

# The landscape of water tariffs in Austria

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## from calculation guidelines to practical application under different organisational conditions

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# Content



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- Background conditions
- Short survey – structure of DW supply in Austria
- Landscape of water tariffs
- Sustainability aspects

# Background

- There is no regulator in Austria for the water services in water supply and wastewater management.

There is only a regulator for energy (gas, electric power) as “E-Control” which started in 2001 and was transformed into a public authority by 2011.

- The sector of water supply exist of about 5.500 utilities
- Guidelines (OVGW) give detailed technical information about cost accounting and calculation of water tariffs. The application is voluntary but strongly recommended. In principle, every utility in Austria may come up with an individual price.

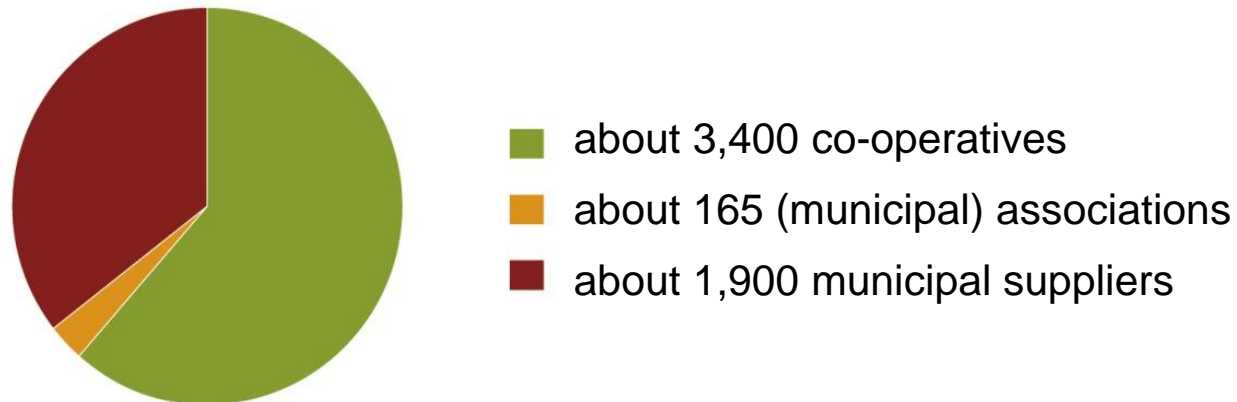
# Background

- There are regulations and templates at “Bundesland” level how to implement contractual arrangements between water utility and end-user. In addition, the proof of cost covering prices/fees and water efficiency is essential when asking for subsidies for investment or sanitation/rehabilitation measures.
- In addition there are e.g. benchmarking studies, reports from federal and “Bundesland” audit courts, specific auditing for e.g. water cooperatives.
- Reports (5 years) on technical detailed monitoring of infrastructure enables to impose (obligatory) improvement measures.

