



In June 2018 the Essential Services Commission released its final decision on Western Water’s price submission. The final decision completes our review of the maximum prices that Western Water may charge for its services for a two year regulatory period from 1 July 2018 to 30 June 2020.

As part of this process, Western Water sent us a submission on its 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 | Outcomes | Tariffs |
|--|--|---|
| | | |
| <p>Western Water’s price submission is for a two year period.</p> <p>The typical annual residential owner occupier water bill for 2018–19 is estimated to be \$1,019 including inflation, and for 2019–20 will be \$1,019 before inflation.</p> | <p>Western Water will maintain its performance on existing services levels with increased payments on three standards relating to service interruptions.</p> | <p>Over the next two years, Western Water will engage with customers on the tariffs, prices and charges that will apply after 2020.</p> |
| <p>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 final decision, go to http://www.esc.vic.gov.au/waterpricereview</p> | | |



What are the changes to prices and tariffs?

Overall prices for Western Water customers will **be limited to inflation** over the **two year** price period between 2018 and 2020.

For water, Western Water will maintain a fixed service and variable usage component that includes a three-tier inclining block, where price increases in the second and third block. Non-residential water customers will continue to be charged a two part tariff with a fixed service charge and a single variable usage component. For sewerage customers it will continue to apply a fixed service charge only.

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 | 2019-20 annual bill |
|-------------------------------|-------------------------------|---------------------|---------------------|
| Residential (Owner occupier)* | 180 | \$1,019 | \$1,019 |
| Residential (Tenant)* | 180 | \$244 | \$244 |
| Non-residential (Medium) | 350 | \$1,626 | \$1,626 |
| Non-residential (Large) | 700 | \$2,478 | \$2,478 |

Bills are indicative. 2018-19 annual bills include inflation. 2019-20 annual bills will vary with inflation.

*Includes a rebate of \$100 in 2018-19 and 2019-20.

What are the outcomes for customers?

As part of their price submission, Western Water consulted with customers to develop a set of outcomes to guide service delivery during 2018-20. During this consultation it identified five major outcomes along with targets to measure how it performs in delivering these outcomes.

Some of the ways Western Water plans to improve outcomes for customers include supporting service reliability and growth by upgrading water and sewerage assets, progressively rolling out new SMS alerts for customer service interruptions and making greater use of e-billing.

In addition, Western Water will maintain Guaranteed Service Level commitments for customers and will increase some payments on three standards relating to service interruptions.





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

Western Water will progress five major projects to improve water and sewerage services and to meet the future needs of their customers in the western suburbs. These projects are targeting infrastructure that are nearing capacity and require updating to maintain service standards.

- The largest individual project is the Melton recycled water plant upgrade (\$12.6 million). This project will increase the capacity of the plant and aligns with Western Water's regional livability objectives.
 - Additional infrastructure includes the construction of the Bacchus Marsh to Melton recycled water plant interconnector (\$6 million). This project will enable recycled water to transfer between plants to better manage storage, supply and discharge.
 - Further major works include the ongoing upgrade to the Sunbury recycled water plant to increase capacity of Class B recycled water with an additional \$3.4 million spent on capital over the next two year period.
- A sewer pump station will be installed at Grant Street, Bacchus Marsh to reduce the sewage flows from the Bacchus Marsh catchment and alleviate any risks of sewer spills.
 - A permanent sewer pump station in Exford Road, Melton South will be installed to replace the current temporary solutions. This will improve the reliability of existing sewerage services, and support future growth in Toolern.

How much revenue is required from 2018 to 2020?*

Western Water has a two year price period and our final decision allows operating expenditure of **\$57 million** and gross capital expenditure of **\$76 million** to provide its services to customers over this time. To fund this, Western Water requires **\$161 million in revenue**, a decrease on the annual average revenue required during 2013 to 2018.

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

Got a question?

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