District Council of Elliston
Policy

Governance
E023: Water and Sewerage Retail Services Pricing Policy Statement

Signature	
Policy Issued & Effective from	
Date of Last Review	2025
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Person responsible for maintaining	Chief Executive Office

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1. Purpose

The purpose of this Policy is to set out the methodology, principles and legislative framework used by the District Council of Elliston (**Council**) to determine, review and apply prices for regulated water and sewerage retail services.

This Policy ensures pricing is transparent, evidence-based, cost-reflective and compliant with the Water Industry Act 2012, Essential Services Commission of South Australia (**ESCOSA**) Price Determination for Minor and Intermediate Retailers, and the National Water Initiative (**NWI**) Pricing Principles.

This Pricing Policy Statement has been prepared in accordance with clause 2.3 of the Price Determination 2013–2017 and demonstrates Council's compliance with the NWI Pricing Principles for all regulated retail services.

2. Scope

This Policy applies to all regulated water and sewerage retail services provided by Council, including:

- Community Wastewater Management Scheme (**CWMS**) services in Lock;
- Drinking water supply services in Port Kenny; and
- All residential, non-residential and community users receiving these services.

The Policy guides Council staff, decision-makers, auditors and customers on how pricing is set, reviewed and applied.

3. Background

Economic regulation of water and sewerage entities in South Australia is established under the *Water Industry Act 2012*. ESCOSA applies the NWI Pricing Principles when making price determinations for minor and intermediate retailers. Council must publish a Pricing Policy Statement and a Pricing Schedule each year that:

- Demonstrate compliance with the NWI Pricing Principles, and
- Set out the current and previous financial year retail prices, fees and charges.

Council's water and wastewater services operate on a partial cost-recovery basis. This Policy provides the framework for transparent, efficient and sustainable pricing.

4. Description of Regulated Retail Services

Council provides the following regulated water and sewerage services:

- CWMS in Lock
- Drinking Water Supply Scheme in Port Kenny for residential, non-residential and community customers

These services are subject to ESCOSA regulatory oversight and must comply with all applicable service, pricing, performance and reporting requirements.

5. Pricing Policy

Pricing Policy

Council's pricing policy is guided by the following principles:

Cost Recovery

Council aims to achieve partial to full cost recovery over the long term. Pricing includes:

- Efficient operating, maintenance and administrative costs
- Asset depreciation or annuity-based renewal funding
- A fair return on capital where applicable
- Future asset replacement and infrastructure sustainability

Council ensures pricing remains within NWI lower-bound and upper-bound revenue limits, avoiding both under-recovery and monopoly over-recovery.

Efficient Cost Determination

Efficient costs are derived through:

- Benchmarking against similar schemes
- Market testing of supplier and contractor rates
- Annual review of cost allocation methodologies
- Exclusion of inefficient or unrelated costs

Cost Allocation

Costs are allocated using a beneficiary-pays model that reflects:

- Direct costs associated with scheme operations
- Proportionate allocation of shared and overhead costs
- Service usage and demand characteristics

Cross-subsidisation is avoided unless specifically justified and transparently disclosed.

Fairness and Affordability

While pricing aims to be cost-reflective, Council recognises customer affordability and supports customers in hardship through the *Customer Hardship Policy – Water & Sewerage Services*.

Pricing Stability and Gradualism

Where required, price increases may be phased in to minimise the impact on customers and support community adaptation, particularly where asset renewal is significant.

Transparency

Council publishes clear pricing information annually and provides customers with:

- Access to pricing schedules
- Explanations of how charges are calculated
- Information on cost drivers, capital works and assumptions

6. Pricing

Pricing is set annually as part of Council's *Fees & Charges Schedule* and includes:

- CWMS annual service charges
- Drinking water fixed connection charges
- Volumetric charges for potable water based on kilolitres used
- Connection, disconnection and augmentation fees, consistent with cost-recovery principles

Service charges for the CWMS and drinking water scheme reflect:

- Efficient operational costs
- Lifecycle asset renewal needs
- ESCOSA's pricing structure requirements
- The price of substitute services (e.g., SA Water supply)
- Community willingness to pay

Council's annual Pricing Schedule includes prices for both the current and previous financial years, in accordance with ESCOSA's Price Determination clause 2.3.

7. Principles set out in the Price Determination for Minor/Intermediate Retailers

Council applies ESCOSA's pricing principles, including:

- **Flexible Regulation:** Light-handed unless formal regulation is necessary
- **Cost Allocation:** Beneficiary-pays model
- **Usage-Based Pricing:** Volumetric charges to promote efficient water use
- **Substitute Pricing Consideration:** Comparison to alternative supplies
- **Differential Pricing:** Recognising variations in service quality
- **Integrated Water Resource Planning**
- **Full Cost Recovery**
- **Transparency**
- **Gradualism** for price adjustments

8. Pricing Review and Adjustment

Pricing is reviewed:

- Annually, before adoption of the Council Budget
- With consideration of updated costs, asset renewal forecasts, regulatory changes and performance
- With customer consultation where significant increases are proposed

Significant operational or regulatory changes may trigger an interim review.

9. Transparency and Customer Communication

Council ensures transparency by:

- Publishing pricing information annually
- Providing customers with breakdowns of how charges are calculated upon request
- Reporting scheme performance metrics such as:
  - percentage cost recovery
  - cost per connection

  - asset renewal funding ratio
- Publishing updates on service improvements and capital works affecting pricing

10. Availability of Statement

This Policy and the annual Pricing Schedule are published on Council's website in accordance with ESCOSA's required timeframes and the Customer Charter.

Printed copies are available upon request.

11. Related Legislation

- Water Industry Act 2012 (SA)
- Water Industry Regulations 2012
- ESCOSA Water Retail Code – Minor and Intermediate Retailers
- ESCOSA Price Determination for Minor/Intermediate Retailers
- Water Industry Guidelines (including WG2 and WG3)
- National Water Initiative Pricing Principles
- AS ISO 10002:2022 – Customer Complaints Management

12. Related Council Documents

- Customer Hardship Policy – Water and Sewerage Services
- Water & Sewerage Enquiry, Complaints and Dispute Handling Guideline
- Debt Recovery Policy
- Water & Sewerage Retail Services – Customer Charter
- Council Fee's and Charges Schedule

DOCUMENT HISTORY			
Version	**Changes since last version**	**Approved by**	**Issue Date**
1.0	Updated 2022-2023 Pricing from the 2022-2023 Fees and Charges Schedule	CEO	2022
1.1	Updated to align with 2025 reporting requirements; included explicit ESCOSA clause 2.3 compliance; added Pricing Schedule publication requirements; enhanced transparency and cost-recovery content; aligned with NWI Pricing Principles and minor/intermediate retailer guidelines.	CEO	2025

APPENDIX – Pricing Schedule

Service Category	Service	Unit of Measurement	2024–2025 ($/unit)	2023–2024 ($/unit)
Sewerage & Trade Waste – Retail Services	CWMS – Lock *(Annual Service Charge)*	All connections	**$493**	$465
Drinking Water (Port Kenny)	Potable water supply – Connection / Reconnection (incl. meter)	Per connection	**$410**	$400
	Potable water supply – Usage (0–100 kL)	Per kilolitre	**$4.80**	$4.80
	Potable water supply – Usage (101+ kL)	Per kilolitre	**$5.20**	$5.20
Standpipe – Potable Water (Elliston)	Potable water – Standpipe	Per kilolitre	**$4.80**	$4.80