






Gippsland Water

2023 water price review | customer fact sheet

Victoria's water businesses send us submissions on proposed prices and key outcomes for their customers. We assess the submissions and make price determinations on the maximum price they can charge for their services from 1 July 2023 to 30 June 2028.

Snapshot of Gippsland Water's price submission

Bills	Tariffs	Outcomes
		
Typical annual residential owner occupier water bills will decrease from \$1,363 in 2022-23 to \$1,279 in 2023-24 and \$1,277 in 2024-25. This excludes inflation, which is added to bills each year. ¹	Overall, prices will decrease by 6.14 per cent before inflation in 2023-24 and by 0.15 per cent each year from 2024 to 2028.	Gippsland Water has refined its outcome commitments and measures, adding an additional outcome commitment for the period between 2023 -2028. Gippsland Water will maintain most guaranteed service levels and increase payments for some guaranteed service levels.

Information about our price review process and Gippsland Water's price submission is available at www.esc.vic.gov.au/water-price-review-2023

Send us your feedback on Gippsland Water's proposal

Submitting your feedback by **1 December 2022** will help us prepare for the release of our draft decision. Send us your feedback via <https://engage.vic.gov.au/water-price-review-2023>.

¹ You can access latest independent forecasts for inflation via <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.



What are the changes to prices and tariffs?

Overall proposed prices for Gippsland Water customers will **go down** (before inflation) by 6.14 per cent in 2023-24 and then by 0.15 per cent each year from 2024 to 2028.

Gippsland Water proposes to reintroduce new customer contribution charges in response to 'unexpected and unprecedented' growth in connections over the last three years. These developer contributions will be reintroduced in 2023-24 and increase by inflation for the remaining years.

How will this affect your bill?

Prices and tariffs are only part of the bill. Your actual bill depends on factors such as the amount of water and services you use. Gippsland Water provided us with typical bills for different customer groups and water volumes.

Typical water and sewerage bills (not including inflation)

Customer Group	Average consumption (kL p.a.)	2022-23 annual bill	2023-24 annual bill	2027-28 annual bill
Residential (Owner occupier)	164	\$1,363	\$1,279	\$1,272
Residential (Property Investor)	na	\$997	\$935	\$930
Residential (Tenant)	164	\$366	\$344	\$342
Non-residential (Small)	70	\$1,267	\$1,191	\$1,185
Non-residential (Medium)	327	\$2,258	\$2,130	\$2,121
Non-residential (Large)	600	\$3,311	\$3,128	\$3,115

What are the outcomes for customers?

As part of their price submission, water businesses must propose a set of outcomes that they will deliver to their customers over the following five years. The set of outcomes, measures and targets are unique to each business, reflecting those performance elements that matter most to customers, as revealed through the customer engagement process.

Gippsland Water worked with customers to develop six major outcomes, with measures and targets to track its performance. Gippsland Water's outcome commitments to its customers are:

- Be affordable and fair
- Do your job well
- Be easy to deal with
- Be involved in the community
- Be environmentally responsible
- Plan for the future.

In addition, Gippsland Water proposes to maintain most Guaranteed Service Level commitments for customers and maintain payments at the current level. It has also proposed to remove one Guaranteed Service Level commitment related to the environment and to increase its contribution to impacted communities if drinking water quality standards are not met.

Gippsland Water has also proposed:

- new and enhanced customer experience-based initiatives such as SMS messages for unplanned service interruptions, an app for customers to monitor their water usage and manage their bill payment and a live outage tracker on Gippsland Water's website
- investing a minimum of \$100,000 per year in programs that support the wellbeing of Gippsland Water's communities (including education campaigns, drinking water fountains and sponsorships).

What are the major works that will go on around you?

(\$ million before inflation)

Project	Detail	Total
Saline Water Outfall Pipeline	This project will renew sections of the Saline Water Outfall Pipeline servicing the brown coal power generation industry. This project is fully paid for by the major customer serviced.	17.2
Factory Road Sewer Pump Station and Rising Main Upgrade	This project is to cater for current and future new connections growth in Yarragon.	14.3
Connect Traralgon and Morwell Water Networks Stage 1	This project involves duplication of the major water main in Traralgon, providing additional water security for existing customers and future connectivity between the Traralgon and Morwell systems.	11.2
Warragul Wastewater Treatment Plan Upgrade	This project is to cater for new connections growth and meet compliance requirements in Warragul.	10

How much revenue is required from 2023 to 2028?

We require each business to tell us what revenue it will require for the next five years. This helps us understand how Gippsland Water calculated the prices in its submission.

Gippsland Water forecasts that it needs **\$455 million** of operating expenditure and **\$268 million** of capital expenditure to provide its services to customers over the next five years. To fund this, it requires **\$695 million in revenue**, a slight increase on the annual average from past years.

Got a question?

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