

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
Coliban Water	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	1003	1181	1479	1181	1365
Real (excludes inflation)	1003	1153	1297	1153	1197

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

For Coliban Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$361 (or 36.0%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$193 (or 19.3%) 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	Bills based on businesses' proposals		Bills based on final decision	
		2013-14	2017-18	2013-14	2017-18
Coliban Water	2012-13	2013-14	2017-18	2013-14	2017-18
Nominal (includes inflation)	328	355	444	355	410
Real (excludes inflation)	328	346	390	346	359

Note: Bills are calculated using businesses' average consumption.

For Coliban Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$82 (or 24.8%) over the next five years including inflation. Excluding inflation would mean a smaller increase in bills of \$31 (or 9.5%) 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
Coliban Water		
Nominal	1063	1228
Real	1037	1076

Nominal: Up \$165 or 15.9% over 4 years
 Real: Up \$39 or 3.9% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Coliban Water		
Nominal	236	273
Real	230	239

Nominal: Up \$37 or 15.8% over 4 years
 Real: Up \$9 or 3.8% 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
Coliban Water		
Nominal	1181	1365
Real	1152	1196

Nominal: Up \$184 or 15.9% over 4 years
 Real: Up \$44 or 3.9% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Coliban Water		
Nominal	355	410
Real	346	360

Nominal: Up \$55 or 15.9% over 4 years
 Real: Up \$13 or 3.9% 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
Coliban Water		
Nominal	1299	1501
Real	1267	1316

Nominal: Up \$202 or 4.3% over 4 years
 Real: Up \$49 or 3.9% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Coliban Water		
Nominal	472	546
Real	461	479

Nominal: Up \$74 or 15.9% over 4 years
 Real: Up \$18 or 3.8% 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
Coliban Water		
Nominal	1471	1699
Real	1435	1489

Nominal: Up \$228 or 15.9% over 4 years
 Real: Up \$56 or 3.9% over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
Coliban Water		
Nominal	644	744
Real	628	652

Nominal: Up \$100 or 15.9% over 4 years
 Real: Up \$24 or 3.9% over 4 years.

Prices

Based on our final decision, Coliban Water forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by Coliban 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	11.2%	15.7%	19.9%	24.1%	28.3%
Final Decision	7.8%	11.9%	14.1%	15.1%	16.0%