

### 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	
		2013-14	2017-18	2013-14	2017-18
<b>South Gippsland Water</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2017-18</b>	<b>2013-14</b>	<b>2017-18</b>
<b>Nominal (includes inflation)</b>	956	994	1217	949	1055
<b>Real (excludes inflation)</b>	956	969	1068	926	926

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

For South Gippsland Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$99 (or 10.3%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$31 (or 3.2%) 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	
		2013-14	2017-18	2013-14	2017-18
<b>South Gippsland Water</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2017-18</b>	<b>2013-14</b>	<b>2017-18</b>
<b>Nominal (includes inflation)</b>	189	198	249	189	211
<b>Real (excludes inflation)</b>	189	193	218	185	185

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

For South Gippsland Water customers, owner occupier bills will increase inline with inflation. Bills will increase by \$21 (or 11.2%) over the next five years including inflation. Excluding inflation would mean a decrease in bills of \$5 (or 2.5%) 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	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	942	1048
Real	919	919

Nominal: Up \$106 or 11.5% over 4 years  
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	183	203
Real	178	178

Nominal: Up \$21 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	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	1034	1150
Real	1008	1008

Nominal: Up \$116 or 11.5% over 4 years  
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	274	305
Real	268	268

Nominal: Up \$31 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	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	1125	1251
Real	1098	1098

Nominal: Up \$127 or 11.5% over 4 years  
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	366	407
Real	357	357

Nominal: Up \$41 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	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	1258	1399
Real	1227	1227

Nominal: Up \$141 or 11.5% over 4 years  
 Real: Unchanged over 4 years.

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

Water Business	Bills based on final decision	
	2013-14	2017-18
<b>South Gippsland Water</b>		
Nominal	499	555
Real	486	486

Nominal: Up \$56 or 11.5% over 4 years  
 Real: Unchanged over 4 years.

**Prices**

Based on our final decision, South Gippsland Water forecast increases in prices over the regulatory period. Table 11 compares the cumulative annual increase in prices by South Gippsland 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	1.0%	2.9%	5.6%	8.0%	10.2%
Final Decision	-3.3%	-3.8%	-4.3%	-4.8%	-4.8%