



2026/27 Recycled Water Pricing Policy Statement

Introduction

The City of Charles Sturt operates as a licensed Minor Water Retailer, supplying alternative water to residential and non-residential customers within the Council's local government area.

This Recycled Water Pricing Statement outlines the methodology used by Council to set and develop pricing for its regulated water retail service.

Background

In 2013 the Water Industry Act (SA) 2012 and Water Retail Code introduced economic regulation to the water industry in South Australia 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 that industry.

The Essential Services Commission of South Australia issued the Price Determination for Minor and Intermediate Water Retailers which required Council, as a licenced minor water retailer, to consider each of the nine National Water Initiative pricing principles when determining and setting prices for regulated alternative water services and to publish these elements in a Pricing Policy Statement.

Description of Regulated Retail Services – Recycled Water Services

The City of Charles Sturt supplies recycled water derived from captured stormwater and native groundwater through its Managed Aquifer Recharge (MAR) system.

Recycled water is treated to a standard that is fit for its intended use and complies with relevant national and state regulatory requirements. As a minimum, the water meets the National Stormwater Guidelines contained within the Australian Guidelines for Water Recycling: Stormwater Harvesting and Reuse.

The City currently provides recycled water for the following purposes:

1. Dual reticulation services – residential uses, including garden watering, car washing and toilet flushing.
2. Private irrigation – for the irrigation of privately owned open spaces.
3. Public open space irrigation – for the irrigation of parks, reserves and sporting fields.

Pricing Policy

The City of Charles Sturt's pricing policy aims to achieve full cost recovery and support the long-term sustainability of its recycled water network. In setting prices, Council will consider factors including the cost of service delivery, the customer's willingness to pay, the pricing of other alternative water sources, and compliance with applicable service standards and regulatory requirements.



Pricing Changes – 2025/26 to 2026/27

The City of Charles Sturt is committed to delivering services in a financially sustainable manner.

Prior to January 2022, Council provided an interim water supply to residential customers in St Clair at a discounted SA Water rate. Since 2023/24, residential non-drinking water usage charges have been adjusted annually in line with CPI to support the ongoing sustainability of the recycled water network and progress toward long-term cost recovery.

For 2026/27, Council has applied a 3.7% increase to residential non-drinking water usage charges, landscape irrigation usage charges and the annual supply charge. This adjustment is consistent with CPI movements and supports Council's objective of maintaining a financially sustainable recycled water service while progressing towards long-term cost recovery.

The residential non-drinking water usage charge has increased from \$2.41 to \$2.50 per kilolitre. Landscape irrigation usage charges have increased from \$2.51 to \$2.60 per kilolitre for Plan A customers and from \$2.20 to \$2.28 per kilolitre for Plan B customers. The annual supply charge has increased from \$57 to \$59 per annum.

Council has reduced the cost of Cross-Connection Audit Inspections from \$170 to \$160, a decrease of approximately 6%, to reduce the financial burden on property owners who are required to arrange an audit.

The residential connection fee remains unchanged at \$900. Council increased this fee in 2023/24 to reflect increased contractor costs associated with new connections. The fee has remained stable since that time, as contractor pricing has not increased.

All prices are endorsed by Council annually and published in Council's Fees and Charges Register. The Register is available on Council's website. A summary of current fees and charges, including a comparison with the previous year, is provided in Appendix 1.

National Water Initiative Pricing Principles In Relation To 2024/25 Recycled Water Pricing Statement

1. Flexible regulation

The current regulatory framework and economic regulatory statements issued by ESCOSA provide a light handed and flexible regulatory approach to Minor and Intermediate Water Retailers during this regulatory period.

2. Cost allocation

The City of Charles Sturt uses financial analysis of the costs associated with supplying alternative water services across its customer base to ensure the economic viability of the alternative water service. Pricing comprises both a usage charge and access charge helping to ensure the long-term sustainability of the service while supporting a user-pays approach.

