



In June 2018 the Essential Services Commission released its final decision on Yarra Valley Water's price submission. The final decision completes our review of the maximum prices that Yarra Valley 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	Tariffs	Outcomes
Typical annual residential owner occupier water bills for 2018-19 will be \$1,059 including inflation. This is a decrease of \$20 or 1.9% from \$1,079 in 2017-18 which incorporates the end of the four year government rebate. In 2022-23 the annual bill is forecast to be \$1,018 (before inflation).	Overall prices will reduce by 9.6% after inflation in 2018-19, and then decrease by 1.0% before inflation each year for the next four years.	Yarra Valley Water has developed new service standards and targets. It will report to customers annually on its performance and proposes to return money to customers if it does not meet its performance targets.

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



What are the changes to prices and tariffs?

Yarra Valley Water's overall prices will **go down** every financial year from 2018-19 to 2022-23 (not including inflation).

It will redistribute the existing \$100 government water rebate by reducing the residential water supply system charge, lowering the sewage disposal charge and increasing the sewerage system charge.

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. Yarra Valley 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)	150	\$1,059	\$1,018
Residential (Tenant)	150	\$525	\$504
Non-residential (Small)	100	\$1,310	\$1,259
Non-residential (Medium)	150	\$1,544	\$1,484
Non-residential (Large)	250	\$2,010	\$1,933

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. Yarra Valley Water worked with its customers to develop seven outcomes along with measures to monitor how it performs in delivering these outcomes. It has committed to reducing customer's prices if outcome targets are not achieved.

Some of the ways Yarra Valley Water plans to improve outcomes for customers includes expanding services and programs for disadvantaged customers, offering a discount for customers that opt into e-billing and upgrading its water network to address population growth and climate change.





Service levels and targets will be similar to past years with some increased payments to customers where Guaranteed Service Levels are not met, including doubling to \$100 a rebate relating to service interruptions greater than 12 hours, and doubling to \$1,000 the rebate relating to sewage spills.

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

(\$ million before inflation)

Project	Detail	Total
Lockerbie main sewer	This project aligns with Yarra Valley Water's customer outcome of reliable water and sewerage services. This project connects northern suburbs to metropolitan sewerage system.	84.9
Community Sewerage Program	This project will provide properties in Melbourne's outer north and east with access to sewerage infrastructure, suburbs will include: Sassafras, Monbulk, The Patch, Sherbrooke and Kallista.	118.5
Doreen sewer pressure main	This project aligns with Yarra Valley Water's customer outcome of reliable water and sewerage services.	27.8
Epping Branch sewer tunnel	This project aligns with Yarra Valley Water's customer outcome of reliable water and sewerage services.	11.2

How much revenue is required from 2018 to 2023?*

Our final decision for Yarra Valley Water allows operating expenditure of **\$3,354 million** and gross capital expenditure of **\$1,157 million** to provide its services to customers over the next five years. To fund this, Yarra Valley Water requires **\$4,772 million in revenue**, a **decrease** from \$5,053 million required during 2013 to 2018.

This reduction in the projected revenue required is contributing to the price decrease in the financial years from 2018-19 to 2022-23 (before inflation).

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

Got a question?

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