

Monday, September 29, 2014

Subsidised Scheme – No Further Cross Subsidy Available

South Gippsland Water has received a petition from the Nyora community seeking a payment plan for those property owners in the Voluntary Area of the Poowong, Loch and Nyora Sewerage Scheme. South Gippsland Water are not offering a payment plan to properties choosing to connect to sewerage within the Voluntary Area.

The Poowong, Loch and Nyora Sewerage Scheme is the last of the mandated \$800 owner contribution through the State Government Small Towns Water and Sewerage program. Payment plans associated with the \$800 Service Area were also mandated through the State Government Initiated Scheme. Future schemes will be constructed under a full cost recovery / user pays model.

The cost to construct the scheme, including additional reticulation pipework for the Voluntary Area is in excess of \$40,000 per property. Therefore, it can be concluded that the Poowong, Loch and Nyora Sewerage Scheme is being largely funded by higher tariffs charged to South Gippsland Water customers across the region.

The Voluntary Service Area contains larger sized allotments that have the ability to deal with the effluent on site via well maintained, complying septic waste systems. South Gippsland Water recognises that the full cost of connection may be prohibitive to a number of property owners. However, these customers firstly have the choice whether to connect and secondly at a subsidised cost (\$5,000), that is very competitive compared to a new on-site waste water treatment system or a user pays sewerage scheme.

While we appreciate the community concern and desire to connect to the scheme the Corporation must be mindful of tariff implications for customers across the region as a result of increased expenditure and/or Corporation debt levels.

A number of low interest or interest free loans (up to \$3,000) are available to eligible persons; further information with respect to these loans can be found at <http://goodmoney.com.au/>.

Customers seeking further information or wishing to discuss the scheme, please call 1300 851 636.