



In June 2018 the Essential Services Commission released its final decision on City West Water's price submission. The final decision completes our review of the maximum prices that City West Water may charge for its services for a five year regulatory period from 1 July 2018 to 30 June 2023.

We undertook this review under our new pricing framework 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 a legal framework established by the Victorian 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

Snapshot

Bills	Tariffs	Outcomes
<p>The typical annual residential owner occupier water bill for 2018-19 is estimated to be \$955 including inflation. This is a decrease of \$26 or 2.7% from \$981 in 2017-18.</p> <p>In 2022-23 the typical annual bill is forecast to be \$955 (before inflation).</p>	<p>For residential variable water charges, City West Water will reduce the three step residential water tariff to two steps.</p> <p>The variable sewage disposal charge will also reduce.</p>	<p>City West Water developed new service standards and targets and will report to customers annually on its performance.</p> <p>It has expanded its Guaranteed Service Level scheme.</p>

Do you want to know the difference between bills and prices? For this and more information about our price review process and City West Water's final decision, go to

<http://www.esc.vic.gov.au/waterpricereview>



What are the changes to prices and tariffs?

Overall prices for City West Water customers will **go down**. In addition, City West Water will change tariff structures including a:

- reduction in the number of price steps in the volumetric water charge for residential customers
- reduction in the volumetric fee on sewage disposal and trade waste

How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on factors such as the amount of water and services you use. Estimated bills are provided below.

Typical water and sewerage bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	150	\$955	\$955
Residential (Tenant)	150	\$467	\$467
Non-residential (Small)	100	\$1,203	\$1,203
Non-residential (Medium)	1,000	\$4,923	\$4,923
Non-residential (Large)	10,000	\$42,122	\$42,122

Bills are indicative. 2018-19 annual bills include inflation. 2022-23 annual bills will vary with inflation.

What are the outcomes for customers?

As part of its price submission, City West Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation, it identified six outcomes along with activities and targets to measure how it performs in delivering these outcomes.

Some of the ways City West Water plans to improve value for customers include live updates on works or service interruptions, extending the opening hours of its customer service centre and increasing support for customers experiencing financial hardship. Service levels for reliability and attending faults will be similar to past performance.

City West Water has new Guaranteed Service Levels relating to interruptions in water and sewerage services. It will increase payments to customers where existing service levels are not met.





What are the major works that will go on around you?

City West Water's capital program will involve:

- upgrading the Spencer Street and Lonsdale Street sewers to support the strong growth in residential and retail development over the past decade, which is expected to continue
- constructing new water and sewer systems to cater to growing greenfield suburbs
- water supply and alternative water supply projects in Greek Hill, a new City West Water supply zone, which will support the delivery of clean, reliable water to Melbourne's growing western suburbs
- improving its billing system and associated supporting IT infrastructure to provide the online service options customers expect.

City West Water's top 10 major projects will improve a range of services (including drinking water, sewer mains and recycled water networks) for Greek Hill, West Werribee and Tarneit, as well as for the inner city.

How much revenue is required from 2018 to 2023?*

Our final decision for City West Water allows operating expenditure of **\$2,355 million** and gross capital expenditure of **\$526 million** to provide its services to customers over the next five years. To fund this, City West Water requires **\$3,191 million in revenue**, a **decrease** from the \$3,223 million required during 2013 to 2018.

This reduced revenue is contributing to the 2018-19 price decrease and then the four years of prices rise at inflation.

*The numbers in this section are in 2017-18 dollars.

Got a question?

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