

## 2011-12 Pricing

Understanding water and sewerage pricing from 1 July

### General information for customers

#### How is water and sewerage charged?

Most SA Water bills are made up of three key charges:

##### *Water Supply*

A water supply charge is the amount we ask you to pay quarterly to deliver water to your property.

##### *Water use*

The water use charge is based on the amount of water you use. We have a user pays system so the less water you use, the less you pay. There are many simple ways to save water in your home, garden and workplace which will also save you money.

##### *Sewerage*

The sewerage access charge is the amount we ask you to pay each quarter for the removal and treatment of sewage and wastewater.

The Department for Water charges the Save the River Murray levy which SA Water administers on their behalf. This levy is separate to water and sewerage pricing and is not covered by these FAQs. For more information visit Department for Water's [Save the River Murray Levy](#) webpage.

#### Why are water prices increasing?

New water prices will be introduced in 2011-12. Water prices will rise by 26.3% on average from 1 July.

The pricing increase will contribute to critical investment in South Australia's water infrastructure to ensure water security for the state into the future.

Key water security projects include:

- Adelaide's \$1.83 billion desalination plant which will provide a non-climate dependent water supply for metropolitan Adelaide
- North South Interconnection System Project which will enhance the reliability and flexibility of Adelaide's water supply network to ensure Adelaide continues to have a secure water supply in the future and is able to meet increases in demand.

More information on SA Water water security projects can be found on our website [www.sawater.com.au](http://www.sawater.com.au).

#### Why are sewerage prices increasing?

Sewerage charges will rise in nominal terms on average by 5.5% for metropolitan customers and 6% for country customers.

Price increases contribute to works to improve wastewater treatment processes, infrastructure and wastewater reuse projects. Significant recent wastewater infrastructure projects include:

- Upgrade of Christies Beach and Aldinga wastewater treatment plants to support population growth in the southern suburbs.
- Southern Urban Reuse Project which will deliver recycled water to up to 8000 new homes in Adelaide's south.
- Glenelg to Adelaide Park Lands project which has the capacity to provide up to 5.5 billion litres of high-quality recycled water per year.

More information on SA Water wastewater projects can be found on our website [www.sawater.com.au](http://www.sawater.com.au).

### Who regulates these pricing changes?

Water and sewerage prices in South Australia are set according to the National Water Initiative pricing principles and in accordance with the *Waterworks Act 1932* and *Sewerage Act 1929*.

In previous years the Treasurer has forwarded a Transparency Statement to the Essential Services Commission of South Australia (ESCOSA) for its independent review.

In 2009, as a response to water security issues affecting the state, the Government launched its Water for Good Plan. The Plan included recommendations to draft new water legislation and appoint ESCOSA as independent regulator of the South Australian water industry.

The Government is presently considering submissions on its draft water industry legislation, and ESCOSA's first price determination is expected to be for a period from 1 July 2013.

To cover the transition period, the Government has approved arrangements for setting water prices in 2011-12 and 2012-13 under existing legislation. A Regulatory Statement setting out the background to the Government's decision will replace the Transparency Statement process.

A copy of the 2011-12 Drinking Water and Sewerage Prices Regulatory Statement can be accessed at the [Department of Treasury and Finance website](#).

### When will the new prices take effect?

The new prices will come into place from 1 July 2011 and remain until 30 June 2012.

## Residential water supply charge and usage prices

### Who does this apply to?

The 2011-12 water prices apply to most residential SA Water customers.

### What will the new water supply charge be for residential customers?

The residential supply charge will be \$58.65 per quarter.

### What is the new water usage pricing for residential customers?

Water use price	Indicative quarterly threshold (approximately 91 days)	Relevant daily threshold*
\$1.93/kL	0 to 30kL	0 to 0.3288kL
\$2.75/kL	30 to 130kL	0.3288kL to 1.4247kL
\$2.98/kL	Above 130kL	Above 1.4247kL

\*Threshold calculated on the basis of the number of days in the billing period.

The price for water usage above 130kL only applies to single dwellings. It does not apply to a multiple dwellings under a single account such as a block of flats.



Quarterly thresholds, the amount that can be used at each pricing level each quarter, are calculated on the basis of the actual number of days in each customer's billing period. The quarterly thresholds are expressed on a daily basis to take account of the fact that the number of days between meter readings can vary.

