

4.1 P3—Typical residential bill—water (\$) and P6—Typical residential bill—sewerage (\$)

4.1.1 Introduction

The typical residential bills presented in this chapter are the sum of (a) fixed charges, and (b) volumetric usage charges for water (and sewerage in some utilities) that are billed to a residential customer. They are based on each utility's average annual volume of residential water supplied (Indicator W12). Prices, which are presented in real 2013–14 dollars, may be set by Government or, in some jurisdictions, a regulator.

The size of the customer base has some influence on bills. In the past, the typical residential bill for larger utilities has been lower than for smaller utilities. In recent years, however, bills have been rising faster for the larger utilities, so this difference has largely disappeared. The typical residential bill is also influenced by the mix of fixed and usage charges and the level of water consumption. Therefore, when drawing comparisons between utilities, it is important to note that a change in the average bill may be the result of both a change in average consumption and a change in the price of water.³

All utilities now have some form of two-part (that is, fixed and volumetric usage) charge for the water component of the bill, and most have a fixed charge only for the sewerage component; however, four utilities (the three Melbourne retailers and Byron Shire Council) also have a volumetric component in their sewerage charges.

Nationally, the median typical annual residential water bill increased by 1% in real terms in the 2013–14 year, rising from \$1,229 in 2012–13 to \$1,238. This is the smallest increase in the median typical bill across the National Performance Report time series, noting that median typical bills dropped in 2006–07 and 2007–08. These decreases were attributed to reductions in average volume of water supplied per property.

For the 2013–14 year, 43 utilities reported an increase in their typical bill while 17 utilities recorded decreases (Table 4.1). The largest change to the median typical bill occurred in the 10,000–20,000 group, which reported a 4% increase in the median.

³ For this reason, the bill for 200kL (section 4.2) is included in this report so that the effect of price on a hypothetical bill can be observed, while holding consumption constant. The typical residential bill (based on average volume of residential water supplied and representing the bill paid by the average water user for each utility) best indicates the financial impact on customers.

Table 4.1 Overview of results: P3 and P6 (\$)¹

Size group	Range		Number of utilities with increase/decrease from 2012–13		Median		% change in the median from 2012–13
	High	Low	Increase	Decrease	2012–13	2013–14	
100,000+ connected properties	1,517 Gold Coast Water	965 City West Water	9	4	1,142 [†]	1,142 [†]	0%
50,000–100,000 connected properties	1,784 P&W (Darwin)	869 Goulburn Valley Water	6	5	1,201	1,232	3%
20,000–50,000 connected properties	1,506 Mackay Water	869 Lower Murray Water	13	4	1,226	1,254	2%
10,000–20,000 connected properties	1,892 P&W (Alice Springs)	905 Orange	15	4	1,252	1,303	4%
All size groups (national)	1,892 P&W (Alice Springs)	869 Goulburn Valley Water	43	17	1,229 [†]	1,238 [†]	1%

Table notes

¹ The typical residential bill is calculated using data from all utilities supplying both water and sewerage services who reported data for P3 and P6 in both the 2012–13 and 2013–14 reporting years.

[†] As a result of changes to reporting boundaries for SA Water, the 2012–13 median typical bill uses the data from metropolitan Adelaide while the 2013–14 figure uses whole of SA Water data.

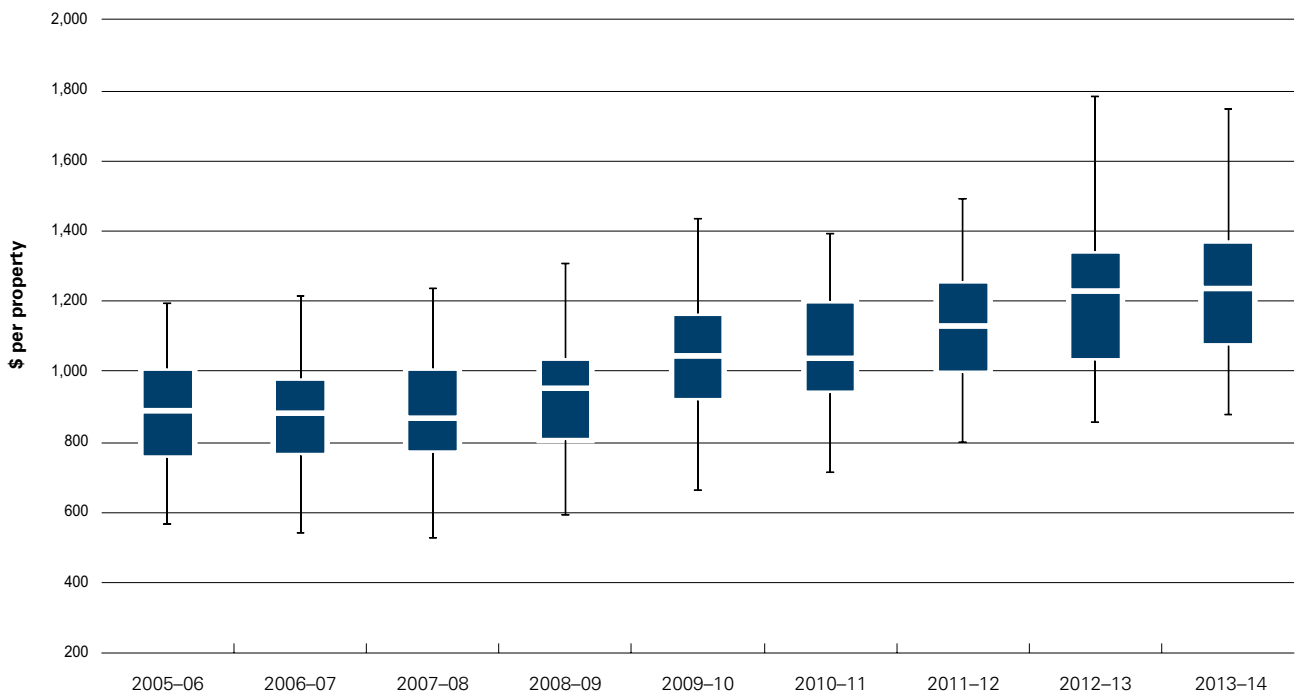


Figure 4.1 Summary of results: P3 and P6, 2005–06 to 2013–14

4.1.2 Results and analysis

100,000+ group

The 2013–14 reporting year saw an average increase in the typical bill of 3% for this group, with the median typical bill remaining unchanged at \$1,142. It should be noted, however, that underlying these modest growth figures there were large changes to typical bills over the year within this group (Table 4.2).

