

Water consumption drops as bills rise

15 December 2011

Water

Victorians' household water consumption fell further in 2010-11 while prices continued to rise across the state, according to a report issued today by the independent water regulator, the Essential Services Commission (ESC).

The Commission report on Victoria's 16 urban water businesses found that average household consumption across Victoria fell from 152 kilolitres (kL) in 2009-10 to 143 kL in 2010-11 while double-digit increases in household bills were restricted to customers of metropolitan Melbourne and Bendigo-based Coliban Water.

Customers of Yarra Valley Water received the highest increase (17.6 per cent) in average household water and sewerage bills, while those of Coliban Water had the highest (12.7 per cent) increase in regional Victoria.

Household water bills have increased since 2008-09 as water businesses invested in major capital projects to increase water security during drought periods and upgrade sewerage infrastructure and water treatment plants.

The report found that average annual household consumption in the Melbourne metropolitan area fell from 142 kL to 138 kL in 2010-11 and more significantly, fell sharply in regional Victoria, from 180 kL to 157 kL during a year of higher rainfall.

For the same year, the Commission's Water Performance Report found that average household water and sewerage bills for owner-occupiers ranged from \$662 to \$1098 for the urban water businesses

operating in Victoria.

Households in the Goulburn Valley water service area registered the lowest average annual household bills of \$662, below those of City West Water (\$687) and Lower Murray Water (\$691).

Victoria's highest average household water and sewerage bills were issued by Gippsland Water (\$1098), followed by Central Highlands Water (\$1007) and Grampians Wimmera Mallee Water (GWM Water), (\$947).

While average household bills in metropolitan Melbourne rose between 15.1 and 17.6 per cent in 2010-11, some areas of regional Victoria experienced bill increases of less than five per cent, through significantly lower consumption levels.

Households serviced by Lower Murray Water actually recorded a 3.9 per cent decrease in their annual average household bills, while domestic customers in the GWM Water, Goulburn Valley, North-East, South Gippsland and Gippsland regions recorded annual bill increases of less than five per cent.

ESC Chairperson Dr Ron Ben-David said the range of household bills could be attributed to a number of factors, including the cost to service different regions, customer density, sources of water and usage.

In its 2010-11 Water Performance Report, the Commission tracked a range of indicators submitted by the businesses, including service and water quality standards, average annual household water consumption and average household water bills.

The report also recorded the level of supply restrictions imposed by water businesses on customers who did not pay their water bills.

In 2010-11, a total 2068 domestic customers (including 359 customers on concession) and 37 non-domestic customers had their water supply restricted for non-payment of water bills. This was a significant decrease on 2009-10, when 3236 domestic customers and 70 non-domestic customers were restricted for non-payment.

Westernport Water had the highest rate of restrictions, with 0.63 restrictions per 100 domestic customers and 0.35 restrictions per 100 non-domestic customers. Legal action was taken against 771

customers across Victoria in 2010-11 for non-payment of water bills – 23 fewer than for the previous year.

Water businesses approved 12,141 hardship grants in 2010-11, up from 11,244 the previous year. Yarra Valley Water had the most extensive hardship grant scheme, accounting for 83 per cent of the total number of grants approved, at an average value of \$88.

To assist water customers in financial hardship, the Commission has moved to strengthen its Guaranteed Service Level (GSL) scheme, to increase the water businesses' incentives to adequately address payment difficulties experienced by customers facing higher water bills.

The scheme operates as a virtual 'safety net' to protect customers in hardship in the event of potential action by water businesses to restrict supply or take legal action for unpaid water bills.

Dr Ben-David said all urban water businesses were operating within the Victoria-wide customer service code for water users, which included provisions for customers in financial hardship.

“Water businesses are encouraged to act early and work closely with customers who are unable to pay their water bills, including through the identification and establishment of a financial hardship plan,” he said

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