



2020-24 Performance Report

Year 3

To 30 June 2023



Government of
South Australia

Driving customer outcomes



Keeping water flowing to your taps

2020-21 2021-22 2022-23



Volume of water supplied

195.3 billion litres 206.6 billion litres 193.6 billion litres

Taking and treating your wastewater



Average volume of wastewater collected per property

178 thousand litres 191 thousand litres 201 thousand litres

Providing you with safe, clean drinking water



Compliance with *Safe Drinking Water Act 2011*

100% 100% 100%

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





Investing to improve water network reliability

	2020-21	2021-22	2022-23	2024 Target
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Number of customers with three or more unplanned interruptions

2,073	1,482	1,848	<1,750
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Temporary water supply interruptions



Number of unplanned (per 1,000 properties)

161	160	170	
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Average duration

3 hrs 21 mins	3 hrs 1 min	2 hrs 47 mins	
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Paying taxes

2020-21 2021-22 2022-23



Tax and tax equivalents
paid

\$25.7
million

\$11.7
million

\$18.8
million

Returning a dividend to the people
of South Australia



Dividend paid

\$82.1
million

\$29.9
million

\$49.8
million

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



License fees		2020-21	2021-22	2022-23
	Economic regulation license fee (paid to the Essential Services Commission of South Australia)	\$8.9 million	\$8.3 million	\$8.3 million
	Water planning and Management charge (paid to the Department for Environment and Water)	\$31.6 million	\$32.3 million	\$33.2 million
	Annual reimbursement of fees paid for valuation roll (paid to the Valuer-General)	\$4.6 million	\$4.8 million	\$4.9 million





Delivering low and stable prices



Revenue and prices

Every four 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 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 which 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.

In 2021-22, water charges for residential and business customers and minimum sewerage charges for all customers increased by 1.1 per cent, aligned with the Consumer Price Index (CPI).

In 2022-23, the average price increase to water and sewerage was below CPI with an increase of 3.2% (compared to a CPI increase of 5.1%).

In 2023-24, the average price increase to water and sewerage was below CPI with an increase of 4.8% (compared to a CPI increase of 7.0%).

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.

Driving customer outcomes



Delivering low and stable prices



Revenue and prices

Water	2020-21	2021-22	2022-23	2023-24
Allowed revenue (\$ millions, including inflation)	\$694.4	\$705.3	\$744.8	\$800.6
Actual / forecast revenue (\$ millions, including inflation)	\$732.2 [#]	\$735.0 [#]	\$740.8 ^{##}	\$772.5 ^{##}
Revenue from fixed supply charge (\$ millions, including inflation)	\$231.6	\$233.3	\$242.8	\$252.1
Revenue from variable water use charge (\$ millions, including inflation)	\$491.0	\$492.0	\$488.0 ^{###}	\$509.3
Other water revenue^{***} (\$ millions, including inflation)	\$9.6	\$9.8	\$9.9	\$11.1
Price change				
Fixed supply charge	-10.0% [*]	1.1%	3.2% [^]	4.8% ^{^^}
Variable water use charge	-18.7% ^{**}	1.1%	3.2% [^]	4.8% ^{^^}

[#] Dry summer weather conditions resulted in higher-than-forecast water use in both 2020-21 and 2021-22, resulting in higher-than-allowed revenue. To be monitored and balanced at the end of the four-year regulatory period.

^{##} Revenue forecast is below allowance due to less than CPI price increase in the year 2022-23 and 2023-24.

^{###} Estimate as at 30 June 2023 based on July 2023 forecast due to meter reads and billing cycle

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

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

[^] Below Consumer Price Index of 5.1 per cent.

^{^^} Below Consumer Price Index of 7.0 per cent.

^{***} Other revenue items include community concession CSO, administration of pensioner concession CSO, shared infrastructure revenue, overdue payment and property visit fee revenue, other miscellaneous regulated revenue and accommodation contractual income.

Wastewater	2020-21	2021-22	2022-23	2023-24
Allowed revenue (\$ millions, including inflation)	\$329.5	\$336.4	\$357.0	\$385.7
Actual / forecast revenue^{***} (\$ millions, including inflation)	\$329.0	\$337.4	\$351.6 [#]	\$370.3 [#]
Price change				
Minimum charge	-10.0%	1.1%	3.2% [^]	4.8% ^{^^}
Residential property rate	-13.3%	1.1%	3.2% [^]	4.8% ^{^^}
Business property rate	-10.0%	1.1%	3.2% [^]	4.8% ^{^^}

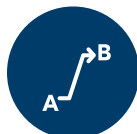
[#] Revenue forecast is below allowance due to less than CPI price increase in the year 2022-23 and 2023-24.

