

Central Highlands Water



2018 water price review | Final decision

Customer fact sheet

In June 2018 the Essential Services Commission released its final decision on Central Highlands Water's price submission. The final decision completes our review of the maximum prices that Central Highlands 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
<p>The typical annual residential owner occupier water bill for 2018-19 is estimated to be \$1,243 including inflation. This is a decrease of \$14, or 1.1% from \$1,257 in 2017-18.</p> <p>In 2022-23 the typical annual bill is forecast to be \$1,168 (before inflation).</p>	<p>Most prices will rise by inflation from 2018-19 to 2022-23. The exception is the sewer service charge, which reduces by around 2.4% each year.</p> <p>Tariff structures will remain the same.</p>	<p>Central Highlands Water developed new service standards and targets and will report to customers annually on its performance.</p> <p>It has expanded its Guaranteed Service Level scheme, including new service levels relating to water quality and sewage spills.</p>

Do you want to know the difference between bills and prices? For this and more information about our price review process and Central Highlands Water's price submission, go to

<http://www.esc.vic.gov.au/waterpricereview>





What are the changes to prices and tariffs?

Central Highlands Water’s residential and non-residential prices will **rise no more than inflation** every financial year from 2018-19 to 2022–23.

It will retain the same tariff structures, but reduce its sewerage service charge by around 2.4 per cent before inflation each year.

Central Highlands Water will continue to charge residential water service customers a fixed water service charge and a two-tier inclining block variable usage component, where price increases in the second block. Residential sewerage customers will be charged a fixed service charge only.

Both non-residential water and sewerage service customers will be charged a fixed service charge and variable component.

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. Estimated bills are provided below.

Typical water and sewerage bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	150	\$1,243	\$1,168
Residential (Tenant)	150	\$288	\$288
Non-residential (Small)	350	\$1,619	\$1,544
Non-residential (Average)	700	\$2,282	\$2,208
Non-residential (Large)	1,400	\$3,609	\$3,535

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 its price submission, Central Highlands Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2023. During this consultation, it identified five outcomes as well as new service standards and increased targets to monitor how it performs against these outcomes.





Some of the ways Central Highlands Water plans to improve value for customers include improving water quality (particularly in relation to taste) for a number of towns, and working with customers to help them use water more efficiently.

Central Highlands Water has proposed two new Guaranteed Service Levels relating to clean drinking water and sewage spills. For existing Guaranteed Service Levels, it has reduced thresholds for when it makes payments to customers and has also increased the amounts it will pay.

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

(\$ million before inflation)

Project	Detail	Total
Ballarat South Outfall Trunk Sewer Duplication	This project will duplicate the Ballarat South sewer pipeline to support future growth and avoid sewer spills during wet weather events.	11.4
Daylesford Water Supply Upgrade	This project will support water security in the region by constructing a 14 kilometre pipeline connecting the Goldfields Super pipe to the Daylesford water system.	9.2
Ballarat South Wastewater Treatment Plant Inlet Works Upgrade	This project will support reliability of wastewater treatment by increasing the capacity to service growth and treating greater inflows during peak wet weather events.	9.2
Ballarat East Sewer Duplication and Flow Storage	The Ballarat East gravity sewer system has been identified as being under capacity. This project will duplicate 1.4 kilometres of gravity sewer pipeline and install a three megalitre wet weather storage facility. This will also service growth within the Ballarat East sewer catchment.	7.1

How much revenue is required from 2018 to 2023?*

Our final decision for Central Highlands Water allows for operating expenditure of **\$281 million** and gross capital expenditure of **\$130 million** to provide its services to customers over the next five years. To fund this, Central Highlands Water requires **\$443 million in revenue**, an **increase** from \$432 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 Central Highlands Water plans to make.

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





Got a question?

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