

The Essential Services Commission

We are the independent economic regulator of the Victorian water industry. The Commission periodically assesses prices put forward by water businesses in a three to five year Water Plan.

Final decision prices 2013-2018

This fact sheet shows the indicative bills from our final decision. It outlines the effect of the price increases on residential customer bills. We approve the maximum prices that each water business can charge its customers in each year during the regulatory period.

The following tables provide an overview of increases to occur to average household bills on 1 July 2013. These increases are averages across each business and are indicative only.

Household bills

All of the water businesses have similar tariff structures, but prices vary depending on location and your water supplier. Household bills are composed of fixed and usage-based charges for both water and sewerage. Some water businesses have inclining block tariffs, which contain two or more variable prices that increase as their water use exceeds defined volumetric 'tiers'. All residential sewerage charges are fixed regardless of how much water a household uses.

- Tenants of rental properties are not responsible for fixed charges.
- Owner-occupiers are responsible for all of the above charges.
- Tenants whose premises are separately metered are responsible for water usage charges.
- Landlords are responsible for all service charges, water usage charges on unmetered premises and all sewerage charges in regional Victoria.

Table 1. Illustrative annual owner occupant bills (nominal and real) final decision

Water Business	Current bill	Bills based on businesses' proposals		Bills based on final decision	
		2013-14	2017-18	2013-14	2017-18
Central Highlands Water	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	1147	1276	1420	1189	1323
Real (excludes inflation)	1147	1245	1245	1160	1160

Note: Bills are calculated using businesses' reported average consumption.

For Central Highlands Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$176 (or 15.3%) over the next five years including inflation. Excluding inflation would mean a smaller increase in bills of \$13 (or 1.1%) over the five years. Table 1 shows the illustrative occupant bills with and without taking into account inflation.

Table 2. Illustrative annual tenant bills (nominal and real) final decision

Water Business	Current bill	Bills based on businesses' proposals		Bills based on final decision	
		2013-14	2017-18	2013-14	2017-18
Central Highlands Water	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	235	261	291	244	271
Real (excludes inflation)	235	255	255	238	238

Note: Bills are calculated using businesses' average consumption.

For Central Highlands Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$36 (or 15.3%) over the next five years including inflation. Excluding inflation would mean a smaller increase in bills of \$3 (or 1.1%) over the five years. Table 2 shows the illustrative occupant bills with and without taking into account inflation.

Illustrative bills (real and nominal) final decision based on volume of usage

Small household – 110 kL consumption per year

Table 3. Illustrative annual owner occupant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	1137	1265
Real	1110	1110

Nominal: Up \$128 or 11.5% over 4 years
Real: No change over 4 years.

Table 4. Illustrative tenant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	192	213
Real	187	187

Nominal: Up \$22 or 11.5% over 4 years
Real: Unchanged over 4 years.

Typical household – 165 kL consumption per year

Table 5. Illustrative annual owner occupant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	1242	1381
Real	1211	1211

Nominal: Up \$140 or 11.5% over 4 years
Real: No change over 4 years.

Table 6. Illustrative tenant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	296	329
Real	289	289

Nominal: Up \$33 or 11.5% over 4 years
Real: Unchanged over 4 years.

Large household – 220 kL consumption per year

Table 7. Illustrative annual owner occupant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	1326	1475
Real	1294	1294

Nominal: Up \$149 or 11.5% over 4 years
Real: No change over 4 years.

Table 8. Illustrative tenant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	381	423
Real	371	371

Nominal: Up \$43 or 11.5% over 4 years
Real: Unchanged over 4 years.

Very large water user – 300 kL consumption per year

Table 9. Illustrative annual owner occupant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	1420	1580
Real	1386	1386

Nominal: Up \$160 or 11.5% over 4 years
Real: No change over 4 years.

Table 10. Illustrative tenant bills (nominal and real) final decision

Water Business Central Highlands Water	Bills based on final decision	
	2013-14	2017-18
Nominal	475	528
Real	463	463

Nominal: Up \$53 or 11.5% over 4 years
Real: Unchanged over 4 years.

Prices

Based on our final decision, Central Highlands Water forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by Central Highlands Water in their Water Plans with our final decision.

Table 11. Cumulative price changes over the third regulatory period (percentage change) final decision

	2013-14	2014-15	2015-16	2016-17	2017-18
Submission	8.4%	8.4%	8.4%	8.4%	8.4%
Final Decision	1.1%	1.1%	1.1%	1.1%	1.1%