3. Water Usage Charge

All customer water usage is measured and charged using a volumetric meter reading.

4. Substitutes

The objective of the sale of recycled water is to achieve full cost recovery from direct user pay contributions. The price of alternate water products may be considered when reviewing charges for the sale of recycled water.



5. Differential Pricing

The City of Charles Sturt supplies alternative water for two purposes: fit-for-purpose recycled water through dual reticulation systems to residential properties, and alternative water for irrigation.

Pricing differs between these services to reflect variations in treatment requirements, delivery infrastructure, water quality, and reliability of supply. An alternative pricing arrangement also applies to commercial customers who use alternative water exclusively between 7:00 am and 7:00 pm (Plan B).

6. Integrated water resource planning

The role that recycled water plays within the water resources of the City of Charles Sturt has been considered when setting charges for both types of recycled water.

The City of Charles Sturt's Water Infrastructure Asset Management Plan takes an integrated approach to protecting and securing water resources through the incorporation of water-sensitive urban design in development areas and by identifying opportunities to utilise alternative water and improve water management.

7. Cost recovery

Prices should recover efficient, full direct costs with system-wide incremental costs as the lower limit and the lesser of stand-alone costs and willingness to pay as the upper limit.

Cost recovery principles are applied to the sale of recycled water where practicable. This is the fourth year that Council's recycled water system has been fully operational, and we are aiming to achieve full cost recovery and return on capital through incremental pricing increases and growth in sales volume.

8. Transparency

The City of Charles Sturt, as a regulated water retailer and local government entity, ensures compliance with pricing transparency in various ways:

- Proposed fee structures are reviewed and endorsed by Council prior to lodgement with the Essential Services Commission.
- Water service and usage charges are clearly identified within Council's published Fees and Charges Register, which is available on Council's website.
- By utilising approved, established procurement policies for direct user pays infrastructure augmentations and connections.

9. Gradual approach

Charles Sturt has adopted a gradual approach to reaching full cost recovery on water usage charges.

Prior to 2023/24, Council was providing a subsidy to residential customers while the final commissioning of the dual water network was undertaken. Now that the network is fully functional, alternative water usage charges are incrementally increased toward full cost recovery, allowing consumers to make informed decisions based on their alternative water usage patterns.



Appendix 1

City of Charles Sturt Recycled Water Pricing Schedule

Non-Drinking Water Retail Services	Unit	2025-26 \$	2026-27 \$	% Price Change
GENERAL FEES				
Connection Fee - single residential connection (no GST)		900.00	900.00	0.0%
Community Plan Connection Fee		Cost Recovery + 10%	Cost Recovery + 10%	-
Cross Connection Audit Inspections		170.00	160.00	-5.9%
SERVICE FEES & USAGE CHARGES				
Annual Supply Charge as required by legislation	per annum	57.00	59.00	3.5%
Landscape Irrigation Water Use - plan A on Demand	per kL	2.51	2.60	3.6%
Landscape Irrigation Water Use - Plan B between 7am and 7pm	per kL	2.20	2.28	3.6%
Residential Non-drinking Water Use	per kL	2.41	2.50	3.7%
CHARGES REFERENCED UNDER WATER SERVICE CHARTER				
Special Meter Reading		35.00	35.00	0.0%
Meter Test		145.00	145.00	0.0%
Restriction Action Fee (no GST)		Cost Recovery	Cost Recovery	-
Removal of Restriction Action (no GST)		Cost Recovery	Cost Recovery	-
Disconnection Fee (+GST)		Cost Recovery + 10%	Cost Recovery + 10%	-
Reconnection Fee		Cost Recovery + 10%	Cost Recovery + 10%	-
Damage to Council Infrastructure		Cost Recovery + 10%	Cost Recovery + 10%	-
Relocation of the Council's Infrastructure		Cost Recovery + 10%	Cost Recovery + 10%	-
Dishonoured and overdue payments		Cost Recovery	Cost Recovery	-