Breakdown of costs*
The ESC’s final decision has approved a reduction of Central Highland Water’s costs of 5.6% (or $23 million) over the five years from 2013-14.

Prices*
The ESC’s final decision has approved an increase in average prices of 1.1% over the five years from 2013-14.

Indicative household bills (owner-occupier)**
The ESC’s final decision has approved that over the next five years, indicative Central Highlands Water household bills would be reduced by $433*.

*Indicative bills are based on consumption for owner-occupier households.
** Household bills are presented in 2013-14 prices.
All numbers presented here are in 2012-13 dollars and do not include future inflation, with the exception of household bills.
For further details on this business’ pricing decision please visit www.esc.vic.gov.au.
Key Final Decision Outcomes

Expenditure

*Operating Expenditure*
- The final approved operating expenditure by the Commission is $256.1 million.
- This is $13.6 million (5.0 per cent) lower than the proposed expenditure of $269.7 million.

*Capital Expenditure*
- Central Highlands Water proposed capital expenditure of $100.1 million.
- The Commission’s final decision approved capital expenditure of $107.6 million.
- This is $7.5 million (7.5 per cent) higher than the proposed expenditure by the water business.

Tariffs

*Retail Water Tariffs*
- Central Highlands Water proposed to restructure its three tier inclining block tariff to a two-tier variable charge for residential customers.
- In its draft decision, the Commission required further information on how Central Highlands Water would mitigate negative customer impacts and how it will inform customers of the change.
- In its response, Central Highlands Water indicated it will inform customers via customer bills at the start of the first billing cycle.
- In its final decision, the Commission has approved Central Highlands Water’s price structure of residential and non-residential retail water tariffs.
- The Commission has also approved Central Highlands Water’s proposal to combine its two pricing zones (central and northern) for variable water tariffs over seven years, beginning in 2013-14.

*Recycled Water Tariffs*
- For non-residential customers, Central Highlands Water proposed to continue using the Commission’s pricing principles approved for the second regulatory period for non-residential recycled water tariffs.
- In its final decision, the Commission has approved Central Highland Water’s recycled water pricing principles.