

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
Lower Murray Water (Urban)	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	774	829	1005	826	986
Real (excludes inflation)	774	809	881	805	864

For Lower Murray Water (urban) customers, owner occupier bills will increase inline with inflation. Bills will increase by \$212 (or 27.4%) over the next five years including inflation. Excluding inflation would also mean an increase in bills of \$91 (or 11.7%) over the five years. Table 1 shows the illustrative occupant bills with and without taking into account inflation.

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

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
Lower Murray Water (Urban)	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	174	201	244	200	239
Real (excludes inflation)	174	196	214	195	209

Note: Bills are calculated using businesses' average consumption.

For Lower Murray Water (urban) customers, owner occupier bills will increase inline with inflation. Bills will increase by \$65 (or 37.1%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$35 (or 20.2%) 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 Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	673	803
Real	656	704

Nominal: Up \$130 or 19.9% over 4 years

Real: Up \$48 or 7.3% over 4 years.

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	47	56
Real	46	50

Nominal: Up \$9 or 19.9% over 4 years

Real: Up \$3 or 7.3% over 4 years.

Typical household – 165 kL consumption per year

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	696	832
Real	679	729

Nominal: Up \$135 or 19.9% over 4 years

Real: Up \$50 or 7.3% over 4 years.

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	71	85
Real	69	74

Nominal: Up \$14 or 19.9% over 4 years

Real: Up \$5 or 7.3% over 4 years.

Large household – 220 kL consumption per year

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	720	860
Real	703	754

Nominal: Up \$140 or 19.9% over 4 years

Real: Up \$51 or 7.3% over 4 years.

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	95	113
Real	92	99

Nominal: Up \$18 or 19.9% over 4 years

Real: Up \$7 or 7.3% 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 Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	762	910
Real	744	798

Nominal: Up \$148 or 19.9% over 4 years

Real: Up \$54 or 7.3% over 4 years.

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

Water Business Lower Murray Water (Urban)	Bills based on final decision	
	2013-14	2017-18
Nominal	137	163
Real	133	143

Nominal: Up \$26 or 19.9% over 4 years

Real: Up \$10 or 7.3% over 4 years.

Prices

Based on our final decision, Lower Murray Water (urban) forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by Lower Murray Water (urban) 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	2.2%	4.4%	6.7%	9.0%	11.4%
Final Decision	1.8%	3.6%	5.4%	7.3%	9.2%