



In June 2018 the Essential Services Commission released its final decision on Coliban Water's price submission. The final decision completes our review of the maximum prices that Coliban 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 annual residential owner occupier water bill for 2018-19 is estimated to be \$1,339 including inflation. This is a <b>decrease</b> of <b>\$26</b>, or <b>1.9%</b> from \$1,365 in 2017-18.</p> <p>In 2022-23 the typical annual bill is forecast to be \$1,276 (before inflation).</p>	<p>Most prices will reduce on average, by 1.3% before inflation, each year over the next five years.</p> <p>Some tariffs will change.</p>	<p>Coliban Water developed new service standards and targets and will report to customers annually on its performance.</p> <p>It increased the number of Guaranteed Service Levels, with some leading to community rebates if service levels are not met.</p>
<p>Do you want to know the difference between bills and prices? For this and more information about our price review process and Coliban Water's final decision, go to <a href="http://www.esc.vic.gov.au/waterpricereview">http://www.esc.vic.gov.au/waterpricereview</a></p>		



## What are the changes to prices and tariffs?

Coliban Water's prices for its residential and non-residential customers will **go down** (before inflation).

Most prices will reduce on average by 1.3% before inflation each year over the next five years, with some exceptions including the northern pricing zones to continue a move to a uniform variable water price for all customers.

Coliban Water will continue with a two-part tariff structure for residential and non-residential water services. It will maintain a fixed service charge and a variable usage component that depends on water use. For sewerage services, residential sewerage customers will continue to be charged a fixed service charge only, with a fixed and variable charge applying to non-residential customers.

Some tariffs will change, including removal of the residential recycled water access charge, reduction in the number of irrigation outlet fees to a single price per outlet, introduction of a fast-track tariff for developers seeking faster processing time, and implementation of two new re-work fees for revisions developers make to initial plans or when they require a site reinspection.

## 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)	188	\$1,339	\$1,276
Residential (Tenant)	188	\$424	\$404
Non-residential (Small)	60	\$1,050	\$1,001
Non-residential (Medium)	188	\$1,339	\$1,276

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, Coliban Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation it identified five outcomes along with activities and targets to measure how it performs in delivering these outcomes.





Some of the ways Coliban Water plans to improve value for customers includes increasing its support for customers who have difficulty paying bills, investing in water quality improvements for a number of towns and increasing the ways customers can exchange information with the business.

Coliban Water will increase the number of Guaranteed Service Levels from 4 to 18, including 4 with rebates payable to the community when Guaranteed Service Levels are not met. Service standards for reliability and attending faults will be similar to past performance.

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

(\$ million before inflation)

Project	Detail	Total
Western Bendigo region water network augmentation	This project will involve the duplication and upsizing of several mains in that rapidly expanding region. This project will assist to achieve service levels and provide additional flows and pressures.	13.3
Bendigo water reclamation plant sludge processing upgrades	This project will increase the capacity of the sludge handling system. This will address major operational issues and ensure Environment Protection Authority Victoria licence compliance.	11.1
Strathfieldsaye water network augmentation	This project will augment the Strathfieldsaye region water network to provide additional flows and maintain service by constructing a new water main to that growing region.	9.1
Kyneton water reclamation plant lagoon compliance works	This project will involve compliance works at the Kyneton Water Reclamation Plant to manage current flows and loads from industrial customers to ensure ongoing compliance with EPA requirements.	6.8

## How much revenue is required from 2018 to 2023?\*

Our final decision for Coliban Water allows for operating expenditure of **\$335 million** and gross capital expenditure of **\$197 million** to provide its services to customers over the next five years, which includes \$51 million to fund privately operated major treatment plants. To fund this, Coliban Water requires **\$606 million in revenue**, an **increase** from \$554 million during 2013 to 2018.





This additional revenue will not increase prices in the next five years because of growth in population and the efficiencies Coliban Water plans to make.

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

## **Got a question?**

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