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# Deliberation, Debate & Listening to Customers: Are Key to Pricing Review Process

South Gippsland Water has undertaken a process of listening to what is important to customers to inform its next 5 year plan. As part of this process, on the 1<sup>st</sup> of June, South Gippsland Water's Customer Advisory Panel met to discuss in-depth, key aspects of the next 5 year plan for South Gippsland Water.

Every five years the corporation develops a plan that sets out proposed service standards, capital and operating expenditure, and the required prices charged to customers for the delivery of water and wastewater services. The current plan finishes in June 2018 and a new plan will be submitted to the Essential Services Commission by September 2017.

South Gippsland Water's Managing Director, Philippe du Plessis said that, "Over the last 12 months, the Corporation has been engaging with customers to understand how we should be planning to operate in the future. In some cases there have been differing views between customers and communities and we are at the stage that we are working to incorporate these views in a balanced manner and use them to direct the organisation".

Mr du Plessis went onto say, "The Corporation is in the final stages of finalising the draft plan and a key component is thorough community consultation to help influence and shape the future of the organisation. The deliberative discussions held by the Customer Advisory Panel earlier this month were informative and will be key to shaping the direction South Gippsland Water takes over the coming five years".

There are a number of key themes from customers that will impact the direction of the next 5 years, these are;

### Water & Wastewater Services

- Controlling the frequency of service faults and the time to respond is seen as paramount
- Wastewater performance and containing sewer spills is important to customers due to the impacts on health and amenity
- Generally customers are supportive of increased investment into renewing aging infrastructure

### Water Security

- Customers feel it is important that South Gippsland Water plans for the future
- Customers recognise that the climate is changing, however are divided as to what extent. Planning based on medium levels of climate change models is deemed acceptable
- Responses were divided regarding networking water supply systems. For many, they favour networking only where it is economical and complimentary to local systems

### Infrastructure Investment

- Generally, customers expect South Gippsland Water to maintain service standards. They feel they are about right and that the Corporation should invest accordingly in infrastructure

- Those customers who have a greater understanding of the aging nature of South Gippsland Water's infrastructure, tend to support increased investment, due to the longer term efficiencies
- However, these customers also acknowledge that this will cause price pressures and impact to customers, particularly those in hardship

#### Pricing

- Overall, customers were divided on the equity of changing the ratio of volumetric versus service charge pricing, however, would accept a slight move to higher volumetric component of bills, whilst recognising the impact this will have on high water users and vulnerable customers
- Those customers with a greater understanding of the Corporation's low tariff history see a case for a price correction and to ensure the financial sustainability of the organisation

South Gippsland Water plans to continue engaging with customers. Draft elements of the submission will be "road tested" in major customer centres, where focus groups will be held in August to review and test the Draft Pricing Submission. These focus groups will provide an opportunity for customers to gain a greater understanding of the decisions made in the Pricing Review process and help the organisation to find a balance where feedback has differed between customers and communities.

The focus group sessions will be advertised in due course, however customers can express an interest to participate by contacting [sgwater@sgwater.com.au](mailto:sgwater@sgwater.com.au) or calling the Communications Team on 03 5682 0444.

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**Photo attached to email**

#### Caption

South Gippsland Water's Customer Advisory Panel and staff discussing options during the recent workshop.