




Greater Western Water

2024 water price review | Customer fact sheet

Greater Western Water has provided its price submission on proposed prices and key outcomes for its customers. We will assess the price submission and make price determinations on the maximum price Greater Western Water can charge for its services from 1 July 2024 to 30 June 2028.

Snapshot of Greater Western Water's price submission

Bills	Tariffs	Outcomes
		
<p>Typical annual residential owner occupier water bills in the central area will decrease from \$1,007 in 2023-24 to \$996 in 2024-25 and then gradually increase to \$1,005 by 2027-28. For customers in the western area, typical residential owner occupier bills will fall from \$1,099 to \$1,092 in 2024-25 and then continue falling to \$1,052 by 2027-28. This excludes inflation, which is added to bills each year.¹</p>	<p>Greater Western Water will continue to operate distinct central and western pricing areas over 2024–28, but will transition to similar tariffs for similar services over time.²</p> <p>Greater Western Water proposes removing the residential sewage disposal charge and introducing a combined variable charge for water and sewerage for customers in its central area. It also proposes removing the third step charge of the residential volumetric potable water tariff for customers in its western area.</p>	<p>Greater Western Water has refined the outcomes it will deliver to customers and the measures to track its performance. It will include a new GSL for water quality events for customers in its central area.³ Customers in its western area will see a significant increase in GSL scheme offers and rebates.</p>

¹ You can access the latest independent forecasts for inflation via <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

² Greater Western Water's central area is the area previously serviced by City West Water and its western area is the area previously serviced by Western Water.

³ A GSL is a guaranteed service level where the business pays (or rebates) a pre-determined amount to affected customers when it breaches the specified service level obligation.

Information about our price review process and Greater Western Water's price submission is available at www.esc.vic.gov.au/water-price-review-2024

Send us your feedback on Greater Western Water's proposal

Submitting your feedback by **15 December 2023** will help us prepare for the release of our draft decision. Send us your feedback via engage.vic.gov.au/ESC-water-price-review-2024.



What are the changes to prices and tariffs?

Greater Western Water will continue to transition to a similar price for similar services for its two regions, with common pricing established by 2032-33.

Greater Western Water proposes to increase water service charges by 3 per cent (before inflation) in 2024-25, then remain unchanged for the rest of the pricing period for customers living in both its central and western areas.

For sewerage services, Greater Western Water proposes to increase service charges for customers living in its central area by 1.1 per cent (before inflation) each year during the pricing period. For customers living in its western area, sewerage service charges decrease by 3.7 to 4.1 percent (before inflation) per annum until 2027-28.

For customers living in its western area, the water usage charge is proposed to increase less than 2 per cent (before inflation) per annum, depending on the level of water consumption, until 2027-28. Greater Western Water proposes to remove the third step of the water usage charge for customers living in its western area, consistent with the two tiers in its central area.

For customers living in its central area, Greater Western Water proposes to remove the sewage disposal charge and introduce a new variable charge which covers both water and sewage usage. The western area does not have a sewage disposal charge.

Greater Western Water proposed a uniform 'standard' new customer contribution for the whole region, bringing the western area in line with its central area. It proposed to maintain the existing 'greenfield' new customer contribution for its western area. New customer contributions will increase by 5 per cent each year across the 4-year regulatory period.

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 as well as inflation, which is added to bills each year.

Greater Western Water provided us with typical bills for different customer groups and water volumes, before inflation. For customers living in the central area, Greater Western Water's proposal will see typical residential customers' bills decrease by 1 per cent (before inflation) in 2024-25 and then increase 0.3 per cent (before inflation) each year until 2027-28. For customers living in the western area, the proposal will see typical residential customers' bills decrease by 0.7 per cent (before inflation) in 2024-25 and then continue to fall by about 1.2 per cent (before inflation) each year until 2027-28.



