

Customers Discuss Investment Levels, Tariff Models and Prices

South Gippsland Water is preparing a submission, which outlines service standards and prices for the next 5 years for the Essential Services Commission. As part of the process, South Gippsland Water has held discussion sessions across the region to gather feedback on proposals included in its submission.

South Gippsland Water has been preparing its submission based on 6 areas of customer expectations or the outcomes customers want to see the Corporation deliver; Planning, Reliability, Environment, Water, Wastewater and Integrity. During the discussion sessions, customers looked at the expectations and how the corporation might measure its success against these key areas.

Customers discussed the merits and options of different investment levels in regards to the standard of service the Corporation will deliver. Generally customers do not wish to see the standards of service decrease and approve of South Gippsland Water investing in maintaining infrastructure and services for the future.

South Gippsland Water has also been looking at how price can help communicate the value of water. In this regard, the Corporation is looking to increase the volumetric rate for water and decrease the fixed service charge. To provide customers further control of their bill, South Gippsland Water is looking to amend the wastewater tariff model and replace cistern fees and cistern volumetric fees for businesses and non-residential properties. The new wastewater tariff model will place a higher emphasis on 'user pays' and those who discharge a higher volume of wastewater into the sewer system, with a lower fixed wastewater service charge and higher volumetric charge. Domestic properties will have no change to their wastewater tariff model.

Customers have been interested to discuss what prices might look like for the next five years. The discussions have been generally supportive of a price sufficient to ensure funds are available for renewing and replacing ageing infrastructure and to efficiently maintain service standards. These discussions have also seen merit in recouping funds earlier in the pricing period to reduce overall borrowings and to limit the long term impact interest repayments have on prices.

The Corporation's 5 year plan is due to the Essential Services Commission in September when the full proposal will be made available to the public.

Photo: Customers at the Wonthaggi discussion session on Tuesday 1st August

