

Monday 15th April 2013

TALKS UNDERWAY WITH THE ESC

South Gippsland Water and the Essential Services Commission (ESC), the economic regulator for the Victorian water industry, have met to discuss the implications of the Draft Pricing Determination. In the Draft Determination released last month, the ESC did not allow South Gippsland Water the capital expenditure required, to complete the Poowong, Loch and Nyora Sewerage Scheme, during this next five year pricing cycle.

Philippe du Plessis, Managing Director of South Gippsland Water said, "We have met and received a generally favourable response from the ESC with respect to our concerns with the determination. During these talks South Gippsland Water put forward its view that South Gippsland Water is charged with the responsibility of providing an improved sewerage treatment system that will solve long standing public health issues in the communities of Poowong, Loch and Nyora and that this be achieved at least cost, in a timely manner and in consideration of stakeholder issues".

Mr du Plessis went onto say that, "Discussion with the ESC covered many aspects of the project including the need to take a broader perspective of its current review including alternate scheme options, lower technology solutions and to what extent development capacity is taken on". South Gippsland Water pointed out to the ESC that extensive customer consultation had been undertaken during 2012 with customers supporting the capital expenditure proposed for the Poowong, Loch and Nyora Sewerage Scheme. Consultation included feedback provided by South Gippsland Water's customers, the broader community and various regional stakeholders.

The ESC will now conduct their own consultation session with the community regarding its release of the Draft Pricing Determination. The public forum is to be held at 1.00pm Monday 29th April at the Gippstafe premises in Leongatha. Mr du Plessis also commented, "We have captured our issues and arguments and written to the Commission in advance of the public meeting, in order to ensure full knowledge sharing".

South Gippsland Water will continue to work with the ESC to discuss areas of the pricing determination and look to gain agreement regarding a path forward for the Poowong, Loch and Nyora project that delivers against the public health needs of the community, in a timely manner and which provides funds during this next five year pricing cycle 2013-2018.