



# 2020-24 Performance Report

Year 2

To 30 June 2022



Government of  
South Australia

# Driving customer outcomes



## Keeping water flowing to your taps



Volume of water supplied

2020-21

205.1 billion litres

2021-22

206.6 billion litres

## Taking and treating your wastewater



Average volume of wastewater collected per property

178 thousand litres

191 thousand litres

## Providing you with safe, clean drinking water



Compliance with Safe Drinking Water Act 2011

2020-21

100%

2021-22

100%

Target

100%

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



## Driving customer outcomes



### Investing to improve water network reliability

2020-21 2021-22 2024 target



Number of customers with three or more unplanned interruptions

2,073 1,482 <1,750

### Temporary water supply interruptions



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

161 160



Average duration

3 hrs 21 mins 3 hrs 1 min

### Paying taxes

2020-21 2021-22



Tax and tax equivalents paid

\$25.7 million \$11.7 million

Dividend and tax have reduced due to the reduction in overall net profit, which was impacted by higher electricity and chemical prices.

### Returning a dividend to the people of South Australia



Dividend paid

\$82.1 million \$29.9 million

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



## Driving customer outcomes



### License fees

2020-21

2021-22



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

\$8.9  
million

\$8.3  
million



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

\$31.6  
million

\$32.3  
million



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

\$4.6  
million

\$4.8  
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). This proposal outlines 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 and sewerage pricing for residential and business customers increased by 1.1 per cent, aligned with the Consumer Price Index (CPI).

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
<b>Allowed revenue</b> (\$ millions, including inflation)	\$694.4	\$705.3	\$744.8	\$767.0
<b>Actual / forecast revenue</b> (\$ millions, including inflation)	\$731.3 <sup>#</sup>	\$726.2 <sup>#</sup>	\$733.7 <sup>##</sup>	\$755.7
Revenue from fixed supply charge (\$ millions, including inflation)	\$231.6	\$233.3	\$242.1	\$250.5
Revenue from variable water use charge (\$ millions, including inflation)	\$491.0	\$483.9	\$482.1	\$495.5
Other water revenue (\$ millions, including inflation)	\$8.8	\$9.1	\$9.4	\$9.7
<b>Price change</b>				
Fixed supply charge	-10.0%*	1.1%	3.2% <sup>^</sup>	
Variable water use charge	-18.7%**	1.1%	3.2% <sup>^</sup>	

<sup>#</sup> 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.

<sup>##</sup> Revenue forecast is below allowance due to less than CPI price increase in the year 2022-23.

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

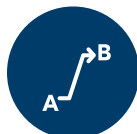
<sup>^</sup> Below Consumer Price Index of 5.1 per cent.

Wastewater	2020-21	2021-22	2022-23	2023-24
<b>Allowed revenue</b> (\$ millions, including inflation)	\$329.5	\$336.4	\$357.0	\$369.5
<b>Actual / forecast revenue</b> (\$ millions, including inflation)	\$329.1	\$337.4	\$349.6 <sup>#</sup>	\$361.8
<b>Price change</b>				
Minimum charge	-10.0%	1.1%	3.2% <sup>^</sup>	
Residential property rate	-13.3%	1.1%	3.2% <sup>^</sup>	
Business property rate	-10.0%	1.1%	3.2% <sup>^</sup>	

<sup>#</sup> Revenue forecast is below allowance due to less than CPI price increase in the year 2022-23

<sup>^</sup> Below Consumer Price Index of 5.1 per cent.

## 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*	201.1*#	-	-

\* Actual volume above forecast in 2021-22 due to below average summer rainfall.

# Estimate as at 30 June 2022 due to meter reads and billing cycle.



### 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*	797,743**	-	-
<b>Wastewater customers</b>				
Forecast	627,693	633,809	639,985	646,222
Actual	628,101*	629,566**	-	-

\*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 which reduced the total number of customer accounts in our billing system (approximately 12,000 water accounts).



Delivering low and stable prices

Residential customer annual billing



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

Metropolitan  
Regional

2020-21    2021-22

\$710    \$718  
\$710    \$718



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

Metropolitan  
Regional

\$399    \$404  
\$333    \$337







## Business customer annual water and sewerage billing\*^

Metropolitan	Minimum charge (\$274,000)	Low property value (\$405,000)	Median property value (\$710,000)	Average property value (\$1,365,000)	High property value (\$4,150,000)	Very high property value (\$8,675,000)
No water use	\$568	\$709	\$1,037	\$1,740	\$4,731	\$9,591
Low water use - 30 kL per year	\$653	\$794	\$1,122	\$1,825	\$4,816	\$9,676
Median water use - 99 kL per year	\$846	\$987	\$1,315	\$2,018	\$5,009	\$9,869
Average water use - 834 kL per year	\$2,909	\$3,050	\$3,378	\$4,081	\$7,072	\$11,932
High water use - 2,633 kL per year	\$7,957	\$8,098	\$8,426	\$9,129	\$12,120	\$16,980
Very high water use - 10,918 kL per year	\$31,204	\$31,345	\$31,673	\$32,376	\$35,367	\$40,227

