



In June 2018 the Essential Services Commission released its final decision on Southern Rural Water’s price submission. The final decision completes our review of the maximum prices that Southern Rural Water may charge for its services for a five year regulatory period from 1 July 2018 to 30 June 2023.

We undertook this review under our new pricing framework that helps promote better value and outcomes for water customers. As part of this process, water businesses sent us submissions on their proposed prices and key outcomes. We assessed proposals against a legal framework established by the Victorian Government. We sought feedback from customers at multiple points throughout the price review process to inform our decision making in an open and consultative manner.

Snapshot

Bills	Tariffs	Consultation
<p>Depending on the district, irrigation customers could see bill movements ranging from 0% to an increase of 1.5% for 2018-19.</p> <p>Unregulated licence holders could see a bill reduction of 2.3% in 2018-19.</p>	<p>Southern Rural Water will make minor changes to some tariffs and reduce the number of tariffs overall.</p> <p>It plans to review and reform tariffs in the future and will consult with customers on this over the next five years.</p>	<p>Southern Rural Water developed new service standards and targets in consultation with its customer committees and will report to committee members annually on its performance.</p>
<p>Do you want to know the difference between bills and prices? For this and more information about our price review process and Southern Rural Water’s price submission, go to http://www.esc.vic.gov.au/waterpricereview</p>		



What are the changes to prices and tariffs?

Southern Rural Water will alter their tariff structures through a combination of:

- removing renewal fees for surface and groundwater licences
- reducing the cost of repeat transfers
- reducing or eliminating intensive management fees
- revising the tiered structure for groundwater application fees across all surface and groundwater applications
- combining tariffs into single transactions
- rationalisation of similar tariffs
- renaming tariffs
- removing redundant tariffs and notes.

The impact of these changes on bills will vary across customer groups and consumption levels.

Estimated average bill changes between 2017-18 and 2018-19 by service type and area are provided in the following table (excluding inflation). Annual bill movements

to 2022-23 will be subject to annual price adjustments:

Average bill changes for 2018-19 (excluding inflation)

<i>Irrigation</i>	
Macalister Irrigation District	0.0%
Werribee Irrigation District	0.0%
Bacchus Marsh Irrigation District	1.5%
Werribee Recycled Water	0.0%
Unregulated surface water	-2.3%
Unregulated groundwater	-2.3%
Applications	0.0%

What are the outcomes for customers?

As part of their price submission, water businesses developed a set of outcomes to guide service delivery during 2018 to 2023. Southern Rural Water proposed five outcomes with new measures and targets that it will use to monitor its performance against these outcomes.

Some of the ways Southern Rural Water plans to improve outcomes for customers are by proposing flat prices for most customers, improved processing time for customer transactions and facilitating trade of unused water.

It will report on its performance annually to customers, and in more detail with Customer Consultative Committees.





What are the major works that will go on around you?

(\$ million before inflation)

Project	Detail	Total
Macalister Irrigation District 2030 1B	This project covers the Southern-Tinamba supply zone, which includes some of the poorest channels and highest water losses in the district. This project aligns with the outcome to enable good practice irrigation as it will replace or upgrade approximately 80 kilometres of channels in the region.	38.0
Werribee Irrigation District modernisation	Similarly to the project above, this project will enable Southern Rural Water to provide good practice irrigation. This project will replace the leaking channels of the Werribee Irrigation District with pipelines. Southern Rural Water projects the project will save 5,000 megalitres of water.	12.0
Macalister Irrigation District 2030 2	Southern Rural Water will contribute \$12.1 million towards the final stage of modernisation under the Macalister Irrigation District 2030 strategy. This is a program of works to modernise the remaining areas of the district, including further outlet upgrades and rationalisation and other associated works.	12.1
Bacchus Marsh Irrigation District modernisation	Works include; new tank at Maddingley basin and upgrade of 2/2 pipeline; new pipeline to supply the district north of the Western Freeway; new gravity pipeline from Bacchus Marsh Diversion weir; and removing the channel through the town.	4.5

How much revenue is required from 2018 to 2023?*

Our final decision for Southern Rural Water allows operating expenditure of **\$109 million** and gross capital expenditure of **\$103 million** to provide their services to customers over the next five years. To fund this, Southern Rural Water requires **\$152 million in revenue**, a **decrease** from the \$157 million required during 2013 and 2018.

*The numbers in this section are in 2017-18 dollars.

Got a question?

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