

Our bills and prices

How we are funded

We're funded by our customers, who cover the cost of the services they receive.

How our prices are set

We set the maximum prices for our water and sewerage services in our Price Submission. Our Price Submission is developed every five years and must be approved by the Essential Services Commission.

Our customer charges

Our bills include:

- Fixed charges that help to cover the cost of the water and wastewater services we provide to your property
- A variable rate based on the amount of water you use each day
- All residential customers pay the same fixed charges for the services they receive, regardless of where they live in our service area.

What your bill pays for

From fixing pipes to upgrading water meters and protecting our environment, there's a lot that goes into delivering clean, safe drinking water and a reliable sewer service for our community.

Your fees and charges cover the costs of:

- Keeping water and wastewater services running 24 hours a day
- Treating water to ensure it's safe to drink.
- Treating wastewater so it can be safely returned to the environment.
- Building, repairing or renewing infrastructure to ensure it meets the needs of our customers. meaningful and practical support for community groups.

Our starting point for 2028: higher prices

In Price Submission 2023-28, we predicted an increase to customer bills of \$46.90 (2.95%) per year from 2028, or a one-off upfront increase in 2028-29 of \$145.13 (9.73%).

We've worked hard to drive costs down to reduce the impact. Right now, our modelling is predicting that customer bills will increase by \$44.78 (2.87%) per year from 2028, or a one-off upfront increase in 2028-29 of \$130.36 (8.85%).

Any additional spend you recommend as a panel will be on top of this increase.

What we're doing to keep our prices down

We're always working to keep our costs and bills as low as possible.

Examples include:

- Smart water sourcing, carefully selecting where we draw water from based on treatment and pumping costs, helping us produce treated water more efficiently and at a lower cost.
- Moving our fleet to electric vehicles where it makes sense.
- Long-term planning, including investing in our infrastructure for lasting performance and to keep prices steady for longer.
- Recycling waste and wastewater in our commercial businesses (Gippsland Regional Organics and Gippsland Regional Agribusiness) which helps us reduce our wastewater treatment costs.
- Absorbing or partially absorbing the cost of inflation, rather than passing it on to our customers - a commitment we made in our last Price Submission. Over the past nine years, we've saved average owner-occupier customers around \$214 off what their annual bill would have been if we passed on the full cost of inflation (see chart below).

Impact of Below CPI Tariff Increases

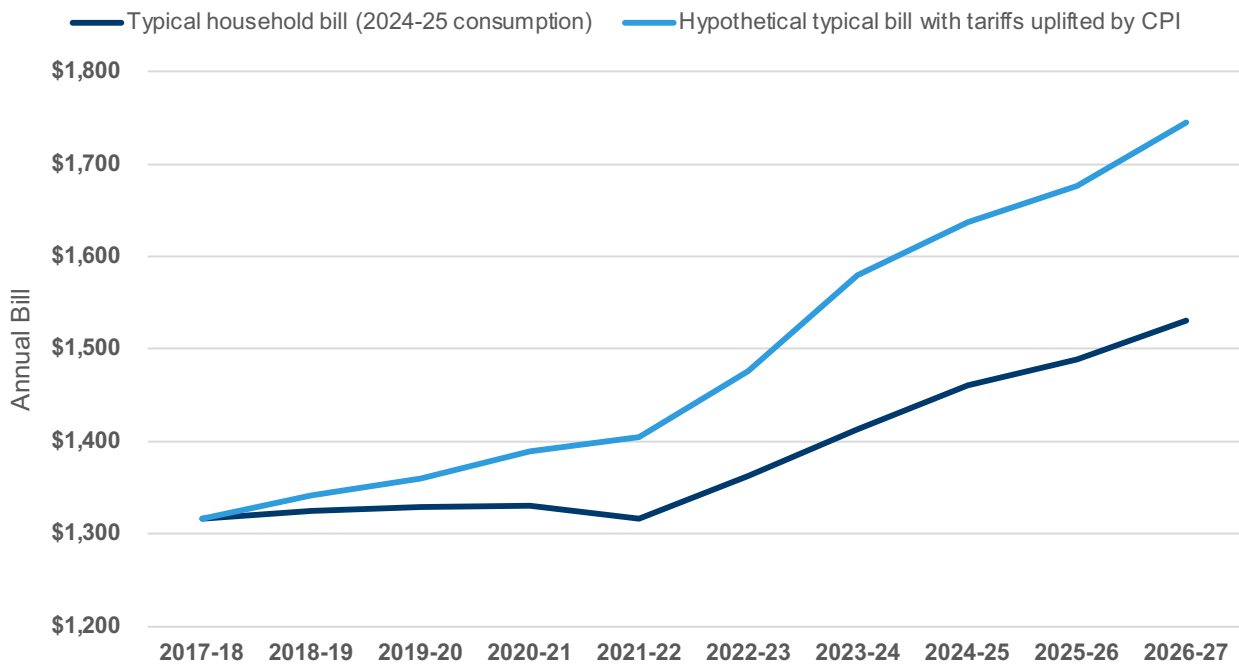


Chart showing cost of inflation absorbed by Gippsland Water

Our biggest expenses

We control our expenditure as much as possible, but we need to invest in the right places to ensure our business delivers what our customers need. This includes things like:

- Treating water and wastewater
- Chemicals for treating water to ensure its safe for people and the environment
- Energy to keep our plants and network running
- Investing in building, maintaining, monitoring and upgrading our infrastructure
- Technology and customer service
- Staff to deliver services.

Why our bills are higher than metro water corporations

- Regional water corporations have fewer customers to share the cost of delivering services.
- We also have smaller towns spread over a large area, which means we need additional pipes, pump stations and treatment plants to service our small communities.
- Another reason why our bills seem higher is because we only issue a bill three times a year. From 1 July 2027, this will change. We'll move to quarterly billing in line with other Victorian water corporations, spreading the annual cost out over four bills instead of three.

Please refer to page 30 of the Background Report for more information on how our bills compare.



**Gippsland
Water**

**PLANNING
for the FUTURE**