# Structure of WS (1)

- About 5,500 water suppliers in Austria

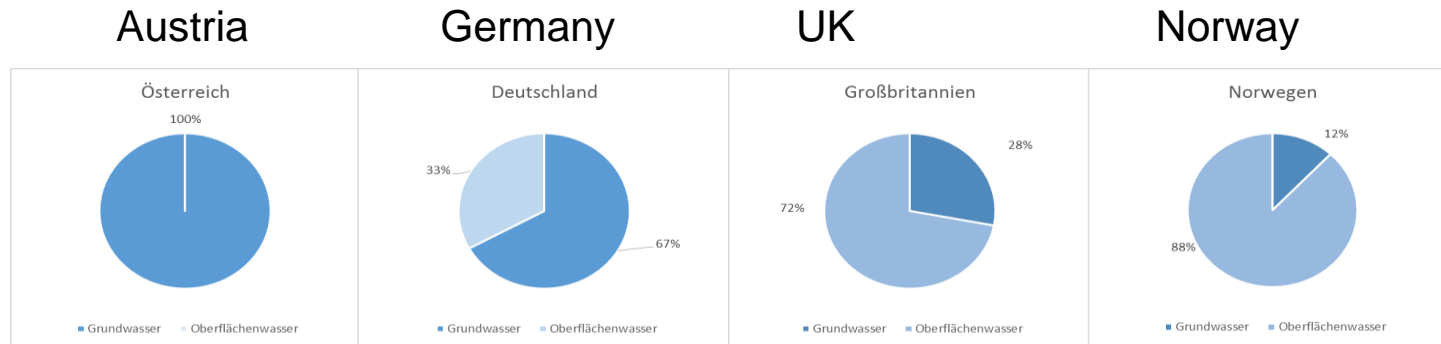
water supply utilities in Austria





# Structure of WS (2)

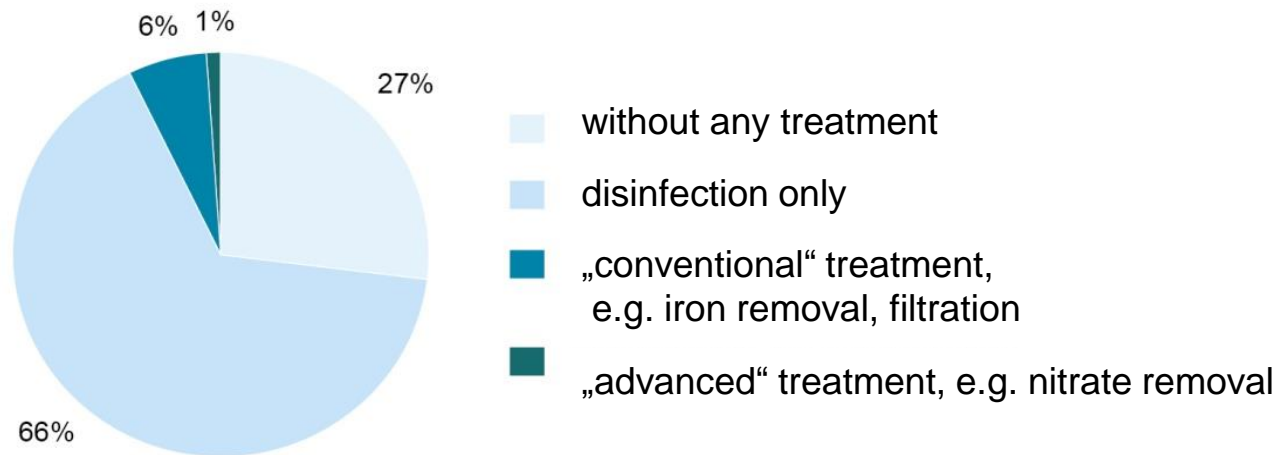
- Water resources used for DW supply



groundwater // surface water

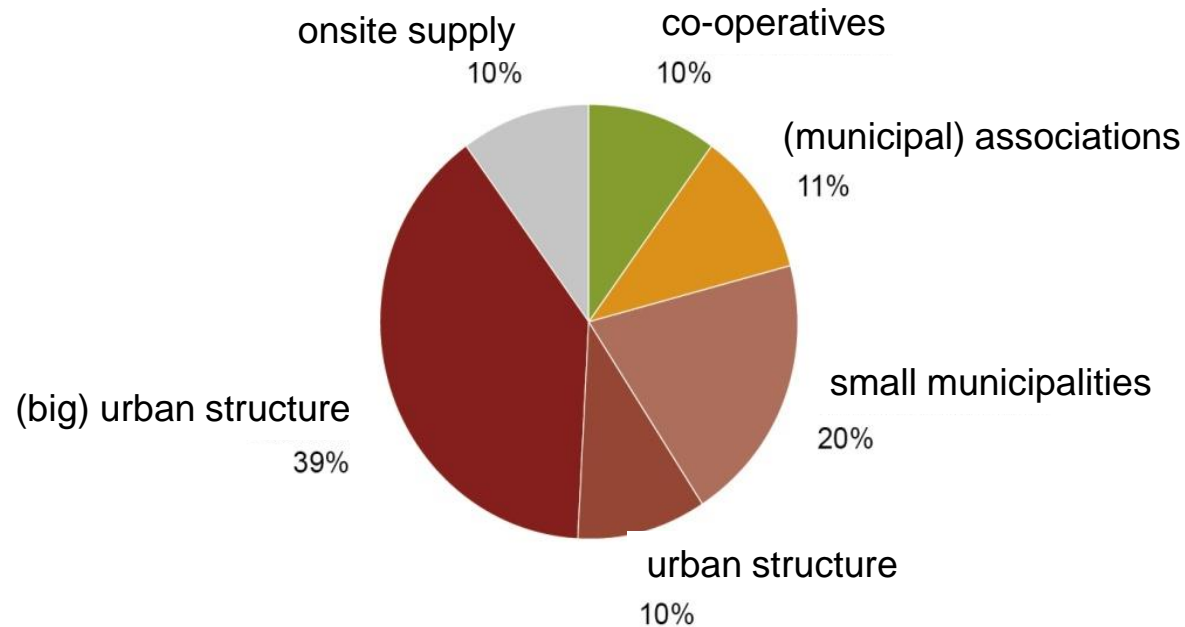
# Structure of WS (3)

