

# 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.<sup>4</sup>

Unlike residential water supply pricing, most utilities have a fixed price model for wastewater services. The exceptions are the Melbourne utilities<sup>5</sup>, Central Coast Council, Essential Energy, Queanbeyan–Palerang Regional Council, Shoalhaven City 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 2021–22 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 2% from 2020–21. This means a \$33 decrease in the median typical residential bill. Overall, the water and wastewater utilities in the Major utility group reported the highest decrease of 4% from 2020–21 compared with other utility groups. Central Highlands Water in the Small size group reported the highest and Goulburn Valley Water in the Large size group reported the lowest typical residential bill.

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

<sup>5</sup> Greater Western Water, Yarra Valley Water, and South East Water

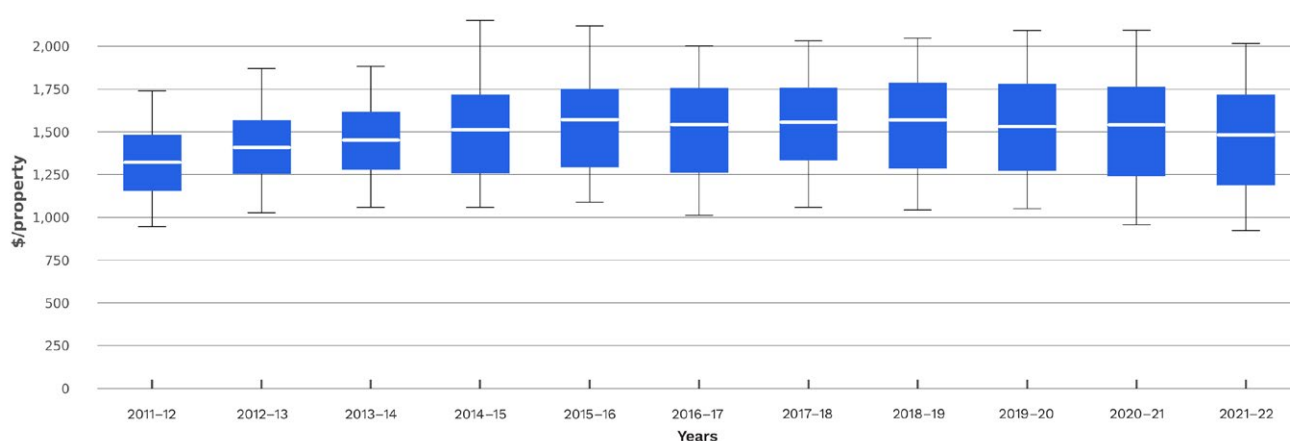
A few utilities reported an increase in their typical residential bill from 2020–21 including Southern Downs Regional Council from the Small utility group (the highest increase of 4.9%) and Armidale Regional Council from the Small utility group (the lowest increase of 1.5%).

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

Utility group	Range		No. utilities with increase/decrease from 2020–21		Median		Change from previous year (%)
	High	Low	Increase	Decrease	2020–21	2021–22	
Major	1,661	923	0	14	1,144	1,096	-4
	Gold Coast	Central Coast					
Large	1,902	851	1	11	1,432	1,415	-1
	P&W (Darwin)	Goulburn Valley Water					
Medium	1,801	979	0	21	1,583	1,523	-4
	MidCoast Council	Lower Murray Water					
Small	2,080	975	3	19	1,732	1,710	-1
	Central Highlands	Mount Barker					
<b>All size groups (national)</b>	<b>2,080</b>	<b>851</b>	<b>4</b>	<b>65</b>	<b>1,523</b>	<b>1,490</b>	<b>-2</b>
	<b>Central Highlands</b>	<b>Goulburn Valley Water</b>					

**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 slightly decreased in 2021–22. The national median also decreased by 2% in comparison with 2020–21.