Regional	Minimum charge (\$177,000)	Low property value (\$210,000)	Median property value (\$335,000)	Average property value (625,000)	High property value (\$1,900,000)	Very high property value (\$5,150,000)
No water use	\$568	\$623	\$831	\$1,313	\$3,434	\$8,838
Low water use - 30 kL per year	\$653	\$708	\$916	\$1,398	\$3,519	\$8,923
Median water use - 99 kL per year	\$846	\$901	\$1,109	\$1,591	\$3,712	\$9,116
Average water use - 834 kL per year	\$2,909	\$2,964	\$3,172	\$3,654	\$5,775	\$11,179
High water use - 2,633 kL per year	\$7,957	\$8,012	\$8,220	\$8,702	\$10,823	\$16,227
Very high water use - 10,918 kL per year	\$31,204	\$31,259	\$31,467	\$31,949	\$34,070	\$39,474

\*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	\$395.1
Actual/Forecast (millions)	\$367.5	\$393.3	\$388.1	\$395.1
Variance (millions)	\$2.3	\$24.5*	-	-

Wastewater	2020-21	2021-22	2022-23	2023-24
Allowance (millions)	\$140.3	\$140.6	\$149.9	\$154.3
Actual/Forecast (millions)	\$149.3	\$156.3	\$149.9	\$154.3
Variance (millions)	\$9.0	\$15.7*	-	-

\* Variance was primarily related to higher metropolitan contract costs, contractor costs, electricity prices and labour costs.



### 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 gross capital expenditure less any capital contributions.

Water	2020-21	2021-22	2022-23	2023-24
Net allowance (millions)	\$344.9	\$253.5	\$291.2	\$298.5
Actual/Forecast (millions)	\$166.1	\$241.7	\$317.1	\$467.6
Variance (millions)*	-\$178.7	-\$11.8	\$25.9	\$169.1

Wastewater	2020-21	2021-22	2022-23	2023-24
Net allowance (millions)	\$80.1	\$148.5	\$194.9	\$161.5
Actual/Forecast (millions)	\$102.4	\$127.5	\$174.5	\$217.8
Variance (millions)**	\$22.4	-\$21.0	-\$20.4	\$56.3

\*Annual variances have occurred due to rephasing of works. The large variance in 2021-22 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



Surface water (reservoirs, River Murray)

Total

217,741 million litres



Groundwater (bores)

11,113 million litres



Seawater (desalination plants)

5,412 million litres

Use of recycled water



Volume

Total

17,585 million litres



Portion of wastewater recycled

33%

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

## Healthy communities



### Making drinking water accessible in public

#### Total



New drinking fountains installed

20

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

1,168

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. In 2021-22, events attended include Yorke Peninsula Field Days (Paskeville), Happy Valley Reservoir Opening, WOMADelaide and Royal Adelaide Show.

### Making drinking water accessible in public

#### Achieved



The Well student participants

1,576



Education programs offered

4

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. The impact of COVID-19 in 2021-22 resulted in reduced opportunities to engage with students.



# Healthy communities



## Buying goods and services from South Australian businesses Achieved



Portion of total goods and services obtained from local businesses 69%

Our Stretch Reconciliation Action Plan 2020-23 is part of our commitment to reconciliation. In 2021-22, we spent more than \$7.98 million with Aboriginal businesses.

## Providing open spaces for public access Total



Number of reservoir reserves open for public access 10



Number of visitors to our reservoir reserves 432,453

# Proactive environmental leadership



## Increasing the volume of cleaned and treated wastewater reused



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

### Total

61,943 million litres

## Reducing greenhouse gas emissions



Total net greenhouse gas emissions

194,414 tonnes of CO<sub>2</sub>

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



# Proactive environmental leadership



## Reusing waste from our operations Total



Biosolids reused 89,000 tonnes



Portion of biosolids reused 268%\*

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 2021-22 volumes.

## Generating renewable energy for our operations Total



Energy produced from renewable sources 112,517 megawatt hours



Portion of energy produced from renewable sources 24%

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

Total



Our people

1,588



Our metropolitan-based people

1,096



Our regionally-based people

492

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

## Diversity of our people

Total Target



Women in leadership

46.82%

40.00%



Aboriginal and Torres Strait  
Islander employment

2.48%

2.65%

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