

What is an IBT?

An Inclining Block Tariff (IBT) is a tiered pricing structure designed to encourage water conservation and change water use behaviour by charging higher water users a higher price for what is deemed to be discretionary and outdoor water use.

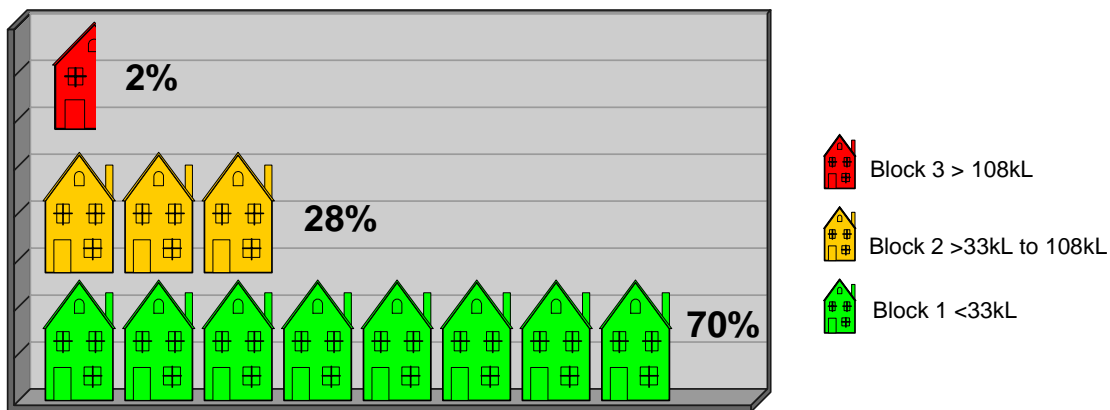
Westernport Water is proposing to introduce three tiers in the IBT structure for residential properties (house, unit, townhouse, etc.).

The first block has been based on average household winter usage. The first block is proposed to be set at 33,000 litres (or 33 kilolitres) per 4 month billing period. The first block represents inside or non-discretionary household water use.



All water usage up to 33 kilolitre (kL) per billing period is charged at the lower per kilolitre rate. The first block proposed price is the same rate as 2007/08. Water usage per account over 33kL is charged at the higher blocks. The second and third blocks are designed to encourage larger water users to conserve water by charging higher prices.

The following graph shows the percentage of domestic customers that could be impacted by the block charging process, based on billing data from March 06.



Percentage of Residential Customers per IBT Block

This chart demonstrates that for a peak usage period (Nov to Feb) that only 28% of residential customers would be impacted by Block 2 charges and 2% by Block 3.

Refer to FACT SHEET # 5 for further details on prices.