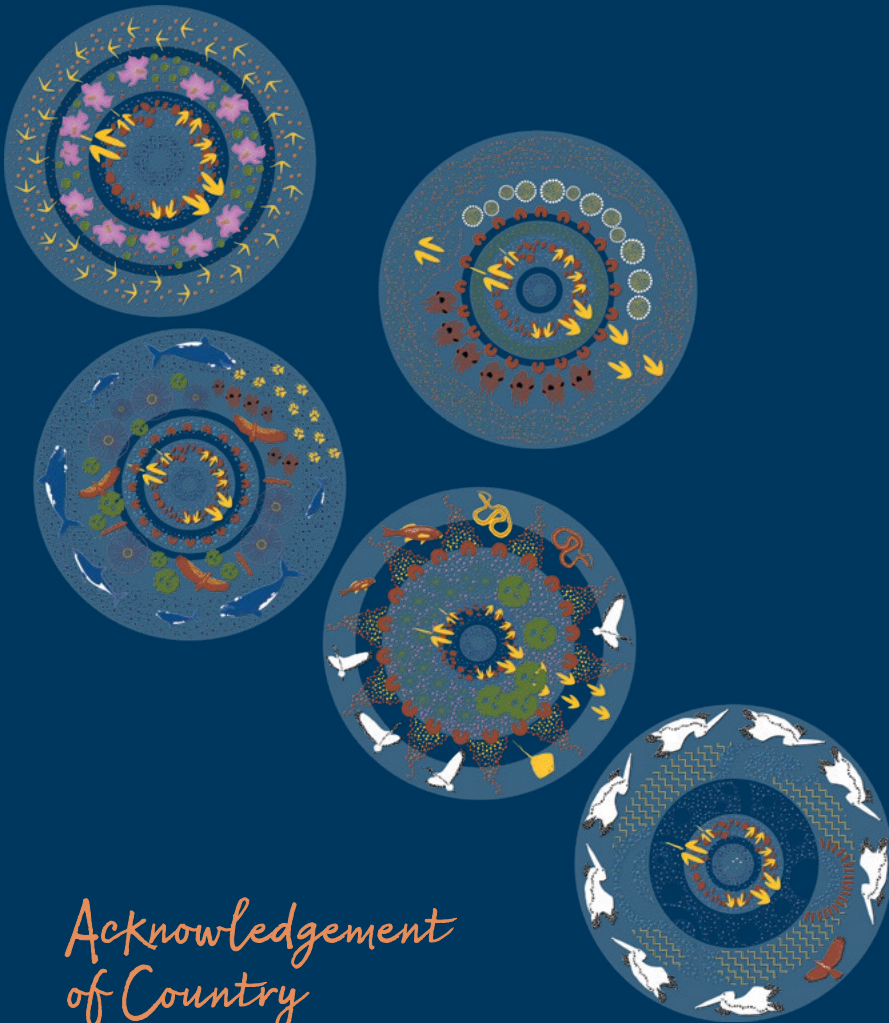


# 2023-24 South Australian Water Corporation Annual Report

For the year ending  
30 June 2024



## Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout South Australia and in other areas of Australia where we operate and recognise their unique and continuing connection to lands and waters. We pay respect to Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples visiting or living in South Australia.

## Letter of transmittal

30 September 2024

The Honourable Nick Champion MP  
*Minister for Housing Infrastructure*

Dear Minister Champion

On behalf of the Board of SA Water, I am pleased to present our annual report for the financial year ending 30 June 2024.

The report is submitted for your information and presentation to Parliament, in accordance with requirements of the *Public Corporations Act 1993* and the *Public Sector Act 2009*.

This report is verified as accurate for the purposes of annual reporting to the Parliament of South Australia.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke.

**Allan Holmes**  
Chair of the Board

# Contents

|   |           |
|---|-----------|
| <b>A message from the Chair</b>           | <b>5</b>  |
| <b>A message from the Chief Executive</b> | <b>6</b>  |
| <b>About SA Water</b>                     | <b>8</b>  |
| Our vision                                | 10        |
| Our organisation                          | 10        |
| Our strategy                              | 10        |
| Our services                              | 11        |
| <b>Year in review</b>                     | <b>14</b> |
| Highlights                                | 15        |
| Driving customer outcomes                 | 16        |
| Water for the future                      | 21        |
| Healthy communities                       | 24        |
| Proactive environmental leadership        | 26        |
| Our people for the future                 | 28        |
| <b>Water quality</b>                      | <b>30</b> |
| <b>Effective governance</b>               | <b>36</b> |
| Legislation                               | 38        |
| Key regulators                            | 38        |
| The Board                                 | 38        |
| Directors' interests and benefits         | 38        |
| Board committees                          | 39        |
| Organisation structure                    | 39        |
| <b>Financial performance</b>              | <b>40</b> |
| Financial performance summary             | 42        |
| Contributions to government               | 42        |
| Capital expenditure                       | 43        |
| Consultants                               | 43        |
| <b>Supplementary reporting items</b>      | <b>44</b> |
| Fraud                                     | 45        |
| Public interest disclosure                | 45        |
| Assurance and risk management             | 45        |
| Complaints                                | 46        |
| Supporting customers                      | 46        |
| <b>Ministerial directions</b>             | <b>47</b> |

# A message from the Chair



SA Water continues to do what it is meant to do – provide safe drinking water and dispose of sewage while meeting the high-performance standards expected of it. We do that across the state, over vast distances, and under challenging conditions.

The Corporation is owned by the state and is governed by a board of 7 directors appointed by the government. The Board has a legislated mandate but must work closely with government to help it deliver its priorities. And the people that rely on our services have expectations as well. That is the balancing act the Board has to perform.

The biggest change in our operating environment has been our shift to the new super department, the Department for Housing and Urban Development, created by government to tackle the housing crisis in South Australia. The signal from government is that we need to accelerate the provision of critical water and sewerage infrastructure and \$1.2 billion has been allocated for that task.

The last year has seen the culmination of the regulatory review that occurs every 4 years. Our operation is scrutinised by an independent regulator that sets the broad operating parameters – how much we can earn, how much we can spend, and what performance standards we are required to meet. However, the government of the day has the final say in the prices we charge customers, how much we can spend, and the dividend we pay back to the state. With the completion of that process, our course is set for the next regulatory period, however it is worth reflecting on the challenges ahead.

Water utilities across Australia, and in comparable countries in the western world, grapple with the short and long-term demands of maintaining and replacing expensive infrastructure as it ages and wears. SA Water and the state government are mindful of this need to invest, yet at the same time balance the costs to the public for these essential services. Transparency and openness about condition, solutions and costs are essential. The board recognises the important role it plays in working with government to ensure our long-term viability and continuing performance.

To conclude, I acknowledge the effective working relationship with government, especially Minister Champion, Minister Close, and Treasurer Mullighan.

I thank the board for its collaborative and diligent operation, and recognise the particular contributions of Janet Finlay and Chris Ford, whose terms concluded in August 2024.

David Ryan and his executive have provided outstanding service, as have the staff and extended network of partners. I thank them sincerely.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line that curves upwards at the end.

**Allan Holmes**  
Chair of the Board

# A message from the Chief Executive



## Over the past 12 months, our people have achieved significant outcomes for South Australia.

Cost-of-living pressures continue to impact many of our customers, and we have been planning and preparing for the future as we move into a new 4-year regulatory period. I'm enormously proud of our people and partners for their work providing essential water services for our state.

In 2023-24, as we came to the end of a regulatory period, we accomplished a significant amount to benefit our customers and our community.

Water security remains an important part of our strategy, with our Kangaroo Island Desalination Plant hitting major milestones including submerged pipelines and completed marine works. On the Eyre Peninsula, the ongoing planning and development of our proposed desalination project continues, as we work with the community to ensure an ongoing, reliable supply of water in our drying climate.

We also finished building 2 desalination plants in regional South Australia. Oodnadatta celebrated first water in August 2023 and residents of Marla received the first drinking water from their desalination plant, which has brought the community safe and clean drinking water.

I've had the pleasure of seeing these new assets – and the local communities – firsthand. In the past year, I've had the opportunity to visit remote communities in the Anangu Pitjantjatjara Yankunytjatjara Lands and spend some time with our people who help deliver services on the ground. Travelling from west to east, and then onto Marla and Coober Pedy, I saw how our assets and these services are enabling these remote communities to thrive.

We achieved an outstanding outcome through the regulatory determination process for 2024-28 and will deliver on these commitments as determined by the Essential Services Commission of South Australia (ESCOSA). Our people have the skills, experience and expertise in both the business and through our partners to deliver for our customers. The final determination included \$3.3 billion in net capital expenditure – including \$1.2 billion of investment to support housing growth as directed by the state government – and \$2.3 billion in operating expenditure.

Through managing the growth of our community and essential services, we also maintain our asset reliability. Much of our infrastructure can last more than 100 years and service multiple generations and we continue to renew older existing assets each year. In the past 12 months, we invested \$87.5 million in our water main network and infrastructure, and another \$31.6 million in our wastewater pipe network and infrastructure. Main break numbers remain low, and capital projects and major works were delivered to ensure continued access to safe and clean drinking water for our customers every day.

It is important that we continue to build a workforce that is diverse, inclusive and reflects the community we serve. Our Diversity, Equity and Inclusion Strategic Plan developed in 2023-24 sets out how we will achieve this to support improved outcomes for our people and our customers. A new Diversity, Equity and Inclusion Council was formed to govern this work and ensure we achieve the outcomes set in the plan. The council has representatives from across our business ensuring a collaborative and collective approach to help us shift how we interact with customers and inspire local communities and our partners.

The health and wellbeing of our people, partners, contractors and visitors remains a high priority and underpins our commitment to ensuring the safety of our people. Delivery of our Health and Safety Improvement Plan has seen us advance work on 15 critical risks and deliver important wellness checks. Our focus in this area has started important conversations in our business and keeps our people informed, supported and safe in their day-to-day tasks.

Our commitment as a participant in the United Nations Global Compact is reaffirmed as we continue to work towards delivering services and achieving positive outcomes for our community and the planet. As part of this commitment, we are a signatory to the Australian water industry's commitment to support the United Nations Sustainable Development Goals.

We have been recognised by our industry and peers with 9 state finalists and 2 national winners in the Australian Water Association Awards, a national and state winner in the IoT (Internet of Things) Awards, and a national finalist placement in the CIPS (Chartered Institute of Procurement) and Supply Excellence Awards.

As we look towards the future, our work this year and over the 2020-24 regulatory period has laid a strong foundation for the next steps in our journey to support South Australia's growth and prosperity.

As a state, we're facing our largest housing infrastructure challenge in a generation. In the 2024-28 regulatory period, we will invest \$1.2 billion to support delivery of the South Australian government's Housing Roadmap. Working with the government and industry, we will deliver water and wastewater services to help unlock new housing in the wider Adelaide metropolitan area.

I thank our people and partners for their tireless work and continued dedication to delivering for our customers and state. Our collective efforts have seen us set a strong platform for the future, and I'm incredibly proud of what we've accomplished.

Thanks also goes to the Chair of our Board, Allan Holmes, and our Board of Directors for continuing to guide our business to deliver trusted water services for a healthy and sustainable South Australia.



**David Ryan**  
Chief Executive

# About SA Water







## Our vision

Delivering trusted water services for a sustainable and healthy South Australia.

## Our organisation

We are South Australia's leading provider of water services for more than 1.8 million people. For more than 165 years we have been working together with South Australians to ensure a reliable supply of safe, clean water and a dependable sewerage system. We deliver for customers by ensuring continuity of service, making smart asset decisions, responding to changing operational environments and achieving operational efficiencies to keep costs down.

As a statutory corporation, we report to an independent board and balance the delivery of services in a competitive market with our responsibility to provide a financial return to government.

We are included in the portfolio of Minister for Housing Infrastructure, and work closely with South Australian government agencies including:

- Department of the Premier and Cabinet
- Department of Treasury and Finance
- Department for Environment and Water
- SA Health
- Environment Protection Authority.

## Our strategy

A new strategy was developed to achieve our vision of delivering trusted water services for a sustainable and healthy South Australia. A focus on measuring customer trust, service delivery, sustainability and our people, sets our 2020-25 strategy on a clear direction and charts our course for 5 years. It maintains a view towards 2050 because decisions we make can have a long-term impact on the wellbeing of our customers and community, and the future sustainability of South Australia.

