

Water price review 2024

Submission received through Engage Victoria

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Water business: Goulburn-Murray Water

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In March 2024, we began accepting submissions on our draft decision on Goulburn-Murray Water's 2024 price submission via Engage Victoria (www.engage.vic.gov.au/ESC-water-price-review-2024). On this website, people were given the option to send us general feedback or respond to questions we provided.

1. What do you think of our draft decision on the prices proposed by your water business?

The definition of "Service Point" has no relevance to UDS Fees for no service CANNOT be justified if deeming and cross subsidy are removed. Both of which are against ESC guidelines for fair pricing. There should be "no charge" for UDS in the 2024 -2028 pricing round for Service Point. In fact the 3000 AND MORE UDS users should be treated as a separate customer group in the Diverters class – grouping, as per Egis report is continually promoting deeming of costs. ESC has a legislated responsibility to UDS customers to ensure GMW does not once again get away with unjustified charges and deeming costs to support their revenue stream because they cannot calculate the independent cost for each component of "their grouping" To give GMW 4 years to determine the "cost" of Service Point fees is a furphy and not supported by the realities. These being that UDS do not receive any service by the very nature of their own infrastructure, maintenance and unreliable water flows etc.....No monitoring or GMW influence over water flows etc. As such NO COST incurred. The Service Point fee for UDS MUST be abolished for the pricing period and subject to review and data collection and justification by GMW in the next 4 year round. That is how can a figure for Service Point be determined for this pricing period and even be considered by ESC when it has been revealed

that such a charge has historically and still is based on “all customers” with deeming and cross subsidy and no knowledge or data revealed of the individual cost to each of the user groups by GMW – because they can’t and in our Case won’t even try. This fully demonstrate that the GMW pricing submission has not met ESC guidelines or the interests of customers and further there continues to be a “charge” for non potable water, no service nor infrastructure assistance, and certainly no “fair pricing” as such. To assist further: Egis has revealed to support the above”: Egis Review notes: The objective of the Commission is to promote the long-term interests of Victorian consumers with regard to the price, quality and reliability of essential services. The Commission achieves these objectives by seeking: The regulatory framework places an emphasis on the Commission approving prices that promote the efficient delivery of services by water Corporations. GM W provided a tariff calculation model for the Service Point tariff, which was a more complex calculation as it includes all customers and various combinations of customer attributes. (my emphasis) So how can UDS claims be supported if the model of GMW pricing includes “all diverters’ This clearly supports UDS claims that “deeming” and cross subsidy remain in the GMW pricing submission and do so against all ESC guidelines that support “fair pricing’ equity and customer feedback received.? 4 .

2ServicePointF e e4.2.1 Tariff overviewThe Service Point Fee levied by GMW recovers the cost of compliance, monitoring, measuring use and, where installed, maintaining meters at each diversion site.The Service Point Fee is levied on a service point basis for the following three categories:• Domestic and stock;• Local operate; and• Remote operate.The Service Point Fee is applicable to surface water and groundwater diverters.An estimated \$3.0 million per year in revenue is recovered by M W via the Service Point Fee from the Diverters customer group.@ egis2024 WATER PRICE REVIEW - ASSESSMENT OF GOULBURN Murray Water EGIS HAS NOT shown or found or revealed that tariff classes payable by UDS are in any way different to all users in the Diverters class and particularly made no mention of the differing “service level” received by such users. In the case of UDS “no service” is received but an “across the board” charge imposed regardless. As such how can it be revealed in the above assessment by Egis that there is in fact an efficient cost of providing service to UDS when again “no service” is received and GMW have “grouped” all users which conveniently maintains a historical revenue stream (3.0m dollars as revealed in the report.) All contrary to the legislated guidance for ESC and the significant customer engagement and submissions given to GMW prior to their pricing to ESC for 2024-2028. GMW has assumed an “Annual Inspection for each site’ - This is known by UDS to not and in many cases, has never occurred, yet the Service Point fee continues to reflect the “cost” of this non visitation. As previously pointed out in submission to ESC such a reality would mean for 3000 plus UDS users a visit of 10 per day for 365 days of the year. A wildly unrealistic assumption on the part of GMW in their non transparent data provided and statements made to ESC and Egis and glaringly contrary to the spirit of customer feedback, engagement and “fair pricing” In short is unreasonable for a charge to be made that is unrelated to entitlements.No charge to UDS

should be based on assumption that is not clearly justified or supported by the realities on the ground. Also, the Customer Fee is inappropriate for UDS as we don't incur the costs that large customers incur. (more cross subsidisation)

2. What do you think of our draft decision on the business performance and their future service commitments?

GMW have been left wanting.....Namely to promote a range of outcomes that do not and cannot be applied to UDS users is misleading, inappropriate and far from realities. This all despite their own promotion of extensive UDS customer engagement. Duly dismissed as of no "intrinsic value"GMW have misled on any "future service commitments" for UDS water users as there is no identifiable service provision that aligns with the definition of Service and Access Points. In fact as revealed in the review, GMW have loaded their own costs that are identifiable to some Diverter groups under the guise of providing service to UDS. Further GMW cannot or have not provided a breakdown of "costs" because they are hidden across all users, with UDS by their very nature and locations and own infrastructure and maintenance not causing costs incurred.

3. Is there anything else we should consider before we make a final price review decision?

ESC should be requesting a forensic audit of the missing data and costs for individual user groups "ungrouped" Deeming for UDS remains a feature of the GMW pricing model in its current form despite Egis review. Guidelines from ESC under such a model cannot be achieved or met. Egis identifies the inadequacy of information provided and that it was not further questioned or validated. UDS have through public submission identified the range of problems and unjust nature of GMW maintaining a will not move position despite knowing that it is "wrong" for all the reasons outlined. ESC must now direct the organisation to divorce UDS from within the Diverters grouping and apply the pricing that reflects meeting the "guidelines" Not to do so is only promoting GMW sustaining a pricing model that has not reflected the extensive customer engagement and feedback and realities provided in good faith to ensure customer value and just outcomes.A written submission expanding on the above will be documented in due course...