



Media Release

Draft SA Water Regulatory Determination Released for Consultation

24 February 2024

The Essential Services Commission is consulting on a draft regulatory determination which proposes water and sewerage revenue caps that are approximately 2 percent lower than those proposed by SA Water. This would potentially save customers \$120 million across the four years from 1 July 2024, compared to SA Water's proposed outcomes.

The Commission is seeking public comment on the draft regulatory determination.

The Commission's regulation of SA Water's water and sewerage retail services sets the maximum revenues that SA Water may earn and the minimum service standards that it must deliver for customers.

Customer prices are set by SA Water, not the Commission, and SA Water must recover no more than the maximum revenues set by the Commission.

In developing the proposed revenue caps, the Commission has set expenditure benchmarks which are \$416 million below SA Water's proposals. Offsetting that reduction are the impacts of increased inflation and financing costs on SA Water's business.

The draft regulatory determination proposes revenue caps for the four-year period commencing 1 July 2024 that, in present value terms, are approximately \$3.5 billion for water retail services, and \$1.8 billion for sewerage retail services (combined \$5.3 billion).

The Commission's Chair, David Swift AM, said "The Commission's objective is protecting the long-term interests of consumers with respect to the price, quality and reliability of essential services."

"This draft regulatory determination includes protections for residential customers experiencing financial hardship, flexible payment plans for all customers, improved information for tenants and protections for customers experiencing family violence."

"While the Commission has identified lower, more efficient, expenditure benchmarks, it acknowledges that SA Water appears to be responding positively to the economic regulatory regime in its asset management and delivery over time."

“The challenge for SA Water is to continue to provide quality and reliable services for customers at the lowest sustainable price.”

The Commission is seeking public feedback on the draft regulatory determination by 6 March 2024. To find out more and get involved, visit <https://yoursay.sa.gov.au/sa-water-draft-regulatory-determination-2024>. A final regulatory determination will be published in June 2024.

For further information about the SA Water Regulatory Determination 2024: <https://www.escosa.sa.gov.au/projects-and-publications/projects/water/sa-water-regulatory-determination-2024>

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The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

Essential Services Commission

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