

### 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
<b>Wannon Water</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2017-18</b>	<b>2013-14</b>	<b>2017-18</b>
<b>Nominal (includes inflation)</b>	1163	1160	1290	1132	1259
<b>Real (excludes inflation)</b>	1163	1131	1131	1104	1104

For Wannon Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$97 (or 8.3%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$58 (or 5.0%) 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
<b>Wannon Water</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2017-18</b>	<b>2013-14</b>	<b>2017-18</b>
<b>Nominal (includes inflation)</b>	264	269	300	268	299
<b>Real (excludes inflation)</b>	264	263	263	262	262

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

For Wannon Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$35 (or 13.2%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$2 (or 0.7%) 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	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	1059	1178
Real	1033	1033

Nominal: Up \$119 or 11.5% over 4 years  
Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	196	218
Real	191	191

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	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	1164	1295
Real	1136	1136

Nominal: Up \$131 or 11.5% over 4 years  
Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	301	335
Real	293	293

Nominal: Up \$34 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	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	1277	1421
Real	1246	1246

Nominal: Up \$144 or 11.5.3% over 4years  
Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	413	460
Real	403	403

Nominal: Up \$46 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	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	1484	1651
Real	1448	1448

Nominal: Up \$167 or 11.5% over 4 years  
Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>Wannon Water</b>		
Nominal	620	690
Real	605	605

Nominal: Up \$70 or 11.5% over 4 years  
Real: Unchanged over 4 years.

**Prices**

Based on our final decision, Wannon Water forecast decreases in prices over the regulatory period. Table 11 compares the cumulative annual decrease in prices by Wannon Water in their Water Plans with our final decision.

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

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Submission	-3.4%	-3.4%	-3.4%	-3.4%	-3.4%
Final Decision	-5.9%	-5.9%	-5.9%	-5.9%	-5.9%