### Delivering trusted water services for a sustainable and healthy South Australia



#### Driving customer outcomes

Safe, smart, reliable and affordable services - now and for the future.

**Success is:** maintained trust, water quality, asset reliability, service continuity, efficient and affordable



#### Water for the future

All water sources, delivery and service options considered, including influencing policy and decisions.

**Success is:** secure customer access to fit for purpose water



#### Healthy communities

Promote the health and wellbeing of active, thriving communities.

**Success is:** greener, cooler communities, reconciliation in action



#### Proactive environmental leadership

Climate change action with a reduce and reuse mindset.

**Success is:** waste reduced, increased by-product reuse, climate change resilience



#### Our people for the future

A more diverse, inclusive and capable workforce.

**Success is:** safe and healthy workplaces, high employee engagement, creativity through diversity

## Our services

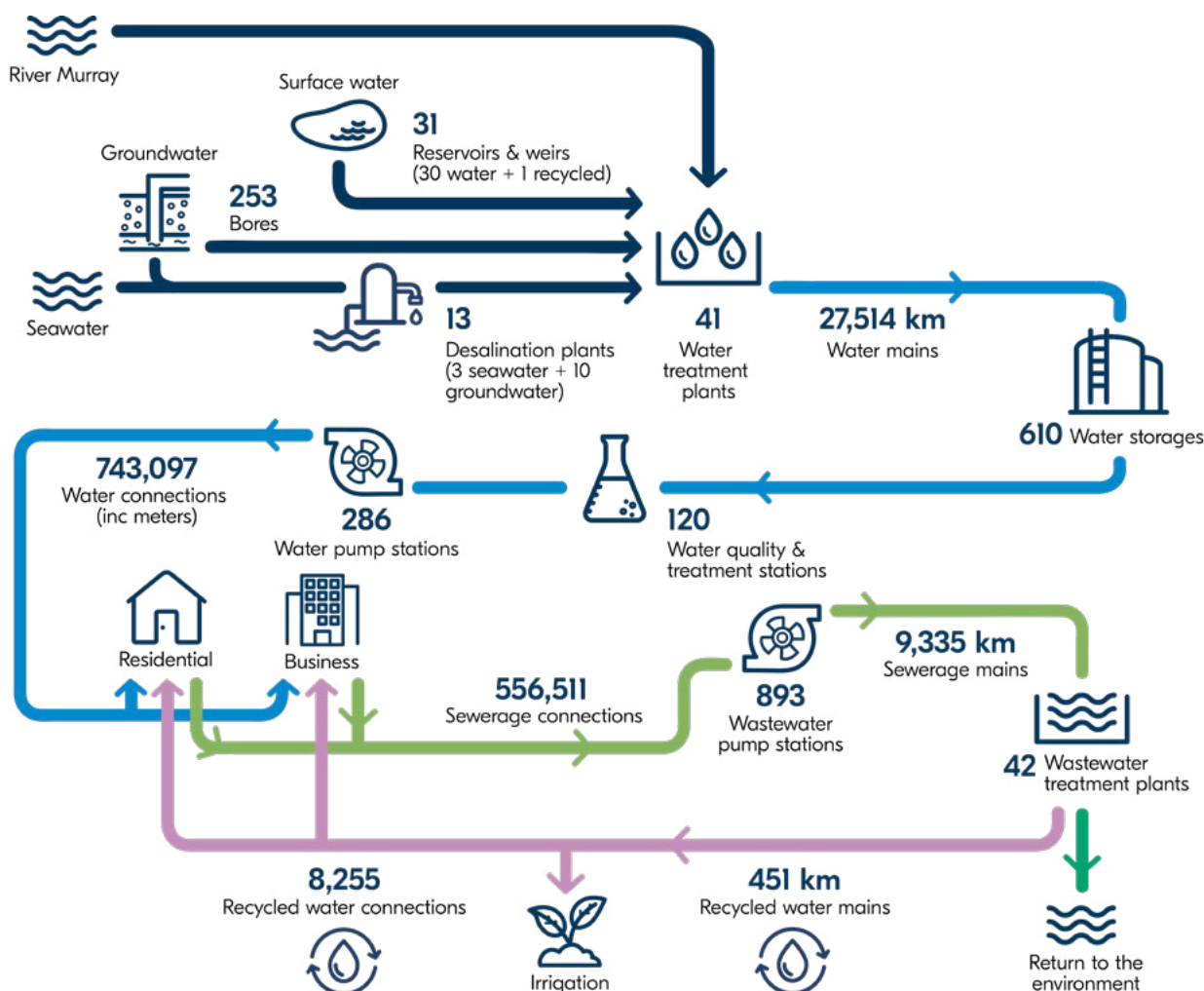
Every day, we provide essential water services to cities, suburbs and towns across South Australia.

As one of the most efficient water utilities in Australia, we are continually improving the way we do this for our customers to keep prices as low and stable as possible over time. To deliver value for money, we strive to make smart, long-term investments, and the best use of new technologies. We remain focused on what is important to our customers and meeting our legal and regulatory responsibilities.

We are the custodians of the longest water mains supply network of any Australian water utility at a length of more than 27,000 kilometres. In addition, we manage more than 9,000 kilometres of sewerage mains and a 451 kilometre recycled water network.

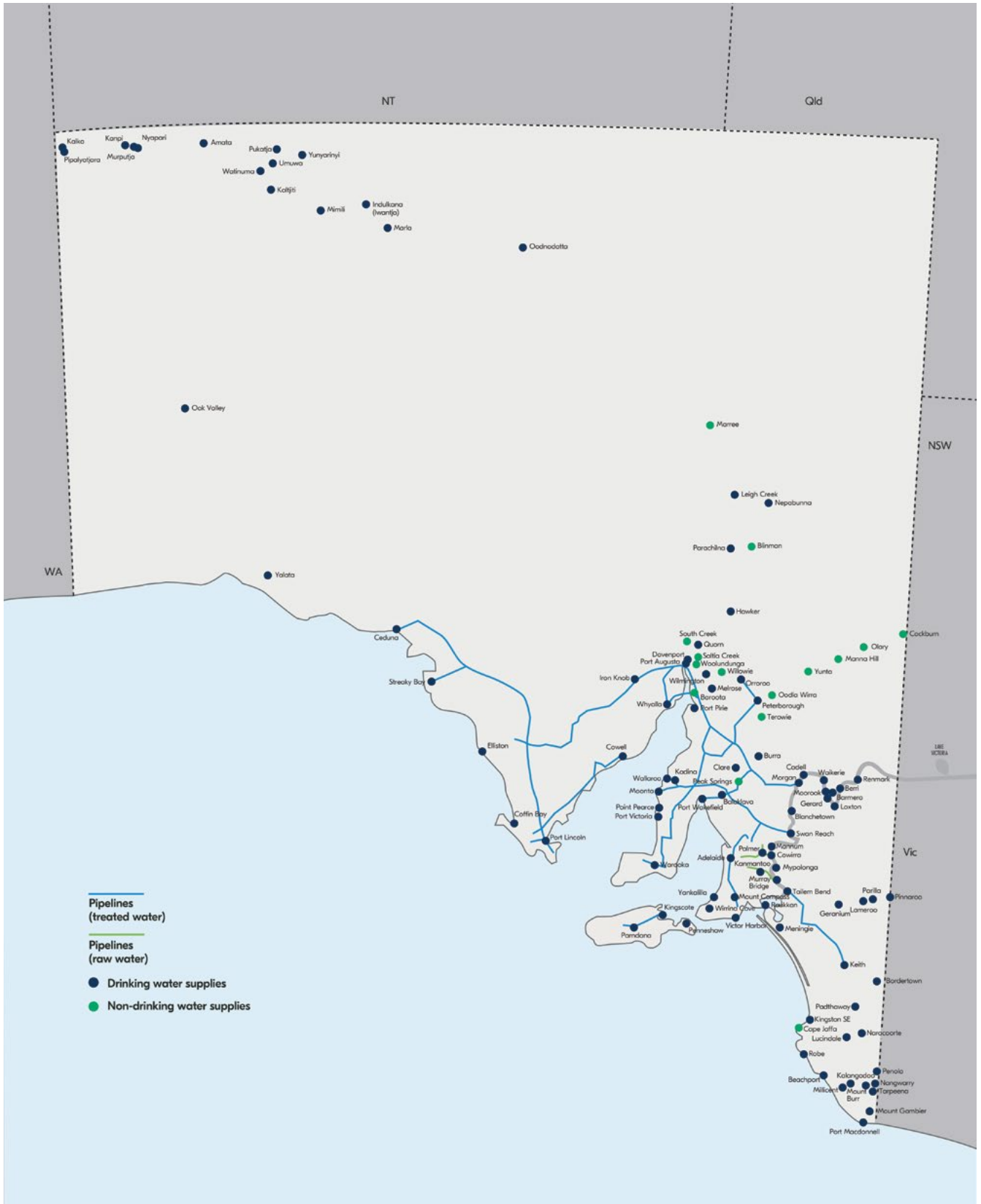
We manage drinking water quality from catchment to tap, working cooperatively with SA Health to ensure the continued protection of public health and supply of high quality, safe drinking water for our customers across the state.

### Overview of our network and assets

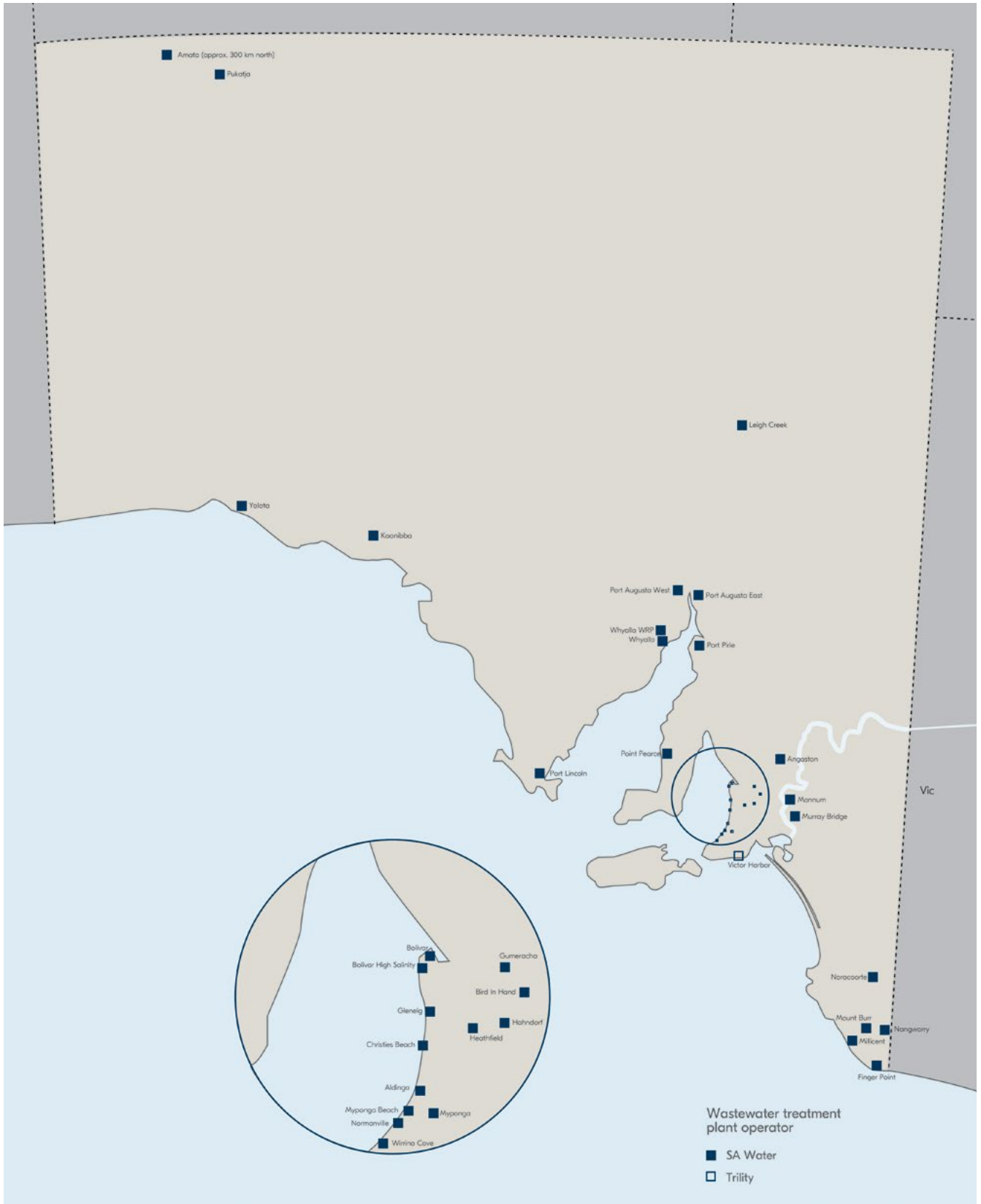


As at June 2024, including all SA Water-managed infrastructure in remote Aboriginal communities in South Australia.

