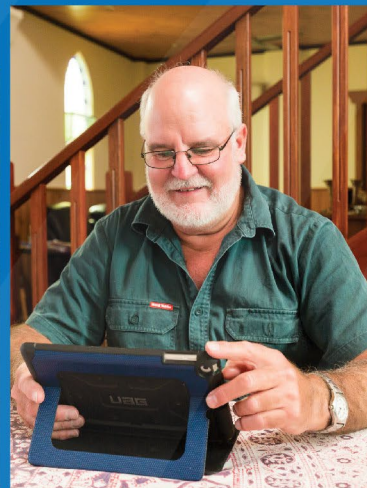


# 2023-2028

*water price submission*



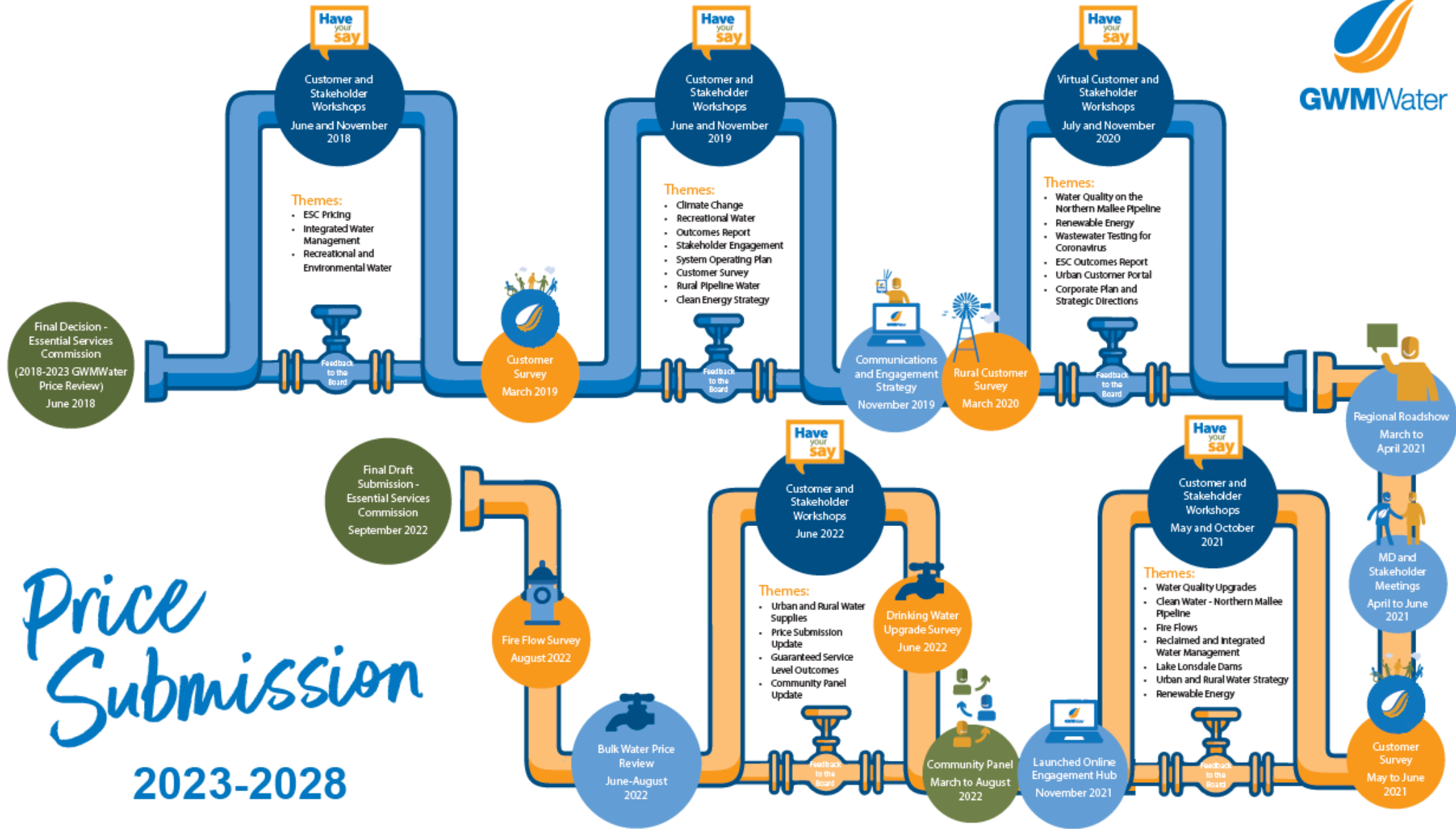


# Background

- 2022/23 Corporate Plan formed our baseline.
- Community Panel established to deliberate on themes and topics:
  - Wanted us to do what we do well
    - Pressure / Flow Rates
    - Guaranteed Service Levels
  - The Panel pushed us on delivering value and affordability.



