



2024-28

Regulated financial performance report

Year 2

To 30 June 2026



Government of
South Australia



Delivering low and stable prices



Revenue and prices

Every 4 years, with input from our customers, we submit a proposal to the Essential Services Commission of South Australia (ESCOSA), outlining the revenue required to operate and invest in our networks to deliver the services our customers value and are willing to pay for. The proposal also reflects our regulatory responsibilities.

Through this process, ESCOSA determines the allowable revenue we can recover from our customers, and then prices are set each year to achieve the allowable revenue across each 4 year, regulatory period.

When setting prices, based on our allowable revenue, we consider a range of factors including:

- anticipated weather conditions and patterns
- forecasts of how much water we are going to supply
- forecasts of how many customers we are going to have
- current and predicted economic conditions
- pricing structures
- how much different customers pay (for example, water use prices for residential customers, business customers etc)

Weather and other variables can mean that actual revenue may differ from forecast revenue during the 4 year period. ESCOSA calculates revenue adjustments at the end of each 4 year regulatory period to carry forward any significant differences in actual revenue earned (over or under).

As announced by the State Government in June 2024, increases to the average metropolitan residential customer bill during the 2024-28 regulatory period will be equivalent to 3.5 per cent plus Consumer Price Index (CPI) per annum. This is lower than the allowed revenue cap determined by the economic regulator due to the State Government's decision to pass on lower prices.

Also, taking a smoothing approach, where customer bills increase in lower increments across each year of the current 4 year regulatory period, helps to manage the impact that larger cost increases can have on our customers.

Importantly, it also ensures we can continue making vital investments to maintain and improve services for our customers, along with supporting unprecedented levels of housing growth through the State Government's record \$1.5 billion investment in critical water and wastewater infrastructure as part of the Housing Roadmap.

In 2026-27 the average metropolitan, residential water and sewerage bill increased by 3.5% plus CPI (equivalent to an increase of 8.3%).

Statewide pricing means the majority of our customers pay the same price per kilolitre of water, no matter where they live or the actual cost of supplying that location. Sewerage prices are based on the capital value of customer properties and are designed so that average bills are as consistent as possible across the state. The rates used to calculate sewerage charges are updated every year and take into consideration the general movement in the property market. This process ensures we do not achieve a windfall revenue gain through increasing property values, and that prices are as consistent as possible across the state.

There is more information about how our prices are determined, on our [website](#).

Driving customer outcomes



Delivering low and stable prices



Revenue and prices

Water	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Allowed revenue (\$ millions, including inflation)	\$912.3	\$1,031.8	\$1,191.7	\$1,349.3
Total actual / forecast revenue* (\$ millions, including inflation)	\$953.9	\$930.6 [#]	\$961.7	\$1,013.5
Total actual / forecast revenue comprising of:				
Revenue from fixed supply charge (\$ millions, including inflation)	\$275.5	\$291.9	\$312.3	\$330.3
Revenue from variable water use charge (\$ millions, including inflation)	\$663.7	\$624.5 [#]	\$637.0	\$670.7
Other water revenue ^{##} (\$ millions, including inflation)	\$14.8	\$14.2 [#]	\$12.3	\$12.6
Price change				
Fixed supply charge	5.9%	4.7%	6.9%	
Variable water use charge	5.9%	4.7%	6.9%	

* Total actual/forecast revenue is below the maximum allowed revenue cap reflects the State Government's decision to pass on lower prices than that allowed by our economic regulator.

[#] Estimate as at 30 June due to meter reads and billing cycle.

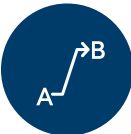
^{##} Other revenue includes shared asset revenue and Community Concession Community Service Obligation revenue.

Note: differences between totals and the sum of component values are due to rounding.

Wastewater	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Allowed revenue (\$ millions, including inflation)	\$438.1	\$515.7	\$620.6	\$732.3
Total actual / forecast revenue* (\$ millions, including inflation)	\$411.1	\$445.7	\$489.8	\$533.4
Price change				
Minimum charge	9.4%	8.1%	10.5%	
Residential property rate	9.4%	8.1%	10.5%	
Business property rate	9.4%	8.1%	10.5%	

* Total actual/forecast revenue is below the maximum allowed revenue cap due to the State Government's decision to pass on lower prices than allowed by our economic regulator.

Driving customer outcomes



Demand forecast

The amount of water we are forecasting to sell

	2024-25	2025-26	2026-27	2027-28
Forecast volumes (billions of litres)	203.7	204.7	205.6	206.6
Actual billed volumes (billions of litres)	235.7	214.8 [^]		

^{*} Actual volume of water sold was above forecast in 2025-26 due to below average rainfall, above average temperatures and high soil dryness. The number of customer accounts was also higher than forecast (refer to the customer growth table to the right).

[^] Estimate as at 30 June due to meter reads and billing cycle.



Customer growth forecast

Forecast customer numbers

	2024-25	2025-26	2026-27	2027-28
Water customers				
Forecast	820,566	828,468	836,446	844,503
Actual [*]	822,453	831,449 [*]		
Wastewater customers				
Forecast	647,530	653,842	660,216	666,653
Actual [*]	651,456	658,814 [*]		

^{*} Higher than forecast customer growth was primarily attributed to larger numbers of housing developments across the state as part of the South Australian Government's Housing Roadmap.