## Our water supply areas (as at August 2024)



## Our wastewater treatment plants (as at August 2024)



# Year in review



## Highlights



**258+ billion litres** of water delivered to 750,499 homes and businesses



**93%** customer satisfaction



**\$702.3 million** capital investment



**300,000+** customers receiving eBills



**55.6 kilometres** of new water mains installed



**46,505** water samples collected



**412,000** visitors to reservoir reserves



## Driving customer outcomes

We provide our customers with safe, smart, reliable and affordable water services. To achieve this, we maintain trust by ensuring water quality and asset reliability, and provide continuity of service by preventing or minimising temporary service interruptions. We deploy connected and intelligent assets to make smart decisions and operate efficiently so our services remain affordable.

### Water price increase less than the consumer price index

Water and wastewater prices for 2023-24 were capped at 4.8 per cent, well below the Australian inflation rate of 7.0 per cent.

This meant the average metropolitan residential customer paid \$24 less on their combined water and sewerage bill in 2023-24 than if the price had held to the consumer price index.

In the Bureau of Meteorology's *National Performance Report* for 2022-23 (released in February 2024), which analyses and compares the performance of water utilities across the country, the ranking of our annual residential combined water and sewerage bill (based on 200 kilolitres) sits fourth cheapest of the 15 comparably-sized utilities across Australia.

### Research and development builds capability

Research and development helps us meet the changing needs of our business, builds the knowledge and capability of our people, and ensures we are prepared for challenges and opportunities in the future.

In 2023-24, we delivered key research and development projects to:

- continue knowledge building and assess the feasibility of assisted restoration options to promote seagrass recruitment and long-term recovery, as part of the 10-year research program to guide interventions for regeneration of seagrass in Adelaide's coastal waters
- develop an acid resistant concrete for use in aggressive wastewater network environments using a waste product from our water treatment plants
- explore operational improvements to mitigate greenhouse gas generation from wastewater treatment plant sludge drying lagoons.

### Sustaining and expanding our networks

Our continued focus to improve and maintain our water and wastewater networks saw us invest \$87.5 million in our water network and infrastructure, and \$31.6 million in our wastewater network and infrastructure.

In 2023-24 we installed 55.6 kilometres of new water mains through our water main management program, with 6.2 kilometres laid in metropolitan Adelaide and 49.4 kilometres in country areas of the state.

As part of our 4-year, \$155 million water main management program, new water mains were installed throughout the state, at the following locations:

| Location        | Meters of mains installed |
|-----------------|---------------------------|
| Lyndhurst       | 6,384                     |
| Gulnare         | 2,475                     |
| Chinbingina     | 5,582                     |
| Reeves Plains   | 2,933                     |
| Windsor Gardens | 577                       |
| Croydon         | 562                       |
| South Plympton  | 517                       |
| Keswick         | 460                       |
| Salisbury       | 348                       |





We invested \$87.5 million in our water network and infrastructure.

## Main leaks and breaks

In 2023-24, 3,862 water main leaks and breaks were reported across our 27,000 kilometre network, compared with 3,722 in 2022-23. While this is a slight increase, it is still in line with historical trends and predicted models.

## Meeting our customer service standards

Performance measures and service standards set by our economic regulator, the Essential Services Commission of South Australia, guide how we measure our success in delivering what our customers and the community expect.

In 2023-24, we achieved 93 per cent customer satisfaction against a target of 93 per cent. Of the 138,390 fault-related phone calls we received during the year, 118,584 (86 per cent) were answered by our Customer Care Centre in Adelaide within our target timeframe of 50 seconds, ahead of our 85 per cent target.

Other notable achievements include:

| Measure   | Target | Achieved |
|---|--------|----------|
| First contact resolution                                | 85%    | 100%     |
| Water quality responsiveness (metropolitan Adelaide)    | 97%    | 99%      |
| Water quality responsiveness (regional South Australia) | 99%    | 100%     |
| Connection application responsiveness                   | 95%    | 97%      |
| Water event responsiveness (high priority) metro        | 99%    | 100%     |
| Water event responsiveness (high priority) regional     | 99%    | 99%      |
| Sewer event responsiveness metro                        | 99%    | 100%     |
| Sewer event responsiveness regional                     | 99%    | 100%     |

We met 21 of our 22 customer service standards. Our response to sewer overflow clean-ups in metropolitan Adelaide was at 96 per cent, just short of the 98 per cent target. This was primarily due to customers requesting partial or whole clean-ups at a different time of day to better suit them, or where work was hampered due to access or safety issues.



Our summer messaging encouraged customers to use water efficiently.

### Summer messaging a hit with customers

Approaching the 2023-24 summer season, the Bureau of Meteorology predicted a hotter, drier summer for South Australia which was expected to impact our customers and community.

We responded with a summer messaging campaign that focused on informing customers of the environmental benefits and financial savings of using water more efficiently, along with waterwise tips to help them make changes.

For the first time, we tailored content to provide practical tips that were relevant to different groups of customers.

Customer research showed our customers were aware of the campaign and agreed that we educated them to be water conscious. This was supported by the campaign results which demonstrated a wide reach, with more than one million social media impressions and a click-through rate that exceeded government benchmark standards.

### Sewer smell solutions in Whyalla

A \$4 million odour control unit was installed in Whyalla to improve the management of sewer network odour within hotspot areas of the regional city. The unit, an intricate system of filters, pipes and valves, connects to the sewer network through existing pipework and uses a biofilter and activated carbon filters to absorb odorous compounds and reduce sewer smells.

In June, we completed the rehabilitation of more than 2,700 metres of sewer mains across Whyalla as part of our ongoing investment in reliable wastewater services. The \$2 million project involved relining pipes with a PVC liner being fed inside the pipes to create a new surface and restore its structural integrity.

Several of the city's roads, such as Booth Street, Cudmore Terrace, Nicolson Avenue and Playford Avenue have benefited from this project.



Upgraded wastewater infrastructure at Pipalyatjara in the Anangu Pitjantjatjara Yankunytjatjara Lands.

### Pipalyatjara sewer services upgrade

The \$770,000 upgrade to wastewater infrastructure at Pipalyatjara in the Anangu Pitjantjatjara Yankunytjatjara Lands has supported increased demand for more local housing and improved environmental performance of the community's wastewater pump station.

The upgrade ensures the pump station can take on extra sewage and minimise the risk of overflows.

### Sewer network upgrades in the Adelaide Hills

We upgraded more than 100 metres of sewer main in Bridgewater as part of our investment in reliable wastewater services for the Adelaide Hills. We also installed a new pipe and built a gabion wall to improve erosion protection. The existing 100-millimetre-diameter pipe travels underneath Cox Creek to our Hahndorf Wastewater Treatment Plant.

### Stirling sewerage storage tank up and running

In July 2023, we completed work on our new one megalitre concrete wastewater storage tank in Stirling.

The tank, which is partly underground, stands at 21 metres long and 13 metres wide and was built to provide extra capacity within the local sewerage network and reduce the risk of sewage overflows during heavy rainfall events.

### Tea Tree Gully Sustainable Sewers project

We have now converted more than 700 properties from the old community wastewater management system and laid 15,000 metres of sewer pipes as part of the Tea Tree Gully Sustainable Sewers project.

A new wastewater pump station in Banksia Park, the first in the program, was also completed in November 2023 and it has the capacity to receive and transfer wastewater from 750 homes.

We installed sustainable landscaping, watered by Tea Tree Gully Council's recycled water network, to minimise the visual impact of the new station.

Work on the project has been well received by our customers, resulting in an overall post-conversion customer satisfaction rating of more than 95 per cent.

### Myponga spillway gate upgrade

Major work took place at Myponga Reservoir as part of our \$3.7 million upgrade of the dam spillway gates, to ensure the long-term safety of the structure and to secure the Fleurieu Peninsula's water supply.

Myponga's 3 spillway gates were removed and refurbished to ensure they keep operating reliably. The gates facilitate controlled release of water from the reservoir based on its capacity and rain inflows from the catchment.

## Our Adelaide service delivery partnership

Our Adelaide service delivery partnerships with Service Stream and SUEZ continued in 2023-24.

Metro field operations service provider, Service Stream:

- completed 106,727 work orders and achieved 7 out of 7 customer service standards set by the Essential Services Commission of South Australia (including best endeavours)
- maintained customer satisfaction through optimised delivery solutions, such as non-dig-up sewer repairs and preventative sewer maintenance techniques
- delivered services for our customers with an average customer satisfaction score of 95 per cent
- continued to operate and maintain the Community Wastewater Management System in Tea Tree Gully
- supported our capital delivery teams in delivering more than 6,000 metres of new and replacement water mains in metropolitan areas
- supported the rapid mobilisation of the 2023 Adelaide 500 supercar event by ensuring our water and wastewater networks were ready for increased customer demand
- supported regional teams, particularly in the Barossa, with dedicated crew members allocated to the region
- planned, assessed and provided comprehensive condition assessment of septic tank effluent drainage scheme networks in Aboriginal communities in South Australia
- cleaned, assessed and provided recommendations for wastewater assets in remote communities including Gerard, Raukkan, Point Pearce, Davenport, Nepabunna, Yalata and Koonibba, Pukatja, Fregon, Kaltjiti, Amata, Indulkana, Mimili and Pipalyatjara
- won the SA Training Awards 2023 Industry Collaboration Award with TAFE SA for developing and delivering Service Stream's bespoke Certificate III in Water Industry Operations (Networks).

Our production and treatment alliance partner SUEZ delivered projects including a depot upgrade at our Roseworthy site, new switchboards at O'Halloran Hill and Seaview Downs pump stations, a wastewater filtration plant at Anstey Hill, and an upgrade of the Bolivar inlet works to ensure it is ready for wastewater systems growth.

In operating our wastewater treatment plants, SUEZ produced 29,715 megalitres of recycled water, supplied 83,565 tonnes of biosolids for farmers in South Australia, and achieved a 12 per cent reduction in their waste footprint compared to 2022-23.

Other initiatives included collaborating with local land care groups, biodiversity groups and community members to continue driving revegetation projects at our Glenelg and Aldinga wastewater treatment plants.

SUEZ's innovation was recognised by an Australian Water Awards National Safety Award at Ozwater'24 in May, which they won for their portable chlorine disinfection skid.



Adelaide Service Delivery Project team.



## Water for the future

Our production and treatment activities ensure the water we provide is fit for our customers to use and to be recycled or returned to the environment. We harvest, store, treat, distribute and reuse water to provide fit-for-purpose water services to our customers to stimulate economic growth and meet customer needs, and look for opportunities to positively influence policy and decisions.

### Delivering climate independent water on Kangaroo Island

As the Kangaroo Island Desalination Plant nears completion. We laid 3 large underwater pipelines off the coast of Penneshaw. The 200-metre-long submerged pipelines include 2 intake pipes which will draw in seawater for treatment into safe, clean drinking water at the new, 2 million-litre-per-day capacity desalination plant near Hog Bay Road.

The third outfall pipe will return saline concentrate from the desalination process to the ocean, in accordance with strict environmental guidelines.

The plant and pipe network which will deliver water to customers has been commissioned and is set to deliver water to new customers from mid 2024. This includes delivering water to people living in American River, Island Beach, Baudin Beach and Sapphire town.

Penneshaw's new desalination plant will work in tandem with the existing nearby desalination facility and Middle River Water Treatment Plant to increase the security of Kangaroo Island's drinking water supply for future generations.



A section of pipeline being laid off the coast of Penneshaw.



The Marla Desalination Plant is producing up to 87,000 litres of water each day.

## Water for remote communities

In a drying climate and with increasing customer demand, sustainable and climate independent water sources are a growing focus for our people. As our available water sources are set to reduce over the coming decades, we need to consider new water sources to deliver secure and resilient sources of drinking water.

In August 2023, the first water was delivered from the desalination plant in Oodnadatta. This gave residents and visitors of the outback town safe, clean drinking water from their taps for the first time.