# Engagement model

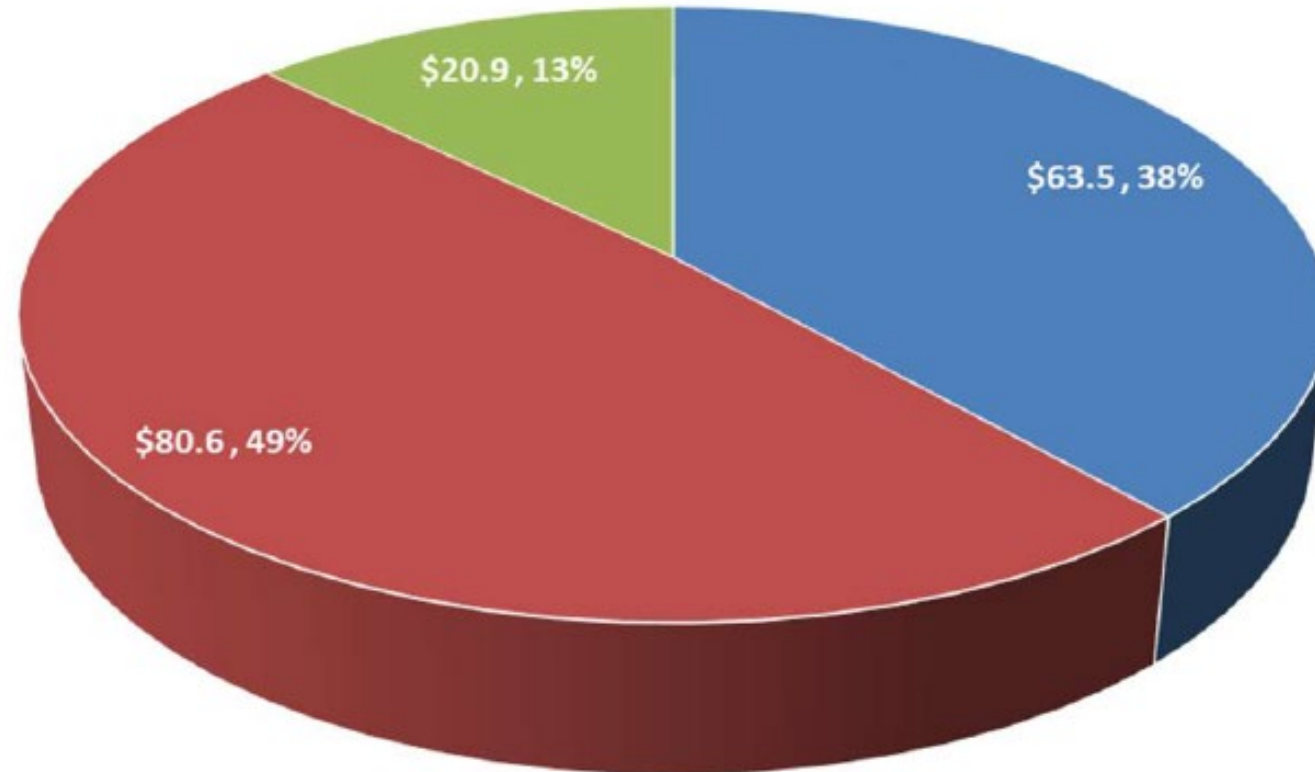


# Capital projects proposed

- Completion of drinking water upgrades at Kaniva and Moyston, and upgrades for Berrillock and Culgoa
- East Grampians Rural Pipeline Project completion
