



In June 2018 the Essential Services Commission released its final decision on Westernport Water's price submission. The final decision completes our review of the maximum prices that Westernport 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	Future Prices	Outcomes and Investment
<p>Typical annual residential owner occupier water bills for 2018-19 will be \$1,152 including inflation. This is an increase of <b>\$12</b>, or <b>1.1%</b> from \$1,139 in 2017-18, which incorporates the end of the four year government rebate.</p> <p>In 2022-23 the annual bill is forecast to be \$1,152 (before inflation).</p>	<p>Westernport Water's overall prices will fall in 2018-19, reflecting efficiency savings, then rise with inflation from 2019-20 to 2022-23.</p>	<p>Westernport Water will invest in projects to improve water quality and service reliability. It has developed new service targets and will report annually to customers on its performance. It proposes to pay community rebates for targets it does not achieve.</p>

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



## What are the changes to prices and tariffs?

Overall, Westernport Water prices will **go down** in 2018-19 then rise with inflation over the next four financial years.

Westernport Water has also a new standpipe variable tariff for bulk drinking water consumption, also known as metered hydrant consumption.

The impact of these changes on bills will vary across customer groups and consumption levels.

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

### Typical water and sewerage annual bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	80	\$1,152	\$1,152
Residential (Tenant)	80	\$160	\$160
Non-residential (Small)	400	\$2,015	\$2,015
Non-residential (Medium)	1000	\$5,073	\$5,073

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 their price submission, water businesses developed a set of outcomes to guide service delivery during 2018 to 2023. Westernport Water has developed four outcomes as well as activities and targets to measure how it performs in delivering these outcomes.

Some of the ways Westernport Water plans to improve outcomes for customers include improving the security of water availability for Phillip Island and improving support for customers experiencing payment difficulty.

Service level targets are set higher than in previous years with one new Guaranteed Service Level for water quality, and increased payments to customers where existing Guaranteed Service Levels are not met. Westernport Water proposes to provide scaled rebates payable in 2023-24 for targets it does not meet.





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

(\$ million before inflation)

Project	Detail	Total
Cowes Wastewater Treatment Plant Upgrade	This project aligns with Westernport Water's outcome of reliable wastewater services. The upgrade will increase the capacity and the performance of the Cowes Wastewater Treatment Plant. It will also ensure the plant complies with Environment Protection Authority Victoria license conditions.	3.4
Phillip Island Water Supply Security Project	This project aligns with Westernport Water's customer outcome of a reliable water supply. It involves constructing a storage tank as back up supply to San Remo or Cowes for when the sole water main is shut down for repair.	2.8
San Remo Basin Renewal Project	This project is to improve water security in the region. It involves renewing the basin liner at the single water storage for San Remo and Phillip Island.	2.0
Business Transformation Project	This project is part of Westernport Water's customer outcome of affordable and responsive services to customers. It involves replacing ICT systems and infrastructure to support the business's performance, revenue collection and reporting.	1.7

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

Our final decision for Westernport Water allows operating expenditure of **\$74 million** and gross capital expenditure of **\$27 million** to provide its services to customers over the next five years. To fund this, Westernport Water requires **\$112 million in revenue**, an **increase** from the \$106 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 Westernport Water plans to make.

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

## Got a question?

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