The small-scale reverse osmosis plant can produce up to 210,000 litres of drinking water each day.

Marla's desalination plant was completed in January 2024 and is delivering safe, clean drinking water to residents and businesses directly from their taps.

The plant produces up to 87,000 litres of water every day and was constructed inside a shipping container to protect it from the harsh weather in the area.

Located in the state's Far North, Marla's water supply has historically been designated as non-drinking, with residents sourcing their own drinking water from private rainwater tanks, water carting or bottled products.

We continued to progress infrastructure upgrades so that we can deliver safe, clean drinking water to the regional towns of Yunta, Mannna Hill and Terowie in the state's north-east. We expect these upgrades to be completed by mid-2024.



We continued our conversation with the local community about the Eyre Peninsula Desalination Project.



Water wise gardening.

## Water security for Eyre Peninsula

We are addressing water security on the Eyre Peninsula by working with the community and stakeholders to build a desalination plant at Billy Lights Point.

The desalination plant is critical to augment supply, currently drawn from an under-stress Uley South Basin, the regions primary source of drinking water and deliver a long-term, climate-independent drinking water source for the 35,000 people in this community.

We are proceeding with plans to build a more than \$300 million desalination plant to secure water supply after extensive engagement with community and stakeholders and the detailed consideration of social, environmental and technical factors.

In 2023-24 we made significant progress on the project by way of design and development approvals. We were able to progress beyond concept design by using an early contractor engagement process. The plans developed will support the submission of a development plan to the State Planning Authority and the progress of other federal and state approvals. The design process has required a number of terrestrial and marine studies to be completed, including geotechnical activities to collect soil and rock samples from the ocean floor to determine the site's geology and potential construction method. In May, we began talking with Eyre Peninsula communities about using water wisely in and around their homes and encouraged people to be part of ensuring a secure water future for the region.

We also began a review of our Water Security Response Plan to prepare for all scenarios, including what actions may need to be taken in response to a licensed water reduction or if there are significant delays to the proposed desalination plant.

## Housing roadmap

We are working with the state government and industry to plan and deliver viable water and wastewater solutions for housing growth across the state in response to South Australia's new housing infrastructure roadmap released in June 2024. The project requires us to deliver the single largest expansion of our metropolitan water and wastewater network in decades. It includes directly enabling the delivery of 25 kilometres of new trunk water main, 43 kilometres of trunk wastewater main, 4 new pumping stations and 2 new water storage tanks.

The state government's commitment to the housing roadmap will deliver 40,000 new homes, including an extra 17,000 new homes in the state's growth areas. The greatest number of new homes will be unlocked in the priority areas of: Angle Vale (2,200), Riverlea (3,980) and Roseworthy (1,562).

Construction on water and wastewater infrastructure is scheduled to commence in late 2024, when we will also begin building our resourcing, developing governance, and community engagement with key stakeholders and communities.



## Healthy communities

We support and promote the health and wellbeing of an active, thriving South Australia. This is achieved by building sustainable and liveable communities. We share new ways of using water effectively and efficiently to create comfortable green spaces that support wellbeing. Through actions to achieve reconciliation, we support stronger Aboriginal and Torres Strait Islander communities by helping to create economic opportunities.

### Recreational access at our reservoir reserves

In 2023-24, our 10 reservoir reserves welcomed more than 412,000 visitors.

Through our Reservoirs Partnership Program, which supports grassroots events and projects held at reservoir reserves, we supported 4 organisations: Nature Play SA, RecFish SA, Walking SA and Paddle SA.

In a pioneering effort to conserve and study the endangered Murray cod, we partnered with RecFish SA, along with their partners Pembroke School and AusOcean, to launch a 'CodPod'. This is an artificial breeding habitat in Happy Valley Reservoir to help monitor breeding activity of Murray cod.

The project aims to foster natural breeding habitats for this iconic species, crucial for both recreational fishing and environmental health.



Murray cod are being monitored at Happy Valley Reservoir to learn more about their breeding activity.





Artists and our people at the Minlacowie water tank mural.

## Community education, events and engagement

New artworks can be found on water infrastructure from Minlacowie on Yorke Peninsula to Loxton in the Riverland and Lochiel Park in Adelaide's north-east. Seven new murals were painted on our infrastructure around South Australia in 2023-24, brightening pump stations and tanks for communities and visitors.

In this reporting period we also:

- delivered 144 sessions of The Well education program, which included incursions, tours, workshops, and a program created specifically for students in the APY Lands
- delivered community presentations and site tours for 793 South Australians to increase their knowledge of the work we do to deliver safe, clean drinking water across the state
- booked 229 events for our Quench Benches and fountains, including 16 Aboriginal and Torres Strait Islander community events across the Riverland, Port Lincoln and Yorke Peninsula
- sent brand ambassadors to attend community events including the VAILO Adelaide 500, the National Pharmacies Christmas Pageant and WOMADelaide, where BYOB bottles were provided for a \$5 donation to the event charity partners.

More than 35,000 people learnt about and engaged in a range of projects underway across the state through our Water Talks website including the:

- Tea Tree Gully Sustainable Sewers project
- Eyre Peninsula Desalination Project
- Tailem Bend to Keith pipeline valve upgrades
- Myponga Dam safety upgrade.



Our Brand Ambassadors at the Kullilaya Festival, April 2024.

Using a school and community approach to promote water literacy in remote communities, we partnered with Atria Group to develop and deliver a unique education program to 6 schools. In this program, we worked with school communities to discover, record, and share the local water stories. This included sessions at Amata School, Pipalyatjara School, Murputja School, Pukatja/Ernabella School, Indulkana School, and Yunyarinyi/Kenmore Park School.

The program is based on a two-way learning philosophy that embraces both traditional Anangu knowledge and the modern science and technology behind water sources and treatment, bringing them together to encourage new generations of water advocates.



## Proactive environmental leadership

As a leader in environmental management, and by partnering with our stakeholders, customers and community, we are taking action to adapt to climate change and finding ways to reduce our greenhouse gas emissions. We make decisions that reduce waste and grow opportunities to reuse resources and by-products of our production processes to create environmental benefits.

### Keeping sewers healthy

The number of wastewater network blockages caused by 'unflushables' such as sanitary waste has been increasing, and so we delivered geographically targeted advertising in May and June 2024 that focused on suburbs with a high rate of blockages. The focus was on what people can't flush and rinse, such as non-flushable wet wipes and tissues, to encourage behaviour change. Messages were shared through digital channels (Facebook, Instagram, TikTok and Mamamia podcasts) and on the back of toilet doors in shopping centres in the targeted areas. The campaign will be evaluated to inform future activity.

### Tonnes of biosolids

More than 83,000 tonnes of biosolids, sourced from our sewage treatment facilities, were supplied as soil conditioners across 13,000 hectares of broadacre cropping land in South Australia. Providing biosolids to the agriculture sector promotes sustainable farming practices and reduces agricultural input costs, benefiting both farmers and the environment.

### Protecting native birds across South Australia

We implemented 2 significant initiatives to help conserve native bird species across South Australia in 2023-24, and these initiatives showcase how we support biodiversity preservation.

Our River Murray operation team and contractors participated in an innovative trial to monitor fairy tern breeding at the Murray Mouth site. Maritime Constructions, our partners for dredging work, collaborated with BirdLife Australia to undertake a breeding monitoring program for endangered birds including fairy terns, little terns, and hooded plovers.

Despite challenges posed by storms and significant rainfall, the breeding season yielded a successful outcome with 14 fairy tern chicks and 13 fledglings recorded. This is a testament to the effectiveness of our monitoring program.


### Expanding owl habitats on Kangaroo Island

In this reporting period, we expanded our network of nest boxes to provide refuge for native owls at the Middle River Reservoir Reserve on Kangaroo Island. This initiative is part of a broader program to enhance the habitat for barn owls and boobook owls. These owls contribute to the local ecosystem's balance by controlling rodent populations that attract feral cats.



Our sewers,  
have no space,  
for your sanitary  
waste.




Hey there!  
Are you having  
issues? We can  
see all your  
tissues.



We know what you're flushing.  
Put it in the bin, South Australia.

Our targeted campaign provided messages about what not to flush and rinse.



One of the newest owl nest boxes provided for native owls.

### Restoring our environment

Our ecosystem restoration project highlights our efforts to conserve biodiversity at Hope Valley Reservoir Reserve. In 2023-24, we began to restore 3 hectares of South Australian blue gum grassy woodland, and we have introduced more than 30 species of trees, shrubs and native grasses. This significantly improves the biodiversity value and natural amenity of the area. The collaboration between our rangers and Reservoirs SA volunteers to deliver this work has supported improved habitat for woodland birds such as the white-winged chough (rated rare in South Australia) that has already been observed using the site.

A restoration initiative began in December 2023 at Myponga Reservoir Reserve to recreate 7 hectares of habitat for the nationally endangered southern brown bandicoot. Once the vegetation becomes established, it will double the extent of suitable habitat available for the existing population of bandicoots and support other threatened species such as heath goanna, yellow-footed Antechinus and western pygmy possums.

In March 2024, we established seed production areas across 3 sites in the Mount Lofty Ranges to ensure there is enough seed supply to support future restoration and revegetation programs. These 'seed farms' are cultivating more than 80 species of understory plants (native grasses, herbs, and sedges) so we can re-introduce them back into reservoir reserves and support biodiversity, conservation priorities and improve the ecological function of our restoration efforts. Many of these species have conservation significance such as the pale everlasting (endangered in South Australia) and swamp wallaby-grass (rare in South Australia).



## Our people for the future

We proactively grow a diverse and inclusive business with people who reflect the community we serve. This brings creative thinking and diversity of thought to build innovation, embracing technology to help us be safer and more efficient. Our people work safely and are part of a high performing culture where learning and collaboration deliver great customer outcomes.

### Improving health, safety and wellbeing

This year we made significant progress in the delivery of our Health and Safety Improvement Plan objectives. The 3-year program, which will finish in December 2024, aligns the Health and Safety Management System across our business with international work health and safety standards.

Programs of work delivered in 2023-24 included:

- occupational hygiene testing based on business-specific occupational hygiene hazards and potential exposures
- reviewing and updating our standards and procedures to support improved contractor health and safety management
- updating emergency management plans and risk management programs and plans
- adding new and updated operational risk management tools, including Safe Work Method Statements and Job Hazard Analysis, Plant and Equipment Risk Assessments, and associated health and safety leadership risk management activities
- delivering a critical risk program with 15 critical risks identified.

In the reporting period, our high potential incident frequency rate result of 3.0 was significantly better than our target of 6.7.

Our end-of-year total recordable injury frequency rate result of 6.0 was slightly above our target of 5.5. The lost time injury frequency rate of 3.0 was also above our target of 2.0.

### Diversity, equity and inclusion

In 2023-24 our new Diversity Equity and Inclusion (DEI) Strategic Plan came into effect. This will guide delivery on our 2030 goal: enabling diversity and inclusion as a part of everything we do. To oversee implementation of the plan, we formed the Diversity Equity and Inclusion Council with representation from across the business.

Other activity delivered in 2023-24 included:

- improving accessibility by providing translations to key parts of our customer bills on our website and to stakeholder organisations
- initiating a workforce review to improve Aboriginal workforce representation
- sponsoring the Women in STEM Career's program run by the University of Adelaide
- promoting and celebrating diverse experiences through our employee networks groups Together for Women, Pride Together, Kauwi Miyurna and Able Together
- continuing cultural awareness training
- partnering with the Clontarf Foundation which supports young Aboriginal and Torres Strait Islander men to participate in education, employment and society in a positive way.

We achieved:

- 46.84 per cent of leadership positions held by women (DEI target: 50 per cent)
- 1.85 per cent Aboriginal employment (DEI target: 3 per cent).

In August 2023, we released a report on barriers to women working in STEM. In response to this report, we have created a Women in STEM Action Plan to address some of the barriers. This is being delivered through the Capital Delivery Strategic KPI Program.



Overlooking the construction of water tanks at the Summit.

## Disability access and inclusion

At the end of 2023 we closed off our Disability Access and Inclusion Plan (DAIP) with 32 out of 39 actions complete.

We delivered on actions that included training our customer care centre teams to recognise and respond to customers experiencing vulnerability and developing a Priority Services Register enabling us to identify customers living with disability, while protecting their privacy.

We also created easy-read documents for our customer communications and reviewed and improved accessibility to information of publicly accessible sites.

