Lightsview ReWater Supply Co Pty Ltd

2026 – 2027 Pricing Policy Statement

Recycled Water Services – Lightsview

Introduction

As part of the economic regulation of retailers of water and sewerage services in South Australia, on 28 June 2013 the Essential Services Commission of South Australia ('**ESCOSA**') released its final decision with respect to the economic regulation of minor and intermediate retailers. This includes a price determination to ensure that "all water retailers regardless of size and scale ensure that prices and revenues are sufficient to recover the prudent and efficient costs of providing those services." The pricing order issued by the South Australian Treasurer under the Water Industry Act 2012 (SA) ('**WI Act**') requires ESCOSA to adopt or apply the National Water Initiative ('**NWI**') pricing principles when making a price determination for retail services under the WI Act. The NWI pricing principles relate to cost recovery, pricing and transparency for drinking water, recycled water and storm water services.

Lightsview ReWater Supply Co Pty Ltd ('**Lightsview ReWater**') is a licensed intermediate sized retailer supplying recycled water at its Lightsview operations. It is therefore required to issue a Pricing Policy Statement that demonstrates how the NWI pricing principles have been applied in determining the costs and developing prices for its regulated retail services for recycled water service at Lightsview. This Pricing Policy Statement sets out how Lightsview ReWater is compliant with the requirements of the price determination and principles.

Description of Regulated Retail Service – Recycled Water Services at Lightsview

Lightsview ReWater is responsible for the lilac coloured pipe system delivering recycled water to the customers at Lightsview. The lilac pipe system is independent of the potable drinking water supply network and pipe system.

The recycled water service at Lightsview was designed to meet the requirements of the Government of South Australia's development plan approved for the Lightsview subdivision and surrounding areas. Lightsview ReWater was appointed as the successful utility service provider for Lightsview by the joint venture parties developing the Lightsview subdivision being Renewal SA and CIC in June 2012.

Customers include both residents at Lightsview who use the services for toilet flushing and garden irrigation and the precinct's developers PEET and Port Adelaide Enfield Council as the municipal council of the estate for the purpose of irrigation of the parks and gardens at Lightsview and surrounding reserves.

Lightsview ReWater supplies its residential customers at Lightsview under a standard water supply agreement pursuant to the WI Act that includes a two-part tariff comprising a water usage charge and an access charge. Lightsview ReWater has also entered into water supply contracts with Port Adelaide Enfield Council for the irrigation of the parks and reserves.

The recycled water supplied at Lightsview is sourced from storm-water runoff that is captured by the City of Salisbury and pumped to Lightsview. The recycled water is initially captured in wetlands and stored in underground aquifers before being treated and pumped to Lightsview where it receives further disinfection treatment and is then reticulated for use by customers. The recycled water supplied to Lightsview acts as a substitute for potable water (for limited uses as described above) and reduces demand on potable water sourced from the River Murray by providing a secure secondary source that can be used for gardening purposes even during times of potable water restrictions.

Lightsview ReWater Supply Co Pricing Policy

Lightsview ReWater has developed a pricing policy to govern recycled water services that ensures the long-term sustainability of supply of the service to retail customers that is compliant with National Water Initiative ('**NWI**') pricing principles.

Lightsview ReWater seeks to set prices that will recover the cost of providing the service to customers and meet the objective of ensuring the long-term sustainability of the Lightsview recycled water service while meeting the needs of customers by taking into account the following:

- A user pays system of matching prices to the associated costs commensurate with the provision of services provided.
- The affordability of the service for customers and acknowledging the existence of alternatives i.e. potable water.
- Compliance with service standards and regulatory requirements.
- Providing for the ongoing viability of the scheme to continue to operate the Lightsview recycled water service.
- Ensuring pricing is reflective of efficient resource allocation and encouraging responsible use of water resources.

In determining the appropriate pricing for the Lightsview recycled water service, Lightsview ReWater conducted detailed economic and financial analysis from the initial project analysis stage to ensure the economic viability of the Lightsview recycled water service. Pricing is an important component of this modelling and is reviewed on an annual basis to ensure that the various parameters that ensure sustainability are maintained.

Lightsview ReWater uses a two-part tariff comprising:

- Water Usage Charges
- Access Charges

Water Usage Charges

Lightsview ReWater is the retail supplier of recycled water services at Lightsview. The variable costs associated with the supply of the recycled water service are composed of the following components:

- The cost of bulk water supply for retail distribution and supply
- Electricity and pumping costs associated with distribution and supply of recycled water
- Chemicals and other treatment, disinfection and monitoring costs
- Various variable maintenance and contractor costs

Lightsview ReWater has therefore based its water usage charge on the principle of matching and recovery of the variable costs associated with the provision of recycled water services ensuring a sustainable recycled water supply service. This is consistent with the user pays approach and ensures efficient resource allocation while at the same time encouraging responsible use of water resources.

Access Charges

Lightsview ReWater also charges its retail customers an access charge acknowledging there are also fixed costs associated with the provision of a sustainable recycled water supply service that need to be recovered including:

- Provision of recycled water infrastructure, depreciation and provisioning for its replacement
- Compliance with regulatory requirements and service standards

- Wage and administrative costs associated with the fixed cost of providing services
- Management and overhead charges associated with fixed costs of providing services

Price Movements between 2025/26 and 2026/27

Water usage and access charges for residential customers at Lightsview have increased by 4.1650% in 2026/27. The increase was required to ensure the ongoing sustainability of recycled water services at Lightsview.

