



# Annual performance measures

2020-21



Government  
of South Australia

## Driving customer outcomes



### Keeping water flowing to your taps

Total



Volume of drinking water supplied

205,102 megalitres

### Taking and treating your wastewater

Total



Average volume of wastewater collected per property

178 megalitres

### Providing you with safe, clean drinking water

Target

Achieved



Compliance with *Safe Drinking Water Act 2011*

100%

100%

Water quality compliance is regulated by SA Health and reported monthly.

# Driving customer outcomes



## Investing to improve water network reliability



Number of customers with three or more unplanned interruptions

Target	Total
<1,750 by 2024	2,073*

\*We will achieve 1,750 by 2024 by setting incremental targets each year: 2,400 by 2021; 2,184 by 2022; 1,968 by 2023; 1,750 by 2024. In the first 12 months, we have reduced the number of three or more unplanned interruptions from 2,474 to 2,073. This is favourable to the 2021 and 2022 targets.

## Temporary water supply interruptions



Number of unplanned (per 1,000 properties per year)

Achieved
161



Average duration

201 minutes
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## Paying taxes



Tax and tax equivalents paid

Total
\$25.7 million

## Returning a dividend to the people of South Australia



Dividend paid

Total
\$82.1 million

Our dividend contributes to the delivery of services by the South Australian Government.

## License fees



Economic regulation license fee (paid to the Essential Services Commission of South Australia)

\$8.9 million



Water planning and Management charge (paid to the Department for Environment and Water)

\$31.6 million



Annual reimbursement of fees paid for valuation roll (paid to the Valuer-General)

\$4.6 million

# Driving customer outcomes

## Delivering low and stable prices



### Price Path

Regulated price determination periods are for four years and require us to 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. Our customers help us develop our proposals, which also reflect our regulatory responsibilities.

Through this process, ESCOSA determines the allowable revenue we can recover from our customers and we then set prices each year to achieve the allowable revenue across each four-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 four-year period. ESCOSA calculates revenue adjustments at the end of each four-year regulatory period to carry-forward any significant differences in actual revenue earned (over or under).

In 2020-21 we delivered significant price reductions to all our customers. Water use prices decreased by around 18 per cent with supply charges reducing by 10 per cent. Waste water charges also reduced with property rate charges reducing by around 13 per cent and minimum charges decreasing by 10 per cent. These reductions lead to a \$200 annual bill saving for the average residential customer, while an average business customer received savings of around \$1,300 per year.

# Driving customer outcomes

## Delivering low and stable prices



### Price Path

Water	2020-21	2021-22	2022-23	2023-24
<b>Allowed revenue</b> (\$ millions, including inflation)	\$694.4	\$705.3	\$724.0	\$744.4
<b>Actual / forecast revenue</b> (\$ millions, including inflation)	\$724.1 <sup>#</sup>	\$706.5	\$724.9	\$745.2
Revenue from fixed supply charge (\$ millions, including inflation)	\$231.6	\$232.8	\$240.0	\$247.7
Revenue from variable water use charge (\$ millions, including inflation)	\$483.8	\$463.1	\$474.1	\$486.0
Other water revenue (\$ millions, including inflation)	\$8.8	\$10.5	\$10.9	\$11.5
<b>Price change</b>				
Fixed supply charge	-10.0%*	1.1%	+CPI <sup>^</sup>	+CPI <sup>^</sup>
Variable water use charge	-18.7%**	1.1%	+CPI <sup>^</sup>	+CPI <sup>^</sup>

<sup>#</sup> Dry weather conditions resulted in higher than forecast water use (203 GL used compared to a forecast of 194 GL), which led to higher than allowed revenue. This will be monitored and balanced at the end of the four-year regulatory period.

\*Additional reductions applicable to water supply charges for commercial customers (removal of property-based charges for property values <\$10million).

\*\*Additional reductions applicable to residential customers due to increased tier one threshold allowance (additional 54.8 litres per day compared to 2019-20 threshold).

<sup>^</sup>Subject to change.

Wastewater	2020-21	2021-22	2022-23	2023-24
<b>Allowed revenue</b> (\$ millions, including inflation)	\$329.5	\$336.4	\$347.1	\$358.6
<b>Actual / forecast revenue</b> (\$ millions, including inflation)	\$329.1	\$334.8	\$345.1	\$356.4
<b>Price change</b>				
Minimum charge	-10.0%	1.1%	+CPI*	+CPI*
Residential property rate	-13.3%	1.1%	+CPI*	+CPI*
Business property rate	-10.0%	1.1%	+CPI*	+CPI*

\*Subject to change.

