



In June 2018 the Essential Services Commission released its final decision on Barwon Water’s price submission. The final decision completes our review of the maximum prices that Barwon Water may charge for its services for a five year regulatory period from 1 July 2018 to 30 June 2023.

We undertook this review under our new pricing framework that helps promote better value and outcomes for water customers. As part of this process, water businesses sent us submissions on their proposed prices and key outcomes. We assessed proposals against a legal framework established by the Victorian Government. We sought feedback from customers at multiple points throughout the price review process to inform our decision making in an open and consultative manner.

Snapshot

Bills	Tariffs	Outcomes
<p>The typical annual residential owner occupier water bill for 2018-19 is estimated to be \$1,025 including inflation.</p> <p>In 2022-23 the typical annual bill is forecast to be \$1,038 (before inflation).</p>	<p>Over 2018 to 2023, Barwon Water will reduce its fixed water service charge relative to its water volume charge to provide residential customers greater control over bills.</p>	<p>Barwon Water has developed new service standards and targets and will report to customers annually on its performance.</p> <p>Barwon Water proposes to return money to customers if it does not meet its performance targets.</p>

Do you want to know the difference between bills and prices? For this and more information about our price review process and Barwon Water’s final decision, go to <http://www.esc.vic.gov.au/waterpricereview>



What are the changes to prices and tariffs?

Overall prices for Barwon Water customers will **go down**. Barwon Water will hold non-residential prices at inflation and change its residential tariffs (not including inflation) through a combination of:

- reducing the water volume charge by 16.6 per cent in 2018-19, then gradually increase it over the following four years by 3 per cent per annum.
- reducing the fixed water service charge by 28 per cent over the next five years
- maintaining the sewerage service charge at the same level for the next five years
- introducing a Transitional Rebate Adjustment scheme for tenants.

How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on factors such as the amount of water and services you use. Estimated bills are provided below.

Typical water and sewerage bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	160	\$1,025	\$1,038
Residential (Tenant)*	160	\$287	\$300
Non-residential (Small)	300	\$1,752	\$1,662
Non-residential (Medium)	3,000	\$12,875	\$12,377
Non-residential (Large)	50,000	\$206,494	\$198,885

Bills are indicative. 2018-19 annual bills include inflation. 2022-23 annual bills will vary with inflation.

*Includes tenant rebate of \$20 in 2018-19 and \$43 in 2022-23.

What are the outcomes for customers?

As part of its price submission, Barwon Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation it identified five outcomes along with activities and targets to monitor how it performs in delivering these outcomes.

Some of the ways Barwon Water plans to improve value for customers include more timely notice of water supply interruptions by SMS, programs to help customers use water more efficiently and increasing support for financially vulnerable customers. Barwon Water will reduce the fixed component of residential bills, and gradually increase the variable component, in response to feedback that customers want greater control over their bills.





Barwon Water has introduced new service standards and higher targets. It will report to customer annually on its performance and to improve accountability to customers it has a payment incentive scheme that will see it pass money back to customers where it does not meet targets.

What are the major works that will go on around you?

(\$ million before inflation)

Project	Detail	Total
Property Realisation (Scenic Rd Highton)	This project will improve Barwon Water's operational efficiency by rehabilitating, and preparing for sale, properties it no longer uses.	12.9
Colac Pipeline Upgrade	To deliver on Barwon Water's aim to deliver reliable and secure water, Barwon Water will upgrade the Colac pipeline.	6.3
Colac Water Treatment Plant Clear Water Storage Upgrade	This project will increase the capacity of existing water storage at the Colac Water Treatment Plant.	6.1
Gellibrand Water Treatment Plant Upgrade	This project will improve quality of the water produced at the Gellibrand Water Treatment Plant and improve reliability of the plant.	5.1

How much revenue is required from 2018 to 2023?*

Our final decision for Barwon Water allows operating expenditure of **\$483 million** and gross capital expenditure of **\$346 million** to provide its services to customers over the next five years. To fund this, Barwon Water requires **\$973 million in revenue**, an **increase** from the \$965 million required during 2013 to 2018.

This additional revenue will not increase prices in the next five years because of growth in population and the efficiencies Barwon Water plans to make.

*The numbers in this section are in 2017-18 dollars.

Got a question?

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