

4 Pricing

4.1 Typical residential bill: water supply and wastewater – P8

The typical residential bill (\$) for water supply and wastewater (P8) is the sum of fixed charges and volumetric-usage charges for water and sewage billed to a residential customer. The typical bill is based on each utility's average annual volume of residential water supplied (W12) and its pricing structure (P1, P1.2 to P1.7, P4.1 to P4.3). Prices are set by government or, in some jurisdictions, by a regulator, council or utility.

Water bills are influenced by a number of factors, including:

- size of the utility's customer base
- geographical location
- distribution of the customer base
- local topography
- climate
- available sources of water
- government policy and legislation.

The mix of fixed and usage charges, and the level of water consumption, affect the typical residential bill.

When drawing comparisons between utilities, it is important to note that changes in a typical bill may result from both changes to average consumption and changes to the price of water.

Historically, residential water bill pricing models have varied across the nation. Most utilities now have a water supply pricing model based on a 2-part structure. A fixed component and a component based on volumetric usage.

Townsville City Council and Whitsunday Regional Council remain exceptions as ratepayers have a choice between a fixed allocation and a 2-part structure.⁴

Unlike residential water supply pricing, most utilities have a fixed price model for wastewater services. The exceptions are the Melbourne utilities⁵, Central Coast Council and Unitywater. These utilities have both a fixed and volumetric component in their wastewater charges.

Billing data is indexed using the consumer price index (CPI) to facilitate comparison in real terms.

Typical residential bill (P8) data for all utilities reporting in 2022–23 is presented in Table A3, Appendix A.

4.1.1 Key findings

Table 4.1 presents a summary of the median typical residential bills by utility size group.

Nationally, median typical residential bills for water and wastewater services decreased by 6% from 2021–22. This equates to a \$92 decrease in the median typical residential bill. Overall, the water and wastewater utilities in the Major utility group reported the highest decrease of 8% from 2021–22 compared with other utility groups. Byron Shire Council in the Small size group reported the highest and Goulburn Valley Water in the Large size group reported the lowest typical residential bill.

⁴ <https://www.whitsundayrc.qld.gov.au/our-council/about-council/rates-fees-and-charges/water-billing-options-and-water-tariff-calculator>

⁵ Greater Western Water, Yarra Valley Water, and South East Water

Most utilities reported a decrease in their typical residential bill from 2021–22, which ranged up to the highest proportional decrease of 11.4% for Mackay Regional Council. Of the three utilities (all in the Medium size group) reporting a small increase, Port Macquarie Hastings Council had the largest increase of 2.8%.

Table 4.1 Overview of results: Typical residential bill: water supply and wastewater (\$)

Utility group	Range		No. utilities with increase/decrease from 2021–22		Median		Change in median from 2021–22 (%)
	High	Low	Increase	Decrease	2021–22	2022–23	
Major	1,710	947	0	15	1,173	1,078	-8%
	Gold Coast	Greater Western Water					
Large	1,902	841	0	12	1,514	1,430	-6%
	P&W (Darwin)	Goulburn Valley Water					
Medium	1,892	1,018	3	18	1,630	1,520	-7%
	Gladstone	Lower Murray Water					
Small	2,133	1,018	0	23	1,830	1,744	-5%
	Byron	Mount Barker					
All size groups (national)	2,133	841	3	68	1,587	1,495	-6%
	Byron	Goulburn Valley Water					

Note: The typical residential bill in each year is calculated using data from all active utilities supplying both water and wastewater services in that year.

Figure 4.1 shows a box-and-whisker plot of typical residential bills for all utilities reporting data in a given year. The typical residential bill was steady for 6 successive years from 2015–16 to 2020–21 but has decreased for the last 2 years. The national median typical residential bill decreased by 6% from 2021–22 to its lowest in the 2012–2023 period.

