policy has recommended the appointment of ESCOSA as the independent economic regulator of SA Water's potable water and wastewater services into the future.

Water supply charge and usage prices

Who does this apply to?

The 2010-11 water prices apply to all SA Water customers.

Why did we change to quarterly billing for water use?

Previously, customers received four bills per year but only two contained water use charges. The remaining two bills had only fixed supply charges and sewerage rates. In mid 2009 the State Government legislated more transparent billing system where South Australians can better monitor and manage their consumption. The new legislation came into effect from 1 July 2009.

Customers now receive quarterly bills for water use and supply and sewerage charges. This smoothes out water charges across the year, subject to variations in how much water households use in different seasons. This move has also brought SA Water in line with the way other utilities bill their customers.

What is the current residential pricing?

The three tier water pricing structure in place for SA Water customers since 1 July 2009 has been:

- Annual residential supply charge of \$137.60
- Quarterly water usage pricing for 2009–10:
 - 0 – 30kL \$0.97 per kilolitre
 - 30 - 130kL \$1.88 per kilolitre
 - Above 130kL \$2.26 per kilolitre

What is the new pricing from 1 July 2010?

The annual supply charge will increase by \$4.80 per quarter (approx 3%) compared to the 2009-10 charge.

- Annual residential supply charge of \$142.40
- Quarterly water usage pricing for 2010–11:
 - 0 – 30kL \$1.28 per kilolitre
 - 30 - 130kL \$2.48 per kilolitre
 - Above 130kL \$2.98 per kilolitre

In practice, prices are expressed on a daily basis to take account of the fact that the number of days between meter readings can vary – so quarterly thresholds are calculated on the basis of the actual number of days in each customers' billing period.

What are some examples of total water bills under the new pricing?

RESIDENTIAL WATER BILL COMPARISONS - QUARTERLY

Quarterly use (single dwellings)	Quarterly water use charges 2009-10	Quarterly supply charge 2009-10	Total quarterly water bill 2009-10	Quarterly water use charges 2010-11	Quarterly supply charge 2010-11	Total quarterly water bill 2010-11	Difference per quarter	Difference per week
15 kL	\$14.55	\$34.40	\$48.95	\$19.20	\$35.60	\$54.80	\$5.85	\$0.45
30 kL	\$29.10	\$34.40	\$63.50	\$38.40	\$35.60	\$74.00	\$10.50	\$0.81
47.5 kL	\$62.00	\$34.40	\$96.40	\$81.80	\$35.60	\$117.40	\$21.00	\$1.62
60 kL	\$85.50	\$34.40	\$119.90	\$112.80	\$35.60	\$148.40	\$28.50	\$2.19
130 kL	\$217.10	\$34.40	\$251.50	\$286.40	\$35.60	\$322.00	\$70.50	\$5.42
175 kL	\$318.80	\$34.40	\$353.20	\$420.50	\$35.60	\$456.10	\$102.90	\$7.92
250 kL	\$488.30	\$34.40	\$522.70	\$644.00	\$35.60	\$679.60	\$156.90	\$12.07

47.5kL was the average quarterly metropolitan consumption during 2008-09

When will the new prices take effect?

The new prices will come into place from 1 July 2010 and remain until 30 June 2011.

Water use before and after 1 July

Each quarter we need to read more than 600,000 household water meters. For practical reasons, these readings can't take place on the same day and are spread throughout the quarter. You may have your meter read in May – before the new water prices are introduced – and then three months later in August.

In this case, some of the water you have used is charged at the prices for the previous financial year and some is charged at the new prices. You will notice two different sets of pricing on your bill to reflect water use split between the financial years.

In line with the Waterworks Act 1932, the amount of water used at each price is calculated by assuming the same amount of water has been used for each day of the billing period. You will see if this applies to you under the Account Details section of your bill.



New pricing for sewerage supply charge

Will sewer charges also change?

Yes, for 2010-11 there will be an average sewerage charge increase of 0.8% for metropolitan customers and 1.3% for country customers.

This applies for both resident and non-residential customers.

Your sewerage charge is based on the value of your property - this is set by the State Valuation Office independent of SA Water.

The difference between the metropolitan and country sewerage charge increases takes into account the higher costs associated with the delivery of sewerage services to country areas and also historic charges to country customers remaining much lower than their metropolitan counterparts. While country customers will see a higher percentage increase for sewerage charges, their total charges will remain lower and we are working towards a more equal approach for country and metropolitan sewerage charges.

More information

I'm from the metropolitan area, what does it mean for me?

Your water supply charge will increase by \$1.20 per quarter and your water usage charges will depend on the amount of water you use. Your sewerage charge will increase on average 0.8%.

I'm from the country what does it mean for me?

Your water supply charge will increase by \$1.20 and your water usage charges will depend on the amount of water you use. Your sewerage charge will increase on average 1.3%.

To save more water, refer to the top tips and tricks on our website here:

<http://www.sawater.com.au/SAWater/YourHome/SaveWaterInYourGarden/Top+Tips.htm>

I'm a business owner what does it mean for me?

Business will be affected more by the water pricing changes as the change to the sewerage supply charge will be marginal.

What about the future – will water prices continue to rise?

In 2009 the State Government proposed an in-principle direction for increasing water pricing to double over 5 years for the period to 2012-13. These future increases are a responsible first step to help fund a range of water security projects across the State including the \$1.8million Adelaide Desalination Project.

Will concessions for water and sewer charges continue?

Concessions of 20% of the total annual water bill, from a minimum of \$95 to a maximum of \$200, will continue to be available to assist pensioners and Commonwealth Low Income Health Care Card holders with payments. The existing \$95 sewerage concession will also continue.

Where can I find out more information?

This information sheet is designed to help you understand the new pricing. More information can be found at www.sawater.com.au or by calling SA Water on 1300 650 950.

