

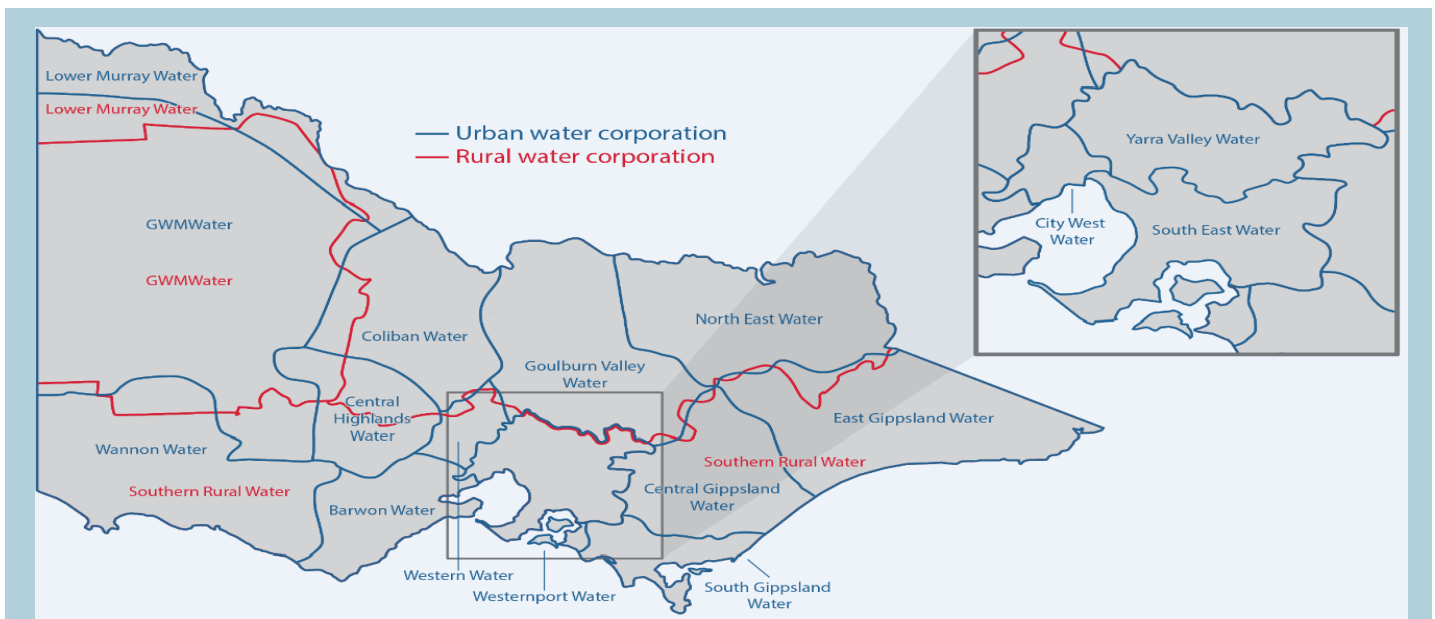
# 2018 water price review

Overview of final decisions

Customer fact sheet



## The Essential Services Commission has assessed the price proposals of 17 Victorian water corporations.



The final decisions complete our review of the maximum prices that 17 water corporations may charge for services. For most corporations these decisions will last for a five year regulatory period from 1 July 2018 to 30 June 2023.<sup>1</sup>

We undertook this review under our new pricing framework (PREMO) 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 legal frameworks established by 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.

### The process we followed



<sup>1</sup> South Gippsland Water and Western Water have two year periods. North East Water has an eight year period.





## Price submissions were informed by customers

Price submissions were informed by an unprecedented level of customer engagement by the water sector. In total, the 17 water corporations heard the views of over 150,000 customers on water services, prices and investment. They learned what was important to their customers and this helped to ensure that the price submissions were more highly informed by customer views than ever before.

## Some of the ways the corporations plan to improve value for customers



## A focus on services for customers

Informed by their engagement programs, the water corporations have committed to improving services in key areas. As well as continuing to invest in safe and reliable water and sewerage services, some of the ways the water corporations plans to improve outcomes are:

- improving the timeliness and quality of communication with customers
- increasing the ways customers can communicate and receive information from the business
- providing regional Victorians with better tasting and more reliable drinking water
- extending support for vulnerable customers
- upgrading water and sewerage networks to address population growth and climate change.



## Support for vulnerable customers

For the majority of water corporations, customers identified affordability and fairness among their priority concerns. Some of the ways the water corporations plan to respond includes:

- improving awareness about assistance they offer
- extending access to services and programs for customers experiencing difficulty paying their bills
- increasing support for financially vulnerable customers, including for those affected by family violence.

## Tariff structures will generally remain the same

Urban water corporations will continue to charge a fixed service charge and variable component that depends on water use. Many water corporations will rebalance the mix of these variable and fixed charges in response to feedback from customers. Other changes to tariffs include:

- City West Water and South East Water removing the third step in their inclining block tariff for residential water use
- City West Water, South East Water and Yarra Valley Water reducing the sewage disposal charge for residential customers. Only Melbourne metropolitan water corporations charge this fee
- Barwon Water and Westernport Water increasing the mix of the variable water usage charge
- Southern Rural Water simplifying tariffs by combining some existing charges and removing others.

## Prices across Victoria will generally remain steady, or even fall from 1 July

Most water customers will benefit from flat or falling water prices. In 2018-19, typical residential bills will fall or remain relatively steady for 13 water corporations, with the biggest declines for customers of South East Water (Melbourne's south eastern suburbs), GWMWater (Horsham), City West Water (Melbourne's CBD and western suburbs) and Coliban Water (Bendigo).

Over the five year period from 1 July 2018, customers of Goulburn Valley Water (Shepparton) will benefit from the largest reduction of around \$90 for a typical residential customer.

Customers of North East Water (Wodonga) will see small price increases of \$4 per year for a typical customer, but will still have some of the lowest water bills in Australia. Customers of Gippsland Water and Westernport Water will see a one-off bill increase in 2018–19, with typical bills rising with inflation over the next four years.





## What will happen to your bill?

Typical residential owner occupier water bills are based on the average consumption for households in that region and are presented in \$2018 – 19 terms

### Typical residential owner occupier water bills

	2017-18 (current)	2018-19 (from July 1 2018)	+ / - \$	+ / - %
Barwon Water	\$1,025	\$1,025	0	0.0%
Central Highlands Water	\$1,257	\$1,243	-\$14	-1.1%
City West Water	\$981	\$955	-\$26	-2.7%
Coliban Water	\$1,365	\$1,339	-\$26	-1.9%
East Gippsland Water	\$1,189	\$1,184	-\$5	-0.4%
Gippsland Water	\$1,314	\$1,334	+\$20	+1.5%
Goulburn Valley Water	\$938	\$919	-\$19	-2.0%
GWMWater	\$1,417	\$1,387	-\$30	-2.1%
Lower Murray Water (urban)	\$976	\$972	-\$3	-0.4%
North East Water	\$871	\$875	+\$4	+0.5%
South East Water	\$1,036	\$963	-\$73	-7.1%
South Gippsland Water	\$996	\$996	0	0.0%
Wannon Water	\$1,121	\$1,110	-\$11	-1.0%
Westernport Water	\$1,139	\$1,152	+\$13	+1.1%
Western Water	\$1,019	\$1,019	0	0.0%
Yarra Valley Water	\$1,079	\$1,059	-\$20	-1.9%

Calculation includes a rebate paid to customers in 2017 – 18 from a government efficiency review.

## Got a question?

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