[^] Below Consumer Price Index of 5.1 per cent.

^{^^} Below Consumer Price Index of 7.0 per cent.

^{***} Includes Other revenue items include community concession CSO, administration of pensioner concession CSO, trade waste Volume Load Based and Community Waste Management System revenue, overdue payment and property visit fee revenue and other miscellaneous regulated revenue.

Driving customer outcomes



Demand forecast

The amount of water we are forecasting to sell

	2020-21	2021-22	2022-23	2023-24
Forecast volumes (billions of litres)	\$194.0	\$194.5	\$195.0	\$195.5
Actual billed volumes (billions of litres)	\$204.5*	\$202.6*	\$193.6 [#]	-

* Actual volume above forecast due to below average summer rainfall.

[#] Estimate as at 30 June 2023 due to meter reads and billing cycle.



Customer growth forecast

The number of customers we forecast to have

	2020-21	2021-22	2022-23	2023-24
Water customers				
Forecast	801,599	809,245	816,967	824,763
Actual	802,580*	797,743**	804,493**	-
Wastewater customers				
Forecast	627,693	633,809	639,985	646,222
Actual	628,101*	629,566**	632,661***	-

* Higher than forecast customer growth driven by the Australian Government's Home Builder initiative.

** To ensure consistency in the approach to property valuations and charges, living units within retirement villages were amalgamated in 2021-22 which reduced the total number of customer accounts in our billing system (approximately 12,000 water accounts).

^ In 2022-23, approximately an additional 4,700 customers became SA Water wastewater customers due to the transition of the Tea Tree Gully community wastewater management scheme to SA Water.



Keeping water flowing to your taps

	2020-21	2021-22	2022-23
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Residential customer annual billing



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

Metropolitan	\$710	\$718	\$741
Regional	\$710	\$718	\$741



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

Metropolitan	\$399	\$404	\$412
Regional	\$333	\$337	\$339





Business customer annual water and sewerage billing for 2022-23*^

Metropolitan	Minimum charge (\$300,396)	Low property value (\$445,000)	Median property value (\$780,000)	Average property value (\$1,516,000)	High property value (\$4,525,000)	Very high property value (\$8,950,000)
No water use	\$587	\$733	\$1,071	\$1,814	\$4,853	\$9,323
Low water use - 30 kL per year	\$673	\$820	\$1,158	\$1,901	\$4,940	\$9,410
Median water use - 99 kL per year	\$873	\$1,019	\$1,358	\$2,101	\$5,140	\$9,609
Average water use - 834 kL per year	\$3,002	\$3,148	\$3,486	\$4,230	\$7,269	\$11,738
High water use - 2,633 kL per year	\$8,212	\$8,358	\$8,696	\$9,440	\$12,479	\$16,948
Very high water use - 10,918 kL per year	\$32,205	\$32,351	\$32,690	\$33,433	\$36,472	\$40,941

Regional	Minimum charge (\$193,248)	Low property value (\$225,000)	Median property value (\$365,000)	Average property value (\$690,000)	High property value (\$2,100,000)	Very high property value (\$5,700,000)
No water use	\$587	\$636	\$856	\$1,367	\$3,580	\$9,232
Low water use - 30 kL per year	\$673	\$723	\$943	\$1,453	\$3,667	\$9,319
Median water use - 99 kL per year	\$873	\$923	\$1,143	\$1,653	\$3,867	\$9,519
Average water use - 834 kL per year	\$3,002	\$3,052	\$3,272	\$3,782	\$5,995	\$11,647
High water use - 2,633 kL per year	\$8,212	\$8,262	\$8,481	\$8,992	\$11,205	\$16,857
Very high water use - 10,918 kL per year	\$32,205	\$32,255	\$32,475	\$32,985	\$35,199	\$40,851

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

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

Driving customer outcomes



In each year of each regulatory period, ESCOSA allows expenditure for us 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

