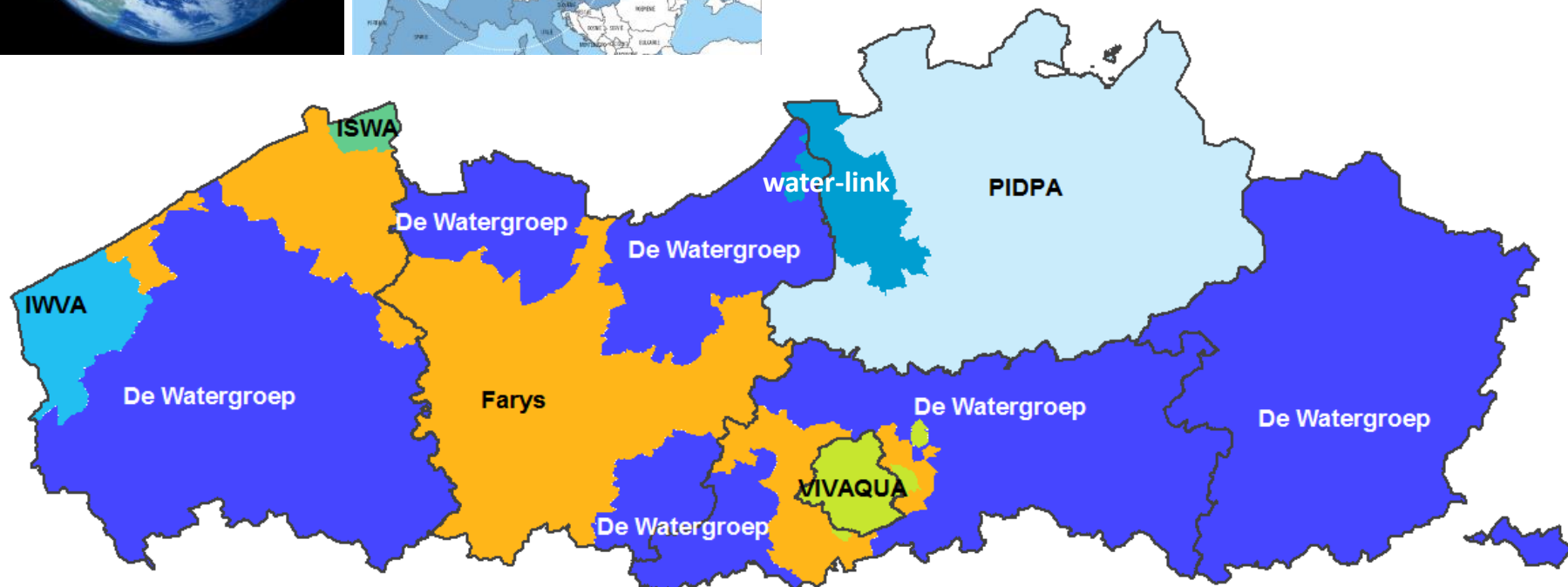




De Watergroep
WATER. VANDAAG EN MORGEN.



The Approach to Affordability in Flanders
Seminar Water Affordability – October 10th – Bari Italy
ir. Frederik Looten, director External Affairs, De Watergroep



- **6.0 million domestic customers**
- **About 3 million connections**
- **8 public drinking water operators**
- **AquaFlanders is member of APE**
- **Water is a regional policy competence**
 - Under authority of the Flemish Government
 - Integral billing for the 3 components
 - drinking water, sanitation, waste water treatment costs
 - Flemish **WaterRegulator** performs the drinking water price control

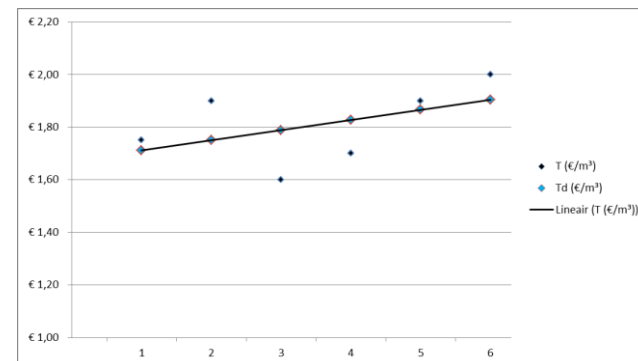


- **A family in Flanders spends roughly...**
 - 0.8% of the family budget on drinking water
 - The same amount on sanitation & waste water
 - 5% on electricity & gas
- **Flanders has social welfare compensations for specific groups (so called ‘social clients’)**
 - People living on social security
 - Elderly with compensations
 - Disabled people with compensations