- DW treatment, share of supplied volume



# Structure of WS (4)

- Organisational background



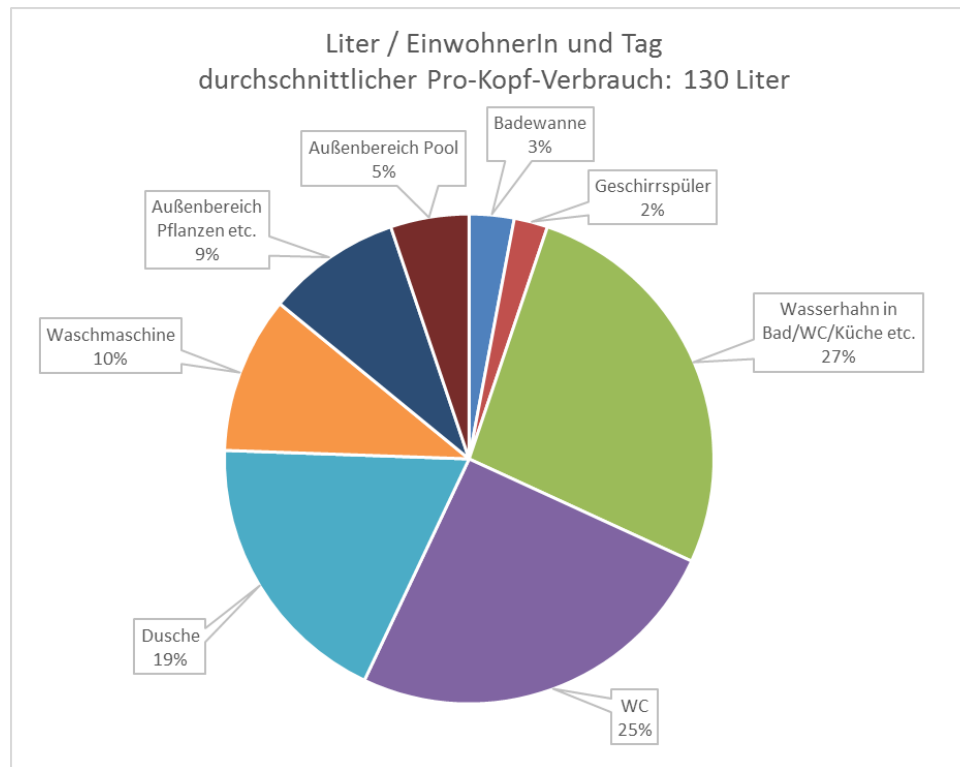


# Structure of WS (5)

- Water supply in direct or indirect public ownership:
  - part of municipal administration:  
cost coverage, no profit orientation, auditing bei „Bundesland“
  - (municipal) associations according with Water Act 1959, §88  
cost coverage, no profit orientation, auditing by „Bundesland“
  - corporate companies (GmbH, AG) in predominantly public ownership  
(municipality, „Bundesland“, Federal)  
according with civil/company law,  
water co-operatives according with Water Act 1959, §73ff  
statutory body, cost coverage by members, no profit orientation

# Structure of WS (6)

- Water use: about 190 l/d to households, trade and industry
- Only households: 130 l per persons and day



## Individual shares (clockwise)

- Bath tub
- Dish washer
- Taps in e.g. bathroom, kitchen
- Toilet flushing
- Shower
- Washing machine
- Outdoor, gardening
- Outdoor, pools

# Water Tariffs (1)

- General conditions
  - No given fees/prices at national level
  - Each supply unit may decide on corresponding fees/prices
  - General requirement for cost-covering prices, proof of performance accounting, especially when asking for subsidies for investment (together with water efficiency); check at Bundesland and federal level
  - Guideline on cost accounting (ÖVGW W61, 2013)
  - Guideline on calculation for fixing water tariff (ÖVGW W62, 2013)

# Water Tariffs (2)

## Specifics:

- Water supply cooperatives have to apply cost-covering prices because of their legal formation.  
As specific feature the owners are directly responsible and the members are consumers and beneficiaries at the same time.
- Municipal suppliers have a direct obligation to cost-covering operation.  
The cap on expenses is given by double of annual requirement. Some issues together with calculation and prices are under discussion and pending.

# Water Tariffs (3)

## Specifics:

- Bundesländer give quite strict requirements for the calculation of “connection” fees and for provided volume (metered)
- price models are (very) different for DW and waste water, especially in rural areas; only in urban areas wastewater tariff usually according with supplied DW volume
- Bundesland Upper Austria:  
municipalities which are not capable to make up the annual budget by own financial sources and get financial resources from Bundesland (so called „Abgangsgemeinde“) have to keep to a minimal DW price of about 1.5 € /m<sup>3</sup> (annual rise according with index)

# Water Tariffs (4)

## Range of tariffs:

- High range of variability of conditions:  
natural (topography, access to water resources, water quality, size),  
demographic (internal migration, socio-economics) and  
organisational (legal formation, corporate company to water co-  
operative)
- High range of different tariffs:  
0.6 €/m<sup>3</sup> to about 2 €/m<sup>3</sup>  
average price 1.3 to 1.5 €/m<sup>3</sup>  
195 € to 390 € for 150 m<sup>3</sup> including fees for metering and taxes

# Water Tariffs (5)

## Sustainability

- Share of fixed costs may be up to 30%, rising development; share of 50% and higher do not look feasible in near future
- Cost coverage is getting higher (public) awareness, especially when implementing new investment; detailed checks when asking for subsidies
- Detailed guidelines for cost accounting and calculation in place, nevertheless tariffs are usually set by political discussion at municipal level
- Connecting water price to consumer index to avoid long times of no appropriate increase and strong political and medial discussions when fixing higher prices
- No tax for water abstraction in Austria
- Discussion on transparency going on
- High consumer`s satisfaction with DW supply (market studies)



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Literature used:  
OVGW “Branchenbild”  
Institute’s studies  
Wassertarifikalkulation in Österreich (Kidery)