

# MEDIA RELEASE

Contact: Ronan Carroll Ph: 5150 4434



18 June 2013

## Price increases kept to a minimum

East Gippsland Water bills for the average residential customer are being capped close to the rate of inflation over the next five years, with an overall increase of 1.39 percent for the period.

The news comes as the water industry's economic regulator, the Essential Services Commission (ESC), releases its final determination on East Gippsland Water's business plan for 2013-18, also known as Water Plan 3, with new prices coming into effect from 1 July.

Over the next 12 months specifically, the average residential customer (using 145,000 litres of water per year) will actually see their combined water and sewerage bills go down by \$9, with inflation taken into account. This represents a decrease of 0.8 percent, with their overall expenditure on these services falling from \$1,113 in 2012/13 to \$1,104 in 2013/14.

The actual cost will be lower for those consuming less water and higher for those consuming more.

The ESC's approval of Water Plan 3 also means that:

- there will be a new billing structure implemented from 1 July. This is in response to customer feedback and designed to give customers more control over their bill, with an increasing emphasis placed on the water usage component of the bill and reducing the fixed charge component
- the typical bill for non-residential customers will increase by 2.7% percent over the next five years, excluding inflation, and by 2.57% percent for 2013/14 - taking inflation into account
- water and wastewater service charges for vacant unconnected properties will be reduced to half of the full services charge from 1 July 2013 onwards
- East Gippsland Water will invest approximately \$9 million a year on essential major capital projects in the five years to 2018. Work will 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 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 and other assets across East Gippsland
- around \$17 million a year will be invested to maintain and operate water and sewerage infrastructure, ensuring services are kept to a high standard
- East Gippsland Water will introduce Guaranteed Service Levels. This means that any customer receiving a significantly poor level of service in one of five key areas, will be compensated
- Standard New Customer Contributions will decrease from the current level to zero by the end of the five year period. Charges for non-standard developments will be determined as appropriate.

More follows/...

Said East Gippsland Water's Managing Director, Bruce Hammond: "As a state government-owned enterprise, and an essential service provider, our priority is ensuring that customers continue to receive high quality, reliable and efficient water and sewerage services, that meet their needs now and well into the future. These services need to represent good value for money.

"The last five years have seen us invest in a significant multi-million-dollar capital works program to protect our current and future customers as much as possible against the impact of extreme weather events; providing long-term water security for a growing population. That forward-thinking investment has enabled us to scale back the level of prices to be charged between now and 2018.

"Importantly, these prices provide us with sufficient capital to progress with major projects around the region, and to sustain a high quality maintenance program for our water and sewerage network, so that it continues to operate reliably and efficiently."

For more information on Water Plan 3, and to estimate your bill, please visit the Water Plan 3 section on the East Gippsland Water website [www.egwater.vic.gov.au](http://www.egwater.vic.gov.au).

Ends

#### **NOTE TO EDITORS:**

##### **The average residential customer bill (including inflation)**

<b>Year</b>	<b>2012/13</b>	<b>2013/14</b>
Fixed wastewater service charge	\$656	\$606.34
Total water charge (based on using 145,000 litres/year)	\$457.73	\$498.03
<b>Total bill</b>	<b>\$1,113.73</b>	<b>\$1,104.37</b>

##### **Total cost of water/1,000 litres (including inflation)**

<b>Year</b>	<b>2012/13</b>	<b>2013/14</b>
Water usage charge	\$1.63	\$1.87