

In our 2023-2028 Price Submission lodged with the Commission on 29 September 2022, we committed to working together with South East Water, Greater Western Water and Melbourne Water to achieve a consistent Melbourne-wide approach to a defined guaranteed service rebate for water quality events by end November 2022, particularly given the joined up nature of our system and to ensure consistency for system wide events.

We've considered the issue deeply and from multiple perspectives and we've also considered what other water corporations in Victoria and interstate do when they issue water quality advisories.

Paramount in our consideration has been our shared objective of protecting public health.

In doing so, we need to ensure any rebate appropriately balances acknowledgment of the impacts to customers and communities when a water quality advisory is issued and ensures it does not inadvertently compromise the complex risk-based decision-making processes that underpin issuing a water quality advisory.

Water quality advisories play an important role in protecting public health across all jurisdictions in Australia. In comparison to Victoria, advisories in Queensland and northern New South Wales are relatively common due to heavy rainfall and flooding events. In a changing climate, precautionary water quality advisories will become a more commonly used public health tool in Victoria, due to an increase in the frequency and severity of extreme weather events.

In a complex and interconnected water supply network, where water quality risks may arise from within the supply network itself or from a range of external factors, there is the potential for water quality advisories being issued for very small, localised events impacting a single suburb, street or household, to advisories that impact hundreds of thousands of customers, as experienced during the Silvan Reservoir incident in August 2020.

In all events, we have strong customer response and recovery processes in place, to ensure our customers are cared for and the impacts acknowledge and minimised. We provide access to alternative water supplies, ensure any special customer needs are catered for and provide regular communications on progress to get the water supply back to normal. After each event we review how we can strengthen and improve the level of customer care we provide, which includes seeking feedback from our customers.

Currently, four water corporations in Australia provide or propose to provide a rebate when they have issued a water quality advisory.

- Coliban Water has a community rebate in place if it issues a boil water or do not consume advisory. In 2023-28 it proposes to provide a \$6,000 rebate to a community cause, in consultation with the affected community.
- Goulburn Valley Water in its 2023-28 Price Submission proposes a community rebate of \$15,000 when it issues a boil water advisory due to a fault in Goulburn Valley Water system.
- Sydney Water provides a \$50 rebate to customers if NSW Health issues a boil water advisory, due to a Sydney Water fault.
- TasWater provides a 20% discount on variable charges when a water quality advisory has been in place for more than three months.

After deep consideration of different rebate models and options, by 1 July 2023, we propose to implement a metropolitan sector **community rebate** for any water quality advisory issued,

consistent with Coliban Water's approach and as proposed by Goulburn Valley Water in its 2023-28 Price Submission.

The rebate will be:

- \$5,000 for small, localised events impacting less than 50 customers and
- for more widespread events impacting more than 50 customers, a rebate of \$10,000 for each impacted postcode.

We'll develop a consistent and transparent metropolitan sector approach to how rebates will be allocated to community causes.

We'll also implement an easy bottled water refund process for each retailer. We'll develop agreed protocols on the value and application process for refunds for system-wide events, to ensure consistency in approach. Protocols will consider the type of advisory, the cause of the water quality issue, response and recovery plans in place and the duration of the advisory.

Following Greater Western Water and Melbourne Water's price review processes and consultation with their customers and communities, we will review whether the rebate model requires any adjustments.