Most significant were the 22%, 20%, and 18% increases reported by South East Water, City West Water, and Yarra Valley Water respectively. Noting the relative stability in average water supplied per property across these utilities, it can be concluded that these rises have resulted primarily from price increases attributed to costs associated with the Wonthaggi desalination plant (Essential Service Commission Victoria [ESCV] 2013). The price increase is also amplified by a price freeze applied by the Victorian Government in 2012–13 (ESCV 2012).

Three utilities (SA Water, ACTEW, and Logan) reported significant decreases in typical residential bills (10%, 9%, and 8%). These reductions are attributed to a combination of price reductions and decreases in average water supplied. It should be noted that in the case of SA Water the observed reduction may appear greater than the actual because of the use of metropolitan Adelaide data for 2012–13 and whole of SA Water for 2013–14. This is because of the typically higher nature of metropolitan bills.

Table 4.2 P3 and P6, 2009–19 to 2012–13 (\$), for utilities with 100,000+ connected properties

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
South East Water	686	776	872	879	1,072	22%
City West Water	661	738	834	835	1,000	20%
Yarra Valley Water	719	820	956	982	1,154	18%
Gold Coast Water	1,235			1,455	1,517	4%
WC (Perth)	1,079	1,132	1,185	1,238	1,287	4%
Queensland Urban Utilities		1,035	1,065	1,102	1,117	1%
Unitywater		1,308	1,344	1,357	1,374	1%
Hunter Water	914	904	930	1,002	1,008	1%
Sydney Water	1,091	1,117	1,146	1,142	1,142	0%
Barwon Water	863	906	999	1,095	1,055	-4%
Logan	1,126			1,324	1,224	-8%
ACTEW	1,066	1,034	1,127	1,206	1,099	-9%
SA Water				1,399 [†]	1,259 [†]	-10%

Table notes

[†] As a result of changes to reporting boundaries for SA Water, the 2012–13 median typical bill utilises the data from metropolitan Adelaide while the 2013–14 figure utilises whole of SA Water data.

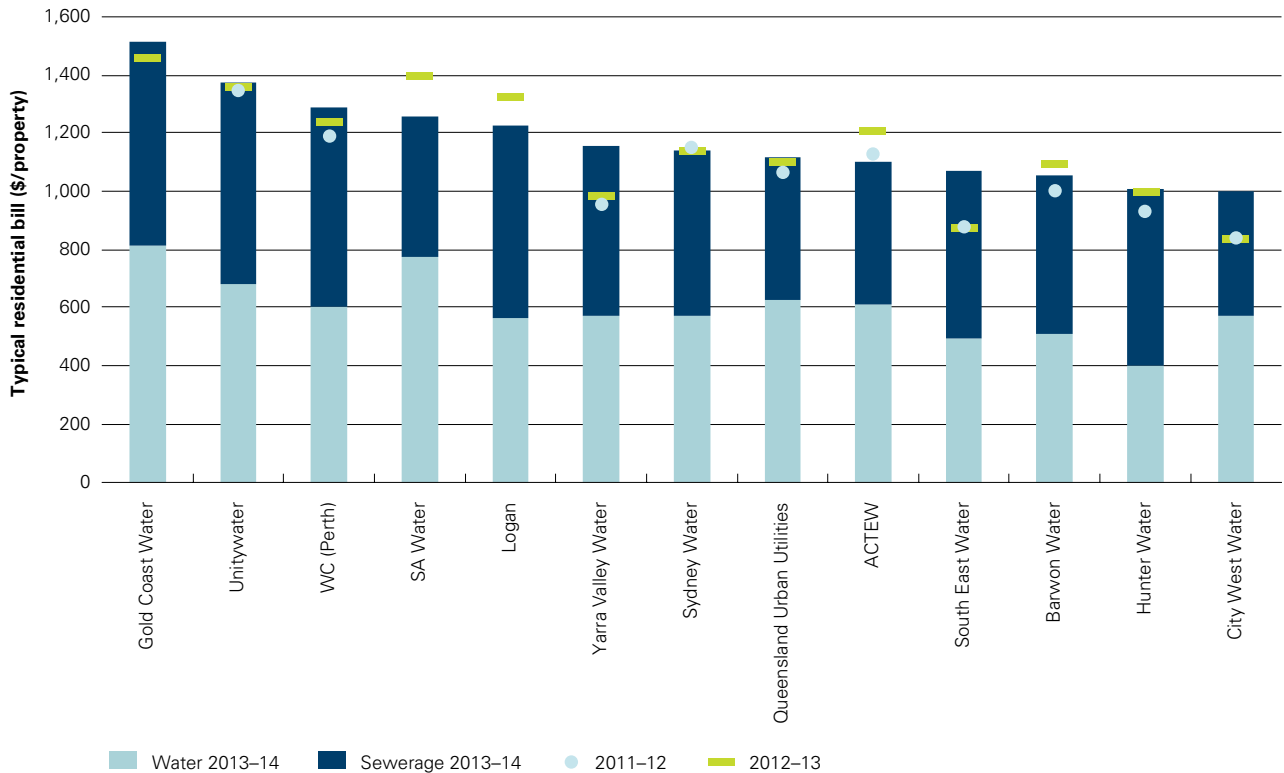


Figure 4.2 P3 and P6, 2011-12 to 2013-14, for utilities with 100,000+ connected properties

50,000-100,000 group

The average increase in the typical bill for this group was 1% in real terms, while the median typical bill increased by 3% to \$1,232 (Table 4.3). Overall, six utilities reported increases while five reported modest reductions in typical bills.

Gippsland Water reported the largest percentage decrease in the typical residential bill. The 4% reduction reflected a pricing drop in line with the ESCV's price determination (2013b) and a small reduction in the average volume of water supplied per property.

Table 4.3 P3 and P6, 2008-09 to 2012-13 (\$), for utilities with 50,000-100,000 connected properties

Utility	2009-10	2010-11	2011-12	2012-13	2013-14	% change from 2012-13
Coliban Water	862	943	1,016	1,093	1,234	13%
Gosford	922	933	953	1,009	1,051	4%
Townsville	1,407	1,325	1,386	1,419	1,473	4%
Toowoomba			899	1,268	1,303	3%
Western Water	900	930	1,005	1,003	1,026	2%
Central Highlands Water	1,054	1,083	1,151	1,201	1,218	1%
Cairns	1,160	1,157	1,202	1,233	1,232	0%
Goulburn Valley Water	724	712	798	887	869	-2%
P&W (Darwin)	1,083	1,199	1,490	1,825	1,784	-2%
Wyong	910	933	953	1,001	976	-3%
Gippsland Water	1,163	1,180	1,246	1,295	1,242	-4%

