

# Lower Murray Water – Urban



2018 water price review | Final decision

Customer fact sheet

Victoria's In June 2018 the Essential Services Commission released its final decision on Lower Murray Water's price submission. The final decision completes our review of the maximum prices that Lower Murray 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.

## Key facts

Bills	Tariffs	Outcomes
<p>The typical annual residential owner occupier water bill for 2018-19 is estimated to be \$972 including inflation. This is a <b>decrease of \$3 or 0.4%</b> from \$976 in 2017-18.</p> <p>In 2022-23 the typical annual bill is forecast to be \$959 (before inflation).</p>	<p>Overall prices will reduce by 0.4% before inflation each year until 2022-23.</p> <p>Lower Murray Water will not make any changes to the existing urban tariff structures.</p>	<p>Lower Murray Water consulted with customers to develop new services, some new service targets and a higher Guaranteed Service Level payment for some sewer spills.</p> <p>Lower Murray Water will report to customers on how it performs these services.</p>

Do you want to know the difference between bills and prices? For this and more information about our price review process and Lower Murray Water's final decision submission, go to

<http://www.esc.vic.gov.au/waterpricereview>





## What are the changes to prices and tariffs?

Overall prices for Lower Murray Water’s urban customers will **go down** (before inflation). The decreases occur through:

- reductions in fixed and variable water charges
- reductions in fixed sewerage charges
- reductions to trade waste charges.

For urban water customers, Lower Murray Water will retain a two-part tariff structure for residential and non-residential customers, comprising a fixed service charge and a variable component that depends on water use. The residential variable component includes an inclining block structure, where prices increase as higher amounts of water is used. Lower Murray Water will also continue with a fixed service charge only for residential and non-residential sewerage customers.

## How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on 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)	477	\$972	\$959
Residential (Tenant)	477	\$279	\$275
Non-residential (Small)	477	\$1,082	\$1,067
Non-residential (Medium)	3,000	\$3,628	\$3,577
Non-residential (Large)	30,000	\$26,831	\$26,454

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

## What are the outcomes for customers?

As part of its price submission, Lower Murray Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation it identified identified seven outcomes along with 20 service targets, 13 of which are new.

Some of the ways Lower Murray Water plans to improve value for customers include reducing fixed and variable water, sewerage and trade waste prices and investing in water supply infrastructure to improve





water quality for Swan Hill. It will report to customers annually on its performance against these targets, and host focus groups to review how it performs.

There is no change to service levels for reliability and attending faults. Payments and thresholds for Guaranteed Service Levels will be the same as the past, except for sewer spills within a house, where Lower Murray Water has increased its payment from \$500 to \$1,500 to affected customers.

## What are the major works going on around you?

(\$ million before inflation)

Project	Detail	Total
UV Treatment Plants	To meet health-based targets for drinking water quality and the outcome to provide consistent, safe, clean drinking water, this project will implement UV treatment at all water treatment plants, and upgrade their respective power supplies where required.	10.0
Koorlong 400ML Wet Weather Storage	This project aligns with the outcome to be mindful of the environment. To provide sufficient storage during non-irrigation periods and prevent emergency discharges, Lower Murray Water will construct a 400 mega litre winter storage at the Koorlong wastewater treatment plant.	4.5
Swan Hill North 6ML Ground Level Storage	This project is to provide consistent, safe, clean drinking water. To guarantee the security of water supply at Swan Hill, Lower Murray Water will undergo staged development of the Swan Hill North water treatment plant. Initial works include the provision of new contingency storage to improve supply during peak day demand and enable supply during blackwater events in the Murray River.	3.1

## How much revenue is required from 2018 to 2023?\*

Our final decision for Lower Murray Water allows operating expenditure of **\$115 million** and gross capital expenditure of **\$72 million** to provide its services to urban customers over the next five years. To fund this, Lower Murray Water requires **\$188 million in revenue**, an **increase** from the \$176 million required during 2013 to 2018.

This additional revenue will not increase prices in the next five years because of the efficiencies Lower Murray Water plans to make.

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





## Got a question?

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