



Victoria’s water businesses send us submissions on proposed prices and key outcomes for their customers. We assess the submissions and make price determinations on the maximum price they can charge for their services. New prices need to be in place by 1 July 2018.

### Snapshot

Bills	Tariffs	Outcomes
<p>Typical annual residential owner occupier water bills for 2018-19 will be \$943 before inflation, down from \$1017 in 2017-18. This <b>decrease of \$74 or 7.3%</b> is due to a range of measures and incorporates the end of the four year government rebate.</p> <p>In 2022-23 the annual bill is forecast to be \$943 (not including inflation).</p>	<p>For variable water charges, South East Water proposes to reduce the three step residential tariff to two steps, and to remove the fixed service charge for residential recycled water.</p>	<p>South East Water has developed new service standards and targets and will report annually to customers on its performance.</p> <p>It also proposes a scaled penalty if it underperforms.</p>

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

### Send us your feedback on South East Water’s proposal

Submitting your feedback to South East Water’s price submission by **10 November 2017** will help us prepare for the release of our draft decision.

Any feedback submitted after this date will still be considered as part of our consultation process. Send your feedback to [water@esc.vic.gov.au](mailto:water@esc.vic.gov.au) or call (03) 9032 1300.



## What are the changes to prices and tariffs?

Overall proposed prices for South East Water customers will **go down**. In addition, South East Water has proposed to alter its tariff structures through a combination of:

- reducing the number of price steps in the volumetric water charge for residential customers
- reducing the volumetric fee on sewage disposal charge
- redistributing the existing \$100 annual rebate through lower prices.

## 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. South East Water provided us with typical bills for different customer groups and water volumes.

### Typical water and sewerage bills (not including inflation)

Customer group	Average consumption (kL p.a.)	2017-18 annual bill	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	150	\$1,017*	\$943	\$943
Residential (Tenant)	112	\$356*	\$348	\$348
Non-residential (Small)	150	\$1,317	\$1,243	\$1,243
Non-residential (Medium)	460	\$2,845	\$2,685	\$2,685
Non-residential (Large)	3,500	\$17,829	\$16,827	\$16,827

\* includes a government rebate

## What are the outcomes for customers?

As part of their price submission, water businesses must propose a set of outcomes that customers will receive during 2018 to 2023. South East Water has developed five outcomes, along with some new measures and higher targets to monitor how it performs in delivering these outcomes.

South East water proposes to impose financial penalties on itself or reduce prices in the next regulatory period if it does not meet these performance targets.



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

<p>South East Water has proposed 10 major projects to improve water and sewerage services to new development areas in the city and south-eastern suburbs, and also support growth in suburbs that are nearing the limits of the existing infrastructure.</p>	<ul style="list-style-type: none"> <li>• The largest individual project is a major upgrade to the Boneo Water Recycling Plant (\$101.5 million), which will support the growing number of properties connecting to the sewerage network.</li> <li>• A number of sewer network upgrades are proposed cater for forecast population growth expected within each respective service area, which include Cardinia, Casey, Clayton East, Clyde, Elster Creek and Pakenham East.</li> </ul>
<p>Among the ongoing programs proposed, there is a focus on service reliability by maintaining ageing water and sewer mains, and also delivering new customer connections to drinking water, sewerage and recycled water.</p>	<p>As part of building its digital capability, South East Water proposes to:</p> <ul style="list-style-type: none"> <li>• increase investment in data management, analytics, business process, and customer relationship management projects</li> <li>• pilot 10,000 digital meters and network sensors and test its capability to transfer the data to its IT platforms.</li> </ul>

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

We require each business to tell us what revenue it will need for the next five years. This helps us understand how South East Water calculated the prices in its submission.

South East Water forecasts that it needs \$3, 3,283 million of operating expenditure and \$1,112 million of capital expenditure to provide its services to customers over the next five years. To fund this, South East Water requires **\$4, 498 million in revenue**, a **decrease** from \$4,653 million required during 2013 to 2018.

This reduction in projected revenue requirement is contributing to the 2018-19 price decrease, and subsequent four years of prices at inflation.

## Got a question?

[View our contact details](#) and follow us on [LinkedIn](#) and [Twitter](#).