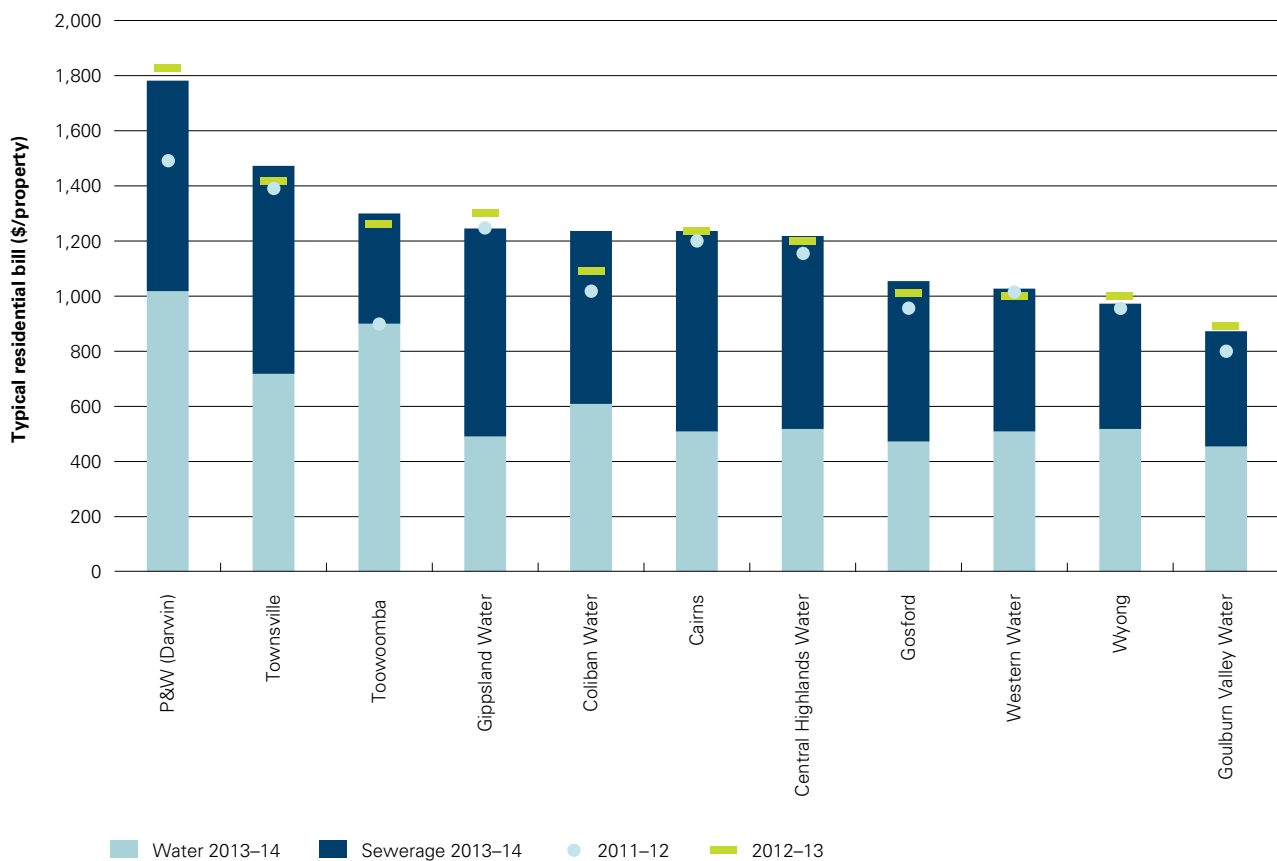


Figure 4.3 P3 and P6, 2011-12 to 2013-14, for utilities with 50,000-100,000 connected properties

20,000-50,000 group

In this group, 14 utilities reported an increase in the typical residential bill while five reported decreases. This weighting towards modest increases saw an average 2% increase in the typical residential bill along with a 2% increase in the median typical bill, rising \$28 dollars in real terms to \$1,254 (Table 4.4).

Clarence Valley and Mackay Water both reported the largest percentage increases since 2012-13, with increases of 8% each in 2013-14. Notably, this was the first significant increase in the typical residential bill for Mackay Water since 2010-11 and was driven by price increases. In contrast, reported data suggests Clarence Valley's increase was driven by a combination of price increases and a growth in average residential water volume supplied. Wannon Water reported the largest percentage decrease (5%) in the typical residential bill, which was driven by a strong price reduction in line with the ESCV's price determination (2013c).

Table 4.4 P3 and P6, 2008–09 to 2012–13 (\$), for utilities with 20,000–50,000 connected properties

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
Mackay Water	1,208	1,389	1,391	1,391	1,506	8%
Clarence Valley	1,083	1,090	1,135	1,241	1,334	8%
Fitzroy River Water	1,117	946	1,000	1,032	1,106	7%
Tweed	989	1,021	1,081	1,171	1,244	6%
Albury	700	698	728	865	910	5%
Wide Bay Water		1,359	1,356	1,403	1,458	4%
Riverina Water (W)	403	304	361	515	532	3%
Tamworth	1,256	1,236	1,256	1,336	1,376	3%
WC (Mandurah)	1,166	1,203	1,252	1,300	1,334	3%
Port Macquarie Hastings	1,184	1,139	1,164	1,226	1,254	2%
Lower Murray Water	797	743	809	854	872	2%
Coffs Harbour	1,328	1,269	1,281	1,330	1,352	2%
GWMWater	1,042	1,018	1,152	1,244	1,262	1%
Shoalhaven	929	954	965	1,017	1,031	1%
MidCoast Water	1,382	1,394	1,434	1,491	1,485	0%
Wagga Wagga (S)	421	436	456	446	434	-3%
North East Water	795	790	844	947	911	-4%
East Gippsland Water	972	1,002	1,069	1,166	1,115	-4%
Wannon Water	920	970	1,096	1,195	1,140	-5%

