

Frequently asked questions: Increased Water Charges from 1 July 2008

From 1 July 2008, water prices will rise by 8.8% (plus CPI) to improve services across the region. A typical household in our region uses about 170,000 litres of water a year. In 2008/09 their account will increase by about \$79 or \$1.52 per week. Price increases will occur every year for the next five years.

Revenue from the price increase will be spent on:

- Capital projects – increasing the capacity of treatment plants and pipelines to cater for population growth.
- Securing water supply – purchasing water from alternative water supplies.
- Operations – improving customer service standards.
- Reducing our carbon footprint – becoming carbon neutral by 2017.
- Conserving precious drinking water – developing recycled water technology to be used when drinking quality water is not required.

Population growth in the Western Water service area is projected at 3.4 per cent. This exceeds the national average of 1.6 per cent.

Who sets Western Water's prices?

Western Water's prices are set by the Essential Services Commission (ESC). The principal role of the ESC is to regulate pricing, service standards and market conduct of Victoria's essential utility services such as gas, electricity and water.

On what information did the ESC base its decision?

Western Water submitted a five-year Water Plan to the ESC. The Water Plan 2008-2013 outlines the strategic direction of the organisation, including projects and programs required to meet future growth and continued high levels of customer service.

The plan was a direct response to community and government expectations regarding the sustainable management of water resources in the Western Water region. The plan considered a number of pricing strategies to meet these expectations.

What are the key features of the Water Plans in Victoria?

Victoria water businesses are investing over \$7.5 billion to provide improved:

- Reliability of supply
- Water that is safe and good tasting
- Environmental outcomes.

This includes the desalination plant, interconnecting pipelines, the enhanced use of recycled water and water conservation initiatives.

Why is the price of water increasing for Western Water customers?

- Capital investment such as new water plants and pipelines to cater for population growth.
- Increased costs to purchase water from Melbourne Water.
- Innovative projects to combat worsening drought conditions
- Water conservation measures.
- Development of Western Water as a carbon neutral business.

What are the proposed increases for Western Water customers?

The typical household in the Western Water region uses about 170,000 litres of water per year. This household will have an increase or approximately \$79 in 2008/09 or approximately \$1.52 per week.

When will they be effective?

From 1 July 2008.

What does the proposed price structure include?

- A three-tiered pricing structure (rising block tariff) for water
- Increased user-pays focus on usage charges for water, with the top tier (heaviest users) increasing the most.
- Lower relative increase in sewerage tariffs, at 2.9 per cent.

Are concessions changing?

From 1 July 2008, the Department of Human Services has increased water and sewerage concessions by CPI plus 14.8 per cent. In 2008/09 this represents an additional \$30 deduction in your water bill.

How can I reduce my water bill?

Western Water is totally committed to water conservation and will continue to implement initiatives that encourage wise water use.

We have applied a responsible three-tiered pricing structure (or rising block tariff) for residential customers. This is based on a user-pays system and provides an opportunity for households to save money by reducing their water consumption.

It puts conservation in the hands of customers and directly benefits people who make an effort to save water.

Does Western Water make any allowance for people who are finding it difficult to pay their bills?

Yes. Western Water understands that people experience short or long-term financial hardship. We have a number of payment options and assistance plans to assist you to make regular payments, reduce your water accounts and prevent future debts.

We offer assistance through the following arrangements:

- Pay and Save Plan
- Water Audit Bonus
- Financial Counsellors bonus
- Utility Relief Grant Schemes
- Utility Relief Grant Scheme Supplementary Bonus.

Concession cardholders may be also eligible for a reduction on their bill. These concessions are offered by the state government.

In addition, there are a number of government-funded schemes for eligible people such as the Water Smart Rebate and Smart Homes.

Western Water can confidentially refer customers to experienced financial counsellors at no cost. These professionals are independent of Western Water and can offer free advice to people experiencing payment problems.

If you believe you need special financial consideration, you may be eligible for assistance under Western Water's Hardship Policy.

Who can I talk to about assistance and the hardship policy?

For more information telephone Credit Management on: 1800 093 558.

Who do I contact if want to know more about reducing my water usage?

For information on your water account and how to reduce your water usage telephone Customer Relations on: 1300 625 422.

What is the new tiered pricing structure (rising block tariff?)

Water is charged at a price per kilolitre, within three tiers. Water charges increase as consumption increases.

This is widely regarded as the fairest and most effective way to price water to encourage conservation. It also recognises the need to provide water for essential domestic use at an affordable price.

It delivers social equity, prices water relative to use, makes tank and other water measures more cost-competitive with reticulated water and supports and complements state-wide changes to manage water demand in times of drought.

Water charges per four month billing cycle in 2008/09

0 – 53 kL use	\$ 0.9966
53-106 kL use	\$ 1.3220
> 106 kL use	\$ 2.6441

Water service per annum in 2008/09

Residential	\$155.02
Non-residential	\$155.02

Wastewater service per annum in 2008/09

Residential	\$418.99
Non-residential	\$418.99

What is the Melbourne Water Waterways Charge?

Melbourne Water is now responsible for the management of waterways, drainage and floodplains throughout the Port Phillip and Westernport Bay Catchment. These services will be funded through an annual Waterways Charge to be collected by Western Water on behalf of Melbourne Water. For more information visit:

www.melbournewater.com.au

The annual charge is \$62.08 for residential properties and \$81.36 for non-residential properties inside the Melbourne Urban Growth Boundary or UGB. The charge is \$38.88 for all properties outside the UGB but within the Port Phillip and Westernport Bay Catchment. These charges affect our service region except for Woodend.

The UGB is set by the state government. For more information, visit: www.dse.vic.gov.au/melbourne2030online



What are some of the things happening in our region?

The \$129 million plus capital works program targets water quality improvements, water supply security, infrastructure upgrades and waste water projects driven by growth and recycling.

The program is strongly focused on ensuring the Western Water region is provided with a safe, secure water supply for the future.

What are some of these projects?

Melton Sewer upgrade – \$3 million

Excavation has begun on the new sewer pipeline. This is a six kilometre pipeline that will replace the Blamey Drive Pump Station. It has a larger capacity than existing pipe to cater for a growing population

Mains replacement

Bacchus Marsh, Riddells Creek and Gisborne will have sections of the mains replaced within the next two years. This increases the mains' size and improves pressure.

Class A Treatment Plant \$7.3 million

Due to be commissioned in August 2008, the plant will supply Eynesbury residents with recycled water for toilet flushing and gardens and reduce the use of drinking water up to fifty per cent in each household.

Melton Recycled Water Plant upgrade \$1.5 million

Due to be completed in December 2008, the plant capacity will cater for projected growth in population.

Gisborne Recycled Water upgrade \$1.5 million

Due for completion in August 2008, the upgrade will increase capacity for a growing population. This includes a gravity fed sewer that will decrease greenhouse gas emission by reducing the need for electrical and diesel pumps.

Raftex Covers

Floating covers that help prevent evaporation will be trialled for twelve months at Pierce's Reservoir Barringo.

Mount Macedon Loch Road Tank

Construction on the new mains has begun on Loch Road, Waterfalls Road and Salisbury Road (west of Waterfalls Road) and construction on the tank to the west of Loch Road is due to commence mid-2008.

Romsey Borefield

Further tests are being completed and work will commence in July. If the tests are successful, the water will be used to augment Romsey supply.

For further information

Contact Western Water on 1300 650 425

or visit our website: www.westernwater.com.au