Delivering low and stable prices

2025-26

Residential customer annual billing



Value of a residential water bill based on 200kL per year of water consumption

Metropolitan
Regional

\$861
\$861



Value of a typical residential sewerage bill based on average property value

Metropolitan
Regional

\$512
\$428





Business customer annual water and sewerage billing for 2025-26*^

Metropolitan	Minimum charge (\$411,829)	Low property value (\$670,000)	Median property value (\$1,200,000)	Average property value (\$3,050,000)	High property value (\$8,600,000)	Very high property value (\$31,000,000)
No water use	\$705	\$941	\$1,425	\$3,114	\$8,181	\$28,632
Low water use - 26 kL per year	\$793	\$1,028	\$1,512	\$3,201	\$8,268	\$28,720
Median water use - 103 kL per year	\$1,052	\$1,288	\$1,771	\$3,460	\$8,528	\$28,979
Average water use - 983 kL per year	\$4,013	\$4,249	\$4,733	\$6,422	\$11,489	\$31,940
High water use - 2,864 kL per year	\$10,343	\$10,578	\$11,062	\$12,751	\$17,818	\$38,270
Very high water use - 11,533 kL per year	\$39,514	\$39,749	\$40,233	\$41,922	\$46,990	\$67,441

Regional	Minimum charge (\$266,100)	Low property value (\$305,000)	Median property value (\$530,000)	Average property value (\$1,132,000)	High property value (\$3,325,000)	Very high property value (\$9,725,000)
No water use	\$705	\$760	\$1,078	\$1,929	\$5,027	\$14,071
Low water use - 26 kL per year	\$793	\$848	\$1,166	\$2,016	\$5,115	\$14,158
Median water use - 103 kL per year	\$1,052	\$1,107	\$1,425	\$2,275	\$5,374	\$14,417
Average water use - 983 kL per year	\$4,013	\$4,068	\$4,386	\$5,237	\$8,335	\$17,378
High water use - 2,864 kL per year	\$10,343	\$10,398	\$10,715	\$11,566	\$14,665	\$23,708
Very high water use - 11,533 kL per year	\$39,514	\$39,569	\$39,887	\$40,737	\$43,836	\$52,879

* Includes all non-residential and commercial customers. Commercial customers on property-based water charges (property value of more than \$10 million) are also included.

^ Valuer-General of South Australia adjusts property valuations annually.

Driving customer outcomes



Each regulatory period, ESCOSA allows us to recover the expenditure required to operate, maintain and invest in our network to ensure the ongoing delivery of reliable and safe water and wastewater services for the South Australian community.



Operating expenditure

The cost of running our business, including electricity, treatment processes, labour and licence fees.

Water	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Allowance (millions)	\$432.8	\$452.5	\$481.7	\$496.6
Actual/Forecast (millions)	\$543.8	\$528.9	\$485.5	\$508.3
Variance (millions)*	\$111.1	\$76.4*	\$3.7	\$11.7

Wastewater	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Allowance (millions)	\$206.3	\$213.9	\$220.0	\$226.3
Actual/Forecast (millions)	\$244.3	\$234.7	\$209.5	\$219.5
Variance (millions)*	\$38.0	\$20.8*	-\$10.4	-\$6.8

* Dry weather conditions across metropolitan and regional areas increased operating expenditure (driven by emergency water repairs, sewer root intrusions, and additional meter repairs). We also invested more to support the planning, design and delivery of water and wastewater infrastructure required to facilitate metropolitan housing growth, including initiatives connected with the South Australian Government's Housing Roadmap.



Capital expenditure

The cost to invest in our infrastructure, including items like trunk main renewals and upgrades to treatment plants.

Water	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Gross capital allowance (millions)	\$484.2	\$538.4	\$616.5	\$588.3
Actual/Forecast (millions)	\$459.7	\$802.0	\$611.1	\$485.0
Variance (millions)	-\$24.5	\$263.6*	-\$5.4	-\$103.3

* The variance in 2025-26 is primarily due to accelerated delivery and productivity gains on major projects and programs, including growth infrastructure built in metropolitan Adelaide, investment in the Morgan to Whyalla Pipeline, electrical infrastructure upgrades and the Eyre Peninsula Desalination Plant.

While annual variances have occurred due to the timing of project delivery, we remain on track to deliver our 4 year water and wastewater infrastructure capital investment program.

Wastewater	2024-25 Actual	2025-26 Actual	2026-27 Forecast	2027-28 Forecast
Gross capital allowance (millions)	\$401.0	\$405.7	\$431.2	\$438.0
Actual/Forecast (millions)	\$254.2	\$434.3	\$619.4	\$382.7
Variance (millions)	-\$146.8	\$28.6#	\$188.2	-\$55.3

The variance in 2025-26 is primarily due to accelerated delivery on the Tea Tree Gully Sustainable Sewers project.

While annual variances have occurred due to the timing of project delivery, we remain on track to deliver our 4 year water and wastewater infrastructure capital investment program.

