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 2020.

## Snapshot of what Western Water is proposing

|  |  |  |
| --- | --- | --- |
| **Bills** | **Tariffs** | **Outcomes** |
|  |  |  |
| As stated in Western Water’s price submission, the typical annual water bill in 2020‑21 for a residential owner occupier will be $1,019 before inflation, no change from 2019-20.  For each year until 2022-23 this typical bill will increase 1 per cent (before inflation). | For residential customers, the fixed water and sewer service charges will initially decrease as it embeds a government rebate into prices. In future years, the price will increase 1.5 per cent each year. It has also proposed small annual price increases for high water users. | Western Water proposes to maintain the existing focus on fair and affordable charges and quality services.  It proposes a new Guaranteed Service Level for customers who experience more than 5 water interruptions in a year. |
| Do you want to know the difference between bills and prices? For this and more information about our price review process and Western Water’s price submission, go to <http://www.esc.vic.gov.au/waterpricereview> | | |

## Send us your feedback on Western Water’s proposal

Submitting your feedback to Western Water’s price submission by **24 January 2020** 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?

has proposed to alter its tariff structures through a combination of:

* embedding a government rebate of $103.25 across residential owner occupier fixed water and sewer service availability charges
* gradually removing the $103.25 rebate from tenant accounts, commencing from 2021-22 (over the following 7 years)
* proposing a small increase to fixed water and sewer service charges which equates to approximately 1 per cent on the typical residential customer bill
* a gradual and uniform reduction to fixed water and sewer service charges from year 2 (over the next 7 years) for residential landlords and vacant landholders
* tier 3 water charges (for customers with high usage) will increase by 1.95 per cent each year
* a smoothing of the cost of debt adjustment over the 3 years

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

Typical water and sewerage bills (not including inflation) proposed by Western Water

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customer group | Consumption  (kL p.a.) | 2020‑21 annual bill\*\* | 2021‑22 annual bill\*\*\* | 2022‑23 annual bill\*\*\* |
| Residential (Owner occupier) | 110 | $876 | $907 | $918 |
| 180\* | $1,019 | $1,049 | $1,060 |
| Residential (Tenant) | 110 | $101 | $116 | $131 |
| 180\* | $243 | $258 | $273 |
| Non-residential (Small) | 150 | $1,143 | $1,179 | $1,191 |
| Non-residential (Medium) | 250 | $1,390 | $1,425 | $1,438 |
| Non-residential (Large) | 700 | $2,499 | $2,535 | $2,547 |

\*180kL per annum is the average consumption of Western Water’s customers, 110kL per annum represents a typical small customer

\*\*includes Western Water’s proposed cost of debt adjustment of approximately $20 to fixed service charges

\*\*\*no pre-adjustment for cost of debt for 2021-22 & 2022-23 (actual cost of debt adjustments will apply)

## What are the outcomes for customers?

When developing its submission, Western Water engaged with customers to identify key outcomes its prices will deliver during 2020 to 2023. These outcomes include a focus on affordability, reliability of services, use of technology to provide better customer service, and the environment.

In response to customer feedback, it proposed to make a Guaranteed Service Level payment of $100 to a customer who experiences more than five water supply interruptions in 12 months.

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

## ($ million before inflation)

| Project | Detail | Total |
| --- | --- | --- |
| Parwan-Balliang irrigation district network | To meet increased volumes in the Melton, Bacchus Marsh, and Sunbury recycled water plants, Western Water proposes to develop a new irrigation district in the Parwan/Balliang area. | $17.73 |
| Melton recycled water plant – increased storage | The irrigation and storage system in Melton is at capacity, and at risk of breaching the Environmental Protection Act. Construction of a winter storage was identified as the best option to achieve compliance when the current EPA licence expires. | $15.14 |
| Melton recycled water plant – Bacchus Marsh interconnection | Strategic options for reuse of the additional volumes of recycled water becoming available in Bacchus Marsh and Melton rely on an interconnecting pipeline between the two. The pipeline will be two-way, with normal operation to deliver water from Melton in a westerly direction towards Parwan/Balliang. | $14.43 |
| Derimut diversion sewer pump station/rising main | Development activity in Plumpton and Kororoit will exhaust spare capacity in the local sewers by 2023. Western Water will construct and operate a pump station and rising main on Clarke Road to increase capacity. | $10.88 |
| Gisborne recycled water plant - Stage 1 bioreactor | Ongoing growth in Gisborne is increasing sewage loads on the existing recycled water plant, which requires a substantial upgrade. The bioreactor will be the first component of the upgrade. | $10.51 |

## How much revenue is required from 2020 to 2023?

We require each business to tell us what revenue it will need for the next three years. This helps us understand Western Water’s prices in its submission.

Western Water forecasts that it needs **$192 million** of operating expenditure and **$284 million** of capital expenditure to provide its services to customers over the next five years. To fund this, Western Water requires **$302 million in revenue over three years**, an **increase** of 18.2 per cent on the annual average from the two years between 2018 and 2020.

This additional revenue is contributing to Western Water’s proposed price rise from 2019-20 to 2022-23.

## Got a question? ""

[View our contact details](http://www.esc.vic.gov.au/) and follow us on [LinkedIn](https://au.linkedin.com/company/essential-services-commission) and [Twitter](https://twitter.com/essentialvic).

Updated on 14 December 2017