






In June 2018 the Essential Services Commission released its final decision on East Gippsland Water's price submission. The final decision completes our review of the maximum prices that East Gippsland Water may charge for its services for a five year regulatory period from 1 July 2018 to 30 June 2023.

We undertook this review under our new pricing framework that helps promote better value and outcomes for water customers. As part of this process, water businesses sent us submissions on their proposed prices and key outcomes. We assessed proposals against a legal framework established by the Victorian Government. We sought feedback from customers at multiple points throughout the price review process to inform our decision making in an open and consultative manner.

Snapshot

Bills	Tariffs	Outcomes
		
<p>Typical annual residential owner occupier water bills for 2018-19 will be \$1,184 including inflation. This is a decrease of \$5 or 0.4% from \$1,189 in 2017-18, which incorporates the end of the four year government rebate.</p> <p>In 2022-23 the annual bill is forecast to be \$1,184 (before inflation).</p>	<p>Most prices will fall in the first year, then rise with inflation from 2019-2020 until 2022-2023.</p>	<p>East Gippsland Water will maintain current levels of service, deliver high quality drinking water, commit to environmental sustainability and enhanced liveability and resilience through its ongoing projects and community activities.</p>
<p>Do you want to know the difference between bills and prices? For this and more information about our price review process and East Gippsland Water's final decision go to http://www.esc.vic.gov.au/waterpricereview</p>		



What are the changes to prices?

Overall prices for East Gippsland Water customers will **go down** (before inflation) in 2018-19, then rise with inflation until 2022-23. The decreases occur in the first year of the regulatory period, through:

- reductions in most fixed water service fees
- reductions in variable water fees
- reductions to some trade waste charges.

The impact of these changes on bills will vary across customer groups and consumption levels.

How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on factors such as the amount of water and services you use. East Gippsland Water provided us with typical bills for different customer groups and water volumes.

Typical water and sewerage annual bills in 2018-19 dollars

Customer group	Average consumption (kL p.a.)	2018-19 annual bill	2022-23 annual bill
Residential (Owner occupier)	146	\$1,184	\$1,184
Residential (Tenant)	146	\$314	\$314
Non-residential (Small)	50	\$1,092	\$1,092
Non-residential (Medium)	580	\$3,230	\$3,230

Bills are indicative. 2018-19 annual bills include inflation. 2022-23 annual bills will vary with inflation.

What are the outcomes for customers?

As part of their price submission, water businesses developed a set of outcomes to guide service delivery during 2018 to 2023. East Gippsland Water has developed five outcomes, along with activities and targets to measure how it performs in delivering these outcomes.

Some of the ways East Gippsland Water plans to improve outcomes for customers include investing in water and sewerage assets to address future demand, improving awareness about its assistance for customers experiencing payment difficulty, providing a bill rebate for outdoor community recreation groups and offering grants to schools and community groups to support native revegetation projects.



Service levels and targets will be similar to past years with some changes to Guaranteed Service Levels with four new ones decided by its customer committee.

What are the major works that will go on around you?

(\$ million before inflation)

Project	Detail	Total
Wy Yung clear water storage	This project aligns with East Gippsland Water's customer outcome of maintaining current levels of water services to ensure ongoing water supply by increasing the water storage capacity to allow existing storage to be repaired.	10.0
Paynesville recycled water storage and irrigation	This project aligns with East Gippsland Water's commitment to environmental sustainability customer outcome. It will complete works to ensure the facility is in line with the Environment Protection Authority Victoria's requirements.	3.6
Upgrade main supply pipeline (Sarsfield to Johnsonville)	This project aligns with East Gippsland Water's customer outcome of maintaining current levels of water and sewerage services by ensuring ongoing supply for current needs and to meet future development and growth in demand.	2.8
Sarsfield clear water storage augmentation	To meet its commitment to maintain current levels of water and sewerage services by ensuring ongoing water supply for current and future needs.	2.3

How much revenue is required from 2018 to 2023?*

Our final decision for East Gippsland Water allows operating expenditure of **\$97 million** and gross capital expenditure of **\$62 million** to provide its services to customers over the next five years. To fund this, East Gippsland Water requires **\$170 million in revenue**, an **increase** from \$165 million required during 2013 to 2018.

This additional revenue will not increase prices in the next five years because of growth in population and the efficiencies East Gippsland Water plans to make.

*The numbers in this section are in 2017-18 dollars.

Got a question?

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