- Improve fire services for industrial customers
- Improve water quality for Piangil and Nyah customers on Northern Mallee Pipeline
- Strong focus on renewals and compliance related upgrade



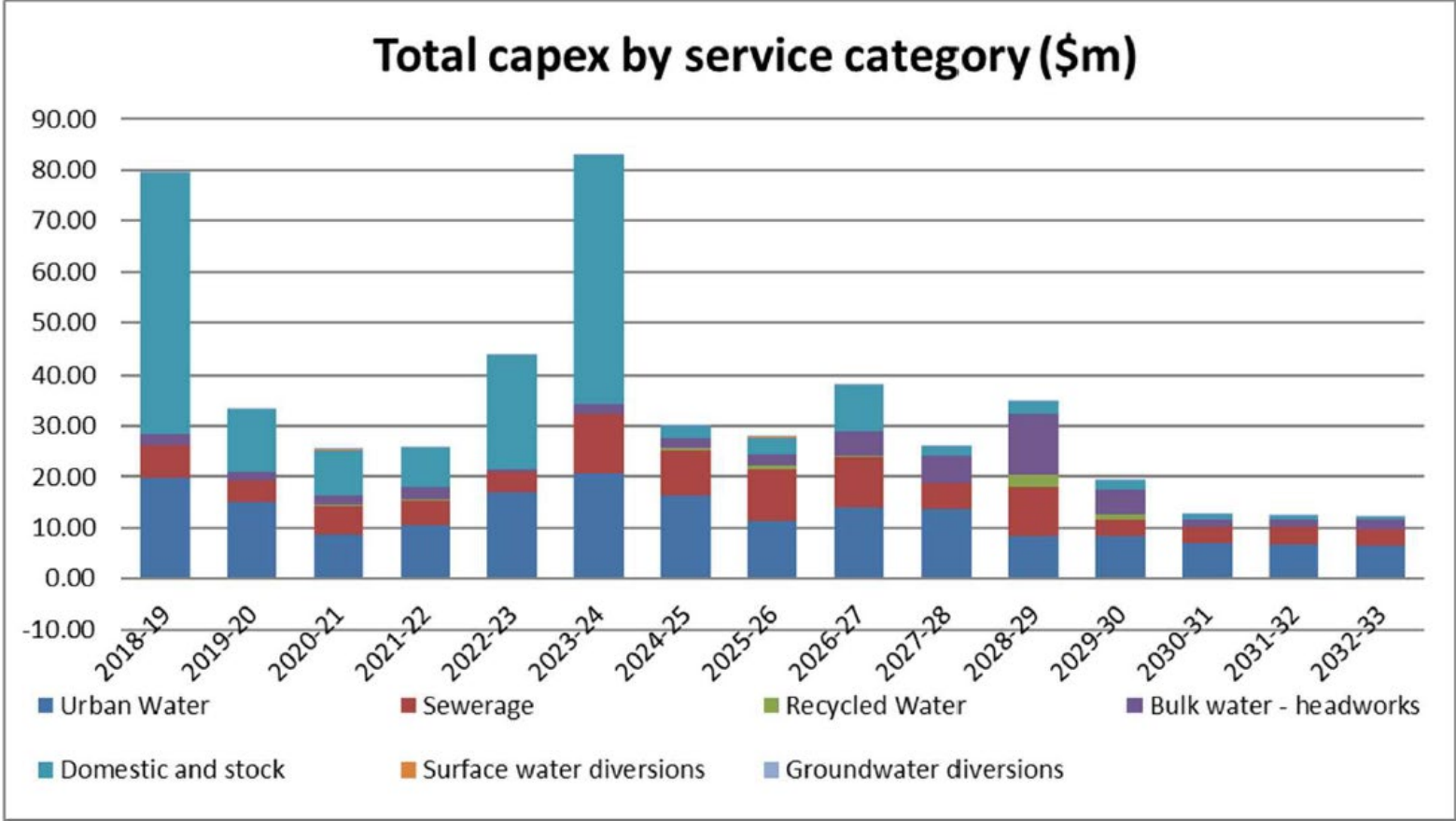
## Net capex by cost driver (\$m)



