

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	
		2012-13	2013-14	2017-18	2013-14
GMMWater					
Nominal (includes inflation)	1168	1234	1509	1223	1360
Real (excludes inflation)	1168	1204	1323	1193	1193

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

For GMMWater customers, owner occupier bills will increase inline with inflation. Bills will increase by \$193 (or 16.5%) over the next five years including inflation. Excluding inflation would also increase bills by \$25 (or 2.2%) 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	
		2012-13	2013-14	2017-18	2013-14
GMMWater					
Nominal (includes inflation)	321	339	414	336	373
Real (excludes inflation)	321	330	363	328	328

Note: Bills are calculated using businesses' average consumption.

For GMMWater customers, owner occupier bills will increase inline with inflation. Bills will increase by \$53 (or 16.5%) over the next five years including inflation. Excluding inflation would mean a smaller increase in bills of \$7 (or 2.2%) over the five years. Table 2 shows the illustrative occupant bills with and without taking into account inflation.

* GMM Water: Grampians Wimmera Water

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
GMMWater		
Nominal	1064	1184
Real	1038	1038

Nominal: Up \$120 or 11.5% over 4 years
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
GMMWater		
Nominal	178	198
Real	173	173

Nominal: Up \$20 or 11.5% over 4 years
 Real: Unchanged 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
GMMWater		
Nominal	1153	1283
Real	1125	1125

Nominal: Up \$130 or 11.5% over 4 years
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
GMMWater		
Nominal	267	296
Real	260	260

Nominal: Up \$30 or 11.5% over 4 years
 Real: Unchanged 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
GMMWater		
Nominal	1242	1382
Real	1212	1212

Nominal: Up \$140 or 11.5% over 4 years
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
GMMWater		
Nominal	355	395
Real	347	347

Nominal: Up \$40 or 11.5% over 4 years
 Real: Unchanged 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
GMMWater		
Nominal	1371	1525
Real	1338	1338

Nominal: Up \$154 or 11.5% over 4 years
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
GMMWater		
Nominal	485	539
Real	473	473

Nominal: Up \$54 or 11.5% over 4 years
 Real: Unchanged over 4 years.

Prices

Based on our final decision, GMMW forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by GMMWater 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	2.8%	5.1%	7.7%	10.0%	12.4%
Final Decision	1.9%	2.5%	2.9%	3.0%	3.1%