Victoria’s water businesses send us submissions on proposed prices and key outcomes for their customers. We assess the submissions and make price determinations on the maximum price they can charge for their services. New prices need to be in place by 1 July 2020.

## Snapshot of what South Gippsland Water is proposing

|  |  |  |
| --- | --- | --- |
| **Bills** | **Tariffs** | **Outcomes** |
|  |  |  |
| Typical annual residential owner occupier water bill for 2020‑21 will be $1,054 before inflation, up from $1,004 in 2018‑19. An **increase of $50,** or **5.0%**. In 2022‑23 the annual bill is forecast to be $1,097 (not including inflation).\* | Prices will increase. There are no significant changes to tariff structures or the proportion of fixed and variable charges. | South Gippsland Water proposes retaining service standards. Guaranteed Service Levels will be similar to previous years, albeit with the removal of the payment if water is not restored within five hours for an unplanned outage. |
| \*We calculated the bill impact to reflect the average consumption of 121 kL per annum for South Gippsland Water’s customers. |
| Do you want to know the difference between bills and prices? For this and more information about our price review process and South Gippsland Water’s price submission, go to <http://www.esc.vic.gov.au/waterpricereview> |

## Send us your feedback on ’s proposal

Submitting your feedback to ’s price submission by **24 January 2020** will help us prepare for the release of our draft decision.

Send your feedback to water@esc.vic.gov.au or call (03) 9032 1300.

## What are the changes to prices and tariffs?

Overall proposed prices for customers will **go up** by 5 per cent in 2020-21, 2 per cent in 2021-22 and 2 per cent in 2022-23 (not including inflation). There are no significant changes to tariff structures or the proportion of fixed and variable costs.

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. South Gippsland Water provided us with typical bills for different water volumes and customer groups.

Typical water and sewerage bills (not including inflation)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customer group | Consumption (kL p.a.) | 2020‑21 annual bill | 2021‑22 annual bill | 2022‑23 annual bill |
| Residential (Owner occupier) | 121\* | $1,054 | $1,075 | $1,097 |
| 200 | $1,208 | $1,232 | $1,256 |
| Residential (Tenant) | 121\* | $235 | $240 | $244 |
| 200 | $388 | $396 | $404 |
| Non-residential (Small) | 150 | $1,047 | $1,068 | $1,089 |
| Non-residential (Medium) | 250 | $1,305 | $1,331 | $1,357 |
| Non-residential (Large) | 700 | $2,146 | $2,189 | $2,232 |

## \*121kL per annum is the average consumption of South Gippsland Water’s customers

## What are the outcomes for customers?

In developing its submission, engaged with customers to identify key outcomes its prices would deliver over 2020-23. It is proposing no change in the service standards it will use to measure its performance.

South Gippsland Water will continue to focus on limiting unplanned water supply interruptions to less than five hours. While retaining this as a service standard, in response to feedback from customers it will no longer make a guaranteed service level payment to customers who experience interruptions for periods of longer than five hours.

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

##  ($ million before inflation)

| Project | Detail | Total |
| --- | --- | --- |
| Sewer System Expansion Wonthaggi Mains | This project will augment existing Wonthaggi sewer mains to support regional growth and ensure the containment of a 1-in-5-year storm event. | $4.5 |
| Wonthaggi wastewater treatment plant augmentation | A staged upgrade of the wastewater treatment plant, starting with the outlet pump station and rising main, to reduce the risk of effluent spills. | $3.4 |
| Sewer System Expansion (Inverloch) |  proposes to upgrade the capacity and emergency storage of sewage pumping stations located at Pier Road, Meanderri Drive, and Veronica Street to support growth. | $3.5 |
| Service basin covers and liner renewals | The project involves staged renewal of the water service basin liners and covers of six drinking water service reservoirs and temporary works to allow basins to be taken out of service. | $3.3 |

## How much revenue is required from 2020 to 2023?

We require each business to tell us what revenue it will need for the next three years. This helps us understand South Gippsland Water’s prices in its submission.

South Gippsland Water forecasts that it needs **$62 million** of operating expenditure and **$41 million** of capital expenditure to provide its services to customers over the next five years. To fund this, South Gippsland Water requires **$97 million in revenue over three years**, an **increase** of 5.4 per cent on the annual average from the two years between 2018 and 2020.

This additional revenue is contributing to South Gippsland Water’s proposed price rise from July 2020 to June 2023.

## Got a question? ""

[View our contact details](http://www.esc.vic.gov.au/) and follow us on [LinkedIn](https://au.linkedin.com/company/essential-services-commission) and [Twitter](https://twitter.com/essentialvic).

Updated on 14 December 2017