**Figure 4.1 Typical residential bill: water supply and wastewater (\$), 2011–12 to 2021–22**

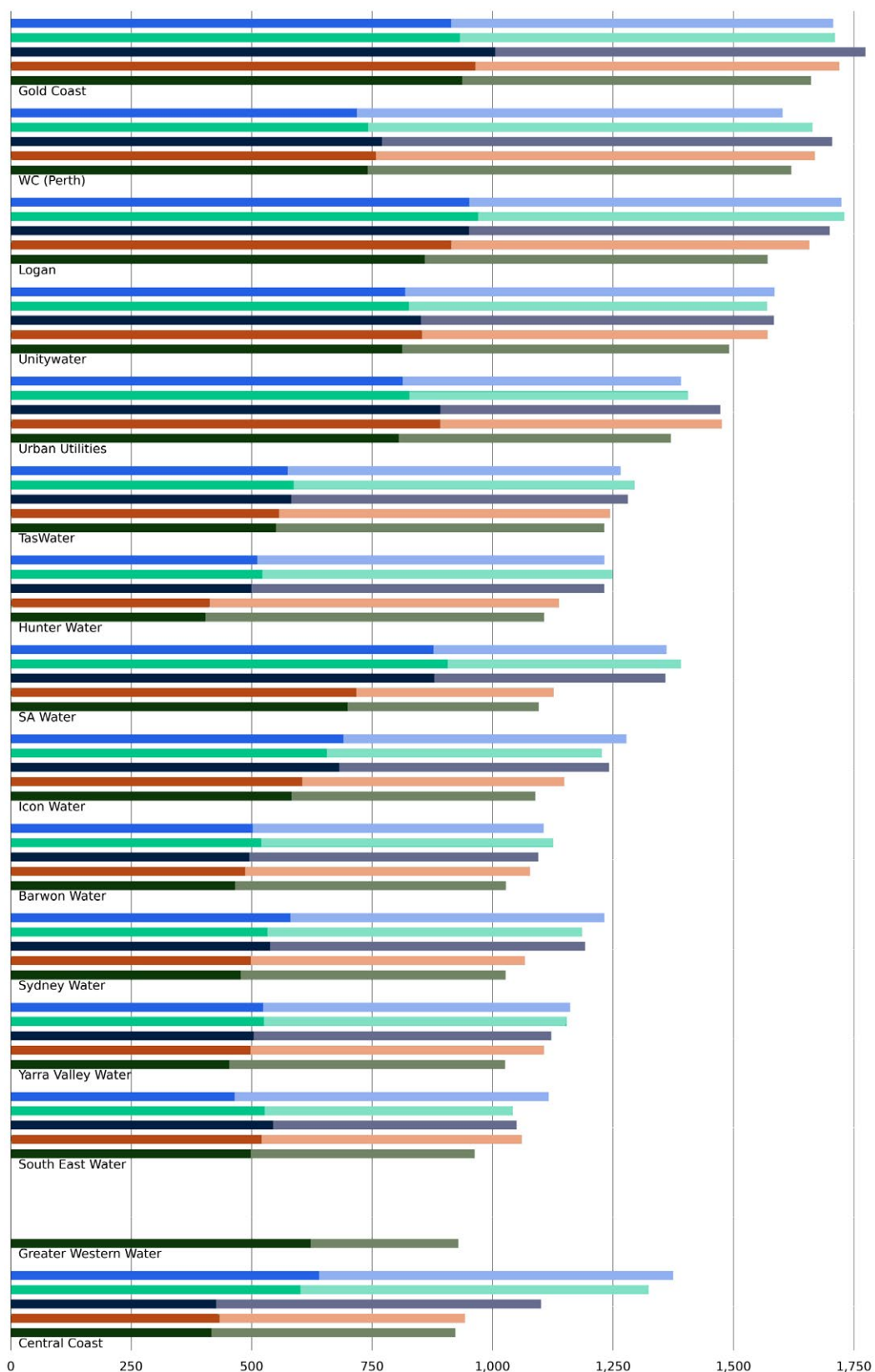
## 4.1.2 Results and analysis – Major utility group

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 2021–22.