### What are some examples of total water supply bills under the new pricing for residential customers?

#### RESIDENTIAL WATER BILL COMPARISONS - QUARTERLY

Quarterly use (single dwellings)	Quarterly water use charges 2010-11	Quarterly supply charge 2010-11	Total quarterly water bill 2010-11	Quarterly water use charges 2011-12	Quarterly supply charge 2011-12	Total quarterly water bill 2011-12	Difference per quarter	Difference per week
15 kL	\$19.20	\$35.60	\$54.80	\$28.95	\$58.65	\$87.60	\$32.80	\$2.52
30 kL	\$38.40	\$35.60	\$74.00	\$57.90	\$58.65	\$116.55	\$42.55	\$3.27
<b>47.5 kL</b>	<b>\$81.80</b>	<b>\$35.60</b>	<b>\$117.40</b>	<b>\$106.03</b>	<b>\$58.65</b>	<b>\$164.68</b>	<b>\$47.28</b>	<b>\$3.64</b>
60 kL	\$112.80	\$35.60	\$148.40	\$140.40	\$58.65	\$199.05	\$50.65	\$3.90
130 kL	\$286.40	\$35.60	\$322.00	\$332.90	\$58.65	\$391.55	\$69.55	\$5.35
175 kL	\$420.50	\$35.60	\$456.10	\$467.00	\$58.65	\$525.65	\$69.55	\$5.35
250 kL	\$644.00	\$35.60	\$679.60	\$690.50	\$58.65	\$749.15	\$69.55	\$5.35

Average quarterly metropolitan consumption during 2008-09 and 2009-10 was around 47.5kL

## Non – residential water supply charge and usage prices

### Who does this apply to?

The 2011-12 water prices apply to most non-residential SA Water customers.

### What is the new usage pricing for non-residential customers?

Water use price	Indicative quarterly threshold (approximately 91 days)	Relevant daily threshold*
\$2.13/kL	0 to 30kL	0 to 0.3288kL
\$2.75/kL	Above 30kL	Above 0.3288kL

### What is the new supply charge for non-residential from 1 July 2011?

Commercial customers, those from the wholesale, retail, finance and other service sectors, will continue to incur a charge based on the capital value of their property, subject to a minimum. That minimum supply charge, and the supply charge for other non-residential customers, will be \$68.25 per quarter.

For commercial customers who incur a supply charge above \$68.25 per quarter on the basis of their property value, this charge should on average be approximately 3.5% higher than their charge in 2010-11.

The rate in the dollar of capital value used to calculate the charge will be determined in June 2011 when the latest property value information can be used to determine a rate consistent with the average 3.5% increase.

### What are some examples of total water bills under the new pricing for non-residential customers?

Due to the significant variance in types of non-residential customer, provision of examples of average increases may not accurately reflect your business situation. More information on your specific situation can be found at [www.sawater.com.au](http://www.sawater.com.au) or by calling SA Water on **1300 650 950**.



## Calculating your water use before and after 1 July 2011

### How will my water use be calculated over the transition into the new pricing period?

Each quarter we read more than 700,000 household water meters. For practical reasons, these readings can't take place on the same day and so 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.

### How are the usage charges calculated?

Prices are expressed on a daily basis to take account of the fact that the number of days between meter readings can vary. Quarterly thresholds, the amount that can be used at each pricing level each quarter, are calculated on the basis of the actual number of days in each customer's billing period.

## New pricing for sewerage services

### Will sewerage charges also change?

Yes, for 2011-12 sewerage charges will rise in nominal terms by 5.5% for metropolitan customers and 6% for country customers from 1 July 2011.

As sewerage charges are based on the capital value of your property as set by the Valuer General the rate in the dollar of capital value used to calculate the charge will be determined in June 2011. This will take into account the latest property value information to determine a rate consistent with an increase as above. The minimum quarterly sewerage charge will be \$81.25.

### Are country sewerage charges rising by more than metropolitan sewer charges?

The difference between the metropolitan and country sewerage price increases recognises that property values in the country are on average lower than those in the metropolitan area. This results in country customers, on average, having lower sewerage charges than metropolitan customers.