Other actions, including building partnerships with education providers to identify opportunities to students and offering disability awareness training to leaders, will be revisited in the new DAIP.

Highlights included:

- piloting a new accessible worksite checklist with our Customer Experience team and Major Framework Partners (MFPs)
- working with our MFPs to review the accessibility of our construction sites
- disability and inclusion training for our MFPs to help their teams better understand the needs of people living with disability.

In June 2024 we became a signatory of the Autism Inclusion Charter, an initiative of the South Australian government that demonstrates the ongoing commitment of government agencies to improve outcomes for autistic and other neurodiverse people.

The opportunity to join the state government's Neurodivergent Public Sector Employee Network was made available to our people, as was online autism awareness training, and we began working on developing our next disability access and inclusion plan.

## Performance management

Our annual performance appraisal and development cycle is aligned to the financial year and includes setting goals, supporting our people's development and having performance discussions. In 2023-24, 99 per cent of our people completed their annual performance reviews.

# Water quality

## SA Health statement

SA Health and SA Water continue to work cooperatively to ensure the protection of public health in the supply of drinking water across South Australia. SA Water continues to comply with the requirements of the *Safe Drinking Water Act 2011* including water quality monitoring, the notification of incidents, and successfully completed an independent audit against criteria in the Act during March and April 2024.

Monitoring of drinking water supplies was in accordance with SA Health approved monitoring programs. During 2023-24, SA Water collected 46,505 samples from drinking water supplies throughout the state. Samples were analysed for compliance with the Australian Drinking Water Guidelines (2011) (ADWG) and results reported to SA Health in line with agreed reporting protocols. Compliance with the ADWG for *E. coli* was achieved in 100.00 per cent of metropolitan Adelaide samples and 99.93 per cent of regional samples. Overall compliance with the ADWG for health-related parameters was 99.99 per cent for metropolitan systems and 99.92 per cent for regional areas.

There was a decrease in the number of detections of *E. coli* in drinking water samples in 2023-24. Detections were low-level and in isolated samples, with follow-up samples clear of *E. coli*. Overall compliance of *E. coli* monitoring remained high.

Incidents were notified and managed under the interagency Water/Wastewater Incident Notification and Communication Protocol and reported in a timely manner. Appropriate remedial actions and responses were implemented following incidents to ensure the protection of public health was maintained at all times.

The total number of incidents notified by SA Water during 2023-24 (179) was the same as 2022-23. One Priority Type 1 incident raised during 2023-24 due to the detection of high concentrations (>100,000 cells/ml) of an atypical cyanobacterium *Microcystis aeruginosa* in the River Murray. The incident was later downgraded following confirmation that it was non-toxic. The algal bloom was closely monitored during its duration to ensure that the water treatment plants were operating effectively for the removal of cyanobacterial cells and taste and odour compounds.

There was an increase in the detection of elevated cyanobacteria concentrations in drinking water reservoirs but these were managed appropriately to prevent risks to drinking water quality.

The detection of enteric protozoa (*Cryptosporidium* and *Giardia*) in drinking water catchments and source waters was reduced in 2023-24 possibly influenced by lower rainfall in the first 6 months of 2024. There were 3 Type 1 incidents involving detection of enteric protozoa including one in treated product water (*Cryptosporidium*) and 2 at the inlets to drinking water treatment plants. The *Cryptosporidium* detected in the treated water sample was not human infectious. Protozoa were not detected in follow up samples. No faults were detected from the continuous monitoring of treatment plant performance during the periods when the protozoa were detected. Installation of ceramic membranes for the treatment of wastewash water at the Anstey Hill Treatment Plant provided additional protection for drinking water quality.

The number of incidents (3) for drinking water reservoirs open to recreational activities has decreased since 2022-23 (9). These incidents were managed effectively and did not have a measurable impact on drinking water quality. The detection of high concentrations of toxic cyanobacterium *Cylindrospermopsis raciborskii* in Lake Alexandrina led to advice being issued to the public not to use Lake Alexandrina for body contact recreational activities. While Lake Alexandrina is not a drinking water source it is used for recreational purposes and continues to be closely monitored.



## Safe drinking water legislation

The *Safe Drinking Water Act 2011* (the Act) and *Safe Drinking Water Regulations 2012* provide the regulatory framework for drinking water providers in South Australia and are administered primarily by SA Health.

Provisions in the Act are underpinned by the Australian Drinking Water Guidelines (ADWG) and prescribe requirements for drinking water providers, including:

- registration of drinking water providers with SA Health
- development and implementation of risk management plans
- establishment of approved drinking water quality monitoring programs
- notification of incidents or non-compliance
- audits and inspections to determine compliance with the Act
- use of National Association of Testing Authorities (NATA) accredited laboratories for sample testing
- reporting of water quality test results to SA Health and providing consumers with drinking water quality information.

As a registered drinking water provider, we have established risk management plans, including approved monitoring programs and an incident notification protocol. We provide water quality testing reports for metropolitan and regional water supplies on a monthly basis.

An independent audit was undertaken in March and April of 2024, as required by the Act. The 9-day audit examined a selection of representative drinking water supplies. It encompassed both desktop assessments and on-site visits, which included travelling to South Australia's largest water treatment plant at Happy Valley, ground water supplies in the South East and some of our Riverland water supplies.

The audit recognised that we comply with the requirements of the Act, and that the drinking water in the schemes audited is managed in accordance with the intent of the ADWG. Highlights identified by the auditor included:

- a drinking water management system that is comprehensive and implemented
- proactive management of drinking water quality that is a core aspect of how we operate this has been further enhanced in the past year by adoption of a specific drinking water quality policy that outlines how we achieve this aim
- close integration of our partner organisations (Production & Treatment Alliance, Service Stream and TRILITY)
- a new tank inspection procedure and related training program that has been implemented to ensure that tanks are regularly inspected.

While the audit demonstrated a very high level of compliance, 3 non-conformances and a number of improvement actions were identified, as is expected with a detailed assessment. As in previous years, these items will be evaluated and corrective actions will be implemented.

## Catchment to tap

We manage drinking water quality from catchment to tap in line with our Drinking Water Quality Management System to ensure a consistent and reliable supply of high quality, safe drinking water for our customers. This management system is based on the Framework for Management of Drinking Water Quality outlined in the ADWG and endorsed by the National Health and Medical Research Council. The framework outlines good drinking water supply management, based on the best available scientific evidence that will assure drinking water quality and safety at the tap.



## Water quality monitoring and testing

We operate 87 drinking water supplies that serve customers across metropolitan and regional South Australia. This includes 2 new drinking water supplies commissioned this financial year at Oodnadatta and Marla. Both sites feature newly constructed desalination plants that use reverse osmosis technology to treat and remove salt and other impurities that are naturally present in the groundwater.

We implement SA Health-approved drinking water quality monitoring programs to ensure the quality of our supply. These programs involve collecting around 409,000 results from samples at various stages of the water supply system, including catchment areas, source water, treatment processes, and distribution networks up to the water meter on individual properties.

We monitor for health and aesthetic compliance and to optimise water quality. Samples are collected by trained field workers to make sure they are taken correctly and that field results have a high degree of integrity. Our Australian Water Quality Centre conducts laboratory analyses in compliance with ISO 9001 Quality Systems and NATA requirements. In 2023-24 we were proud to celebrate 50 years of continuous accreditation to the NATA 17025 Standard.

### Number of sample locations and test analytes – statewide, metropolitan, regional supply systems, 2023-24

| Drinking water systems                 | Statewide | Metropolitan | Regional |
|--|-----------|--------------|----------|
| Supply systems                         | 87        | 7            | 80       |
| Customer tap sample locations          | 514       | 174          | 340      |
| Catchment to tap sample locations*     | 1,512     | 350          | 1,162    |
| Catchment to tap routine test analytes | ≈409,000  | ≈69,000      | ≈340,000 |

\*Includes customer tap sample locations

## Drinking water quality and performance

In 2023-24, we demonstrated robust management of water quality by consistently providing safe, clean drinking water to our customers.

### Statewide, metropolitan and regional drinking water supply systems health-related performance, 2023-24

| Health-related parameters                      | Statewide systems<br>(number of test analytes) | Metropolitan systems<br>(number of test analytes) | Regional<br>(number of test analytes) |
|--|--|---|---------------------------------------|
| Samples free from <i>E. coli</i>               | 99.95% (10,231)                                | 100.00% (3,179)                                   | 99.93% (7,052)                        |
| Samples compliant with ADWG health parameters* | 99.94% (46,505)<br>Target: 99.90%              | 99.99% (12,629)<br>Target: 99.90%                 | 99.92% (33,876)<br>Target: 99.90%     |

\*Percentage of routine results at customer tap sample locations within drinking water systems which comply with the ADWG health limits (including *E. coli*).

Direct exceedances of the ADWG were used rather than the 95<sup>th</sup> percentiles for compliance of individual chemical parameters.

Before calculating per cent compliance for health-related chemicals, individual results are rounded to the same number of significant figures as the guideline value in the ADWG (as prescribed in the ADWG and agreed with SA Health).

We analysed 46,505 test analytes from our drinking water supplies (customer tap sample locations) throughout South Australia to determine health-related compliance. We achieved 99.95 per cent *E. coli* compliance across customer tap sample locations with detections in 5 regional systems. These *E. coli* detections all occurred in the presence of chlorine or chloramine residuals at levels sufficient to mitigate risk. Plant operation and residuals from various locations around the time of the detections were reviewed and all were within specifications. Follow-up samples showed consistent residuals, with no *E. coli* detected.

Compliance with ADWG health-related parameters across customer tap sample locations was above target at 99.94 per cent.

While we strive for 100 per cent compliance at all times, the ADWG acknowledges that occasional exceedances may occur and for most characteristics these occasional excursions beyond the guideline value are not necessarily an immediate threat to health. In accordance with the guidelines and the interagency Water/Wastewater Incident Notification and Communication Protocol, all detections were immediately communicated to SA Health, investigated by us and corrective actions implemented as agreed with SA Health. SA Health confirmed that the drinking water we provide to customers is safe and that our responses effectively mitigated any risks to public health.

## Incident management

We apply the ADWG Framework for Management of Drinking Water Quality which includes 2 components for the management of incidents:

1. communication
2. incident and emergency response protocols.

Our Water Quality Incident and Emergency Management Protocol is in place and we have a web-based incident management system to record and generate notifications of water quality incidents. These are aligned to the interagency Water/Wastewater Incident Notification and Communication Protocol that is maintained by SA Health to adopt the principles of the ADWG and satisfy requirements of the Act and *Safe Drinking Water Regulations 2012*.

SA Health defines 3 types of health-related incident classifications based on a precautionary approach:

### 1. Priority Type 1 incident notification

An incident that, without immediate appropriate response or intervention, could cause serious risk to human health and is likely to require immediate interagency meetings to consider responses. Procedures for Type 1 incident notifications also apply.

### 2. Type 1 incident notification

An incident that, without appropriate response or intervention, could cause serious risk to human health.

### 3. Type 2 incident notifications

An incident that, without appropriate response or intervention, represents a low risk to human health.

#### Number of incidents in statewide drinking water supplies (metropolitan and regional)

| Reporting period | Priority Type 1 | Type 1 | Type 2 |
|------------------|-----------------|--------|--------|
| 2023-24          | 0               | 50     | 129    |
| 2022-23          | 2               | 48     | 129    |
| 2021-22          | 0               | 50     | 86     |
| 2020-21          | 1               | 45     | 57     |
| 2019-20          | 1               | 36     | 63     |

Note: these notifications do not include wastewater, recycled water and non-drinking supplies.

Priority Type 1 and Type 1 incidents are immediately reported to SA Health, while all Type 2 notifications are reportable within 24 hours, in line with the interagency Water/Wastewater Incident Notification and Communication Protocol.

In the 2023-24 period, no Priority Type 1 incidents were reported. But the total number of reportable incidents remained consistent with the previous financial year.

The introduction of chlorate Type 1 incident criteria in June 2023 and subsequent SA Health approved extra monitoring locations led to an increase in Type 1 disinfection by-product notifications. Whilst chlorate is not a health parameter currently in the ADWG, SA Health have indicated that it may be incorporated in future editions.

In 2023-24, we continued to address the causes of preventable Type 1 notifications. Strategies used to achieve this include ongoing operational and capital improvements, incident management training, optimisation of our drinking water quality monitoring program and continuous improvement of our Drinking Water Quality Management System.

