



# South Gippsland Water

2023 water price review | customer fact sheet

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 from 1 July 2023 to 30 June 2028.

## Snapshot of South Gippsland Waters’ price submission

Bills	Tariffs	Outcomes
<p>Typical annual residential owner occupier water bills will increase from \$1,154 in 2022-23 to \$1,177 in 2023-24, and then to \$1,200 in 2024-25. This excludes inflation, which is added to bills each year.<sup>1</sup></p>	<p>South Gippsland Water’s water tariff structure between fixed and volumetric, will remain unchanged for the period between 2023–28.</p>	<p>South Gippsland Water has refined its customer outcome commitments, strengthening its wastewater, environment, and integrity outcomes and measures for greater transparency and accountability.</p> <p>It has also proposed an additional guaranteed service level commitment for water quality.</p>

Information about our price review process and South Gippsland Water’s price submission is available at [www.esc.vic.gov.au/water-price-review-2023](http://www.esc.vic.gov.au/water-price-review-2023)

## Send us your feedback on South Gippsland Water’s proposal

Submitting your feedback by **1 December 2022** will help us prepare for the release of our draft decision. Send us your feedback via <https://engage.vic.gov.au/water-price-review-2023>.

<sup>1</sup> You can access latest independent forecasts for inflation via <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.



## What are the changes to prices and tariffs?

Overall proposed prices for South Gippsland Water customers will **go up**. South Gippsland Water has proposed to increase its prices by 2 per cent per year for two years over 2023-25, then 3 per cent per year for the remaining three years.

South Gippsland Water proposes to continue with a standardised new customer contribution and implement an increase across all new connections to \$2,971 (an increase of \$454 for each water and wastewater connection to total \$5,942 per lot).

## 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 customer groups and water volumes.

### Typical water and sewerage bills (not including inflation)

Customer Group	Average consumption (kL p.a.)	2022-23 annual bill	2023-24 annual bill	2027-28 annual bill
Residential (Owner occupier)	121	\$1,154	\$1,177	\$1,312
Residential (Tenant)	200	\$437	\$445	\$497
Non-residential	250	\$1,435	\$1464	\$1,632

## What are the outcomes for customers?

As part of their price submission, water businesses must propose a set of outcomes that they will deliver to their customers over the following five years. The set of outcomes, measures and targets are unique to each business, reflecting those performance elements that matter most to customers, as revealed through the customer engagement process.

South Gippsland Water worked with its customers to develop five major outcomes, with measures and targets to track its performance.

South Gippsland Water's outcome commitments to its customers are:



- We will plan for the future, be reliable and minimise unplanned interruptions to services
- Provide safe, clean drinking water
- Provide a safe wastewater service that contributes to the liveability of our communities
- Be environmentally sustainable and adapt to a future impacted by climate variability
- We will act with honesty, respect and strive to balance affordability, value-for-money and fairness.

In addition, South Gippsland Water proposes to maintain Guaranteed Service Level commitments for customers and include an additional commitment for water quality.

South Gippsland Water also proposed:

- introducing a new financial hardship co-payment scheme for vulnerable customers
- to use 100% renewable energy by 2025 and achieve net zero emissions by 2035
- five major projects to support regional growth and development, protect the environment and provide reliable services to the region's two largest customers.

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

(\$ million before inflation)

Project	Detail	Total
Renewal and upgrade of Venus Bay Outfall and Korumburra sewer network	These projects will help avoid wastewater spills and provide the regions two largest water customers with reliable wastewater services.	18.6
Lance Creek Water Treatment Plant Clear Water Storage	This project will construct an additional clear water storage at the Lance Creek Water Treatment Plant to increase system capacity and maintain reliability.	8.7
Wonthaggi Sewerage System upgrade	This project will improve the Wonthaggi sewerage systems capacity. This will ensure the system is not overloaded and will protect the environment.	7.0
Nyora and Poowong water infrastructure upgrade	Nyora and Poowong water infrastructure will be upgraded to cater for growth. This project will result	5.9

in less low pressure issues and supply interruptions for customers.

Foster Wastewater Treatment Plant upgrade	This upgrade will improve treated effluent quality from the Foster Wastewater Treatment Plant and support re-use and assist protecting the environment.	5.8
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## How much revenue is required from 2023 to 2028?

We require each business to tell us what revenue it will require for the next five years. This helps us understand how South Gippsland Water calculated the prices in its submission.

South Gippsland Water forecasts that it needs **\$128 million** of operating expenditure and **\$136 million** of capital expenditure to provide its services to customers over the next five years. To fund this, it requires **\$200 million in revenue**, an increase on the annual average from past years.

## Got a question?

[View our contact details](#) and follow us on [LinkedIn](#) and [Twitter](#).