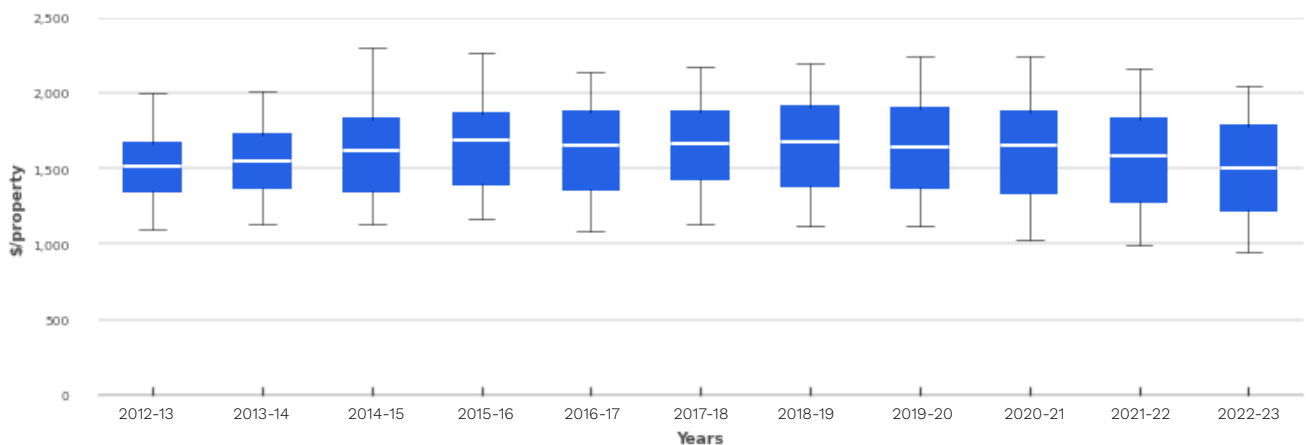


Figure 4.1 Typical residential bill: water supply and wastewater (\$), 2012–13 to 2022–23