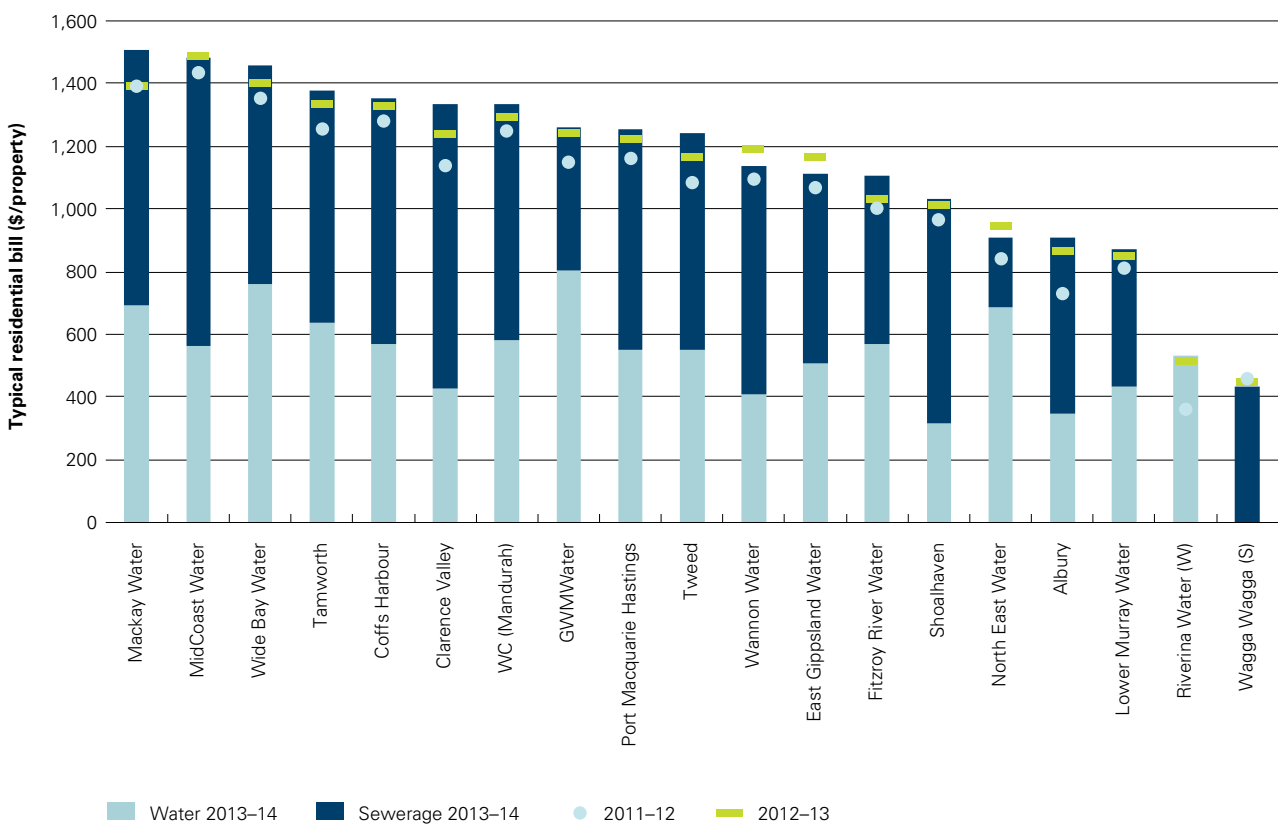


Figure 4.4 P3 and P6, 2011–12 to 2013–14, for utilities with 20,000–50,000 connected properties

10,000–20,000 group

Of the 20 utilities providing both water and sewerage services in this group, 15 reported increases in their typical bill while four reported decreases, and one (Gympie) reported typical bill data for the first time (Table 4.5).

Across this group, the typical bill rose by an average of just under 4% and the median bill increased \$51 to \$1,303, an increase of almost 4%.

Aqwest (22%), Goldenfields Water (R) (9%) and Queanbeyan (9%), reported the largest increases in typical residential bills. With the exception of Goldenfields, which recorded an 8% growth in average residential supply volume, these increases can be attributed to price increases.

Table 4.5 P3 and P6, 2008–09 to 2012–13 (\$), for utilities with 10,000–20,000 connected properties¹

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
Aqwest–Bunbury (W)	293	305	309	329	401	22%
Goldenfields Water (R)	570	430	540	677	738	9%
Queanbeyan	1,089	1,086	1,097	1,129	1,229	9%
Ballina	943	1,008	1,118	1,184	1,283	8%
Busselton (W)	391	394	409	433	469	8%
Eurobodalla	1,321	1,298	1,310	1,365	1,475	8%
Lismore	1,102	1,159	1,222	1,260	1,344	7%
Kempsey	1,183	1,173	1,195	1,233	1,303	6%
Goulburn Mulwaree	1,143	1,249	1,274	1,308	1,377	5%
WC (Albany)	1,172	1,180	1,226	1,246	1,303	5%
Wingecarribee	1,000	974	1,021	1,133	1,185	5%
WC (Busselton) (S)				704	731	4%
WC (Bunbury) (S)	632	644	668	697	721	3%
Orange	706	813	835	878	905	3%
Dubbo	1,038	1,200	1,207	1,444	1,488	3%
WC (Geraldton)	559 ¹	1,350	1,402	1,464	1,509	3%
WC (Australind–Eaton)			1,463	1,537	1,580	3%
Byron	1,436	1,349	1,482	1,568	1,610	3%
P&W (Alice Springs)	1,162	1,197	1,495	1,890	1,892	0%
Bega Valley	1,627	1,554	1,539	1,600	1,601	0%
Westernport Water	978	998	1,038	1,070	1,064	–1%
Bathurst	931	818	826	972	959	–1%
Essential Energy	1,007	1,001	1,111	1,252	1,220	–3%
South Gippsland Water	961	974	1,007	1,030	992	–4%
WC (Kal–Boulder) (W)	577	672	655	798	712	–11%
Gympie					1,162	
Kal–Boulder (S)	410	364	445		429	

Table notes

¹ In 2010–11, Water Corporation (Geraldton) began providing both water and sewerage services; prior to 2010–11 it provided only water services.