While country customers will see a marginally higher percentage increase (0.5%) in sewerage charges, these charges will on average remain lower than metropolitan sewerage charges. Consistent with the government's policy of state-wide pricing, the marginally higher increase for country sewerage prices will continue the gradual process of bringing country charges more into line with metropolitan charges.

In nominal terms, this means that residential country customers (with an average valued country property) will have increases of about 46 cents per week compared to 48 cents for metropolitan customers (who have an average valued metropolitan property).

## Concessions for water and sewerage charges

### Will concessions for water and sewerage charges continue?

Concessions will continue to be available to assist pensioners and Commonwealth Low Income Health Care Card holders with payments.

Concessions will be increased in 2011-12, including an increase in the percentage rate used to calculate the concession amount, from 20% to 25%, along with minimum and maximum concession payments. The settings for the new concession are as follows:



<b>Water Concession</b>	<b>2010-11</b>	<b>2011-12</b>
Concession as % of water bill (excluding sewerage)	20%	25%
Minimum for owner occupier	\$100	\$125
Maximum for owner occupier	\$210	\$235
Minimum for tenants	\$58	\$72
Maximum for tenants	\$168	\$182
Sewerage (maximum)	\$100	\$105

## More information

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

The forecasts underlying the Government's 2010-11 pricing decision signalled the need for significant price increases up to and including 2013-14 in order to fully recover costs. In determining 2011-12 pricing, the Government has carefully reviewed these forecasts. While a similar increase is expected in 2012-13, it is no longer considered necessary in 2013-14.

### Why am I paying charges on my vacant property?

You are charged for water and/or wastewater on vacant property regardless of whether you are using the services or not. These services are available to you should you or future owners ever choose to connect.

### What about residential recycled water charges?

SA Water has a number of residential dual reticulation recycled water customers. The cost of recycled water is 75% of the new second tier State-wide price for water usage or \$2.06 per kL.

### Why am I paying more for water when it's raining and our water situation has improved?

Although South Australia is currently in a much better water situation given improved rainfall, there are no guarantees we won't have future droughts or other impacts to our water supply. SA Water and the South Australian Government are committed to continuing our investment in infrastructure to enhance South Australia's future water security. Increases to water prices continue to contribute to some of our State's largest water security projects including the Adelaide Desalination Plant and the North South Interconnection System Project. These are projects that will protect the security and reliability of South Australia's supply into the future.

### I am having difficulty paying my bills – what should I do?

SA Water understands that sometimes it's hard to meet ongoing household expenses and pay all your bills. If you are having difficulty paying your SA Water bill, it's important you call us as soon as possible to discuss how we can help. Your queries will be dealt with in a sensitive and respectful manner, and we can provide you with the support and information you need. We will work with you to offer a range of options and help you access the option most suited to your requirements. The sooner you call, the sooner we can help. If you have any queries about payment options, please call us on **1300 650 950**.

### Where can I find out more information to help me save water around my home or business?

There are a number of tools and tips available on the SA Water website ([www.sawater.com.au](http://www.sawater.com.au)) to help you save water around your home or business including the new WaterRight Gardening tool and SA Water Interactive House and Garden.

### What sort of benefit will people in rural areas get from the key projects the price rise is funding, such as the desalination plant?

Regional and rural customers pay annual water charges that are the same as those for metropolitan customers despite SA Water's country operating, maintenance and capital costs being higher than those for the metropolitan area. This is because the South Australian Government takes a State-wide approach to pricing – whether you live in the country or in the city.

While the Adelaide Desalination Plant will provide water for metropolitan Adelaide, it also supports water security across the State because it provides access to a water supply in addition to River Murray or our



catchments. In times of drought SA Water will be able to use its River Murray licence to deliver water to regional areas and use desalinated water for the city. The ability for businesses and industry across the State to access a secure supply of water is an important factor in enhancing future growth and prosperity in South Australia. In addition to the Adelaide Desalination Project, the Government is also investing, through SA Water, in long term planning for the State's water supplies (including Eyre Peninsula, Yorke Peninsula, Kangaroo Island, Upper Spencer Gulf), water and wastewater main relays and new pump stations.

**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](http://www.sawater.com.au) or by calling SA Water on **1300 650 950**.