The median typical residential bill in all utilities in the Major size group decreased from 2020–21. Similar to 2020–21, Central Coast Council reported the lowest typical residential bill (\$923/property) and City of Gold Coast reported the highest typical residential bill (\$1,661/property) in this size group. Compared with 2017–18, the customers in all utilities within the Major size group experienced lower typical residential bills, except for Water Corporation – Perth. There is an annual decreasing trend in the typical residential bill since 2017–18 for Central Coast Council customers (from \$1,375 in 2017–18 to \$923 in 2021–22). For Water Corporation – Perth, there has been a slight increase in the typical residential bill from \$1,602 in 2017–18 to \$1,620 in 2021–22 (1.1%).

City of Gold Coast, Water Corporation – Perth and Logan City Council remained the 3 top retailers with high water and wastewater service costs in Major utility group, consistent with previous years.

Compared with 2020–21, the highest percentage decrease (9.6%) in typical residential bill was reported by Queanbeyan–Palerang Regional Council.



### Legend

Typical residential bill (\$)

2017-18	Water	Wastewater	2020-21	Water	Wastewater
2018-19	Water	Wastewater	2021-22	Water	Wastewater
2019-20	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.

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 2020–21		Median		Change from previous year (%)
	High	Low	Increase	Decrease	2020–21	2021–22	
Major	1,865	1,014	0	14	1,265	1,213	-4
	Logan	Central Coast					
Large	1,810	806	1	11	1,445	1,420	-2
	Toowoomba	Goulburn Valley Water					
Medium	3,085	787	0	21	1,566	1,536	-2
	Tweed	Lower Murray Water					
Small	2,230	975	5	18	1,718	1,692	-2
	Kempsey	Mount Barker					
<b>All size groups (national)</b>	<b>3,085</b>	<b>787</b>	<b>6</b>	<b>64</b>	<b>1,592</b>	<b>1,552</b>	<b>-3</b>
	<b>Tweed</b>	<b>Lower Murray Water</b>					

**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 2021–22 decreased slightly (3%) from 2020–21. All utility size groups experienced a decrease in their median annual residential bill based on 200 kL/annum with the Major size group showing the highest percentage of decrease (4%) from 2020–21. The Small utility group had a large variation in changes, from a 6% increase by Livingston Shire Council to a decrease of 4.3% by Goulburn Mulwaree Council. Compared with 2020–21, Yarra Valley Water Regional Council in the Major size group reported the highest (7.4%) and Clarence Valley Council in the Medium size group reported the lowest (0.3%) decrease in the annual residential bill based on 200 kL. Livingstone Shire Council in the Small size group reported the highest (6%) and Southern Downs Regional Council in the Small size group reported the lowest (0.4%) increase from 2020–21.