■ Improvements / Compliance ■ Renewals ■ Growth



# Capital Expenditure



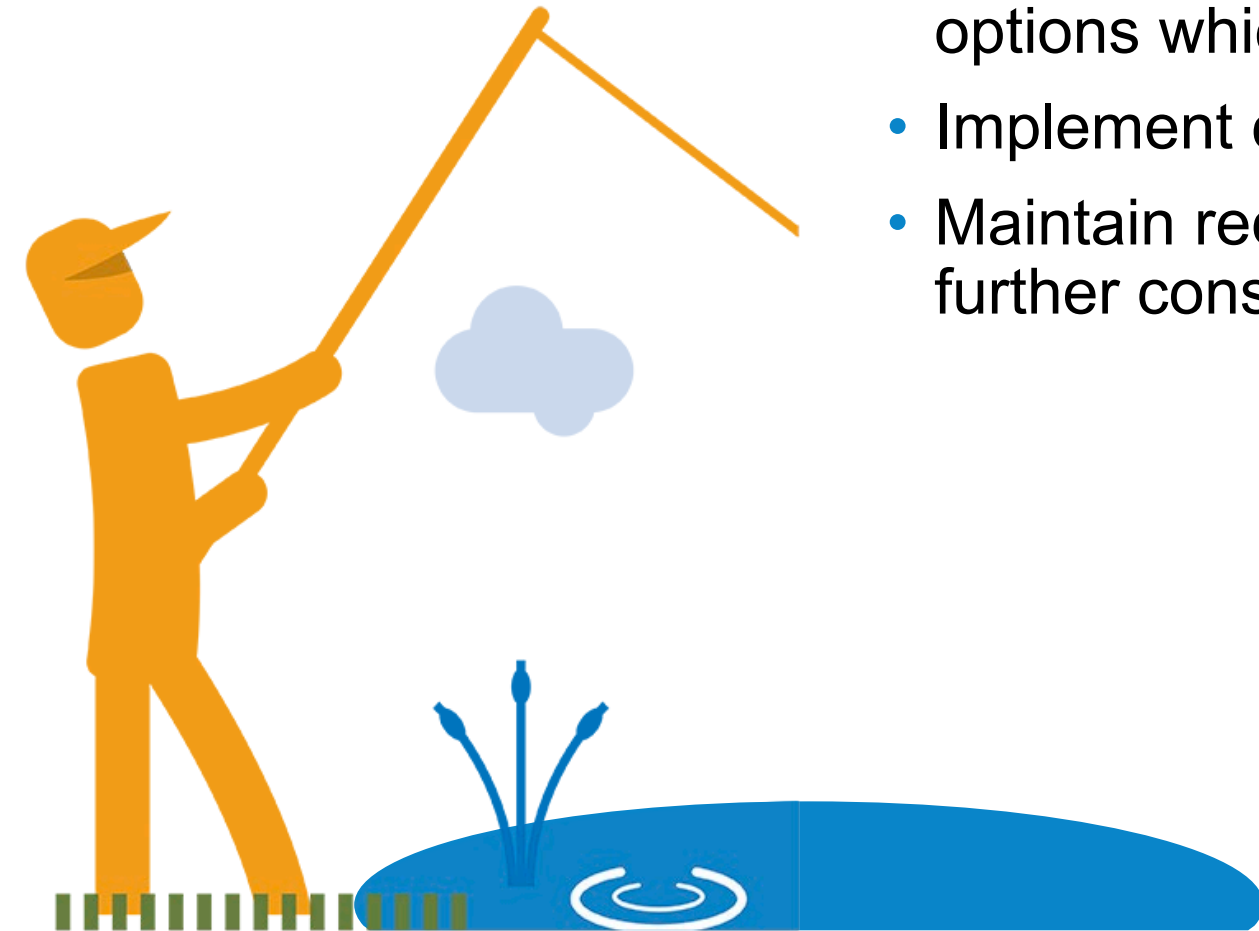
# Deliverability

- Relatively conservative program that targets areas of highest customers service / quality dissatisfaction
- Similar investment to the two previous pricing periods.
- Technical solutions that have been delivered before (e.g. cross country pipelines, pumping stations, tanks, DAF, HBT works, water and sewer renewals)
- Program schedule developed and resourced considering internal and contractor resources.



# Other initiatives

- Double the urban minimum flow rate to 20L/min
- Consult small urban towns to explore servicing options which may provide better value
- Implement changes to bulk water tariffs
- Maintain recreation water pricing policy, with further consultation with non-residential customers