The proactive water quality management of our water supply systems and the detection and management of risks continued during 2023-24. Changes in reporting criteria issued by SA Health in the interagency Water/Wastewater Incident Notification and Communication Protocol also occurred and contributed to a change in reporting requirements.

### Incident Response Index

The Incident Response Index (IRI) drives and guides correct responses when a Priority Type 1 or Type 1 incident is detected. The IRI is assessed against a number of criteria, with each component in the IRI designed to help manage water quality incidents.

Criteria used in the IRI based on total reportable SA Health Priority Type 1 and Type 1 incident notifications are:

- incident reported to relevant agencies by phone immediately (less than one hour)
- incident entered into the incident management system in less than 2 hours
- initial effective response taken within 3 hours
- written report to the Minister for Housing Infrastructure by 3pm the next business day
- root cause analysis completed within 10 working days
- preventive actions implemented within agreed timeframes. The overall 2023-24 strategic target for the IRI is 85 per cent compliance.

#### The Incident Response Index achieved for metropolitan and regional incidents in 2023-24

| System       | IRI  |
|--------------|------|
| Metropolitan | 100% |
| Regional     | 96%  |
| Target       | 85%  |



Undertaking lab work.

# Effective governance





SA Water  
Delivering trusted water services for sustainable communities

SA Water  
Delivering trusted water services for sustainable communities

## Legislation

Established as a public corporation on 1 July 1995 under the *South Australian Water Corporation Act 1994*, legislation guides our operations, the most significant legislature includes:

- *Public Corporations Act 1993*
- *Water Industry Act 2012*
- *Safe Drinking Water Act 2011*
- *South Australian Public Health Act 2011*
- *Work, Health and Safety Act 2012*
- *Environment Protection Act 1993*
- *Landscape South Australia Act 2019*.

## Key regulators

The Essential Services Commission of South Australia is the state's independent economic regulator that determines our allowable revenue, sets service standards, and monitors our performance and compliance in the delivery of essential water and sewerage services for our customers.

SA Health sets and monitors standards for drinking water quality and regulates recycled water use in the state.

The Office of the Technical Regulator sets standards and requirements for water and sewerage infrastructure, and the operation of that infrastructure, to ensure public safety.

The Environment Protection Authority sets standards for acceptable discharge from wastewater treatment facilities and monitors our operations and activities to minimise impact on the environment.

The Department for Environment and Water regulates access to natural water sources, protects water catchments and native vegetation and is the state body responsible for the River Murray as part of arrangements for managing the Murray-Darling Basin.

## The Board

The Directors of our Board are appointed by the Governor pursuant to the *South Australian Water Corporation Act 1994* and *Public Corporations Act 1993*, reporting to the Minister for Housing Infrastructure. The Board sets our strategic direction and monitors performance, driving efficiency and protecting our long-term financial viability in accordance with the *Public Corporations Act 1993*.

The following Board Directors, appointed by the Governor of South Australia, served during 2023-24:

- Allan Holmes, Chair
- Janet Finlay
- Chris Ford
- Celine McInerney
- Ken Williams
- Denise Picton
- David Ryan

Day-to-day management of the business is delegated by the Board through the Chief Executive to the Executive. Pursuant to section 18 of the *South Australian Water Corporation Act 1994*, the Minister has delegated authority to the Board of SA Water to approve procurements of up to \$15 million (GST inclusive) and expenditure up to \$4.4 million (GST inclusive) on any one project.

A charter prepared by a previous Minister and the Treasurer, in consultation with the Board, was in place for 2023-24 in accordance with section 12 of the *Public Corporations Act 1993*. The charter guided the Board in seeking to balance community service with prudent commercial principles.

## Directors' interests and benefits

For 2023-24, no Director had an interest in any contract or proposed contract with SA Water, other than contracts in the ordinary course of business. No benefits were received by any Director of SA Water by virtue of a contract that was made with SA Water, other than in normal course of business as set out in the financial statements.

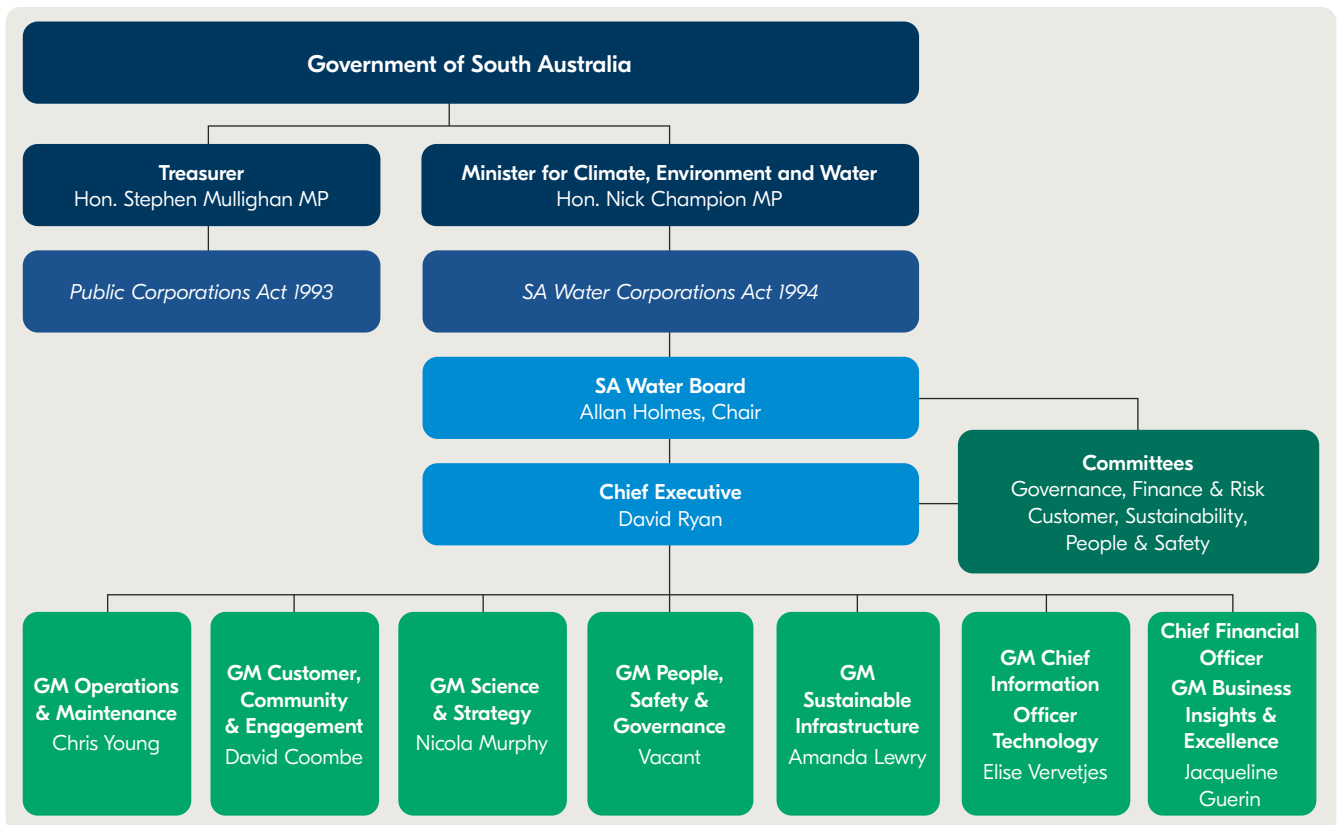
## Board committees

The Board has established a committee structure to help it meet its responsibilities. Each committee has a charter that guides its functions and duties and is reviewed regularly.

- **Governance, Finance and Risk Committee** – supports the Board in fulfilling its corporate governance and oversight responsibilities for our financial planning and reporting, internal and external audit, internal control processes, risk management systems, legal compliance, and fraud control.
- **Customer, Sustainability, People and Safety Committee** – supports and advises the Board regarding our people, our customers and outcomes related to the environment and sustainability. This committee focuses on strategic matters that may significantly affect our business, and actively participates in discussions about the direction for any relevant strategies of the Corporation. The committee helps ensure the business has the right capabilities and plans in place to manage the impacts of an ever-changing climate and ensuring future generations are considered in the decisions of today.

## Organisation structure

As at 30 June 2024



# Financial performance







## Financial performance summary

In the 2023-24 financial year, we recorded year-end profit before tax of \$156.9 million. Revenue was \$1.569 billion with some of the contributors to this being:

- strong water sales
- significant contributed assets arising from mains extension contributions and infrastructure assets gifted to us from developers
- capital contributions to us for work we perform, due to strong statewide development activities.

Total expenses were \$1.412 billion. Some of the contributors to this were:

- significant operating costs including alliance contracts and framework partner costs
- significant electricity volumetric and network charges to operate our networks
- interest expense and depreciation of infrastructure assets, which makes up more than 41 per cent of total expenses.

## Contributions to government

As a significant revenue contributor to the Government of South Australia, for the broader benefit of the people of South Australia, an amount of \$321.3 million was paid in 2023-24.

This saw \$78.9 million of business operating expenditure contributed to other government agencies and/or councils through:

- external fees and charges paid to other government agencies
- provision of services delivered by other government agencies
- operational taxes such as land tax or council rates.

Within interest expense, \$94.4 million was paid to the South Australian Financing Authority as guarantee fees and margins. An income tax equivalent of \$41.1 million and a dividend of \$107.0 million were also paid.

| Contributions to government                                | 2023-24 actuals<br>\$'000 |
|--|---------------------------|
| External fees and charges                                  | 57,516                    |
| Contract services provided                                 | 1,127                     |
| Operational taxes and tax equivalents                      | 20,214                    |
| <b>Total contained within operating expenses</b>           | <b>78,857</b>             |
| As a percentage of total operating expenses                | 10.0%                     |
| Interest expense – guarantee fees*                         | 89,874                    |
| South Australia Government Financing Authority margin fees | 4,484                     |
| <b>Additional interest paid to owner</b>                   | <b>94,358</b>             |
| Income tax equivalents                                     | 41,087                    |
| Dividends at 100% of profit after tax**                    | 106,952                   |
| <b>Total amounts paid to government</b>                    | <b>321,254</b>            |

\*Guarantee fees are paid to the South Australian government to remove any competitive advantage we might have due to our ability to borrow under the South Australian government credit rating.

\*\*Dividend was paid based on 100 per cent of the forecast profit after tax (PAT) as at April 2024. The actual year end PAT position was higher. This will be adjusted in the 2024-25 dividend payment.

## Capital expenditure

This year, we spent \$702.3 million on capital expenditure, with \$24.5 million spent on information technology and \$677.8 million on infrastructure and mandated growth (extensions and connections).

Information technology investments continue to focus on improving outcomes for our customers and the business as well as the safety of our people, including:

- improved service channels and customer digital experience
- increased technology security and reliability (including cyber security and remote connectivity via Starlink)
- increased business efficiency and employee experience
- innovative technologies such as smart maintenance, cathodic protection and body cameras for reservoir rangers.

We continue to focus on improvements to our water and wastewater infrastructure assets and water security of the state, and to invest in major infrastructure projects, all of which have a positive impact on our customers and/or the state. In 2023-24 these included:

- Kangaroo Island desalination plant – \$58.1 million
- Bolivar Wastewater Treatment Plant capacity growth upgrade – \$48.8 million
- Tea Tree Gully Sustainable Sewers – \$26.7 million
- Eyre Peninsula Desalination Project – \$25.6 million

## Consultants

The following is a summary of external consultants engaged, and the nature and cost of the work undertaken.

| Consultant                           | Amount (\$) | Description/purpose   |
|--------------------------------------|-------------|---|
| <b>Less than \$10,000</b>            |             |   |
| Nil                                  |             |   |
| <b>Between \$10,000 and \$50,000</b> |             |   |
| Red Wagon Workplace Solutions        | 31,770      | Advice regarding staff matters and industrial relations issues  |
| <b>Greater than \$50,000</b>         |             |   |
| Farrah Seidel                        | 69,858      | An independent service provider to investigate employee matters |

# Supplementary reporting items



## Fraud

Our Fraud and Corruption Control Framework outlines our commitment to creating an honest and ethical business environment with zero tolerance of fraud or corruption in any form. We perform a range of activities to prevent, detect and respond to fraud and corruption, including:

- executive oversight of our Fraud and Corruption Control Framework by the Chief Financial Officer as designated Fraud and Corruption Control Coordinator
- regular fraud and corruption risk assessments undertaken with risk treatment plans for high-risk areas
- investigations of all allegations of fraud or corruption in accordance with our Fraud and Corruption Control Framework
- data analytic reviews conducted on payroll and accounts payable transactions by our internal audit function
- communication to our people on their requirement to act in accordance with our Ethical Standards Procedure, how to report matters of concern and the protections provided to them in the *Public Interest Disclosure Act 2018*. There were no instances of potential fraud externally reported in 2023-24.

