

# MEDIA RELEASE

Contact: Ronan Carroll Ph: 5150 4434



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## **Keeping price increases to a minimum**

East Gippsland Water is keeping price increases to a minimum for the year ahead as part of its ongoing drive to hold costs down for customers.

Importantly, the new prices are also less than those approved by the water industry's economic regulator, the Essential Services Commission.

From 1<sup>st</sup> July the average residential customer, using 148,000 litres of water a year, will see their combined bills for water and sewerage go up by 1.8 percent, or \$20.55 over the 12 month period. The actual cost will be lower for those consuming less water and higher for those consuming more.

In addition residential customers will receive a \$28 Victorian Government rebate on the first East Gippsland Water bill they receive in the new financial year. Those to benefit will be owner-occupiers and tenants.

The average business customer will also see a limited increase in prices, with their bill going up by 2.18 percent.

East Gippsland Water's Managing Director, Bruce Hammond, said, "As a state government-owned enterprise and provider of essential services we have to make sure that our customers receive reliable and high quality water and sewerage services now and well into the future. We also have to ensure that these services are provided efficiently and represent good value for money.

"Keeping price increases to a minimum, and below those approved by our regulator, has been possible thanks to a number of efficiency-driven improvements that we have made to our business operations over the past few years. These have enabled us to absorb most of the increased prices associated with the goods and services that we need for our operations. Notably beneficial has been our close working relationship with neighbouring water corporations."

Over recent years East Gippsland Water has invested in a significant multi-million-dollar capital works program to help safeguard against the potentially harmful impact of extreme weather events on the services it provides. Integral to this has been providing for a growing population.

The corporation is set to invest more than \$7 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 sewer network, including pump stations, to cater for future growth of the local area.

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.

More follows/...

In addition, new infrastructure is being installed to ensure the long-term security of drinking water supplies to Lakes Entrance and there will be the ongoing replacement of ageing sewerage and water pipelines and other assets across all towns in 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 \$10 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.

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

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

<b>Year</b>	<b>2015/16</b>	<b>2016/17</b>
Fixed wastewater availability charge (for each Equivalent Tenant Unit)	\$631.77	\$643.24
Fixed water availability charge	\$220.52	\$219.38
Total water use charge (based on using 148,000 litres/year)	\$297.78	\$308.00
<b>Total bill</b>	<b>\$1,150.07</b>	<b>\$1,170.62</b>

##### **Total cost of water/1,000 litres**

<b>Year</b>	<b>2015/16</b>	<b>2016/17</b>
Water usage charge	\$2.01	\$2.08