

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 2012-13	Bills based on businesses' proposals		Bills based on final decision	
		2013-14	2017-18	2013-14	2017-18
Barwon Water					
Nominal (includes inflation)	1049	1076	1203	1058	1103
Real (excludes inflation)	1049	1050	1055	1032	967

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

For Barwon customers, owner occupier bills will increase inline with inflation. Bills will increase by \$54 (or 5.1%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$82 (or 7.8%) 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 2012-13	Bills based on businesses' proposals		Bills based on final decision	
		2013-14	2017-18	2013-14	2017-18
Barwon Water					
Nominal (includes inflation)	338	347	387	341	355
Real (excludes inflation)	338	338	340	332	311

Note: Bills are calculated using businesses' average consumption.

For Barwon customers, owner tenant bills will increase inline with inflation. Bills will increase by \$17 (or 5.1%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$26 (or 7.8%) over the five years. Table 2 shows the illustrative tenant 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
Barwon Water		
Nominal	963	1004
Real	940	880

Nominal: Up \$41 or 4.3% over 4 years
 Real: Down \$59 or 6.3% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	246	256
Real	240	225

Nominal: Up \$10 or 4.3% over 4 years
 Real: Down \$15 or 6.3% over 4 years.

Typical household – 165 kL consumption per year

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	1086	1132
Real	1059	993

Nominal: Up \$46 or 4.3% over 4 years
 Real: Down \$67 or 6.3% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	368	384
Real	359	337

Nominal: Up \$16 or 4.3% over 4 years
 Real: Down \$23 or 6.3% over 4 years.

Large household – 220 kL consumption per year

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	1209	1260
Real	1179	1105

Nominal: Up \$51 or 4.3% over 4 years
 Real: Down \$74 or 6.3% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	491	512
Real	479	449

Nominal: Up \$21 or 4.3% over 54 years
 Real: Down \$30 or 6.3% 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	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	1387	1446
Real	1353	1268

Nominal: Up \$59 or 4.3% over 4 years
 Real: Down \$85 or 6.3% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Barwon Water		
Nominal	670	698
Real	654	612

Nominal: Up \$28 or 4.3% over 4 years
 Real: Down \$41 or 6.3% over 4 years.

Prices

Based on our final decision, Barwon Water forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by Barwon 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	0.2%	0.3%	0.4%	0.5%	0.7%
Final Decision	-1.5%	-3.1%	-4.6%	-6.1%	-7.6%