4.1.2 Results and analysis – Major utility group

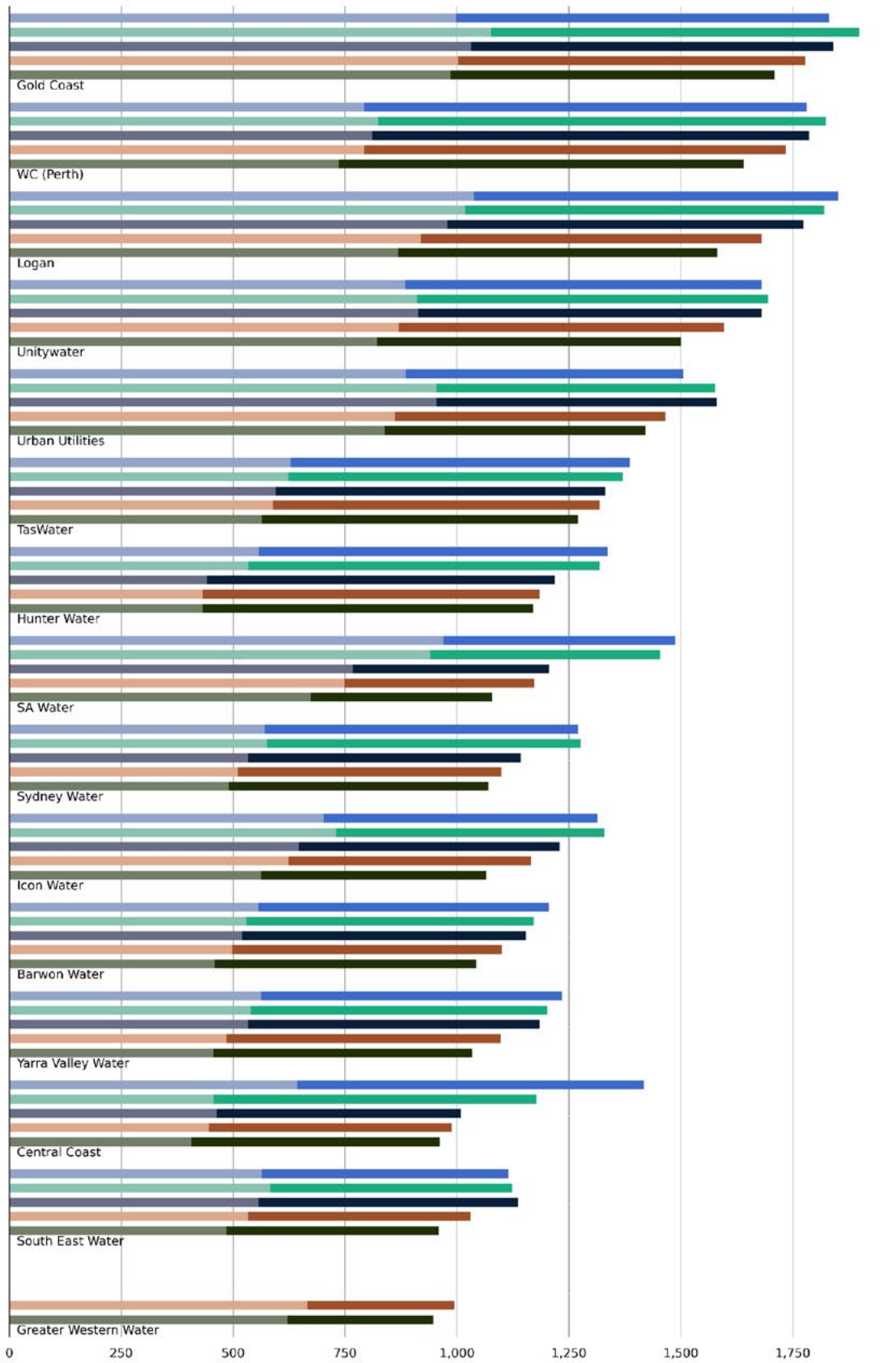
Figure 4.2 presents a ranked breakdown of the typical residential bill for the Major utility group. The figure shows the water (P3) and wastewater (P6) components of the bill for active utilities that have reported their information in 2022–23.

Following a similar trend from the previous year, the median typical residential bill decreased from 2021–22 for all utilities in the Major size group. This decrease applied to both water supply and wastewater services for all utilities except for Central Coast Council where the wastewater component of the bill was slightly higher than 2021–22.

City of Gold Coast reported the highest typical residential bill (\$1,710) in this size group and was highest for both water supply and wastewater services. City of Gold Coast, Water Corporation – Perth and Logan City Council remained the highest 3 utilities for pricing.

Greater Western Water reported the lowest typical residential bill this year (\$947) while South East Water Corporation and Central Coast Council had similarly lower costs for these services.

The proportional decrease in typical residential bills from 2021–22 ranged between 1.2% (Hunter Water Corporation) and 8.7% (Icon Water Limited).



Legend

Typical residential bill (\$)

- | | | | | | |
|---------|-------|------------|---------|-------|------------|
| 2018-19 | Water | Wastewater | 2021-22 | Water | Wastewater |
| 2019-20 | Water | Wastewater | 2022-23 | Water | Wastewater |
| 2020-21 | Water | Wastewater | | | |

Figure 4.2 Typical residential bill: water supply and wastewater (\$) – Major utility group

4.2 Annual residential bill based on 200 kL per annum: water supply and wastewater – P7

The annual bill (\$) based on 200 kL for water and wastewater services (P7) is the sum of the annual bill for the supply of 200 kL of water (P2) and the annual bill for the provision of wastewater services for a residential customer using 200 kL of water (P5).

While the typical residential bill (P8) is the best guide to determining the impact of pricing on customers, the annual bill based on 200 kL aids comparisons between utilities. Adopting a consistent 200 kL as the basis for the bill partially normalises the data, correcting for differences in the volumes of water supplied and providing insight into price variations.

