
South Gippsland Water price rise deferred

The Essential Services Commission (ESC) last week released South Gippsland Water's final price determination that approves our water and sewerage prices for the three years to 2022-23.

South Gippsland Water has maintained stable and relatively low average household bills for several years, but we are facing cost pressures to maintain our service levels and provide a secure water supply to our customers.

Over the past two years we have completed a number of significant projects including the \$43 million Lance Creek Water Connection Project, which connects the region to the state's water grid and secures the water supply needs of Korumburra, Poowong, Loch and Nyora for decades to come.

South Gippsland Water's pricing submission continues our commitment to keeping bills low while still maintaining our service levels and water security.

The ESC decision allows for three annual increases of 5 per cent, 2 per cent and 2 per cent respectively (excluding CPI).

The price changes will enable South Gippsland Water to deliver a capital program of \$41 million over the three years. In line with customer preference it provides for increased investment to accommodate for growth areas across the region, replace aging assets and to maintain reliable services.

However, in recognition of the impacts of the current coronavirus (COVID-19) pandemic, we have deferred the 5 per cent price increase from 1 July until November 2020.

To support investment into maintaining service levels and ensuring a secure supply of water for a growing population, it is proposed that the average customer bill will typically rise by \$16.50 (excluding CPI) from the January account, and \$7 per account in the following two years.

In making our price proposal we engaged with our customers to find out what they value. This important exercise helped us to find a balance supported by customers that meets their expectations on service, the prices we charge and the organisation being sustainable into the future. The result is a three-year plan which outlines the level of service South Gippsland Water delivers and how much customers pay.

"South Gippsland Water is a state-owned corporation with prices charged to meet efficient capital and operating costs, not to generate profits for private investors," South Gippsland Water Managing Director Philippe du Plessis said.

The next three years will see our organisation invest money into infrastructure for the benefit of our local communities. Even with the price increases, residential water customers in South Gippsland will continue to pay some of the lowest rates in the country for water and sewerage services."

In response to the coronavirus pandemic, South Gippsland Water has deferred the implementation of the price increase from 1 July to 1 November 2020. In addition, we have strengthened existing customer support programs and introduced several new initiatives to assist with account payment, including extended payment periods and a dedicated customer support program.

Targeted assistance is in place for those who need it most now. That is, customers who are faced with reduced incomes and/or higher household costs, and businesses that have had to close or downsize their operations.

“We are committed to making our region more secure and sustainable in the long term, with the price of water and investment into infrastructure being balanced against long term financial sustainability,” says Mr du Plessis.

Customers who wish to find out more about the three-year plan can view information on the Corporation’s website www.sgwater.com.au.

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