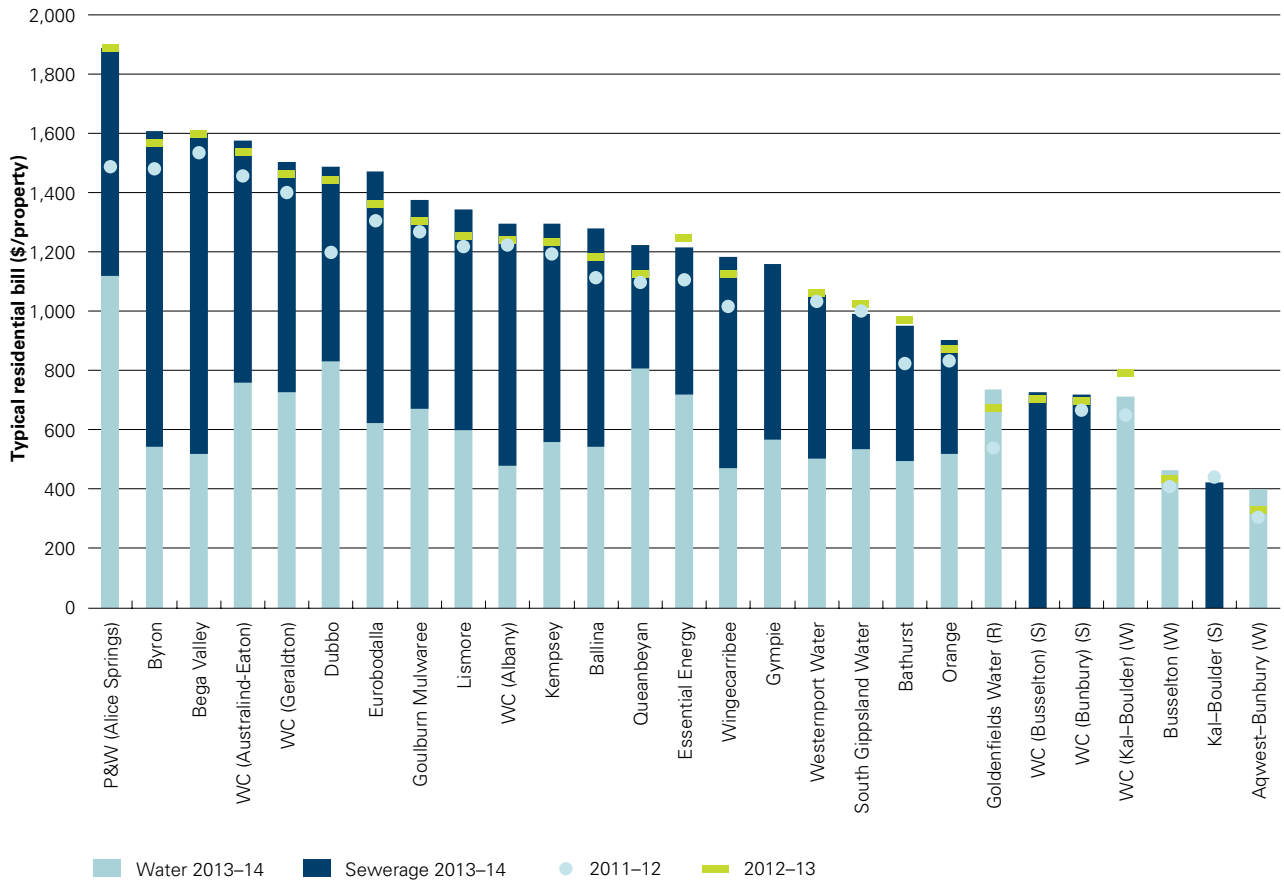


Figure 4.5 P3 and P6, 2011–12 to 2013–14, for utilities with 10,000–20,000 connected properties

4.2 P2—Annual bill based on 200kL—water (\$) and P5—Annual bill based on 200kL—sewerage (\$)

4.2.1 Introduction

These indicators are similar to the indicators presented in the preceding section (4.1); however, they remove the impact of differences in the volumes of residential water supplied to the customers of different utilities. For these indicators, all utilities report the annual bill for a hypothetical residential customer using 200kL per year.

These indicators aid comparisons between utilities’ annual bills (for the particular usage volume of 200kL) and improve the transparency of price increases; however, the typical residential bill (indicators P3 and P6) remains the best guide to the impact of pricing on a utility’s customers, as it is based on the typical bill paid by those customers.

The median bill based on a usage of 200kL rose by just under 4% nationally in real terms in 2013–14 (compared with 6% in 2012–13), taking the median bill for 2013–14 to \$1,280. Median 200kL bills rose across all size groups, with the largest increases occurring in the 100,000+ and 50,000–100,000 groups.

Table 4.6 Overview of results: P2 and P5, based on 200kL/a, (\$)¹

Size group	Range		Number of utilities with increase/decrease from 2012–13		Median		% change in the median from 2012–13
	High	Low	Increase	Decrease	2012–13	2013–14	
100,000+ connected properties	1,657 Logan	1,049 Hunter Water	8	5	1,185 [†]	1,267 [†]	7%
50,000–100,000 connected properties	1,473 Townsville	797 Goulburn Valley Water	8	3	1,170	1,256	7%
20,000–50,000 connected properties	1,614 MidCoast Water	712 Lower Murray Water	12	5	1,235	1,258	2%
10,000–20,000 connected properties	1,760 Bega Valley	914 Bathurst	16	3	1,277	1 309	2%
All size groups (national)	1,760 Bega Valley	712 Lower Murray Water	45	15	1,229 [†]	1,280 [†]	4%

Table notes

¹ The 200kL residential bill is calculated using data from all utilities who reported data for P2 and P5 in both 2012–13 and 2013–14

[†] As a result of changes to reporting boundaries for SA Water, the 2012–13 200kL bill uses the data from metropolitan Adelaide while the 2013–14 figure uses whole of SA Water data.

4.3 Results and analysis

100,000+ size group

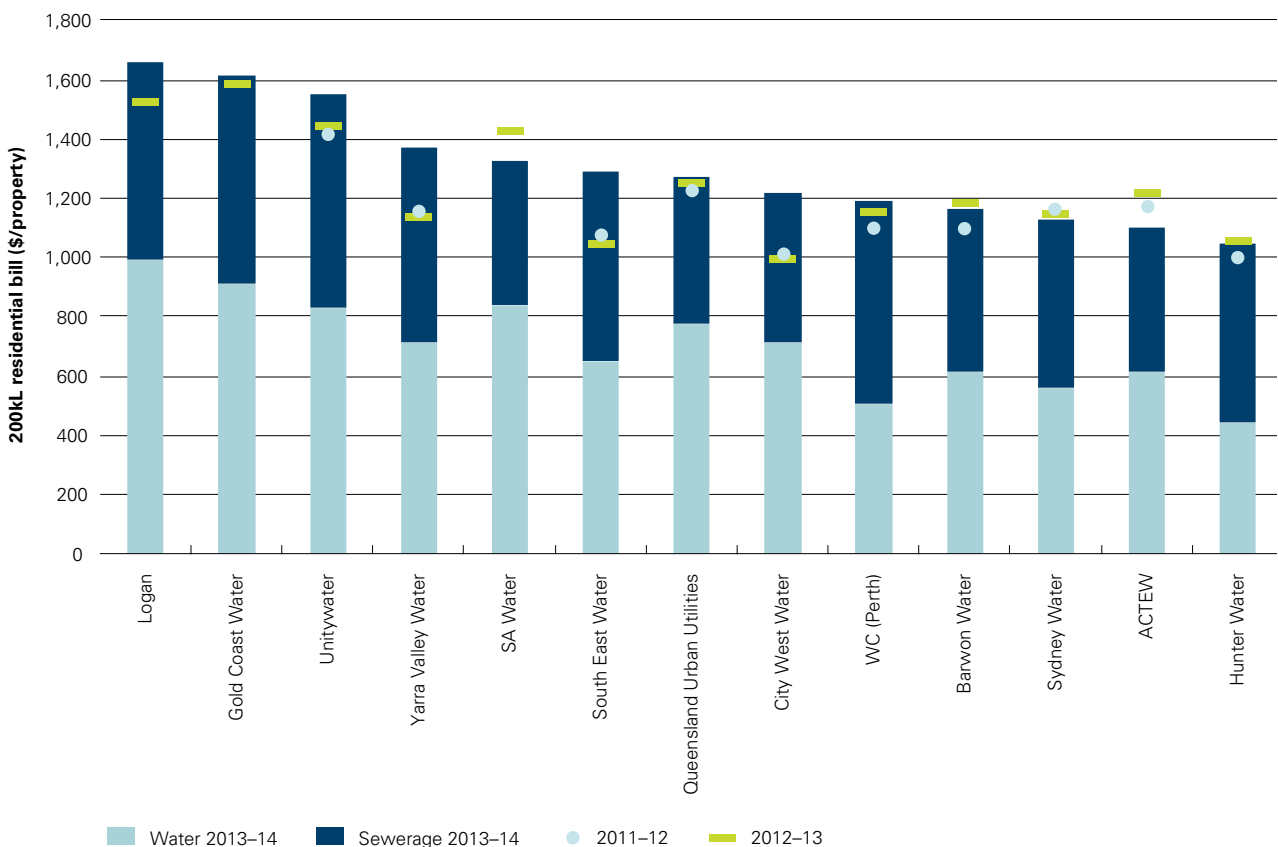
In this group, eight utilities reported increases in standardised bills, while five reported decreases (Table 4.7). Following a price freeze in 2012–13 (ESCV 2012: 2), which resulted in minor reductions of standardised bills, the three Victorian utilities in this group reported significant increases in 2013–14. South East Water, Yarra Valley Water, and City West Water reported increases of 23%, 23%, and 20% respectively. ACTEW reported the largest decrease in its standardised bill, with a decrease of almost 10% driven by the ACT's Independent Competition and Regulatory Commission's (ICRC) price decrease (ICRC 2013).

