



In June 2018 the Essential Services Commission released its final decision on Wannon Water’s price submission. The final decision completes our review of the maximum prices that Wannon 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	Tariff	Investment and Outcomes
<p>The typical residential owner occupier water bill for 2018-19 is estimated to be \$1,110 including inflation. This is a decrease of \$11, or 1.0% from \$1,121 in 2017-18.</p> <p>In 2022-23 the typical annual bill is forecast to be \$1,067 (before inflation).</p>	<p>On average prices will increase by less than inflation over 2018–23. Tariff structures will remain the same.</p>	<p>Wannon Water’s major investment will be to upgrade sewerage services in Warrnambool.</p> <p>It has new service levels and targets and will report to customers annually on its performance.</p>

Do you want to know the difference between bills and prices? For this and more information about our price review process and Wannon Water’s final decision, go to <http://www.esc.vic.gov.au/waterpricereview>



What are the changes to prices and tariffs?

Overall, Wannon Water’s residential and non-residential prices for its customers will **increase by less than inflation** over the period 2018–23.

Wannon will retain a two-part tariff structure for water services and non-residential sewerage services, with a fixed service charge and a variable component that depends on water use. For residential sewerage services, it will retain a fixed service charge only. Wannon will reduce its water tariffs from four to two groups and sewerage tariff from three groups to a single tariff. This will promote ease of understanding and provide signals about the efficient costs of providing services.

How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on factors such as the amount of water and services you use. Estimated bills are provided below.

Typical water and sewerage bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	146	\$1,110*	\$1,067
Residential (Tenant)	146	\$205*	\$205
Non-residential (Small)	80	\$1,085	\$1,034
Non-residential (Medium)	200	\$1,354	\$1,292

Bills are indicative. 2018-19 annual bills include inflation. 2022-23 annual bills will vary with inflation.

*Includes a rebate of \$56 in 2018-19.

What are the outcomes for customers?

As part of its price submission, Wannon Water consulted with customer to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation it identified seven outcomes along with activities and targets to measure its performance. Some of the ways Wannon Water plans to improve value for customers include expanding the ways customers can contact the corporation, improving the taste and smell of drinking water and upgrading Warrnambool’s sewerage infrastructure to support growth.





Service levels and targets will be similar to past years with some changes to Guaranteed Service Levels, including a new Guaranteed Service Level for sewer spills, increasing payment amounts of some existing Guaranteed Service Levels and extending the eligibility criteria of others.

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

(\$ million before inflation)

Project	Detail	Total
Warrnambool Water Reclamation Plant Augmentation	This project aligns with Wannon Water’s customer outcome of sewerage services that protect public health and the environment. It involves constructing an anaerobic digester and will help meet growing demand for sewerage services.	38.0
Warrnambool - Wangoom Rd water tower and pump station	This project aligns with Wannon Water’s customer outcome of safe and reliable water supplies and to manage new growth. It involves constructing a high-level water tower and pump station.	4.3
Hamilton - New Biosolids Drying Area	This project aligns with Wannon Water’s customer outcome of sewerage services that protect public health and the environment. It involves new drying beds at the Hamilton water reclamation plant.	3.5
Camperdown - Refurbish Camperdown Biosolids Facility	Also with an aim to provide sewerage services to protect public health and the environment, Wannon Water will replace and refurbish drying beds at the Camperdown sewerage treatment site.	2.8

How much revenue is required from 2018 to 2023?*

Our final decision for Wannon Water allows operating expenditure of **\$204 million** and gross capital expenditure of **\$142 million** to provide its services to customers over the next five years. To fund this, Wannon Water requires **\$331 million in revenue**, an **increase** from \$353 million during 2013 to 2018. This additional revenue will not increase prices in the next five years because of growth in population and the efficiencies Wannon Water plans to make.

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

Got a question?

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