Billing data is indexed using the consumer price index (CPI) to facilitate comparison in real terms.

The annual bill based on 200 kL (water supply and wastewater) data for related utilities is presented in Table A4, Appendix A.

4.2.1 Key findings

Table 4.2 presents a summary of the median 200 kL/annum residential bill data by utility size group.

Table 4.2 Overview of results: Annual residential bill based on 200 kL per annum: water supply and wastewater (\$)

Utility group	Range		No. utilities with increase/decrease from 2021–22		Median		Change in median from 2021–22 (%)
	High	Low	Increase	Decrease	2021–22	2022–23	
Major	1,879	1,132	1	14	1,298	1,223	-6%
	Logan	Greater Western Water					
Large	1,877	804	0	12	1,520	1,442	-5%
	Toowoomba	Goulburn Valley Water					
Medium	3,165	818	2	19	1,644	1,571	-4%
	Tweed	Lower Murray Water					
Small	2,327	1,018	2	22	1,811	1,754	-3%
	Kempsey	Mount Barker					
All size groups (national)	3,165	804	5	67	1,658	1,582	-5%
	Tweed	Goulburn Valley Water					

Note: The 200 kL residential bill data for water supply and wastewater for each year are calculated using data from all active utilities reporting against the P2 and P5 indicators in that year.

On a 200 kL/annum basis, the national median bill in 2022–23 decreased (5%) from 2021–22. The median annual residential bill based on 200 kL/annum decreased for all utility size groups, with the Major size group experiencing the highest decrease (6%) from 2021–22.

Despite a 4.1% decrease from the previous year, the annual residential bill based on 200 kL for Tweed Shire Council remained significantly higher than other utilities in all size groups. There were 3 utilities lower than \$1000/property, with Goulburn Valley Water in the Large size group the lowest at \$804.

After reporting the highest increase in the Small utility group last year, Livingston Shire Council had the overall largest drop in the normalised annual residential bill (11.3% from 2021–22). Most decreases were in the 1% to 5.5% range. Among all utility size groups, only 5 utilities reported increased annual residential bills based on 200 kL from 2021–22; Central Coast Council in the Major size group was the highest of these at 4.7%.

The greatest variation in the annual residential bill based on 200 kL was in the Medium size group, with a \$2,347/property difference between the highest (Tweed Shire Council) and lowest (Lower Murray Water).