Table 4.7 P2 and P5, 2009–10 to 2013–14 (\$), for utilities with 100,000+ connected properties

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
South East Water	841	967	1,074	1,049	1,291	23%
City West Water	810	911	1,012	989	1,213	23%
Yarra Valley Water	869	1,008	1,157	1,136	1,366	20%
Logan	1,229			1,526	1,657	9%
Unitywater		1,353	1,420	1,445	1,549	7%
WC (Perth)	1,005	1,047	1,104	1,150	1,188	3%
Gold Coast Water	1,280			1,586	1,615	2%
Queensland Urban Utilities		1,181	1,223	1,251	1,267	1%
Hunter Water	941	950	1,004	1,054	1,049	0%
Sydney Water	1,082	1,123	1,161	1,146	1,130	-1%
Barwon Water	953	1,018	1,100	1,185	1,164	-2%
SA Water				1,424 [†]	1,329 [†]	-7%
ACTEW	1,068	1,084	1,174	1,219	1,102	-10%

Table notes

[†] As a result of changes to reporting boundaries for SA Water the 2012–13 median typical bill utilises the data from metropolitan Adelaide while the 2013–14 figure utilises whole of SA Water data.

**Figure 4.6 P2 and P5, 2009–10 to 2013–14 (\$), for utilities with 100,000+ connected properties**

50,000–100,000 size group

The median standardised bill for this group increased from \$1,170 to \$1,256, a rise of 7% (Table 4.6). Of the 11 utilities in the group, eight reported bill increases while two utilities reported slight decreases (Table 4.8).

Gippsland Water and Goulburn Valley Water reported slight decreases, with their 200kL bills falling 3% and 1% respectively. Results for Central Highland Water remained constant over the 2012–13 and 2013–14 reporting years. Townsville reported the highest 200kL bill for the group, up 4% from 2012–13 to \$1,473.

Table 4.8 P2 and P5, 2009–10 to 2013–14 (\$), for utilities with 50,000–100,000 connected properties

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
Coliban Water	927	1,065	1,092	1,106	1,256	14%
Townsville	1,407	1,313	1,386	1,419	1,473	4%
Gosford	1,028	1,036	1,068	1,103	1,136	3%
P&W (Darwin)	825	961	1,127	1,375	1,407	2%
Western Water	953	999	1,062	1,037	1,059	2%
Wyong	999	1,018	1,055	1,098	1,120	2%
Cairns	1,099	1,125	1,155	1,170	1,185	1%
Toowoomba			1,188	1,419	1,430	1%
Central Highlands Water	1,184	1,219	1,270	1,291	1,290	<-1%
Goulburn Valley Water	674	713	764	804	797	-1%
Gippsland Water	1,199	1,248	1,316	1,342	1,297	-3%

