In June 2018 the Essential Services Commission released its final decision on South Gippsland Water’s price submission. The final decision completes our review of the maximum prices that South Gippsland Water may charge for its services for a two year regulatory period from 1 July 2018 to 30 June 2020.

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**

<table>
<thead>
<tr>
<th>Bills</th>
<th>Tariffs</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Document Icon]</td>
<td>![Currency Icon]</td>
<td>![People Icon]</td>
</tr>
</tbody>
</table>

South Gippsland Water’s regulatory period is for two years.

The typical annual residential owner occupier water bill for 2018-19 is estimated to be $996 including inflation, and for 2019-20 will be $996 before inflation.

Most prices will increase by inflation only over the next two years.

Tariff structures will remain the same.

South Gippsland Water consulted with customers to identify new service standards it will deliver and report on in future years.

Reliability targets will be similar to past years and some payments for Guaranteed Service Levels will increase.

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 final decision, go to [http://www.esc.vic.gov.au/waterpricereview](http://www.esc.vic.gov.au/waterpricereview)
What are the changes to prices and tariffs?

Most prices for South Gippsland Water customers will increase with inflation only.

South Gippsland Water will retain a two-part tariff structure for residential and non-residential water services comprising of a fixed service charge and a variable usage component. For residential sewerage services it will continue with a fixed service charge only, and for non-residential sewerage, it will retain a fixed access fee and volumetric cistern fees.

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. Estimated bills are provided below.

Typical water and sewerage bills in 2018-19 dollars

<table>
<thead>
<tr>
<th>Customer group</th>
<th>Consumption (kL p.a.)</th>
<th>2018-19 annual bill</th>
<th>2019-20 annual bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (Owner occupier)</td>
<td>118*</td>
<td>$996</td>
<td>$996</td>
</tr>
<tr>
<td>Residential (Tenant)</td>
<td>118*</td>
<td>$215</td>
<td>$215</td>
</tr>
<tr>
<td>Residential (Owner occupier)</td>
<td>200</td>
<td>$1,145</td>
<td>$1,145</td>
</tr>
<tr>
<td>Residential (Tenant)</td>
<td>200</td>
<td>$365</td>
<td>$365</td>
</tr>
<tr>
<td>Non-residential (Small)</td>
<td>150</td>
<td>$1,055</td>
<td>$1,055</td>
</tr>
<tr>
<td>Non-residential (Medium)</td>
<td>250</td>
<td>$1,237</td>
<td>$1,237</td>
</tr>
<tr>
<td>Non-residential (Large)</td>
<td>700</td>
<td>$2,057</td>
<td>$2,057</td>
</tr>
</tbody>
</table>

*118kL per annum is the average consumption of South Gippsland Water’s customers

Bills are indicative. 2018-19 annual bills include inflation. 2019-20 annual bills will vary with inflation.

What are the outcomes for customers?

As part of its price submission, South Gippsland Water consulted with customers to develop a set of outcomes to guide service delivery during 2018 to 2020. During this consultation it identified six outcomes that were highly valued by its community. It has developed activities and measures for each outcome and will report to customers on how it performs against these measures.

South Gippsland Water’s service standards for reliability and attending faults will remain at the same level as past years. It retained its four Guaranteed Service Levels, and will increase the payment to customers whose water supply is not restored within five hours of an unplanned interruption.
What are the major works that will go on around you?

<table>
<thead>
<tr>
<th>Project</th>
<th>Detail</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lance Creek Water Connection (LCWC) Project</td>
<td>This project will complete the LCWC project to secure water supplies for Korumburra, Poowong, Loch and Nyora.</td>
<td>7.1</td>
</tr>
<tr>
<td>Sewer System Expansion (Wonthaggi) Mains</td>
<td>This project will augment existing Wonthaggi sewer mains to support regional growth and ensure the containment of a one in five year storm event.</td>
<td>2.0</td>
</tr>
<tr>
<td>Sewer System Expansion (Inverloch)</td>
<td>South Gippsland Water will upgrade the capacity and emergency storage of sewage pumping stations located at Pier Road, Meanderri Drive, and Veronica Street to support growth.</td>
<td>0.3</td>
</tr>
</tbody>
</table>

How much revenue is required from 2018 to 2020?*

South Gippsland Water has a two year price period and our final decision allows operating expenditure of $39 million and gross capital expenditure of $36 million to provide its services to customers over this time. To fund this, South Gippsland Water requires $56 million in revenue, an increase on the annual average revenue required during 2013 to 2018.

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

Got a question?

View our contact details and follow us on LinkedIn and Twitter.