



Community Wastewater Management Systems Pricing Policy Statement

The following information is provided to inform customers of Adelaide Hills Council Community Wastewater Management Systems (CWMS) of how the current prices have been developed and the rationale for price movements between the current and previous years pursuant with requirements of the Essential Services Commission of South Australia (ESCOSA).

Description of the regulated Retail Services currently offered, as specified on the Pricing Schedule

Council owns, operates and manages CWMS in the townships of Birdwood, Mount Torrens, Kersbrook, Woodside, Charleston, Verdun and a small section of Stirling on Golflinks Road. The CWMS provides for the collection, management and treatment of sewage wastewater generated in these townships.

To fund the provision of this service Council imposes an annual service charge to recover the cost to council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works). Council utilises differential pricing for vacant properties provided with a CWMS connection, applying a reduction in the annual service charge.

The CWMS connection fee represents a contribution by the owner, for any new additional CWMS connections, of their share of the capital cost of the scheme (i.e. new allotment and CWMS connections created by a land division process).

How the current pricing policies have been developed

Section 155 of the *Local Government Act 1999* provides that a council may impose, an annual service charge on land to which it provides, or makes available, a prescribed service. A “prescribed service” is defined to mean the collection, treatment or disposal (including by recycling) of waste, including wastewater. Section 155, therefore, entitles councils to recover the costs associated with the provision of CWMS services. CWMS charges are applied in accordance with the ‘*Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Service Charges for CWMS*’.

The current CWMS pricing has been developed to enable Council to achieve full cost recovery in accordance with the National Water Initiative Pricing Principles and ESCOSA’s Minor to Intermediate Retailer’s Price Determination.

The rationale for price movements between the 2020/2021 and 2021/2022 financial year

A detailed review and assessment of the cost of providing CWMS services in accordance with the guidelines set by ESCOSA has been completed. As a result of the review the methodologies for setting the CWMS connection fee and annual service charge for vacant properties, were amended to ensure compliance with ESCOSA’s requirements.

The review resulted in the CWMS annual service charge for vacant properties for 2021/22 remaining the same. In regard to occupied properties the review confirmed that the current charge was below

the levels as required by the National Water Initiative Pricing Principles and ESCOSA's requirements. As such the CWMS annual service charge for occupied properties has been increased by 1.5% in 2021/22.

CWMS Charges 21/22

Since the initial review of CWMS pricing, an independent consultant has been engaged annually to provide an assessment of Council's compliance with the guidelines set out by ESOSA and the National Water Initiative (NWI) Pricing Principles. This financial year the consultant concluded that Council's CWMS pricing for occupied premises is still below the levels required by ESCOSA and NWIPP, as such it is proposed to increase the CWMS service charge for occupied premises BY 1.5% For vacant properties the consultant recommended that the price should remain the same. The CWMS capital connection fee was traditionally increased by CPI each financial year which did not comply with the ESCOSA guidelines. The 2021 review recommended a more appropriate way to charge this fee was to use a system buy-in approach, where the owner of a newly created allotment pays a contribution amount equal to the net investment already made by existing users. This approach resulted in an increase in the CWMS connection fee for 2021/22. For the 21/22 financial year this approach has also used however Council has only proposed to increase the CWMS connection fee by 4%.

Pricing Schedule

The following fees apply to CWMS services provided by Council for the 2020/21 financial year. The fees for 2021/20 are provided for comparison purposes.

Fees	Unit of Measure	2020/21	2021/22	% change
CWMS Annual Service Charge – Occupied	per Property Unit	\$884	\$897	1.5%
CWMS Annual Service Charge – Vacant	per property	\$450	\$450	0
CWMS Capital Connection Fee	Per each additional CWMS connection	\$6,250	\$6,500	4%

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