# Driving customer outcomes



## Demand forecast

The amount of water we are forecasting to sell

	2020-21	2021-22	2022-23	2023-24
<b>Forecast volumes</b> (gigalitres)	194.0	194.5	195.0	195.5
<b>Actual volumes</b> (gigalitres)	203.2*	TBA	TBA	TBA

\*Billed estimate at June 2021. Actual volumes were above forecast in 2020-21 as a result of dry conditions (below average rainfall).



## Customer growth forecast

The number of customers we have forecast to have

	2020-21	2021-22	2022-23	2023-24
<b>Water customers</b>				
Forecast	801,599	809,245	816,967	824,763
Actual	802,580	TBA	TBA	TBA
<b>Wastewater customers</b>				
Forecast	627,693	633,809	639,985	646,222
Actual	628,101	TBA	TBA	TBA

\*Higher than forecast customer growth was mainly driven by the federal government's Home Builder initiative.

## Driving customer outcomes

### Delivering low and stable prices

#### Residential customer



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

\$710

\$710



Value of a typical residential sewerage bill based on average property value, as set by the Valuer General (annual)

\$399

\$333

Metropolitan    Regional

#### Business customer

Business customer total annual water and sewerage bill - metropolitan*	Minimum charge (\$274,000)	Low property value (\$375,000)	Average property value (\$1,324,000)	High property value (\$4,000,000)	Very high property value (\$8,700,000)
No water use	\$562	\$669	\$1,675	\$4,511	\$9,493
Low water use - 30 kL per year	\$645	\$752	\$1,758	\$4,595	\$9,577
Average water use- 834 kL per year	\$2,877	\$2,983	\$3,989	\$6,826	\$11,808
High water use - 2,633 kL per year	\$7,869	\$7,975	\$8,981	\$11,818	\$16,800
Very high water use - 10,918 kL per year	\$30,860	\$30,966	\$31,972	\$34,809	\$39,791

Business customer total annual water and sewerage bill - regional*	Minimum charge (\$181,000)	Low property value (\$210,000)	Average property value (\$643,000)	High property value (\$2,000,000)	Very high property value (\$5,225,000)
No water use	\$562	\$609	\$1,304	\$3,483	\$8,663
Low water use - 30 kL per year	\$645	\$692	\$1,387	\$3,567	\$8,746
Average water use- 834 kL per year	\$2,877	\$2,923	\$3,618	\$5,798	\$10,977
High water use - 2,633 kL per year	\$7,869	\$7,915	\$8,611	\$10,790	\$15,969
Very high water use - 10,918 kL per year	\$30,860	\$30,906	\$31,602	\$33,781	\$38,960

\*Excludes commercial customers on water property-based charges (property value of more than \$10 million).

## Driving customer outcomes

The Essential Services Commission of South Australia (ESCOSA) has allowed us the following expenditure to operate and invest in our water and wastewater networks to deliver the services our customers value and are willing to pay for.

### Operating expenditure

What it costs to run our business, including electricity, treatment processes, labour and licence fees.

Water	2020-21	2021-22	2022-23	2023-24
<b>Operating expenditure allowance</b> (\$ millions)	\$365.2	\$368.8	\$378.5	\$385.3
<b>Actual/forecast operating expenditure</b> (\$ millions)	\$367.5	\$368.8	\$378.5	\$385.3
<b>Variance</b> (\$ millions)	\$2.3	\$0	\$0	\$0

Wastewater	2020-21	2021-22	2022-23	2023-24
<b>Operating expenditure allowance</b> (\$ millions)	\$140.3	\$140.6	\$146.2	\$150.5
<b>Actual/forecast operating expenditure</b> (\$ millions)	\$149.3	\$140.6	\$146.2	\$150.5
<b>Variance</b> (\$ millions)	\$9.0	\$0	\$0	\$0

\*Variance relates to costs for site restoration work, bushfire preparedness and transition to the new contract arrangements for production and treatment and field operations for metropolitan Adelaide. Note customer pricing is determined based on the operating expenditure allowance and is not impacted by actual operating expenditure variances.

Complete audited financial statements are included in our Annual Report each year. You can find these details on our website.

