

# MEDIA RELEASE

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## **East Gippsland Water receives draft pricing decision**

East Gippsland Water is carefully considering proposals from the water industry's economic regulator that would see the prices the water corporation charges residential customers increase by less than the rate of inflation over the next five years.

The regulator, the Essential Services Commission (ESC), has just released its draft determination on East Gippsland Water's business plan for 2013-18, also known as Water Plan 3, as it has for all Victoria's regional water corporations.

It proposes that average bills for East Gippsland Water's residential customers decrease from \$1,102 in 2012/13 to \$1,076 in the 2017/18 financial year. This represents an overall decrease of 2.3 per cent, excluding inflation.

Also included in the ESC's draft decision are proposals that would see East Gippsland Water:

- implementing an investment program of around \$9 million a year to cover essential infrastructure projects. These include progress on a major upgrade to the Bairnsdale Wastewater Treatment Plant and upgrades to the Bairnsdale, Lakes Entrance and Omeo sewer systems. In addition, some new water supply infrastructure is proposed for Cann River, Bemm River and Orbost, an upgrade to the Mallacoota Water Treatment Plant, and the replacement of sections of ageing water pipeline across East Gippsland;
- investing around \$17 million a year to maintain and operate water and wastewater infrastructure;
- introducing Guaranteed Service Levels. This means any customer receiving a significantly poor level of service in one of five key areas, will be compensated;
- cutting the fixed water charge for vacant, unconnected properties by 50 per cent from 2013/14.

Said East Gippsland Water's Managing Director Bruce Hammond: "Our priority with Water Plan 3 is to ensure that customers continue to receive high quality, reliable and efficient water and wastewater services that meet their needs and are good value for money. We note that the ESC is proposing to approve the majority of initiatives as presented in our Water Plan, which is a great endorsement.

"We will be working closely with the ESC to fine tune a small number of aspects in the coming weeks leading up to the ESC's final price determination."

The ESC is inviting public submissions on its draft decision by 2 May 2013. It will deliver its final decision in June this year, with the plan then implemented from 1 July onwards.

Ends