


Water and Sewerage Pricing Policy



District Council
of Cooper Pedy

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Related Legislation: Water Retail Code 2015 Water Industry Retail Licence 2013 Water Industry Act 2012		
Related Policies: N/A		
Related Procedures: N/A		
Approved by:  22/08/2023 Chief Executive Officer		

1. OBJECTIVE

The District Council of Coober Pedy is a licensed minor and intermediate retailer supplying water to residential, commercial and industrial customers in Coober Pedy and sewerage services to residential and commercial and industrial I customers in Coober Pedy. This Pricing Policy Statement sets out how Council has determined its costs and developed prices for its regulated retail services.

2. SCOPE

Economic regulation of retailers of water and sewerage services in South Australia was introduced via the *Water Industry Act 2012 (SA)* to provide mechanisms for the transparent setting of prices within the water industry and to facilitate pricing structures that reflect the true value of services provided by participants in this industry.

The *Water Industry Act 2012 (SA)* requires the Essential Services Commission of South Australia (ESCOSA) to adopt or apply the National Water Initiative (NWI) pricing principles when making a price determination for retail services. The NWI principles relate to cost recovery, pricing and transparency for water services.

All licenced entities are required to issue a Pricing Policy Statement that demonstrates how the National Water Initiative (NWI) pricing principles have been applied in determining the costs and developing prices for their regulated water retail service.

3. DEFINITIONS

TERM	DEFINITION
Council	District Council of Coober Pedy
CWMS	Community Wastewater Management Systems
Our, us, we	District Council of Coober Pedy
Residential customer	<ul style="list-style-type: none">- the sale and supply of water to a person for use (and not for resale other than in prescribed circumstances (if any)) where the water is to be conveyed by a reticulated system, or- the sale and supply of sewerage services for the removal of sewage (even if the service is not actually used) but does not include any service, or any service of a class, excluded from the ambit of this definition by the regulations (as defined in the <i>Water Industry Act 2012</i>)

Water	Rainwater, stormwater, desalinated water, recycled water and water that may include any material or impurities, but does not include sewage (as defined in the <i>Water Industry Act 2012</i>)
Water customer	<p>A person who owns land in relation to which a retail service is provided and includes:</p> <p>(a) where the context requires, a person seeking the provision of a retail service; and</p> <p>(b) in prescribed circumstances—a person supplied with retail services as a consumer or user of those services (without limiting the application of this definition to owners of land); and</p> <p>(c) a person of a class declared by the regulations to be customers.</p>

4. POLICY

4.1 Description of Regulated Retail Services

Council provides a Community Wastewater Management Scheme (CWMS) to properties where the service is available in Coober Pedy.

Coober Pedy’s water is supplied to residential and non-residential customers, including local industry, schools, sporting and community groups. It is also supplied to Council reserves, sporting fields and parks and gardens providing improved amenities for the broader community.

4.2 Pricing Policy

Council’s pricing policy is designed to ultimately achieve full cost recovery and a reasonable return on capital investment. Within this context, the most important considerations in setting prices relate to the markets willingness to pay, the price of substitutes and pricing certainty for consumers.

4.3 Pricing

The pricing schedule for the current financial year is provided in Appendix 1 attached. It can also be found on [the following link](#).

Council’s water and CWMS price is calculated based on full cost recovery plus a return on assets according to the National Water Pricing Initiative.

Full cost recovery includes indirect costs that have been allocated based on a predetermined allocation methodology.

The cost to install meters and connections is quoted at full cost recovery.

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

Principle 1: Flexible regulation

Light handed and flexible regulation (including use of pricing principles) is preferable, as it is generally more cost-efficient than formal regulation. However, formal regulation (e.g. establishing maximum prices and revenue caps to address problems arising from market power) should be employed where it will improve economic efficiency.

Principle 2: Cost allocation

When allocating costs, a beneficiary pays approach — typically including direct user pay contributions — should be the starting point, with specific cost share across beneficiaries based on the scheme’s drivers (and other characteristics of the recycled water/stormwater reuse scheme).

Principle 3: Water usage charge

Prices to contain a water usage (i.e. volumetric) charge.

Principle 4: Substitutes

Regard to the price of substitutes (potable water and raw water) may be necessary when setting the upper bound of a price band.

Principle 5: Differential pricing

Pricing structures should be able to reflect differentiation in the quality or reliability of water supply.

Principle 6: Integrated water resource planning

Where appropriate, pricing should reflect the role of recycled water as part of an integrated water resource planning (IWRP) system.

Principle 7: Cost recovery

Prices should recover efficient, full direct costs — with system-wide incremental costs (adjusted for avoided costs and externalities) as the lower limit, and the lesser of standalone costs and willingness to pay (WTP) as the upper limit. Any full cost recovery gap should be recovered with reference to all beneficiaries of the avoided costs and externalities. Subsidies and Community Service Obligation (CSO) payments should be reviewed periodically and, where appropriate, reduced over time.

Principle 8: Transparency

Prices should be transparent, understandable to users and published to assist efficient choices.

Principle 9: Gradual approach

Prices should be appropriate for adopting a strategy of 'gradualism' to allow consumer education and time for the community to adapt.

1. POLICY MATTERS

Review

This policy will be reviewed each year.

Availability

This Policy can be found on the District Council of Coober Pedy website at:
<https://www.cooberpedy.sa.gov.au/council-information/council-documents/policies>

Appendix 1: Pricing Schedule Water 2023-24

CWMS – Rate in the dollar based on the valuation of the property - 0.6061 cts

Water Access Charges

Vacant Land (Land Use 8)	C	302.75	F	20770 Water Access Charge: Water Retail
Residential (Land Use 1)	C	302.75	F	20770 Water Access Charge: Water Retail
Commercial and Industrial (Land Use 2, 3, 4, 5 and 6)	C	302.75	F	20770 Water Access Charge: Water Retail

Residential Tariff

Tier 1 - First 35kL per quarter	C	8.36	F	20771 Water Usage Charge: Water Retail
Tier 2 - 35kL to 130kL per quarter	C	11.70	F	20771 Water Usage Charge: Water Retail
Tier 3 - Above 130kL per quarter	C	13.34	F	20771 Water Usage Charge: Water Retail

Commercial Tariff

Tier 1 - First 35kL per quarter	C	8.36	F	20771 Water Usage Charge: Water Retail
Tier 2 - 35kL to 130kL per quarter	C	11.70	F	20771 Water Usage Charge: Water Retail
Tier 3 - Above 130kL per quarter	C	13.34	F	20771 Water Usage Charge: Water Retail

Sundry Charges

Reconnection fee for non payment	C	100.00	F	20790 Connection & Other Fees: Water Retail
Special Readings	C	100.00	F	20790 Connection & Other Fees: Water Retail
Connection Fee	C	100.00	F	20790 Connection & Other Fees: Water Retail
Interim Notice	C	25.00	F	20790 Connection & Other Fees: Water Retail
Call-out Fee After 3 pm and over Weekends, min 2 hour call out	C	360.00 2 hours	F	20790 Connection & Other Fees: Water Retail
Call-out Fee After 3 pm and over Weekends, in excess of first 2 hours	C	240.00 per hour	F	20790 Connection & Other Fees: Water Retail

*Applied for an after-hours call-out where the fault occurs on the consumer's side of the meter or is not a fault due to deficiency in Council's supply system
If longer than 2 hours Labour Rate @ \$240 per hour*