

## Alternate Water 2024-25 Pricing Policy Statement

Alternate water is treated in line with the Australian Guidelines for Water Recycling 2006 and consistent with the recycled water supply approvals from the Department for Health and Wellbeing (DHW) to ensure it is 'fit for a specific purpose', such as for irrigation or toilet flushing. Alternate water includes recycled water and some stormwater services.

Current uses of alternate water services are:

- Dual reticulation – including garden watering, car washing, toilet flushing, washing machines, fire hydrants and use in cooling towers,
- Commercial Food Crop Irrigation – including horticulture, viticulture, nurseries and broad acre farming.
- Municipal Irrigation - including open spaces, sports grounds and dust suppression.
- Non-food crops – irrigating pastures and fodder crops consumed by livestock or for irrigating landscapes and vegetation.
- Private irrigation – including residential lawns and landscaping.

We regularly engage with our customers and the community about the alternate water services we provide.

### Regulatory framework

The Essential Services Commission of South Australia (ESCOSA) takes a principle-based approach to regulating alternate water services. Prices for alternate water retail services are subject to the relevant National Water Initiative (NWI) Pricing Principles [National Water Initiative \(NWI\) Pricing Principles](#).

### Pricing policy

#### Dual reticulation schemes

Dual reticulation customers are serviced under the SA Water Standard Customer contract. Those customers who also receive a drinking water supply are not required to pay an alternate water supply charge. The state-wide alternate water use price is set at 90 per cent of the first tier drinking water use price. This ensures alternate water is always the cheapest water option available to dual reticulation customers.

Further details about the Standard Customer Contract are available at:

[SA Water Standard Customer Contract](#)

#### Other alternate water schemes

Prices for other alternate water schemes recover at least the direct cost of the service, but no more than the standalone costs of the scheme.

Direct cost include:

- Capital invested to specifically service the alternate water customer (e.g. pump stations, filters, network, reticulation infrastructure) and operating costs associated with that infrastructure.

- The share of capital invested to treat water to a higher level so that it is acceptable for reuse.
- Operating costs to treat water to be fit for purpose to a required recycled water standard (e.g. chlorine disinfection, UV, disinfection).
- Operating costs to supply and distribute the alternate water to customers (e.g. electricity).
- Corporate operating costs to manage the scheme (e.g. recycled water plans, regulatory approvals).
- Offsetting costs by the estimated operating savings for regulated customers.

Standalone costs include:

- All costs that would need to be incurred to provide recycled water 'from scratch' – without an existing sewerage system.
- The costs mentioned above plus all associated costs prior to the start of the recycled water production process.

Prices are set between the direct cost and standalone cost of the scheme after taking into consideration:

- The benefits to other customers or third parties (e.g. reduced discharge costs, flood mitigation or resource management benefits).
- Funding contributions from government or third parties.
- Customer's willingness to pay including the price of substitutes and the quality and reliability of the alternate water supply.
- Price signals to encourage the most efficient use of resources.

Recycled water and stormwater revenues are a cost offset to our retail business. Where alternate water schemes are the lowest cost solution for wastewater disposal, sewerage customers contribute to the costs of the scheme as the primary beneficiary.

Customers pay a price per kilolitre and in some cases an alternate water supply charge, and service rent charge for additional meters if the site has no drinking water meter. In some cases, an upfront capital contribution may be required which is calculated in accordance with the Developer Charges Pricing Policy.

Prices are indexed annually in line with CPI or the Producer Price Index depending on the scheme. From time to time we may also re-price an existing alternate water scheme to ensure that costs are appropriately recovered from customers. Where price adjustment is required customer impacts are considered and a transition path may be negotiated as necessary.

### **Negotiated agreements**

Agreements are negotiated for customers with particular requirements and always include a usage price. These agreements are confidential and indexing of prices is included within the agreement.

### **Other Fees and Charges**

All alternate water connections are quoted. The price to install water meters and connections for alternate water schemes is consistent with our fees and charges schedule and Connections Policy.

The price for audits to ensure compliance with the Department of Health and Wellbeing requirements and relevant plumbing standards are set out in our fees and charges schedule. These audits ensure the drinking water network is protected and contamination does not occur due to cross connections.

Refer to our Excluded Retail Services Pricing Policy for further detail of the pricing principles applied.

### **Where to find further information**

Our dual reticulation water prices are published on our website. We also provide information to customers on how our prices are calculated if requested.