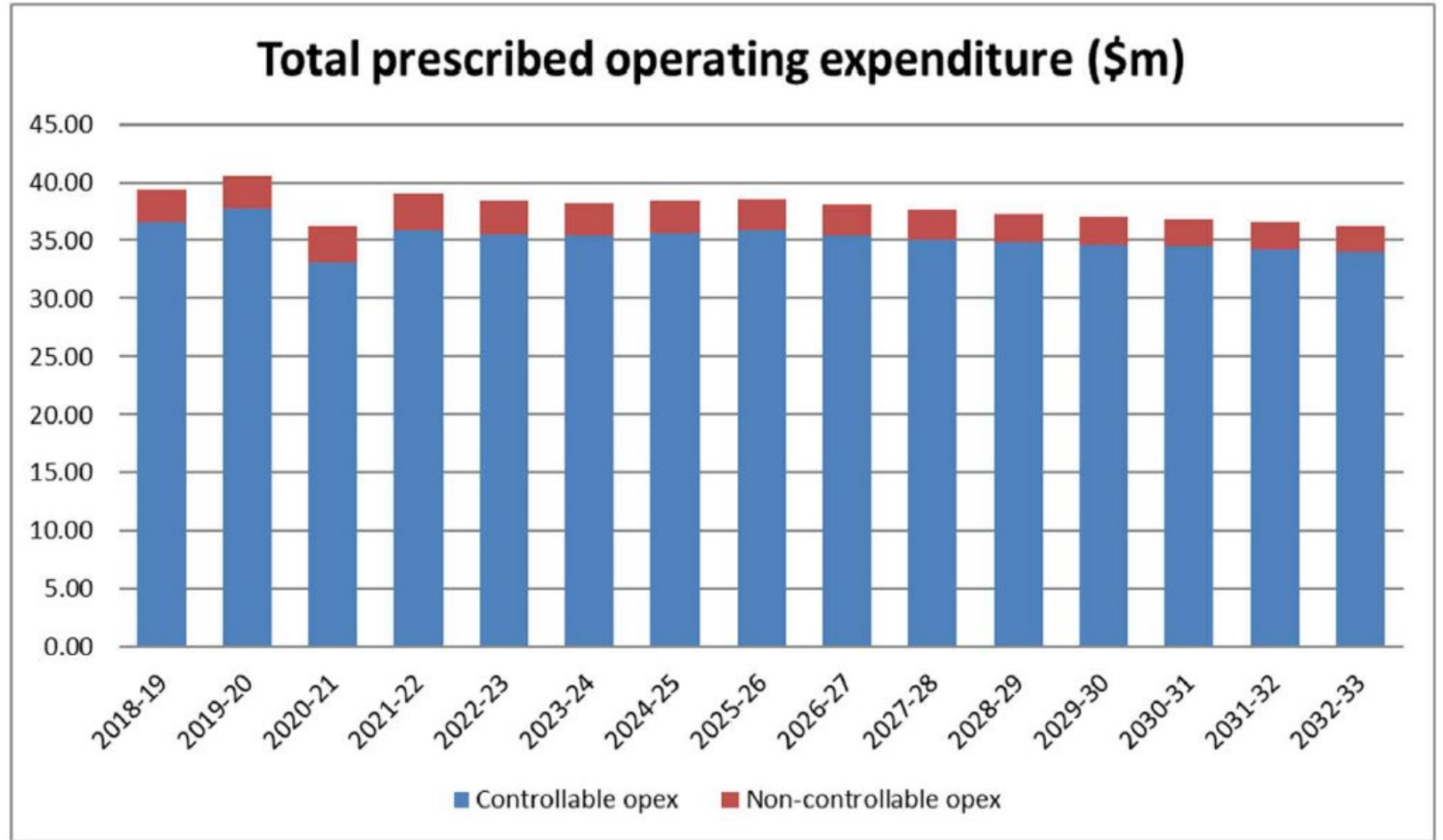




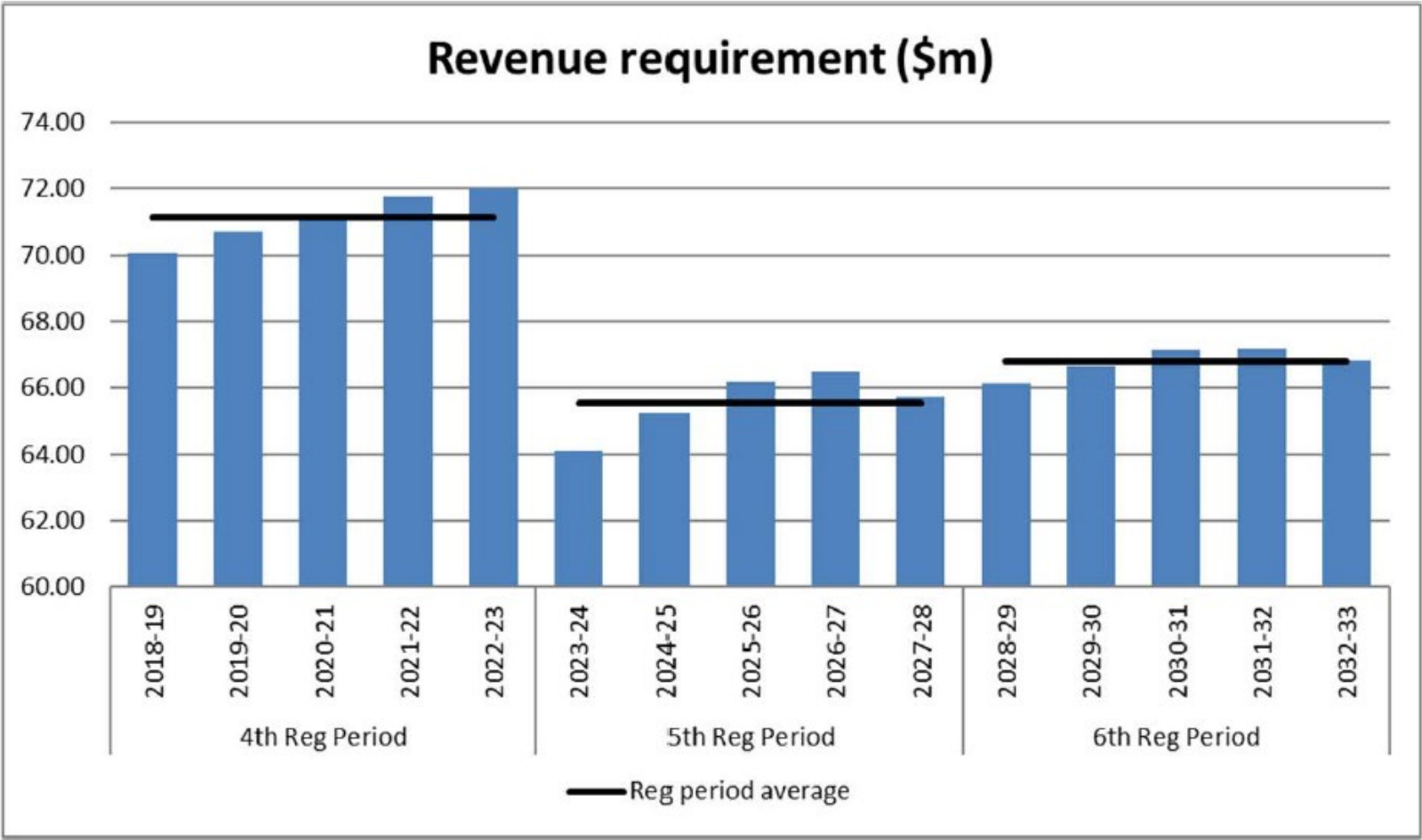


**1.4% p.a.  
(average) Cost  
Efficiency  
Target**

# Operating Expenditure



# Revenue Requirement



# Guaranteed Service Levels



Service level obligation	Rebate \$
Notification to customer advising drinking water not suitable for drinking	100
More than 5 unplanned water interruptions in a year (*New)	80
More than 3 sewer blockages in a year (*New)	80
Unplanned water interruptions not restored within five hours of notification	50
Planned interruption longer than notification	50
Sewer interruption not restored within five hours of notification	50
Sewer spill within a house caused by failure of system not contained within one hour	1,000
