

### 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
<b>Goulburn Valley Water</b>					
<b>Nominal (includes inflation)</b>	819	860	1056	833	917
<b>Real (excludes inflation)</b>	819	839	926	813	804

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

For Goulburn Valley Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$98 (or 12.0%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$14 (or 1.8%) 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
<b>Goulburn Valley Water</b>					
<b>Nominal (includes inflation)</b>	248	261	319	255	283
<b>Real (excludes inflation)</b>	248	254	280	248	248

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

For Goulburn Valley Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$35 (or 14.0%) over the next five years including inflation. Excluding inflation would mean unchanged bills 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 Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	698	767
Real	681	673

Nominal: Up \$69 or 10.1% over 4 years  
Real: Down \$8 or 1.2% over 4 years.

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

Water Business Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	120	133
Real	117	117

Nominal: Up \$13 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 Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	758	834
Real	740	731

Nominal: Up \$76 or 10.2% over 4 years  
Real: Down \$8 or 1.1% over 4 years.

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

Water Business Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	180	200
Real	175	175

Nominal: Up \$20 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 Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	818	901
Real	798	790

Nominal: Up \$82 or 10.3% over 4 years  
Real: Down \$8 or 1.1% over 4 years.

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

Water Business Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	240	267
Real	234	234

Nominal: Up \$27 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 Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	905	998
Real	883	875

Nominal: Up \$92 or 10.4% over 4 years  
Real: Down \$8 or 0.9% over 4 years.

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

Water Business Goulburn Valley Water	Bills based on final decision	
	2013-14	2017-18
Nominal	327	364
Real	319	319

Nominal: Up \$37 or 11.5% over 4 years  
Real: Unchanged over 4 years.

### Prices

Based on our final decision, Goulburn Valley Water forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by Goulburn Valley Water in their Water Plans with our final decision.

**Table 11. Cumulative price changes over the third regulatory period (percentage change) final decision**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Submission	2.4%	4.8%	7.3%	9.9%	12.6%
Final Decision	-0.5%	-0.7%	-0.9%	-1.1%	-1.2%