Typical water and sewerage bills (not including inflation)

Customer Group	Average consumption (kL p.a.)	2023-24 annual bill	2024-25 annual bill	2027-28 annual bill
Residential (Owner occupier) – Central	150	\$1,007	\$996	\$1,005
Residential (Owner occupier) – Western	150	\$1,099	\$1,092	\$1,052
Residential (Tenant) – Central	150	\$531	\$511	\$511
Residential (Tenant) – Western ⁴	150	\$288	\$311	\$374
Non-residential (Small) – Central	100	\$1,297	\$1,305	\$1,296
Non-residential (Small) – Western	100	\$1,057	\$1,056	\$1,026
Non-residential (Medium) – Central	1,000	\$5,694	\$5,722	\$5,714
Non-residential (Medium) – Western	1,000	\$3,812	\$3,830	\$3,801
Non-residential (Large) – Central	5,000	\$25,233	\$25,354	\$25,346
Non-residential (Large) – Western	5,000	\$16,056	\$16,162	\$16,133

What are the outcomes for customers?

As part of their price submission, water businesses must propose a set of outcomes that they will deliver to their customers over the following pricing period. The set of outcomes, measures and targets are unique to each business, reflecting those performance elements that matter most to customers, as revealed through the customer engagement process.

⁴ This figure includes government efficiency rebate which will be paid against tenants' water usage charge. Greater Western Water is continuing to gradually unwind the rebate each year to limit the bill impact of its removal on customers.

Greater Western Water worked with its customers to develop five outcomes, with targets to track its performance. Greater Western Water’s outcome commitments to its customers are:

- Outcome 1: Your water is safe, consistent and resilient
- Outcome 2: When things go wrong, we fix them
- Outcome 3: We support our diverse communities and customers
- Outcome 4: We enable growth and help businesses thrive
- Outcome 5: We heal and care for Country.

Greater Western Water also proposed:

- An increase in annual operating expenditure to partner with Traditional Owners for self-determined water related projects to support healing and caring for Country, supporting outcome 5.
- An increase in annual operating expenditure to support any customer experiencing vulnerability, supporting outcome 3
- A new GSL for water quality events. It worked with South East Water, Yarra Valley Water, and Melbourne Water to achieve a consistent Melbourne-wide approach for the new GSL.
- Customers in its western area will see a significant increase in GSL scheme offers and rebates.

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

(\$ million before inflation)

Project	Detail	Total
Woodend Recycled Water Plant – Major Upgrade	Woodend Recycled Water Plant will be upgraded to address environmental and regulatory risks and meet current and future capacity requirements.	\$61.1 million (\$58.4 million in the 2024–28 regulatory period)
Macedon Ranges Transfer Augmentation	A number of works to provide the Macedon Ranges with secure, reliable and consistent potable water. This project will help address water service delivery risk.	\$55.9 million

Project	Detail	Total
CBD Stage 4 – Siddeley Street	A new sewer in Siddeley Street will be constructed to meet future population growth and meet capacity requirements.	\$46.4 million
Holden Tank Water Pumping Station & Transfer Main	This project will increase transfer capacity into the Sunbury Water Network to meet ongoing growth.	\$36.3 million
Emu Creek Branch Sewerage Main (Melbourne-Lancefield Road) & Sunbury Road Outfall Sewerage	A new branch sewer will be constructed to meet future population growth in the Sunbury Growth Area.	\$63.2 million (\$34.2 million in the 2024–28 regulatory period)

How much revenue is required from 2024 to 2028?

We require the business to tell us what revenue it will require for the next four years. This helps us understand how Greater Western Water calculated the prices in its submission.

Greater Western Water forecasts that it needs **\$2.52 billion** of operating expenditure and **\$1.39 billion** of capital expenditure to provide its services and cater for expected customer growth over the next four years. To fund this, it requires **\$3.48 billion in revenue over the 4-year period (an average of \$870.8 million per annum)**.

Got a question?

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