

Fixed vs variable tariffs

Standard charges include:

Water usage – Variable charge for the amount of water used at your property as recorded by the water meter.

Water service – Charge for us to maintain the quality of your drinking water and maintain and construct water mains and treatment plants.

Wastewater/sewerage service – Charge for us to responsibly dispose of the wastewater/sewage from your property (not including properties serviced by septic tank systems).

Why is the fixed charge higher than the variable charge?

Many of our operating costs are fixed. This means that we must still pay the same amount to deliver our services, no matter how much water is used.

Treating and transporting sewage costs more than treating and transporting drinking water. It also involves more fixed costs. This is why the wastewater service charge is higher than the water usage and service charges.

Where costs are driven by consumption, such as the treatment of drinking water, these are recovered by a variable charge.

As part of our 2023-28 Price Submission engagement, our Customer Reference Group deliberated on whether we should continue to investigate changes to our fixed/variable tariff structure, reaching consensus that we should not.

Reasons for this included:

- clear customer feedback that our long-term financial viability should not be impacted by a tariff change
- the limited ability for a variable tariff to encourage responsible water use
- social equity issues associated with a more variable tariff, including that larger families and renters would face higher bills with minimal ability to control them.



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