A copy of the pricing schedule for the 2026/27 year including a comparison with those of the 2025/26 year indicating the respective price movements is included at **Appendix 1**.

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

Lightsview ReWater is required to demonstrate that its pricing is consistent and compliant with the National Water Initiative ('**NWI**') Pricing Principles.

The following analysis provides an explanation as to how the Lightsview ReWater charges relating to provision of recycled water services complies with the relevant pricing principles.

NWI Principle 1: 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 (eg establishing maximum process and revenue caps to address problems arising from market power) should be employed where it will improve economic efficiency.

Recycled water revenue and recycled water services provided at Lightsview form part of Lightsview ReWater's licensed retail water services which comply with the ESCOSA regulatory regime for economic regulation of minor and intermediate services. By being able to demonstrate adherence to the use of pricing principles, small to intermediate water retailers such as Lightsview ReWater can retain responsibility for determination of their own prices providing for more efficient commercial based market pricing outcomes.

NWI Principle 2: Cost Allocation

When allocating cost, a beneficiary pays approach – typically including direct user pay 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).

In allocating costs, during its initial project appraisal, Lightsview ReWater has conducted detailed economic and financial analysis of the costs associated with the supply of the recycled water service across the customer base to ensure the economic viability of the Lightsview recycled water service based on pricing that comprises both a usage charge and access charge that provide for sustainability of the service and embracing a user pays approach.

NWI Principle 3: Water Usage Charge

Prices to contain a water usage (ie volumetric) charge.

As discussed above, Lightsview ReWater ensures that all customers are subject to a usage charge.

NWI Principle 4: Substitutes

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

Lightsview ReWater pricing is independent of that for potable water with the objective being to achieve full cost recovery. However, Lightsview ReWater is conscious that potable water can be a substitute for recycled water and therefore takes to account the affordability of the service for customers and acknowledges that alternatives e.g. potable water substitution could limit the attractiveness of demand for recycled water if prices are not

competitive with competing substitutes. To remain competitive, Lightsview ReWater ensures that its water usage charge is not higher than that of the second-tier potable water price as an upper price band and that the combination of the water usage charge and access charge are competitive with the equivalent charges for potable water.

NWI Principle 5: Differential Pricing

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

Lightsview ReWater adopts the principle of differential pricing for services that differ in quality or reliability in particular for any non-residential customers or commercial use. This is particularly the case where individual agreements are negotiated and are in place with customers for commercial use including the pumping of recycled water for longer distances or at different pressures or flow rates to accommodate the end user requirements and needs. The pricing in these instances will vary to reflect the associated differential cost arrangements.

NWI Principle 6: Integrated water resourcing planning

Where appropriate, pricing should reflect the role of recycled water as part of an integrated water resource planning (IWRP) system.

The recycled water service at Lightsview has been designed to meet the requirements of the Government of South Australia Development Plan approved for the Lightsview subdivision and surrounding areas. Lightsview ReWater has worked closely in cooperation with the joint venture parties (Renewal SA and PEET) developing Lightsview. The Government of South Australia plan includes the efficient conversion and use of urban infill land for ecologically sustainable housing and responsible use of water resources including substitution of water sourced from the River Murray. The recycled water services and associated pricing provided by Lightsview ReWater at Lightsview reflects the value of having an additional secure source of water for gardening and toilet flushing use even during times where statewide water restrictions on the use of potable water may be imposed.

NWI Principle 7: 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.

Lightsview ReWater provides recycled water services to its customer base at Lightsview. The charging of both usage charges and access charges ensures that full direct costs are recovered by usage charges while access charges also assist toward achieving full cost recovery across the project. Lightsview ReWater does not have the opportunity to cross subsidise pricing of this service across other services in different locations or across different customer groups at Lightsview. Costs are recovered across the entire retail customer base at Lightsview. To maintain a sustainable recycled water service at Lightsview, Lightsview ReWater's pricing policy directs that customers will pay the fully allocated costs over the long term.

NWI Principle 8: Transparency

Prices should be transparent, understandable to users and published to assist efficient choices.

Public communication on pricing is Lightsview ReWater's standard practice and policy. This includes information on standard prices being published on the Lightsview ReWater website (www.lightsviewrewater.com.au) which contains detailed information on pricing. Customers are provided with all relevant information at no charge. Where individual agreements have been negotiated with commercial customers, the agreements provide detailed information on pricing.

NWI Principle 9: Gradual Approach

Prices should be appropriate for adopting a strategy of gradualism to allow consumer education and time for the community to adopt.

Lightsview ReWater has been involved with the community at Lightsview since being appointed as the recycled water service provider from commencement of the process for connection of the initial residents to the recycled water network at Lightsview. Lightsview ReWater in cooperation with Renewal SA, PEET and the residents at Lightsview, has undertaken significant community consultation and public education regarding the benefits of the use of recycled water service within an ecologically sustainable housing estate such as Lightsview. This education program has included the responsible use of water resources and substitution of potable water sourced from the River Murray. This communication with both residents and the community has resulted in a better understanding and awareness of the benefits of use of recycled water and the Lightsview ReWater business model.

Appendix 1

Lightsview ReWater Supply Co Pty Ltd 2026 – 2027

Pricing Schedule Recycled Water Services – Lightsview

Non-Drinking Retail Service	Unit of Measurement	Previous Year 2025-26	Current Year 2026-27	Percentage Price Change
Lightsview Residential Customers				
Water Usage Charges	Price per k/L	$2.97	$3.09	4.1650%
Access Charges	Price per annum Price per quarter	$144.56 $36.14	$150.60 $37.65	4.1650%