

MEDIA RELEASE

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Keeping price increases below inflation

East Gippsland Water will be keeping price increases well below the rate of inflation for the next 12 months in a move designed to benefit both residential and business customers.

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

"Continuing on our program from last year, we are actively implementing a range of efficiency improvements in our business to reduce costs. These include utilising innovative technology, maximising operational efficiency and working closely with neighbouring water corporations to achieve sustainable business cost reductions. This has enabled us to absorb increased prices on the goods and services that we need for our operations and keep price rises for customers well below inflation."

Chair of East Gippsland Water's Customer Committee, Domenic Zappia, said: "While so many services have increased to a significant extent it is very pleasing that East Gippsland Water has been able to absorb costs and keep the 2015/16 increase below inflation. This will benefit the customers and is consistent with the view of the committee that if savings could be made there should be a return to the customer."

New prices coming into effect from 1 July mean the average residential customer (using 148,000 litres of water a year) will see their combined water and sewerage bills go up as little as \$3.89 in total over the 12 month period. This is a 0.33 percent increase, one per cent less than inflation, and means the average bill will rise from \$1,146.17 to \$1,150.07 (the actual cost will be lower for those consuming less water and higher for those consuming more).

In addition to keeping costs below inflation, residential customers will receive a \$28 Victorian Government rebate on the first East Gippsland Water bill they receive in the 2015/16 financial year. Those to benefit will be owner-occupiers and tenants.

The average business customer also stands to benefit from below-inflation increases, with their average bill going up by 1.01 percent, or 0.32 percent less than inflation.

Furthermore, the new prices are lower than those approved by the water industry's economic regulator, the Essential Services Commission (ESC).

Over recent years East Gippsland Water has invested in a significant multi-million-dollar capital works program to protect customers from the impact of extreme weather events. Integral to this has been providing long-term water security for our growing population.

The corporation will invest approximately \$8 million over the next 12 months on essential major capital projects. These include further progress on a significant upgrade to the Bairnsdale Wastewater Treatment Plant and ongoing improvements to the town's sewer network, including pump stations, to cater for future growth of the local area.

More follows/...

Major sewer network enhancements are also planned for Lakes Entrance and Omeo, as well as significant irrigation and reuse upgrades at a number of wastewater treatment plant sites around East Gippsland. This will help maintain East Gippsland Water's record as one of the best performing water corporations in Victoria when it comes to recycling water, typically achieving a reuse level of 100 percent.

In addition, new water infrastructure is proposed to ensure the long-term security of drinking water supplies to Lakes Entrance, together with the replacement of ageing sections of sewerage and water pipelines and other assets across East Gippsland.

Further investment is planned to optimise the water treatment facilities at Woodglen, Omeo and Cann River, to maintain high drinking water quality standards for customers.

Around \$18 million will also be invested to maintain and operate water and sewerage infrastructure, ensuring services are kept to a high standard of efficiency and reliability.

Ends

NOTE TO EDITORS:

The average residential customer bill (before \$28 rebate)

Year	2014/15	2015/16
Fixed wastewater availability charge (for each Equivalent Tenant Unit)	\$627.22	\$631.77
Fixed water availability charge	\$229.70	\$220.52
Total water use charge (based on using 148,000 litres/year)	\$289.25	\$297.78
Total bill	\$1,146.17	\$1,150.07

Total cost of water/1,000 litres

Year	2014/15	2015/16
Water usage charge	\$1.95	\$2.01