Restricting the water supply of, or taking legal action against, a residential customer prior to taking reasonable endeavours to contact the customer and provide information about help that is available if the customer is experiencing difficulties paying.	300



# Outcomes

Summary table		18-19	19-20	20-21	21-22	22-23
1. Safe and Clean Water	Outcome superseded by 1.a., 1.b. and 1.c. in 2021-22.					
1.a. Safe and Clean Water	1.a., 1.b. and 1.c. are new outcomes added in 2021-22, previously combined under outcome '1. Safe and Clean Water'.					
1.b. Clean, Non-Drinking Water - Urban						
1.c. Clean, Non-Drinking Water - Rural Pipeline						
2. Reliable and Affordable Services						
3. Healthy and Liveable Region						
Overall						

# Real Price Paths for customers

	Real % increase/(decrease)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Urban water - potable	(7.9%)	0	0.9%	0	1.0%
Urban water - non potable	(7.9%)	0	0	0	0
Sewerage	(7.9%)	0	0	0	0
Rural pipeline	(7.9%)	0	0	0	0.7%
Commercial off-season usage	(10%)	(5%)	0	0	0
Groundwater	(7.9%)	0	0	0	0
Unregulated licences - surface water	(7.9%)	0	0	0	0
Environment	(7.9%)	0	0	0	0
Bulk water	(10%)	(10%)	0	0	0
Recreation lake water	(7.9%)	0	0	0	0
Minor trade waste	(7.9%)	0	0	0	0



# In dollars...

	Current	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Residential</b>	\$1,403	\$1,292	\$1,292	\$1,299	\$1,299	\$1,307
<b>Tenant</b>	\$422	\$388	\$388	\$388	\$388	\$391
<b>Non-Residential (20 mm)</b>	\$1,611	\$1,494	\$1,494	\$1,535	\$1,535	\$1,542
<b>Vacant Land</b>	\$448	\$413	\$413	\$413	\$413	\$413





# PREMO Rating



- PREMO scoring undertaken by the Executive Team.
- Have graded an overall scoring of **Advanced**.
- Provides a Return on Equity of 4.5%.

# Questions



**GWM**Water

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