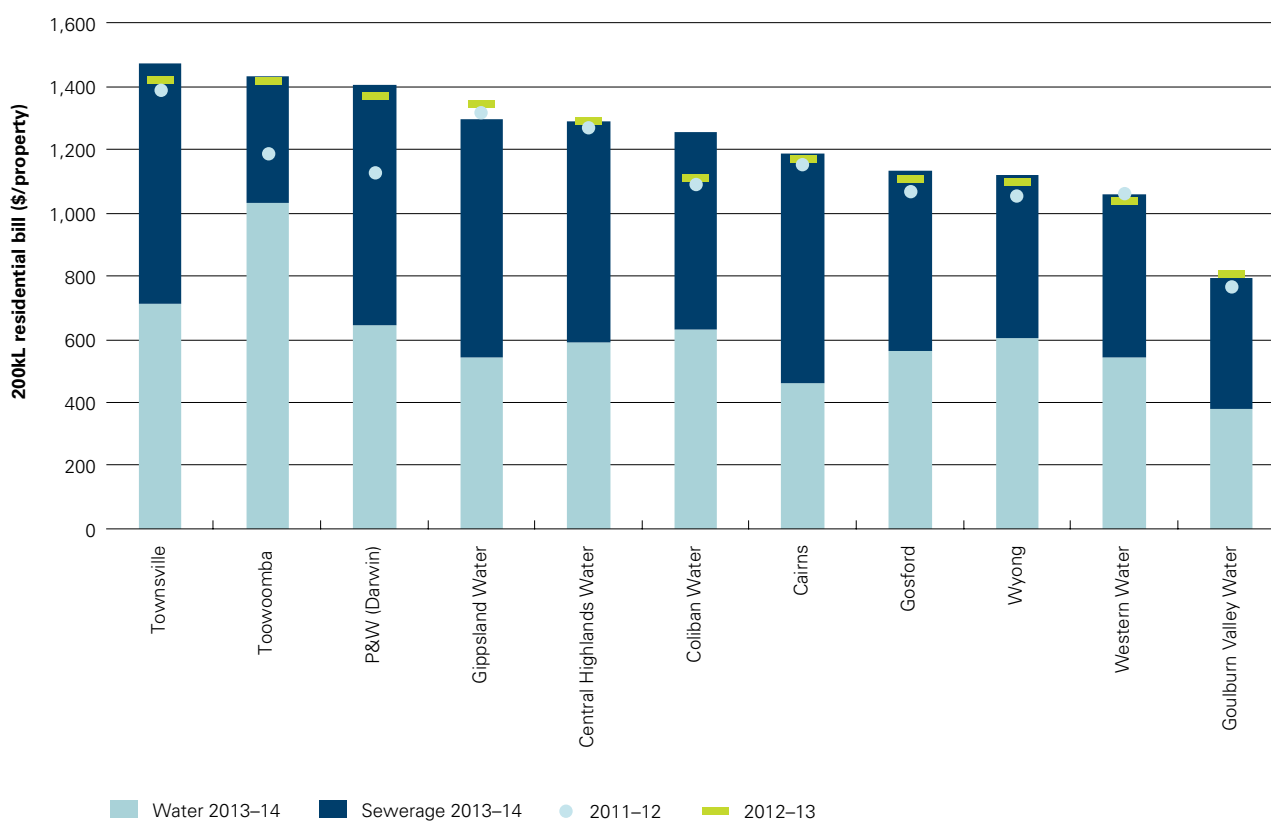


Figure 4.7 P2 and P5, 2011–12 to 2013–14 (\$), for utilities with 50,000–100,000 connected properties

20,000–50,000 group

Across this group, the median 200kL bill for utilities providing both water and sewerage services rose by just under \$23 to \$1,258. This change was the result of an average increase in standardised bills across these utilities of 2% (Table 4.6).

This group had the largest variation in standardised bills, with 13 utilities reporting increases.

The largest increase was reported by Albury, which recorded an 11% increase in its standardised bill. This increase was a result of rising sewerage and water supply changes to fund infrastructure improvements and maintenance of ageing infrastructure.

Riverina Water (which supplies water only) reported a 9% increase in its standardised bill. This rise, attributed to the construction of a replacement water treatment plant in Wagga Wagga (Riverina Water 2013: 16), came on the back of a 15% rise in 2012–13. If considering only the water component of the 200kL bill, however, Riverina Water remained one of the lowest charging utilities in the group, ranking third lowest after Albury (\$308) and Lower Murray (\$272).

Table 4.9 P2 and P5, 2009–10 to 2013–14 (\$), for utilities with 20,000–50,000 connected properties

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
Albury	688	712	725	784	869	11%
Riverina Water (W)	279	280	305	349	382	9%
Clarence Valley	1,126	1,179	1,233	1,324	1,399	6%
Tweed	1,029	1,079	1,153	1,220	1,279	5%
GWMWater	1,042	1,074	1,139	1,187	1,220	3%
Fitzroy River Water	896	912	923	956	981	3%
Port Macquarie Hastings	1,259	1,253	1,290	1,326	1,359	2%
WC (Mandurah)	1,099	1,134	1,189	1,230	1,258	2%
Mackay Water	1,137	1,271	1,287	1,344	1,372	2%
Lower Murray Water	688	690	700	700	712	2%
Shoalhaven	1,008	1,054	1,075	1,098	1,115	2%
Tamworth	1,190	1,216	1,251	1,252	1,256	0%
Coffs Harbour	1,361	1,358	1,390	1,429	1,432	0%
Wide Bay Water		1,359	1,403	1,454	1,453	0%
North East Water	772	862	892	909	897	–1%
MidCoast Water	1,485	1,537	1,606	1,637	1,614	–1%
East Gippsland Water	1,018	1,083	1,167	1,235	1,207	–2%
Wagga Wagga (S)	421	436	456	446	434	–3%
Wannon Water	993	1,083	1,195	1,294	1,260	–3%

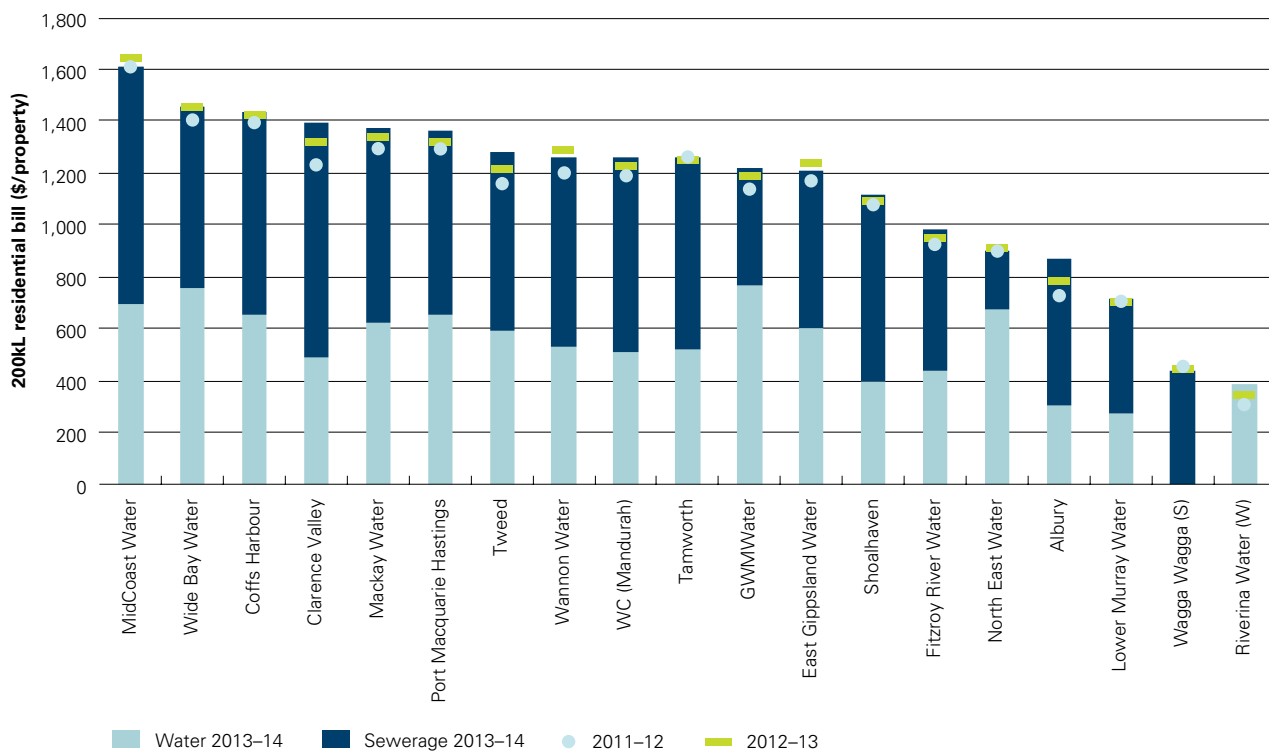


Figure 4.8 P2 and P5, 2011-12 to 2013-14 (\$), for utilities with 20,000-50,000 connected properties

10,000-20,000 group

With the exception of Gympie, the median standardised bill for utilities providing both water and sewerage services in this group rose by just under \$32 to \$1,309 in 2013-14. This change resulted from an average increase in standardised bills across these utilities of 2% (Table 4.10). Gympie reported data for the first time in 2013-14, hence earlier years' figures were not available for comparison.