## Public interest disclosure

Through our Public Interest Disclosure Procedure, we are committed to encouraging and facilitating disclosure, in the public interest, of information about substantial risks to public health, safety or the environment, or about corruption, misconduct and maladministration in public administration.

There were no new allegations of fraud, corruption, misconduct or maladministration substantiated or reported to the Office for Public Integrity or the Independent Commission Against Corruption South Australia in 2023-24.

## Assurance and risk management

Our enterprise risk management approach is aligned with the South Australian Government Risk Management Guide and the principles of risk management as set out in the international risk management standard ISO 31000:2018 Risk Management – Guidelines.

Our commitment to effective risk management enables consideration and treatment of risk that is integrated into functions, programs and operations with well informed, risk-based decision making.

Our enterprise risk profile is reported regularly to our Board through its Governance, Finance and Risk Committee.

## Complaints

Our Customer Care Centre is the first point of contact for all customer feedback and our customer advocate team manages responses for all escalated complaints and investigations. Across these 2 teams, we continue to proactively identify improvements to the feedback management processes across our business.

All forms of organisational feedback, including complaints, are valued and help us to build customer trust and confidence as well as improve our performance in delivering excellent customer experiences.

In 2023-24, we received a total of 3,198 complaints. This equated to 3.94 complaints per 1,000 customers, which is higher than the 3.55 complaints per 1,000 customers received in 2022-23. This increase was driven by our continued commitment to improving complaint recognition and capture, including broader training for our people in complaint management. The increase continues to be viewed as a positive indication of our improvement and has not been identified as a specific trend or operational issue at this time.

The most common complaint types received in 2023-24 related to:

1. water quality
2. operations and maintenance in the metropolitan Adelaide area
3. meter reading and estimates.

Of the customer complaints received, 41.39 per cent were resolved at the first point of customer contact, which is an increase from 36 per cent in 2022-23. We responded to 97.43 per cent of complaints within target times, with 7.74 per cent of complaints escalated to the industry ombudsman.

A total of 281 complaints on a range of issues were escalated to the Energy and Water Ombudsman of South Australia (EWOSA) for review in 2023-24. This was an increase from 184 complaints in 2022-23. The highest complaint type escalated to EWOSA remains, costs incurred for high water use, which has remained a consistent trend over the past 3 years.

Through our complaint management process, the customer advocate team completes root cause analyses, post complaint reviews and case studies for complaints throughout the year. Case studies include a full account of the complaint details, a summary of the case investigation, the outcomes, and any applicable process improvement recommendations.

We continue to review our processes, strive for best practice guidelines and improve our recognition and capture of customer complaints at first contact. This work is designed to collect insights for our business and improve our overall customer experience.

## Supporting customers

In 2023-24, 1,367 new customers joined our Payment Assistance Program. The program helps residential customers with support to help pay their bills. At 30 June 2024, 2,732 residential customers had participated in a financial hardship program with a \$2,590 average bill balance. The program connects customers with support to help them better manage their bills, and in 2023-24, 834 residential customers successfully exited the program.

Recognising the financial constraints that many people are experiencing, we proactively promoted the Payment Assistance Program, targeting people who were experiencing, or at risk of experiencing, financial hardship. We saw a positive impact with increased inquiries about support available, both through payment extensions and the Payment Assistance Program.

# Ministerial directions

## **DIRECTION TO THE SOUTH AUSTRALIAN WATER CORPORATION**

### **PURSUANT TO SECTION 6 OF THE PUBLIC CORPORATIONS ACT 1993**

I, Nicholas David Champion, Minister for Housing Infrastructure, direct SA Water to charge the following augmentation charges for connection to SA Water infrastructure:

1. Augmentation charges will be payable in relation to all New Incremental Allotments within the Greater Adelaide Region.
2. Separate augmentation charges will be payable in relation to connection to water infrastructure and connection to wastewater (sewer) infrastructure, except:
  - 2.1. an allotment that is to be connected to only one service will only be subject to the augmentation charge applicable to that service;
  - 2.2. an augmentation charge for a particular service will not be imposed in relation to an allotment when SA Water is not the licensed retailer for that service under the *Water Industry Act 2012* for the allotment;
  - 2.3. an augmentation charge is not payable in relation to an allotment where it is connected to SA Water infrastructure using the existing connection, or where a new connection replaces a single existing connection;
  - 2.4. an augmentation charge is not payable in relation to:
    - 2.4.1. an allotment developed by or on behalf of a community housing provider, or a not-for-profit entity that is registered with the Australian Charities and Not-for-profit Commission; or
    - 2.4.2. an apartment; or
    - 2.4.3. any other category of allotment determined by SA Water, subject to my consent.
3. The following augmentation charges are payable in relation to New, Incremental Residential Allotments:
  - 3.1. in designated greenfield locations:
    - \$5,000 for connection to water infrastructure
    - \$5,000 for connection to wastewater (sewer) infrastructure
  - 3.2. in all other locations:
    - \$1,250 for connection to water infrastructure
    - \$1,250 for connection to wastewater (sewer) infrastructure
4. The following augmentation charges are payable in relation to all other classes of land use:

| Greenfield Augmentation Charge | Residential | Commercial/ Industrial | Reserves           |                    |
|--------------------------------|-------------|------------------------|--------------------|--------------------|
|                                |             |                        | <400m <sup>2</sup> | >400m <sup>2</sup> |
|                                | 100%        | 225%                   | 100%               | 225%               |
| Water                          | \$5,000     | \$11,250               | \$5,000            | \$11,250           |
| Sewer                          | \$5,000     | \$11,250               | \$5,000            | \$11,250           |

| All Other Locations Augmentation Charge | Residential | Commercial/ Industrial | Reserves           |                    |
|---|-------------|------------------------|--------------------|--------------------|
|   |             |                        | <400m <sup>2</sup> | >400m <sup>2</sup> |
|   | 100%        | 225%                   | 100%               | 225%               |
| Water                                   | \$1,250     | \$2,813                | \$1,250            | \$2,813            |
| Sewer                                   | \$1,250     | \$2,813                | \$1,250            | \$2,813            |

5. These charges will be payable for all applications for connections formally made between 1 July 2024 and 30 June 2025.

#### DEFINITIONS

“Designated greenfield locations” are locations within the Greater Adelaide region that come within the definition of “greenfield” in Table 1 of the [Land Supply Report for Greater Adelaide](#) (July 2023).

“Greater Adelaide Region” means the planning region of that name proclaimed by the Governor under section 5 of the *Planning, Development and Infrastructure Act 2015* on 19 March 2020, a map of which is available in Figure 1 of the [Land Supply Report for Greater Adelaide](#) (July 2023)c

A “New, Incremental Allotment” is an Allotment that requires a new or additional connection(s) to SA Water infrastructure as a result of greenfield or infill development.

A “Residential Allotment” is a property classified with the use of land for detached dwelling, group dwelling, multiple dwelling, residential flat building, or dwelling or semi-detached dwelling for the purposes of the *Planning, Development and Infrastructure Act 2015*.



Hon Nick Champion MP  
**MINISTER FOR HOUSING INFRASTRUCTURE**

25/6 / 2024



**DIRECTION TO THE SOUTH AUSTRALIAN WATER CORPORATION**  
**PURSUANT TO SECTION 6 OF THE PUBLIC CORPORATIONS ACT 1993**

**BACKGROUND**

1. Pursuant to section 6 of the *Public Corporations Act 1993*, and sections 6 and 7(2)(f) of the *South Australian Water Corporations Act 1994*, the South Australian Water Corporation (**SA Water**) is subject to control and direction by its Minister, and has the functions conferred on it by its Minister.
2. The *South Australian Water Corporation Act 1994* is committed to the Minister for Housing Infrastructure (**the Minister**) as per *Gazettal* notice dated 15 April 2024 (p. 683).
3. The *Water Industry Act 2012* provides for the regulation of prices for water and sewerage retail services by declaring the water industry to constitute a regulated industry for the purposes of the *Essential Services Commission Act 2002* and authorising the Essential Services Commission of South Australia (**the Commission**) to make a determination under the *Essential Services Commission Act 2002* regulating prices, conditions relating to prices, and price-fixing factors for water and sewerage retail services.
4. In making such a determination, the Commission must comply with the requirements of any pricing order issued by the Treasurer under section 35 of the *Water Industry Act 2012*.
5. The Treasurer issued a pricing order under section 35 of the *Water Industry Act 2012* (**the pricing order**) on 5 February 2024 which applies to a determination made by the Commission in respect of drinking water and sewerage retail services provided by SA Water for the four-year period commencing 1 July 2024 and ending 30 June 2028 (**the fourth regulatory period**).
6. As part of the pricing order, the Treasurer has required that any determination of the Commission in respect to such services allow SA Water to recover:
  - a. the efficient cost of assets acquired (or to be acquired), which are required to support activities that SA Water is required to provide in accordance with a direction under section 6 of the *Public Corporations Act 1993*;
  - b. costs relating to externalities (including water planning and management) attributable to and payable by SA Water in accordance with the law, including a direction under section 6 of the *Public Corporations Act 1993*; and
  - c. such costs (less any relevant contributions to such costs that it receives) that are attributable to activities that SA Water is required to provide in accordance with a direction under section 6 of the *Public Corporations Act 1993* and are either:
    - i. specified in the relevant direction, or if not specified,
    - ii. determined by the Commission to be efficient.

7. The Minister considers it appropriate, in the interests of transparency, to direct SA Water, over the course of the fourth regulatory period, to:
- a. provide certain services, in addition to the services it is required to provide pursuant to section 7 of the *South Australian Water Corporation Act 1994*, and the Charter for SA Water;
  - b. purchase renewable energy certificates or carbon offsets for the purpose of operating the Adelaide Desalination Plant;
  - c. maintain state-wide pricing in respect of the drinking water and sewerage retail services it provides to customers;
  - d. continue to contribute to water planning and management charges;
  - e. continue to annually reimburse the Minister in respect of fees paid to the Valuer-General for copies of the valuation rolls;
  - f. flush the Torrens Lake to prevent algae green–blue blooms in a manner that is consistent with its water licence for the prescribed water resource of the Western Mount Lofty Ranges (WMLR);
  - g. use surplus water to meet environmental water obligations in a manner that is consistent with its water licences for the River Murray Prescribed Watercourse;
  - h. improve the security and water supply on Kangaroo Island through the construction of a 2 megalitres per day desalination plant and associated delivery infrastructure;
  - i. complete construction and maintain potable water supplies for SA Water customers in 7 regional areas whose water was upgraded to potable water during the third regulatory period;
  - j. continue to provide services for potable water and wastewater supplies to aboriginal communities;
  - k. progressively transition from the Tea Tree Gully community wastewater management scheme to SA Water’s sewerage retail services;
  - l. facilitate the growth of greenfield property development in metropolitan Adelaide by investing in water and wastewater infrastructure that supports new customers;
  - m. provide common water treatment and deliver infrastructure necessary to supply up to 12 gigalitres (GL) per year of additional recycled water from the Bolivar Wastewater Treatment Plant; and
- the costs of which may be recovered by SA Water in accordance with the terms of the pricing order.
8. The Minister intends that, from 1 July 2024, this Direction will revoke and replace the previous Direction made to SA Water pursuant to section 6 of the *Public Corporations Act 1993* on 28 May 2020 and published on the Gazette on 11 June 2020 (p. 3378).

9. This Direction may be revoked and replaced by a subsequent direction pursuant to section 6 of the *Public Corporations Act 1993*.

