

1 December 2022

Dear ESC team,

In our 2023-2028 Price Submission, we committed to working together with Yarra Valley Water, Greater Western Water and Melbourne Water to achieve a consistent Melbourne-wide approach to a defined guaranteed service rebate for water quality events, particularly given the connected nature of our system and to ensure consistency for system wide events.

We've considered the issue deeply and from multiple perspectives and we've also considered what other water corporations in Victoria and interstate do when they issue water quality advisories.

Paramount in our consideration has been our shared objective of protecting public health. In doing so, we need to ensure any rebate appropriately balances acknowledgment of the impacts to customers and communities when a water quality advisory is issued and ensures it does not inadvertently compromise the complex risk-based decision-making processes that underpin issuing a water quality advisory.

In such events, we have strong customer response and recovery processes in place to ensure our customers are cared for and the impacts acknowledge and minimised. We provide access to alternative water supplies, ensure any special customer needs are catered for and provide regular communications on progress to get the water supply back to normal. After each event we review how we can strengthen and improve the level of customer care we provide, which includes seeking feedback from our customers.

After deep consideration of different rebate models and options, by 1 July 2023 we propose to expand our existing Community Grants Program to offer additional grants to community organisations (in lieu of a rebate) within the local area of any water quality advisory issued to South East Water customers.

The South East Water Community Grants program allocates \$100,000 in grants to community organisations each year, following a robust judging and due diligence process to select the recipients of those grants.

Designed originally in lieu of a GSL to rebate customers when a dry weather sewer spill caused a beach closure, our Community Grants program includes assessment criteria to prioritise community organisations who may have been affected by a beach closure. After the first year of running the grants program, we expanded the program to have base level of investment of \$100,000, given the high volume of community organisations who apply each year and links to other strategic engagement objectives like increasing water literacy and providing financial support to customers experiencing vulnerability.

In the event of water quality incidents, we propose to increase the amount we donate by the amounts proposed:

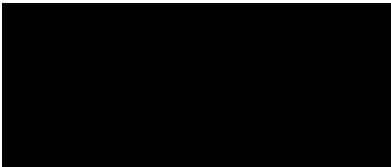
- \$5,000 for small, localised events impacting less than 50 customers, and
- \$10,000 per impacted postcode for more widespread events impacting more than 50 customers.

We will include new criteria to prioritise community groups affected, or who provided customer support, when water quality incidents occur.

We are also committed to implementing a quick and easy bottled water refund process. This may differ in its method of delivery from the other metropolitan retailers but will again be consistent and transparent in the approach and intent. We'll collaboratively develop agreed protocols on the value and application process for refunds that consider the type of advisory, the cause of the water quality issue, response and recovery plans in place, and the duration of the advisory.

Following Greater Western Water and Melbourne Water's price review processes and consultation with their customers and communities, we will review whether the rebate model requires any further adjustment or broader engagement with our customers and community.

Yours sincerely,



Lara Olsen  
Managing Director