



In June 2018 the Essential Services Commission released its final decision on North East Water’s price submission. The final decision completes our review of the maximum prices that North East Water may charge for its services for an eight year regulatory period from 1 July 2018 to 30 June 2026.

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
The typical annual residential owner occupier water bill for 2018-19 is estimated to be \$875 after inflation, up from \$871 in 2017–18. Before inflation, typical bills are expected to increase by around \$4 each year to 2025 – 26	Prices will increase, by 0.45 per cent annually over the <b>eight year</b> price period between 2018 and 2026  Tariff structures will remain the same.	North East Water consulted with customers to identify new services and performance targets. Each year, North East Water will report directly to customers on its performance against service targets.  Its commitments to prices and services extends to eight years from 2018 to 26.

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



## What are the changes to prices and tariffs?

Overall, prices for North East Water customers will **increase** by 0.45 per cent annually over the **eight year** price period between 2018 and 2026 (not including inflation).

North East Water will maintain its existing tariff structures. For residential and non-residential water services it will retain a two-part tariff structure with a fixed service charge and a variable component that depends on water use. Residential and non-residential sewerage customers will continue to be charged a fixed service charge only.

## 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	2025-26 annual bill
Residential (Owner occupier)	190	\$875	\$903
Residential (Tenant)	190	\$428	\$442
Non-residential (Small)	100	\$672	\$693
Non-residential (Medium)	500	\$1,691	\$1,745
Non-residential (Large)	2,000	\$6,050	\$6,243

Bills are indicative. 2018-19 annual bills include inflation. 2025-26 annual bills will vary with inflation.

## What are the outcomes for customers?

As part of its price submission, North East Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2026. During this consultation, it identified six outcomes along with activities and targets to measure its performance. Some of the ways North East Water plans to improve value for customers include increasing use of digital communication to better inform and communicate with customers, planning for growth in Wodonga and Beechworth and investing in solar energy to reduce carbon emissions. In order to reduce costs it will reduce some service standards, including the time to attend some faults. North East Water will report to customers on its performance in a report card published on its website, through social media and regional press.





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

(\$ million before inflation)

Project	Detail	Total
Wodonga WWTP Capacity & Emissions Reduction	The West Wodonga Wastewater Treatment Plant treats all wastewater and trade waste from Wodonga. This project will upgrade the plant to meet future growth and development demands in Wodonga, and to reduce greenhouse emissions.	10.5
Wodonga Wastewater Treatment Plant Major Upgrade	The West Wodonga Wastewater Treatment Plant was last upgraded in 2002. This project will upgrade the plant to ensure that it can continue to operate in an efficient and reliable manner and meet increasing demand in the region.	7.7
Beechworth Wastewater System Upgrade	While necessary to meet the requirements of the Environment Protection Authority, this project aligns with North East Water's sustainability outcome. The system will be upgraded to meet the needs of future growth in the region.	6.0
Wodonga Wastewater Treatment Plant Solar Project	As part of North East Water's carbon emissions reduction pledge, this project will establish a two megawatt solar facility. This was supported by the deliberative forum to harness by-products and generate power from operations where possible.	4.8

### How much revenue is required from 2018 to 2026?\*

Our final decision for North East Water allows operating expenditure of **\$323 million** and gross capital expenditure of **\$141 million** to provide its services to customers over the next **eight** years. To fund this, North East Water requires **\$500 million in revenue**, an **increase** on the annual average revenue required during 2013 to 2018. This is contributing to North East Water's price increase.

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

### Got a question?

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