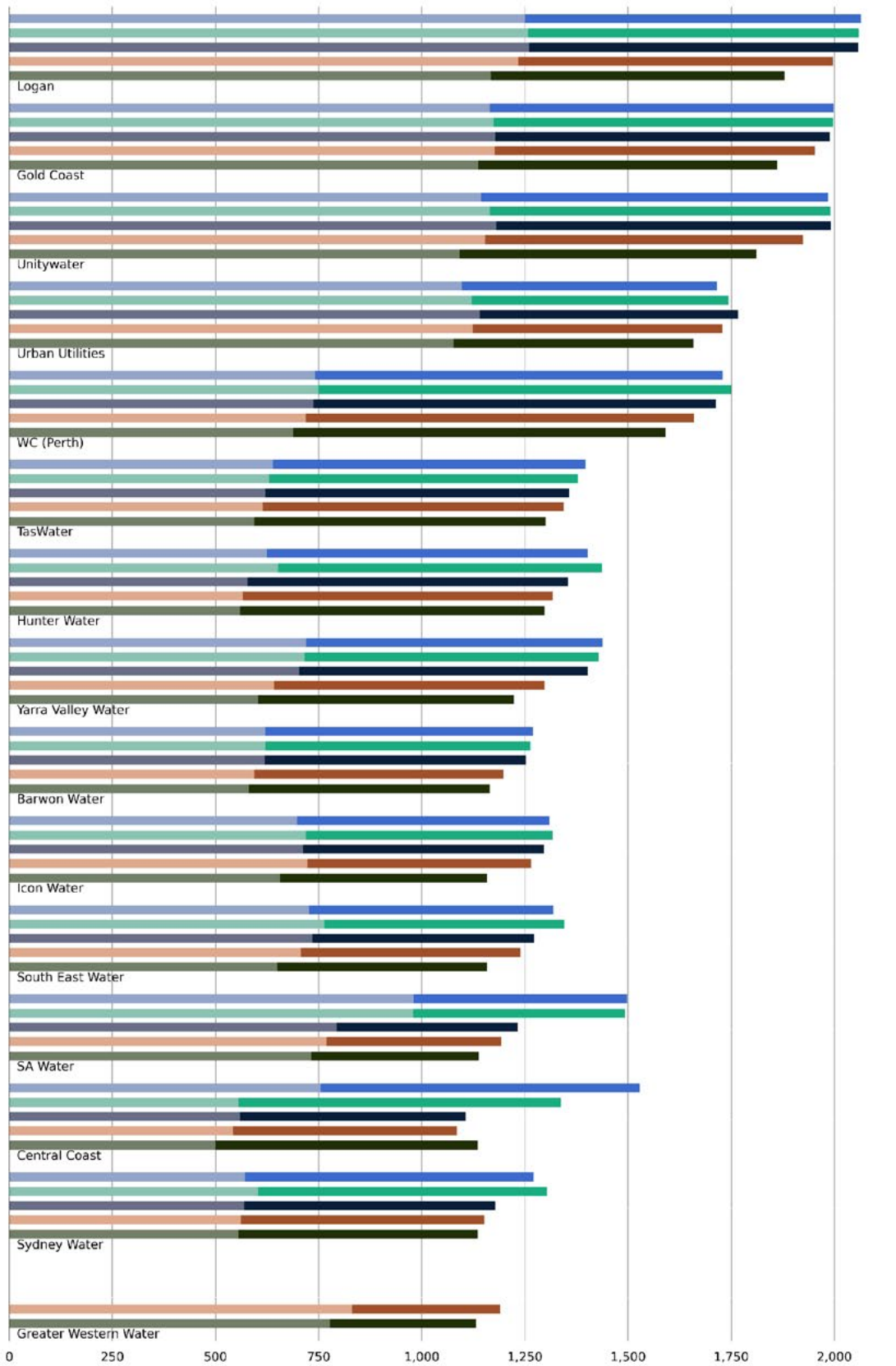
4.2.2 Results and analysis – Major utility group

Figure 4.3 presents a ranked breakdown of the annual residential bill based on 200 kL for the active utilities within the Major utility group that have reported their information in 2022–23.

Continuing the trend from 2021–22, the annual residential bill based on 200 kL decreased for nearly all utilities in the Major size group in this reporting year. The exception was Central Coast Council where the normalised cost for these services increased by 4.7% due to a 17% increase in wastewater charges. However, Central Coast Council remains one of the lower priced utilities, with Greater Western Water the lowest at \$1,132/property. There was less than \$35 difference in annual residential bill based on 200 kL between the 8 cheapest utilities in this size group.

Icon Water Limited had the largest decrease (8.5%) in the annual residential bill based on 200 kL from 2021–22, with the largest drop in both the water supply and wastewater components.

The Queensland and Western Australian water utilities continued to report the highest annual residential bill based on 200 kL in the Major size group, Logan City Council being the highest in 2022–23 at \$1,879/property.



Legend

Annual bill based on 200kL (\$)

- | | | | | | |
|---------|-------|------------|---------|-------|------------|
| 2018-19 | Water | Wastewater | 2021-22 | Water | Wastewater |
| 2019-20 | Water | Wastewater | 2022-23 | Water | Wastewater |
| 2020-21 | Water | Wastewater | | | |

Figure 4.3 Annual bill based on 200 kL: water supply and wastewater (\$) – Major utility group.