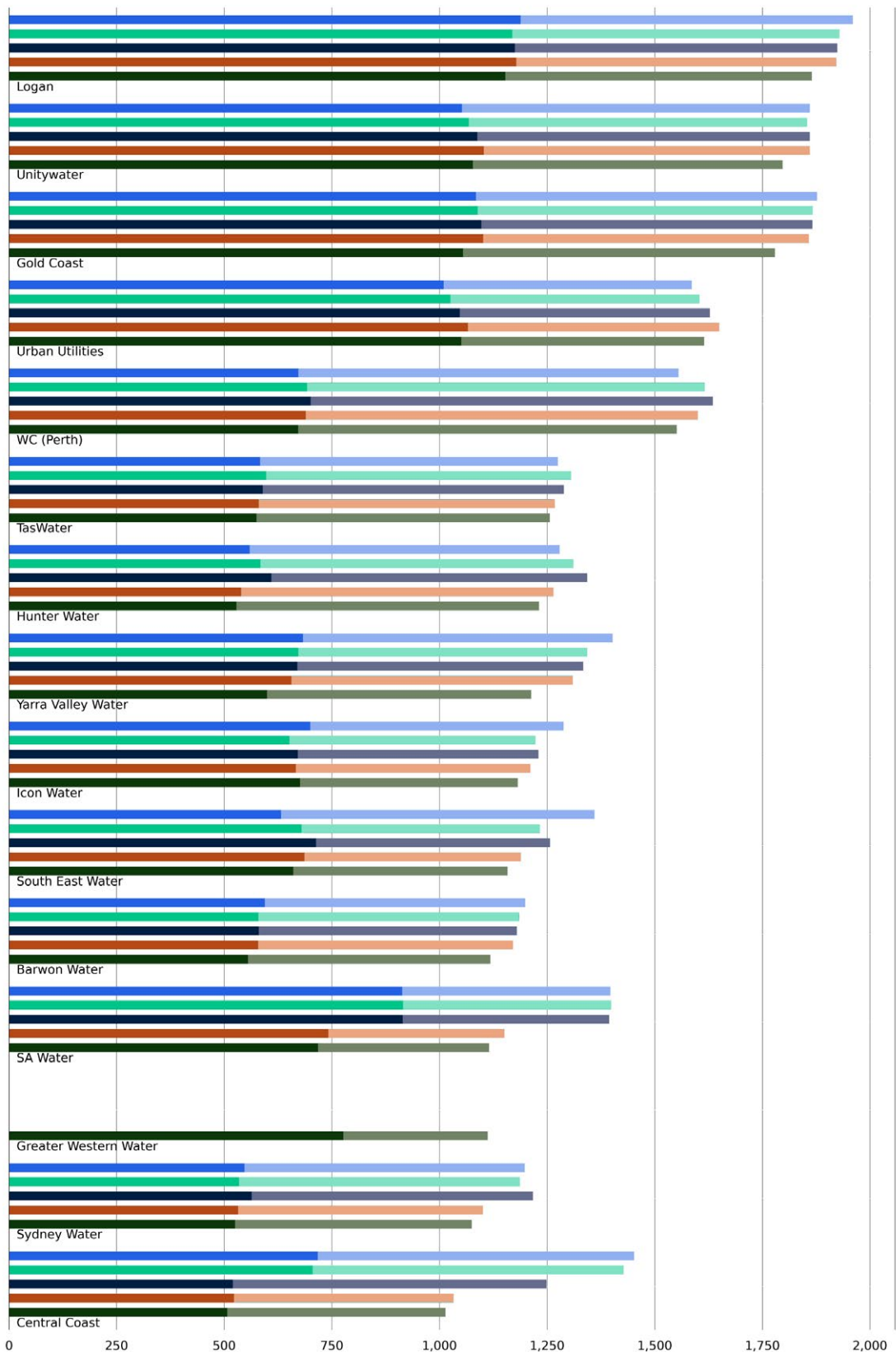
#### **4.2.2 Results and analysis – Major utility group**

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 2021–22.

The annual residential bill based on 200 kL decreased from 2020–21 in all utilities in the Major size group in this reporting year. Similar to 2020–21, Logan City Council in Queensland had the highest (\$1,865) and Central Coast Council in New South Wales had the lowest (\$1,014) 200 kL/annum residential bill in this utility group.

The annual residential bill based on 200 kL in 2021–22 increased in Queensland's Urban Utilities by 1.83% while slightly decreased (almost remained unchanged) in TasWater and Water Corporation – Perth utilities from 2017–18. Customers of all other utilities in the Major size group experienced lower annual residential bill based on 200 kL in 2021–22 compared with 2017–18.

The variation in the annual residential bill based on 200 kL for 2021–22 is smaller than that in 2020–21 within the Major size group. In this group, Yarra Valley Water Corporation had the highest (7.4%) and TasWater had the lowest percentage of decrease (0.9%) from 2020–21 in the annual residential bill based on 200 kL.



### Legend

Annual bill based on 200kL (\$)

2017-18	Water	Wastewater	2020-21	Water	Wastewater
2018-19	Water	Wastewater	2021-22	Water	Wastewater
2019-20	Water	Wastewater			

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