- The WaterRegulator's approach is based on 4 principles:
 - **Justice** by creating affordability, long-term stability & predictability
 - **Efficiency** by stimulating efficient operation
 - **Sustainability** by
 - stimulating the investments necessary for long-term quality
 - stimulating responsible water use
 - **Fairness** by means of a transparent evaluation method of the tariff plans + yearly review

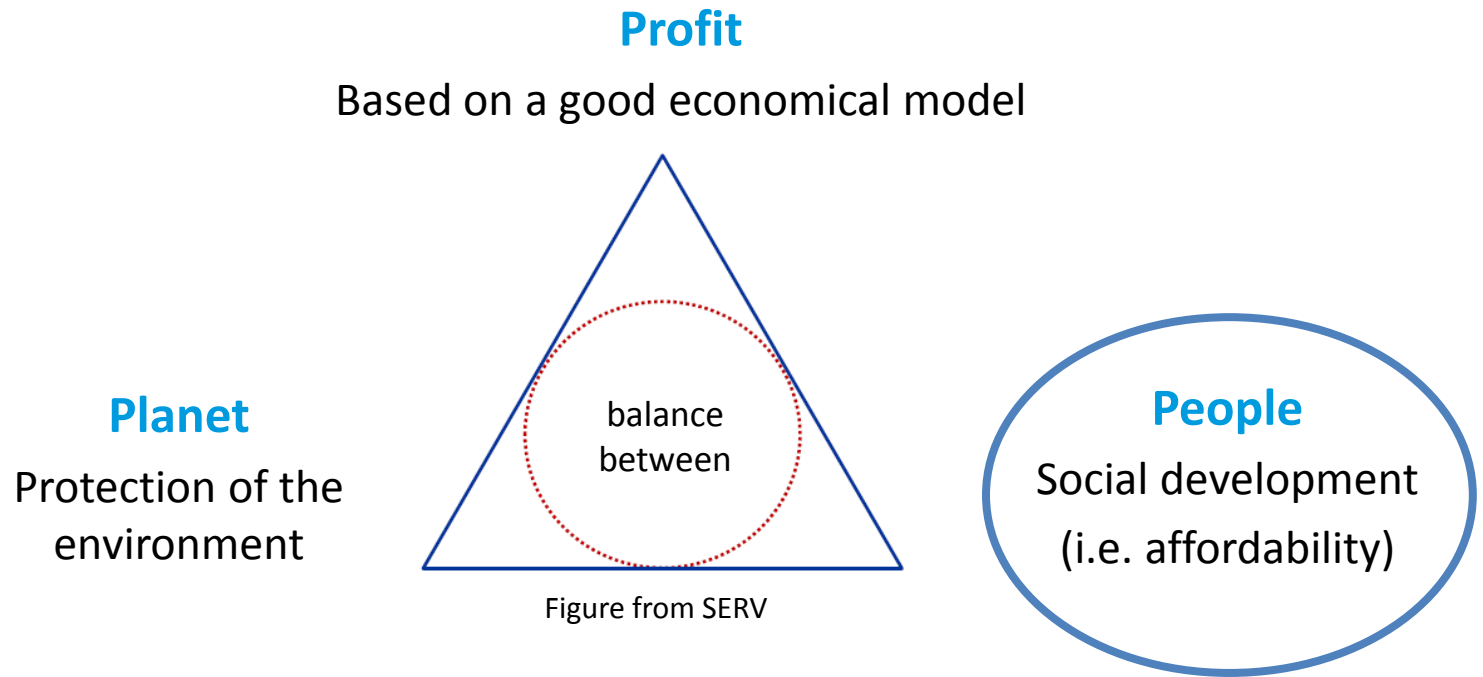
- Tariff plan over a **6 year** planning period
- Calculation of water price based on **costs predictions** (operational costs, investments, personnel ...) & **expected volumes consumed** for the 6 years to come
- Yearly **control & review** procedure
- System guarantees **price stability** for customers in the long term