### Capital expenditure

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

Water	2020-21	2021-22	2022-23	2023-24
<b>Net capital expenditure<sup>^</sup> allowance</b> (\$ millions)	\$344.9	\$253.5	\$284.0	\$291.2
<b>Actual/forecast capital expenditure</b> (\$ millions)	\$166.1	\$323.2	\$367.1	\$333.5
<b>Variance</b> (\$ millions)*	(\$178.8)	\$69.7	\$83.1	\$42.3

\*Annual variances have occurred due to rephasing of works. Over the regulatory period variance is due to carry over projects from 2019-20 and a reduction of water capital contributions. This will be monitored and balanced over the four-year regulatory period.

Wastewater	2020-21	2021-22	2022-23	2023-24
<b>Net capital expenditure<sup>^</sup> allowance</b> (\$ millions)	\$80.1	\$148.5	\$190.1	\$157.5
<b>Actual/forecast capital expenditure</b> (\$ millions)	\$101.7	\$159.7	\$177.8	\$180.8
<b>Variance</b> (\$ millions)**	\$21.6	\$11.2	(\$12.3)	\$23.3

<sup>^</sup> Net capital expenditure equates to capital expenditure less any capital contributions.

\*\*Annual variances have occurred due to rephasing of works. The total four-year variance is due to carry over of projects from 2019-20 in addition to a reduction of wastewater capital contributions. This will be monitored and balanced over the four-year regulatory period.





## Maintaining diverse water sources



Surface water (reservoirs, River Murray)

Total

219,784 megalitres



Groundwater (bores)

11,153 megalitres



Seawater (desalination plants)

5,217 megalitres



Total volume water sourced

260,666 megalitres

## Growing the availability and use of recycled water

Total



Percentage of wastewater recycled

26%

In 2020-21 we recycled nearly 28GL of water from our wastewater treatment processes.



## Making drinking water accessible in public

Achieved



Number of additional drinking fountains installed

10

Drinking fountains installed across the state provide free drinking water with a bottle refill and bubbler. Some also have an in-ground dog bowl.



Number of drinking fountains in BYOB app

1,153

Our bring your own bottle (BYOB) work supports our customers and community to choose tap water, bringing benefits for their health, their wallet and our environment.

Supporting our BYOB initiative are Miss Isla, a refurbished 1960s caravan, and our Quench Benches, mobile water trailers, which are out and about at community events to keep people cool and hydrated.

## Encourage students to explore, interact and learn about water and wastewater services

Achieved



Number of students participating in The Well programs

5,060



Number of education programs offered

7

The Well is our education program which gives life to the story and value of water in our community. It encourages students from reception to university to explore, interact and learn about water and wastewater processes through tours, workshops, presentations and education materials.

## Healthy communities



### Buying goods and services from South Australian businesses

Achieved



Amount spent with the South Australian supply chain

84%

Working with local businesses helps keep the South Australian economy strong.

Through our Reconciliation Action Plan, we are working in partnership with Aboriginal and Torres Strait Islander peoples to foster a culturally safe workplace and build a stronger South Australian community. Our reconciliation progress is reported annually on our website.

### Providing open spaces for public access

Total



Number of reservoir reserves open for public access

6



Number of visitors to our reservoir reserves

156,172

## Proactive environmental leadership



### Increasing the volume of cleaned and treated wastewater reused

Total



Volume of water from the urban water supply system returned to surface water and groundwater

3,456 megalires

### Reducing greenhouse gas emissions



Total net greenhouse gas emissions

283,463 tonnes of CO<sub>2</sub>

We continue to meet our annual greenhouse gas reduction targets as we progress towards our long-term target of emissions no greater than 40 per cent of 1990 levels (375,000 tonnes of CO<sub>2</sub>) by 2050.

### Reusing waste from our operations

Total



Percentage of biosolids reused

66%

### Generating renewable energy for our operations



Energy produced from renewable sources

62,800 MWh

Through our ambitious plan to use renewable energy and storage to create a zero cost energy future, we have installed more than 367,000 solar panels across South Australia.

## Our people for the future



### Employing South Australians, across South Australia



Our people

Total

1,566



Our metro based people

1,054



Our regional based people

512

Training and development for our people enables our business to be safe, innovative and agile to deliver on our customers' expectations.

### Increasing the diversity of our people, to represent your diversity

Target

Total



Women in leadership

40.00%

41.86%



Aboriginal and Torres Strait Islander employment

2.65%

2.80%

Diversity and inclusion is a source of organisational strength. These are two of the measures that track our progress towards a more inclusive workplace that embraces and celebrates diversity.