

DIRECTION TO THE SOUTH AUSTRALIAN WATER CORPORATION

PURSUANT TO SECTION 6 OF THE PUBLIC CORPORATIONS ACT 1993

Preamble:

1. Pursuant to section 6 of the *Public Corporations Act 1993* (*Public Corporations Act*), and sections 6 and 7(2)(f) of the *SA 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 Water and the River Murray (the Minister) by way of Gazettal notice dated 21 October 2011 (p 4289).
3. Part 9A of the *Water Industry Act 2012* (*Water Industry Act*) which commenced on 1 July 2016 provides a negotiate/arbitrate framework for third party access to water infrastructure or sewerage infrastructure and infrastructure services.
4. Part 9A applies in relation to operators of water infrastructure or sewerage infrastructure and infrastructure services to the extent that it is declared by proclamation to apply to:
 - a) specified water infrastructure or sewerage infrastructure, or a specified class of such infrastructure; or
 - b) specified infrastructure services or a specified class of such services.
5. By proclamation dated 16 June 2016, the Governor made a declaration in relation to the extent to which Part 9A applied to SA Water's water infrastructure and sewerage infrastructure and infrastructure services.
6. In accordance with Section 86P(1)(j) of the *Water Industry Act*, an arbitrator, to whom a dispute is referred pursuant to Part 2 of the *Water Industry Act*, must take into account any direction given to SA Water by its Minister under section 6 of the *Public Corporations Act* that is relevant to the arbitration.

Interpretation:

Avoidable costs means the costs that SA Water would otherwise incur in the provision of *retail services* to the *customer(s)* that SA Water could avoid in the long term if it completely ceased provision of the *retail service* to the *customer(s)*.

Customer(s) means the customer(s) to whom the proponent proposes to provide *retail services*, or alternatively is providing *retail services*, whether directly or indirectly.

Designated services means all infrastructure services using SA Water's infrastructure except SA Water's infrastructure that is used solely for the transportation of recycled water.

Retail-minus methodology means SA Water's retail fees and charges per *customer* calculated in accordance with the *state-wide price* for *retail services* minus SA

Water's *avoidable costs* for the *designated services*, plus any facilitation costs to provide the *designated services*.

Retail services has the meaning attributed to it under the *Water Industry Act*.

State wide price means the prices published from time to time in the South Australian Government Gazette that apply the Statewide Pricing Facility pursuant to a section 6 direction of the *Public Corporations Act*.

Water has the meaning attributed to it under the *Water Industry Act*.

Direction:

I, Ian Hunter, Minister for Water and the River Murray, direct SA Water to determine prices for access to *designated services* on the basis of a charge per *customer* calculated using a *retail-minus methodology* unless otherwise approved by me.



**IAN HUNTER
MINISTER FOR WATER AND THE RIVER MURRAY**

24 June 2016