

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.

Draft decision prices 2013-2018

This fact sheet shows the indicative bills from our draft decision. The draft decision prices are subject to consultation and will change based on our final decision in June. We approve the maximum prices that each water business can charge its customers in each year during the regulatory period.

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. All water businesses have inclining block tariffs, with three variable prices that increase as their water use exceeds defined volumetric 'tiers'. Fixed charges are the same 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 are responsible for water usage charges and sewerage disposal charge.
- Landlords are responsible for all service charges and water usage charges on unmetered premises.

Customer support

- The Commission continues to emphasise the importance of water retailers ensuring customers experiencing hardship receive assistance and treated fairly.
- The water retailers, Victorian Government and Commonwealth Government provide a range of programs to assist customers experiencing financial hardship.
- In the draft decision, the Commission proposes to allow an additional \$5 million for the metropolitan retailers - City West Water (\$1 million), South East Water and Yarra Valley Water (\$2 million each) to assist low income and vulnerable customers in managing the impact of the proposed price increases.
- We will monitor the implementation of measures to assist customers experiencing hardship and report on our findings in our annual performance reports.

Table 1. Illustrative annual owner occupant bills (\$2012-13) draft decision

Water Business	Current bill 2012-13	Bills based on businesses' proposals		Bills based on draft decision	
		2013-14	2017-18	2013-14	2017-18
CWW	844	1 085	1 085	989	989
SEW	858	1 160	1 160	1 071	1 071
YVW	970	1 301	1 301	1 204	1 204
WW	991	1 053	1 356	998	1 033

Note: Bills are calculated using businesses' reported average consumption. Bills shown for Yarra Valley Water are indicative because the business has proposed a revenue cap form of control. Therefore prices may change slightly during the regulatory period. Illustrative bills are based on average consumption of: CWW (149kL per annum), SEW (148kL per annum), YVW (161kL per annum) and WW (189kL per annum).

Table 2. Illustrative annual tenant bills (\$2012-13) draft decision

Water Business	Current bill 2012-13	Bills based on businesses' proposals		Bills based on draft decision	
		2013-14	2017-18	2013-14	2017-18
CWW	457	595	595	542	542
SEW	440	618	618	571	571
YVW	528	727	727	672	672
WW	280	305	436	289	328

Note: Bills are calculated using businesses' average consumption. Bills shown for Yarra Valley Water are indicative because the business has proposed a revenue cap form of control. Therefore prices may change slightly during the regulatory period. Illustrative bills are based on average consumption of: CWW (149kL per annum), SEW (148kL per annum), YVW (161kL per annum) and WW (189kL per annum).

Illustrative annual owner occupant bills (\$2012-13) draft decision

Small household – 110 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	844	844
South East Water	916	916
Yarra Valley Water	988	988

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
Western Water	867	870	874	879	884

Typical household – 165 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	1 052	1 052
South East Water	1 140	1 140
Yarra Valley Water	1 221	1 221

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
Western Water	955	961	968	976	984

Large household – 220 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	1 273	1 273
South East Water	1 375	1 375
Yarra Valley Water	1 471	1 471

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
Western Water	1 053	1 063	1 073	1 084	1 096

Very large water user – 300 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	1 634	1 634
South East Water	1 740	1 740
Yarra Valley Water	1 844	1 844

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
Western Water	1 255	1 271	1 288	1 306	1 325

Illustrative annual tenant bills (\$2012-13) draft decision

Small household – 110 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	397	397
South East Water	416	416
Yarra Valley Water	457	457

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
	Western Water	157	162	167	173

Typical household – 165 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	605	605
South East Water	640	640
Yarra Valley Water	690	690

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
	Western Water	246	253	262	270

Large household – 220 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	826	826
South East Water	874	874
Yarra Valley Water	939	939

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
	Western Water	344	355	366	378

Very large water user – 300 kL consumption per year

Water Business	Owner occupant bills	
	2013-14	2017-18
City West Water	1 187	1 187
South East Water	1 240	1 240
Yarra Valley Water	1 312	1 312

Water Business	2013-14	2014-15	2015-16	2016-17	2017-18
	Western Water	545	563	581	600

Prices

Based on our draft decision, all metropolitan water businesses forecast increases in prices over the regulatory period. Table 3 compares the average annual increase in prices by each of the metropolitan water business in their Water Plans with our draft decision.

Price path

Three retail water businesses (City West Water, South East Water and Yarra Valley Water) proposed one-off increases in their water and sewerage prices in the first year, followed by no real increase over the remainder of the regulatory period. In contrast, Western Water proposed gradual increases in price of around 6 per cent each year. The business prices may change based on our draft decision.

Table 3. Average price changes over the third regulatory period (percentage change) draft decision

	Proposed by business	Draft Decision	Difference
City West Water	31.7	20.6	-11.1
South East Water	34.9	24.8	-10.1
Yarra Valley Water	35.8	25.8	-10.1
Western Water	35.6	5.9	-29.8

Next stage of the process

Businesses and customers are invited to participate in the review by attending public meetings, or making written submissions. Public feedback is an important part of the review. We will use your submissions to inform of our final decision.

How to get involved

We invite the public to comment on our draft decision until 20 May 2013. Public forums will be held in April and May. Written submissions can be sent by email to water@esc.vic.gov.au or posted to Water Price Review, Essential Services Commission, Level 37, 2 Lonsdale Street, Melbourne 3000. More information, including material from past price reviews can be found on the Commission's website www.esc.vic.gov.au.