In 2012-13, Power and Water (Alice Springs) reported a significant increase of 22%, to its 200kL bill, as a result of servicing debt (Power and Water Corporation 2013), compared with a small rise of 2% in 2013-14.

Busselton and Aqwest-Bunbury Water (both water supply only utilities) reported significant increases in standardised bills, recording growth of 21% and 17% respectively.

Table 4.10 P2 and P5, 2009–10 to 2013–14 (\$), for utilities with 10,000–20,000 connected properties¹

Utility	2009–10	2010–11	2011–12	2012–13	2013–14	% change from 2012–13
Busselton (W)	308	316	330	350	425	21%
Aqwest–Bunbury (W)	231	241	255	273	319	17%
Eurobodalla	1,504	1,533	1,603	1,624	1,752	8%
Queanbeyan	1,088	1,114	1,147	1,214	1,309	8%
Dubbo	904	1,095	1,127	1,162	1,228	6%
Ballina	961	1,071	1,177	1,225	1,294	6%
Kempsey	1,213	1,242	1,295	1,319	1,390	5%
Bathurst	858	843	854	872	914	5%
Lismore	1,169	1,271	1,364	1,401	1,467	5%
WC (Geraldton)	391 ¹	1,134	1,164	1,228	1,282	4%
Goulburn Mulwaree	1,250	1,364	1,383	1,412	1,473	4%
Orange	796	886	906	915	953	4%
WC (Busselton) (S)				704	731	4%
WC (Bunbury) (S)	632	644	668	697	721	3%
WC (Australind-Eaton)			1,242	1,277	1,320	3%
WC (Kal–Boulder) (W)	391	425	465	489	505	3%
WC (Albany)	1,161	1,193	1,245	1,283	1,325	3%
Wingecarribee	1,014	1,033	1,090	1,156	1,185	2%
P&W (Alice Springs)	825	961	1,127	1,375	1,407	2%
Goldenfields Water (R)	475	474	542	557	569	2%
Byron	1,456	1,488	1,601	1,674	1,694	1%
Bega Valley	1,707	1,721	1,705	1,748	1,760	1%
Westernport Water	1,190	1,218	1,261	1,284	1,286	0%
Essential Energy	915	976	1,054	1,114	1,085	–3%
South Gippsland Water	1,075	1,103	1,145	1,167	1,129	–3%
Gympie					1,120	

Table notes

¹ In 2010–11, Water Corporation (Geraldton) began providing both water and sewerage services, prior to 2010–11 it provided only water services.

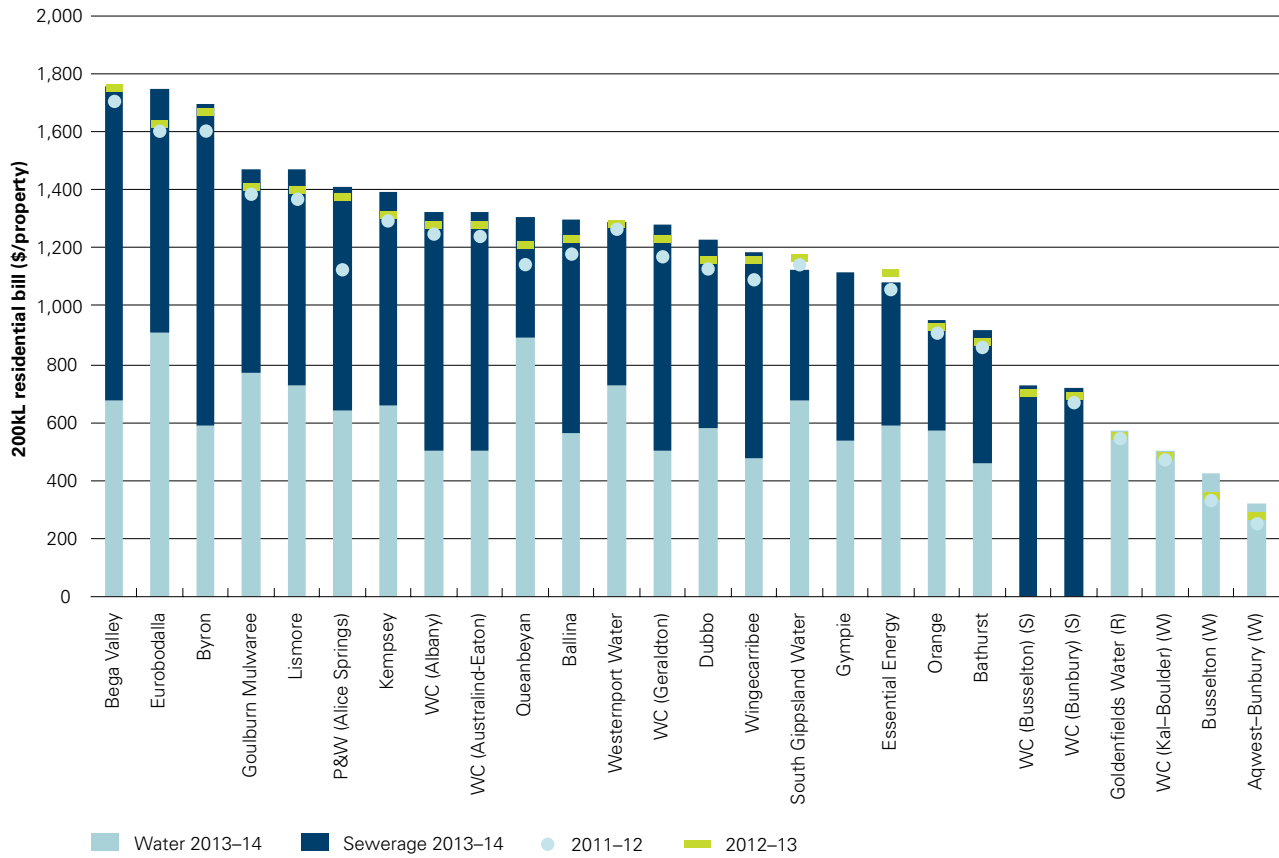


Figure 4.9 P2 and P5, 2011-12 to 2013-14 (\$), for utilities with 10,000-20,000 connected properties