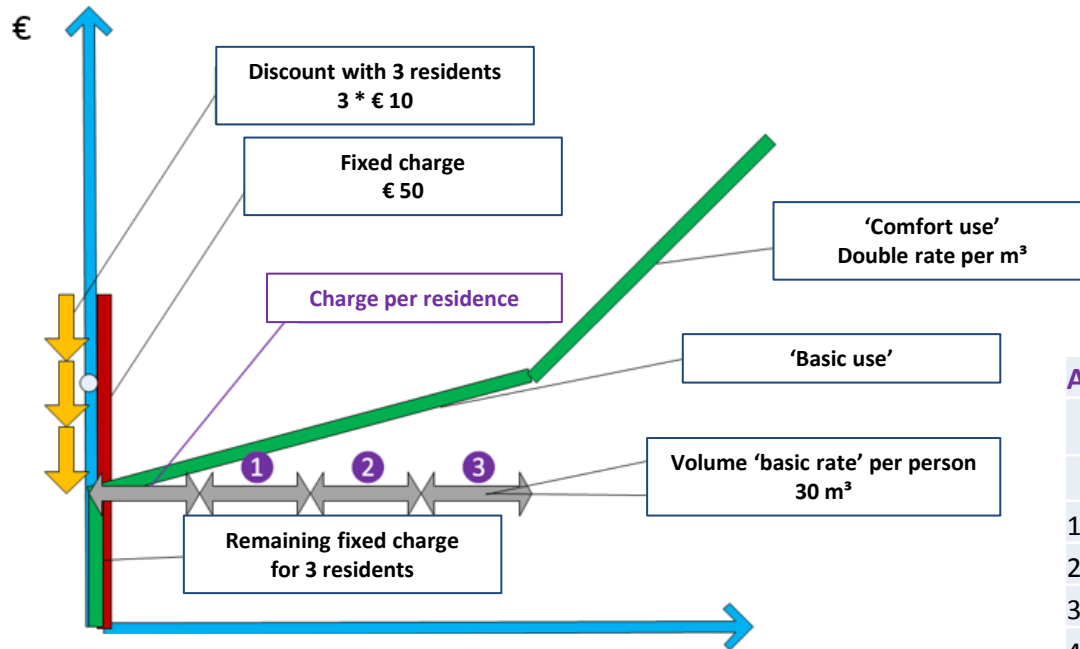


- **Installed since January 2016**
- **The price structure is identical for all water companies, but not the final price**
 - Cost per m³ depends on the local situation
- **Same structure for all 3 components**
 - Drinking water, sanitation, waste water treatment
- **Based on sustainability**
- **Built-in social compensations**



- Sustainability seeks a good **balance** between 3 components:

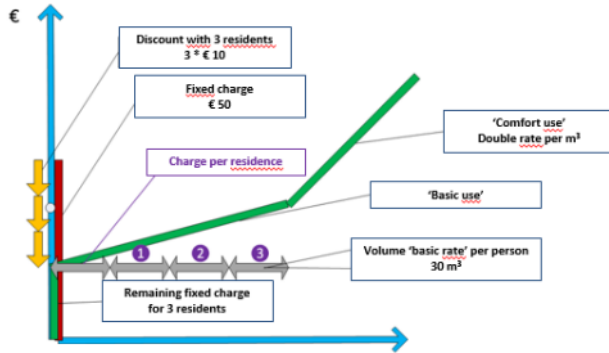




Average use per family type & the 150% use

Family type	Average use per year	150%
1 person	48 m ³	72 m ³
2 persons	75 m ³	113 m ³
3 persons	104 m ³	156 m ³
4 persons	127 m ³	191 m ³
5 persons	154 m ³	231 m ³





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Overall tariff reduction = 80% for social customers

Remarks

- Overall reduction in former tariff structure: ± 70%
- The reduction = an 'all or nothing' approach
- Some groups completely fall out
- The social sector seeks to continually increase the target group, which is not in line with the tariff planning



- **Water scan**
 - Analysis of **domestic water consumption** in order to reduce costs & water losses
 - Focus on **2 groups**
 - Social customers
 - Preferential target group: people with payment problems & people under budget control
 - **Free** of charge (max. 1 scan every 5 years) for the target groups
 - Costs between € 100 - € 150 for other customers



- The uniform tariff structure & the tariff planning method create an **‘equal level playing field’** for all domestic customers in Flanders
- Projections for the drinking water price are **transparent** for the next 6 years
- The social groups get a very important **reduction** on the integral water bill
- The strict **demarcation** of the social reduction is a weak point in the legislation





Questions?

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