## DIRECTION

I, Nicholas David Champion, Minister for Housing Infrastructure, direct SA Water to purchase or provide the following services, facilities and contributions from 1 July 2024 and until further notice, subject to and in accordance with the following provisions:

### A. Emergency Management Services

Emergency engineering functional services as required for compliance with the State Emergency Management Plan prepared by the State Emergency Management Committee under the *Emergency Management Act 2004*, up to the following cost in each financial year of the fourth regulatory period:

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$690 000 | \$707 000 | \$735 000 | \$753 000 |

The South Australian Government will make the following contributions to SA Water in relation to such costs in each financial year of the fourth regulatory period:

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$690 000 | \$707 000 | \$735 000 | \$753 000 |

### B. Government Radio Network Services

Services required for SA Water's ongoing connection to and participation in the South Australian Government Radio Network, up to the following cost in each financial year of the fourth regulatory period:

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$682 000 | \$699 000 | \$716 000 | \$734 000 |

The South Australian Government will make the following contributions to SA Water in relation to such costs in each financial year of the fourth regulatory period:

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$682 000 | \$699 000 | \$716 000 | \$734 000 |

### C. Fluoridation Services

Services required for:

- (i) the continuation of the fluoride dosing program in metropolitan Adelaide and the existing country dosing installations;
- (ii) the construction and operation of any new fluoride dosing installations;

as recommended or agreed by or on behalf of the Chief Executive, Department for Health and Wellbeing, from time to time.

### D. Purchase of renewable energy or carbon offsets for the Adelaide Desalination Plant

SA Water must purchase applicable renewable energy certificates (RECs) for the purposes of the operation and maintenance of the Adelaide Desalination Plant and associated infrastructure, or otherwise fully offset the carbon impact of that operation and maintenance, sufficient to maintain South Australia's commitment at clause 17 of the *Implementation Plan for Augmentation of the Adelaide Desalination Plant (100 gegalitres per annum)*, National Partnership Agreement on Water for the Future.

### E. State-wide Pricing Facility

SA Water must, in fixing standard terms and conditions governing the provision of services pursuant to section 36 of the *Water Industry Act 2012*, set such standard terms and conditions relating to the prices of, or tariffs for, the provision of drinking water and sewerage retail services it provides on the basis of state-wide pricing, i.e. the tariffs or tariff components for such services must be the same, or result in a similar outcome, for any customer in the class of customer to which the terms and conditions are expressed to apply, irrespective of the customer's location.

The South Australian Government will make the following contributions to SA Water in each financial year of the fourth regulatory period in order to support the lowest levels of state-wide standard terms and conditions relating to price as possible:

- (i) In relation to SA Water's drinking retail services:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$67 416 173 | \$67 416 173 | \$67 416 173 | \$67 416 173 |

- (ii) In relation to SA Water's sewerage retail services:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$40 162 827 | \$40 162 827 | \$40 162 827 | \$40 162 827 |

**F. Water Planning and Management Charges Contribution**

SA Water must make the following contributions to the Department for Environment and Water in each financial year of the fourth regulatory period in order to support water planning and management activities:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$35 136 000 | \$36 007 000 | \$36 900 000 | \$37 815 000 |

**G. Annual reimbursement of fees paid for valuation roll**

SA Water must make the following contributions to the Minister in each financial year of the fourth regulatory period in order to reimburse the Minister for fees paid to the Valuer-General pursuant to section 21(a) of the *Valuation of Land Act 1971* for a copy of the valuation roll or any addition, correction or amendment to the roll:

| 2024-25     | 2025-26     | 2026-27     | 2027-28     |
|-------------|-------------|-------------|-------------|
| \$5 488 000 | \$5 625 000 | \$5 766 000 | \$5 910 000 |

**H. Flushing of Torrens Lake**

Subject to the availability of water from prescribed water resources, SA Water must provide water as necessary to meet annual dilution flow requirements for Torrens Lake (up to a total of 2.5 gigalitres per annum), as part of SA Water's contribution of up to 16.5 gigalitres under the existing environmental water provisions of the WMLR Water Allocation Plan. SA Water must also make the following contributions to associated operating costs:

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$698 600 | \$716 100 | \$734 000 | \$752 300 |

**I. Environmental Watering Volume**

SA Water must provide the full environmental watering volume required in eligible years under clause S-IV(ii) of Schedule 1 of the *Implementation Plan for Augmentation of the Adelaide Desalination Plant (100 gigalitres per annum)*, *National Partnership Agreement on Water for the Future* (up to 12 gigalitres), prior to trading to third parties any unused allocations obtained on account of water access entitlements on its South Australian River Murray licences.

In order of priority, this environmental contribution must come from allocations obtained on account of the following water access entitlements held by SA Water: Class 3 (High Security); Class 6; and then Class 2.

**J. Improving the security and water supply on Kangaroo Island**

To construct a 2 megalitres per day desalination plant and associated delivery infrastructure (including energy supply) on Kangaroo Island to improve the security and supply of water on Kangaroo Island.

SA Water will fund capital expenditure of up to \$16.3 million (nominal) over the four years to 30 June 2028 (as per the table below):

| 2024-25      | 2025-26 | 2026-27 | 2027-28 |
|--------------|---------|---------|---------|
| \$16 297 500 | \$0     | \$0     | \$0     |

Carryover of RD20 Capital

SA Water will also fund the associated operating expenditure (as per the table below):

| 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|-----------|-----------|-----------|-----------|
| \$835 200 | \$856 000 | \$877 400 | \$899 400 |

**K. Maintain potable water supply for SA Water customers in certain regional areas**

To maintain the supply of potable water to SA Water customers in certain regional areas.

During the fourth regulatory period, SA Water must maintain the supply of potable water in the regional areas of Yunta, Oodnadatta, Maree, Terowie, Marla, Manna Hill (and the associated filling station at Peterborough).

SA Water will fund operating costs over the fourth regulatory period not exceeding \$9.0 million (as per the table below):

(i) In relation to SA Water's operating expenditure:

| 2024-25     | 2025-26     | 2026-27     | 2027-28     |
|-------------|-------------|-------------|-------------|
| \$2 155 400 | \$2 209 300 | \$2 264 500 | \$2 321 100 |

**L. Aboriginal communities serviced by SA Water through a CSO funded by Government**

Services required for the provision of potable water and wastewater supplies to the communities of Amata, Davenport, Gerard, Indulkana, Kalka, Kaltjiti, Kanpi, Koonibba, Mimili, Murputja, Nepabunna, Nyapari, Oak Valley, Pipalyatjara, Point Pearce, Pukatja, Raukkan, Umoona, Umuwa, Watinuma, Yatala and Yunyarinyi up to the following operating cost in each financial year of the fourth regulatory period:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$11 484 300 | \$11 771 400 | \$12 065 700 | \$12 367 300 |

The South Australian Government will make the following contributions to SA Water in relation to such costs in each financial year of the fourth regulatory period:

| 2024-25     | 2025-26     | 2026-27     | 2027-28     |
|-------------|-------------|-------------|-------------|
| \$9 254 000 | \$9 485 000 | \$9 722 000 | \$9 966 000 |

#### M. Tea Tree Gully Community Wastewater Management System

With the agreement of the City of Tea Tree Gully (and on terms and conditions acceptable to SA Water), SA Water must:

- (i) provide sewerage services to properties serviced by the Tea Tree Gully Community Wastewater Management System (the Properties), in a staged manner over the fourth regulatory period, noting that completion will occur in the fifth regulatory period.

During the fourth regulatory period, SA Water will fund up to \$326.9 million of capital expenditure progressively as it acquires, upgrades or constructs assets together with associated operating costs not exceeding \$45.1 million (as per the tables below):

- (i) In relation to SA Water's capital expenditure:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$77 349 200 | \$79 028 400 | \$86 559 500 | \$83 948 400 |

- (ii) In relation to SA Water's operating expenditure:

| 2024-25      | 2025-26      | 2026-27      | 2027-28      |
|--------------|--------------|--------------|--------------|
| \$11 268 300 | \$11 387 200 | \$11 426 600 | \$10 999 900 |

- (iii) In relation to Decommissioning CWMS Asset – carryover of South Australian Government contribution:

| 2024-25     | 2025-26 | 2026-27 | 2027-28 |
|-------------|---------|---------|---------|
| \$3 175 000 | \$0     | \$0     | \$0     |

Carryover RD20 community service obligation payment

These services and assets will form part of SA Water's sewerage retail services from 1 July 2020 or a date of their provision and acquisition, whichever is later.

**N. Water and wastewater infrastructure in metropolitan Adelaide**

SA Water will fund up to \$1,192.0 million of capital expenditure to meet water and wastewater infrastructure requirements in metropolitan Adelaide, together with associated operating costs not exceeding \$621,300:

(i) In relation to SA Water's capital expenditure:

| 2024-25       | 2025-26       | 2026-27       | 2027-28       |
|---------------|---------------|---------------|---------------|
| \$298 000 000 | \$298 000 000 | \$298 000 000 | \$298 000 000 |

(ii) In relation to SA Water's operating expenditure:

| 2024-25  | 2025-26  | 2026-27   | 2027-28   |
|----------|----------|-----------|-----------|
| \$41 600 | \$85 200 | \$194 200 | \$300 300 |

**O. Northern Adelaide Irrigation Scheme**


SA Water will fund capital expenditure of up to \$9.0 million over the fourth regulatory period to provide common water treatment and deliver infrastructure necessary to supply up to 12 gigalitres (GL) per year of recycled water from the Bolivar Wastewater Treatment Plant.

(i) In relation to SA Water's capital expenditure:

| 2024-25 | 2025-26     | 2026-27 | 2027-28 |
|---------|-------------|---------|---------|
| \$0     | \$9 000 000 | \$0     | \$0     |

Carryover of RD20 Capital

Despite anything else in this Direction, activities that SA Water is required to undertake by this Direction which involve capital expenditure (and any associated operating expenditure) may be provided after the end of the fourth regulatory period if the capital works are unfinished and the amounts directed to be spent are not fully spent at the end of the period, provided that any specified maximum expenditure is not exceeded.



Hon Nicholas David Champion MP

**MINISTER FOR HOUSING INFRASTRUCTURE**

19/6 / 2024



PUBLIC CORPORATIONS ACT 1993  
PURSUANT TO SECTION 6  
*Direction to the South Australian Water Corporation*

**Background:**

1. Pursuant to section 6 of the *Public Corporations Act 1993*, and sections 6 and 7(2)(f) of the *South Australian Water Corporation Act 1994*, the South Australian Water Corporation (SA Water) is subject to control and direction by its Minister, and has the functions conferred on it by its Minister.
2. The *South Australian Water Corporation Act 1994* is committed to the Minister for Housing Infrastructure (the Minister) as per Gazettal notice dated 15 April 2024, p. 683.
3. Pursuant to section 32 of the *Water Industry Act 2012* (SA), Cape Jaffa Anchorage Essential Services (CJAES) wrote to the Essential Services Commission of South Australia to surrender its retail licence for the provision of sewerage and non-drinking water services to residential and non-residential customers, with an effective surrender date of 31 October 2022.
4. The Minister previously considered it appropriate to direct SA Water to temporarily take over the existing operations of Cape Jaffa Anchorage Essential Services (CJAES).
5. The Minister now considers a new direction is appropriate to extend the timeframe for SA Water's temporary take over of existing operations at Cape Jaffa to allow more time to confirm and transition to long term arrangements for water and sewerage services.

**Direction:**

6. I, Nick Champion, Minister for Housing Infrastructure, direct SA Water under section 6 of the *Public Corporations Act 1993* to:
  - i. use its best endeavours to negotiate access to all relevant assets necessary to continue its temporary operation of non-drinking water and sewerage services at Cape Jaffa, to ensure continued operation to existing customers of Cape Jaffa Anchorage Essential Services (CJAES) (as at 30 June 2024) until 31 December 2024;
  - ii. provide a retail service to these same customers, with all charges to be based on the previous charges of CJAES (see Attachment 1), appropriately indexed.
7. For the avoidance of doubt and to the extent of any inconsistency, as at 1 July 2024 this direction overrides any other previous direction to SA Water under section 6 of the *Public Corporations Act 1993* – with respect to customers of CJAES.
8. For the avoidance of doubt this direction is conditional upon SA Water having or acquiring the proper licensing and legal authority to comply with this direction.
9. This Direction may be revoked at any time.

Dated: 28 June 2024



HON NICK CHAMPION MP  
Minister for Housing Infrastructure



For further details contact

SA Water Corporation  
ABN 69 336 525 019

|                |   |
|----------------|---|
| Head office    | 250 Victoria Square/Tarntanyangga, Adelaide SA 5000 |
| Postal address | GPO Box 1751, Adelaide SA 5000                      |
| Phone          | 1300 SA WATER                                       |
| Website        | <a href="http://sawater.com.au">sawater.com.au</a>  |

ISSN: 1833-9980



Government of  
South Australia