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

Water	2020-21	2021-22	2022-23	2023-24
Allowance (millions)	\$365.2	\$368.8	\$388.1	\$412.4
Actual/Forecast (millions)	\$379.5	\$402.3	\$423.4	\$412.4
Variance (millions)*	\$14.3	\$33.5	\$35.4	-

Wastewater	2020-21	2021-22	2022-23	2023-24
Allowance (millions)	\$140.3	\$140.6	\$149.9	\$161.1
Actual/Forecast (millions)	\$155.2	\$158.6	\$165.5	\$161.1
Variance (millions)*	\$14.9	\$17.9	\$15.6	-

* Higher operating costs have primarily been due to higher metropolitan contract costs, contractor costs, electricity prices and labour costs. Additionally, higher operating costs were incurred in 2022-23 due to the River Murray flood event.



Capital expenditure

The cost to invest in our infrastructure, including items like trunk main renewals and upgrades to treatment plants. Net capital expenditure equates to capital expenditure, less any capital contributions.

Water	2020-21	2021-22	2022-23	2023-24
Net allowance (millions)	\$344.9	\$253.5	\$291.2	\$311.7
Actual/Forecast (millions)	\$165.7	\$242.0	\$311.3	\$502.1
Variance (millions)*	-\$179.2	-\$11.5	\$20.0	\$190.4

Wastewater	2020-21	2021-22	2022-23	2023-24
Net allowance (millions)	\$80.1	\$148.5	\$194.9	\$168.6
Actual/Forecast (millions)	\$102.1	\$127.2	\$161.7	\$240.2
Variance (millions)**	\$22.1	-\$21.3	-\$33.2	\$71.6

* Annual variances have occurred due to rephasing of works. The large variance in 2020-21 was mainly due to environmental approvals that caused delays in construction of the desalination plant at Kangaroo Island and the Morgan Whyalla pipeline. This will be monitored and balanced over the four-year regulatory period.

** Annual variances have occurred due to rephasing of work. The four-year regulatory period allowance is on track.



Maintaining diverse water sources

2022-23 total



Surface water (reservoirs, River Murray)

218,835 million
litres



Groundwater (bores)

10,578 million
litres



Seawater (desalination plant)

4,904 million
litres



Total volume of water sources

234,317 million
litres

Use of recycled water

2022-23 total



Volume

21,845 million
litres



Portion of wastewater recycled

17.6%

By treating wastewater and delivering it through a recycled water network, it can be safely reused.



Making drinking water accessible in public 2022-23 total



New drinking fountains installed 16

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



Drinking fountains in BYOB app 1,232

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

Making drinking water accessible in public Achieved in 2022-23



The Well student participants 4,417



Education programs delivered 112

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.



Buying goods and services from South Australian businesses

Achieved in 2022-23



Portion of total goods and services obtained from local businesses

91%

Our Stretch Reconciliation Action Plan 2020-23 is part of our commitment to reconciliation. In 2022-23, we spent more than \$7.26 million with Aboriginal businesses.

Providing open spaces for public access

Achieved in 2022-23



Number of reservoir reserves open for public access

10



Number of visitors to our reservoir reserves

417,959



Proactive environmental leadership



Water resources



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

2022-23 total

61,693 million litres

Reducing greenhouse gas emissions



Total net greenhouse gas emissions

143,475 tonnes of CO₂

We have an ambitious and proactive environmental commitment, including net zero emissions by 2030.



Proactive environmental leadership



Reusing waste from our operations

2022-23 total



Biosolides reused

53,876 dry tonnes



Portion of biosolids reused

169%*

We are committed to net zero waste by 2040.

* Portion of biosolid reused is greater than 100% due to reducing existing stockpiled biosolids in addition to 2022-23 volumes.

Generating renewable energy for our operations

2022-23 total



Energy produced from renewable sources

132,288 megawatt hours



Portion of energy produced from renewable sources

30%

Our base load requirements will be operating on 100 per cent renewable energy by 2030.

Our people for the future



Our team, across South Australia

2022-23 total



Our people

1,625



Our metropolitan-based people

1,109



Our regionally-based people

516

Diversity of our people

2022-23 total Target



Women in leadership

49.17%

40.00%



Aboriginal and Torres Strait Islander employment

2.09%

2.65%

We strive for a strong and inclusive workplace that embraces and celebrates diversity.