Pricing Principles for Community Wastewater Management System (CWMS) and Non-Drinking Water Services

2026/2027 Pricing Policy Statement

Introduction

Coorong District Council is a small-scale water industry entity (WIE) which is appropriately licensed to operate and provide the services of one (1) small-scale non-drinking water schemes and four (4) Community Wastewater Management Systems (CWMS) within the Coorong district.

This pricing Policy Statement sets out how Council has determined its costs and developed prices for its regulated CWMS and non-drinking water retail service.

Background

Economic regulation of retailers of water and sewage 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 licensed 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 its regulated water retail service.

The full cost of the service equates to a 'whole of life' approach to determine costs and includes:

- Operating and maintenance costs
- Capital renewal and upgrade
- Cost of capital
- Cost of risk

The following codes, principles and legislation shall be utilised by Council to determine pricing principles for non-drinking water and CWMS services it is licensed to provide:

- Section 155 of the Local Government Act 1999
- SA Water's Excluded & Recycled Water Retail Service – Price Determination (1 July 2024)
- National Water Initiative Pricing Principles
- Costing Principles for Local Government (Local Government Association, 2013)
- CWMS Accounting Principles – The cost and pricing of CWMS (April 2025)
- Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for CWMS (Local Government Association 2013)

Description of Regulated Retail Services

Council provides four (4) Community Wastewater Management Systems (CWMS) in the townships of Meningie, Tailem Bend, Tintinara and Wellington East and one (1) non-drinking water supply in the township of Peake.

Pricing

The pricing schedule for the 2026/2027 financial year (including a comparison with those of the 2025/2026 year) is provided in Appendix 1.

Council reviews its service charges annually as part of its pricing process. Those service charges for the provision of CWMS are set based on the accounting principles listed below.

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

- ***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 (i.e. establishing maximum prices and revenue caps to address problems arising from market power) should be employed where it will improve economic efficiency.

- ***Cost Allocation:*** When allocating cost, a beneficiary pays approach, typically including direct user pays contributions, should be the starting point, with specific costs shared across beneficiaries based on the scheme's drivers (and other characteristics of the recycled water/storm water reuse scheme).

- ***Water Usage Charge:*** Prices to contain a water usage (i.e. volumetric) charge based on a user-pays principle per kilolitre of no excess consumption charges.

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

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

- ***Integrated Water Resource Planning:*** Where appropriate, pricing should reflect the role of non-drinking water as part of an integrated water resource planning (IWRP) system.

- ***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 stand-alone 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. Direct costs include any joint/common costs that a scheme imposes, as well as separable capital, operating and administrative costs. This definition of direct costs does not include externalities and avoided costs.

- ***Transparency:*** Prices should be transparent, understandable to users and publicly available.

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

Appendix 1
2026/2027 Pricing Schedule
CWMS and Non-Drinking Water Services

	Unit of measurement	2026/27 ($/unit)	2025/26 ($/unit)
Sewerage & Trade Waste – Retail Services			
CWMS – all locations* (Annual Fee Per Property Unit)	Occupied connection	$780.00	$780.00
CWMS – all locations* (Annual Fee Per Property Unit)	Unoccupied connection	$749.00	$749.00
CWMS – Connection Fee (Once Off Fee)	New standard connection	$525.00	$525.00
Non-Drinking Water – Retail Services			
Non-drinking water supply – Peake	Connection	$399.00	$280.00
Non-drinking water supply – Peake	Kilolitre usage	$ 1.58	$ 1.47
Water meter – application fee	Fee	$ 31.00	$ 31.00
New water meter service	Fee	At cost	At cost
Existing water connection meter replacement/installation	Fee	$290.00	$290.00

* *Meningie, Tailem Bend, Tintinara and Wellington East*