




In June 2023 the Essential Services Commission released its final decision on Southern Rural Water’s price submission. The final decision completes our review of the maximum prices that Southern Rural Water may charge for its services for a five-year regulatory period from 1 July 2023 to 30 June 2028.

Snapshot

Bills	Tariffs	Outcomes
		
<p>Irrigation customers in the Werribee and Macalister irrigation districts could see bill increases of 8.1% and 8.6% respectively per year. Bulk entitlement holders will also see bill increases around 9 per cent.</p> <p>All other customers will see increases capped at inflation.</p>	<p>Southern Rural Water is introducing application charges to address a shortfall between revenue and cost of applications. These charges will not be applied without knowledge and consent by customers.</p>	<p>Southern Rural Water has revised its outcome commitments and introduced a fifth outcome. Performance measures and targets have been developed in response to customer priorities.</p>
<p>Information about, our price review process, our draft decision and Southern Rural Water’s price submission is available at www.esc.vic.gov.au/water-price-review-2023.</p>		

What are the changes to prices and tariffs?

Overall prices for the majority of Southern Rural Water customers will **go up** by at least inflation over the **five-year** period between 2023 and 2028.

Southern Rural Water made the following changes to tariffs:

- capping the recreational water charge to Gippsland Water to \$446,000 (before inflation) and limit the annual increase to inflation

- moving bulk entitlement customers from a price cap to a cost reimbursement model consistent with the Bulk Entitlement Orders
- re-categorising some charges to miscellaneous charges as they are based on pricing principles.

Table Estimated price changes for 2023-24 – by irrigation district

Irrigation district	Price change
Bacchus Marsh Irrigation District customers	7.0 per cent
Groundwater and Rivers customers	7.0 per cent
Macalister Irrigation District customers	8.6 per cent*
Werribee Irrigation District customers	8.1 per cent*
Latrobe bulk entitlement holders	8.6 per cent*
Werribee and Maribyrnong bulk entitlement holders	9.1 per cent*

* calculated using Fisher equation

What are the outcomes for customers?

As part of its price submission, Southern Rural Water consulted with customers to develop a set of outcomes to guide service delivery during 2023 to 2028. Southern Rural Water worked with its customers to develop five outcomes with measures and targets to track its performance. Southern Rural Water's outcome commitments to its customers are:

- Reliable water
- Sustainable water
- Great service
- Value community member
- Fair and reasonable prices.

Southern Rural Water will also:

- continue to modernise its assets in the Macalister and Werribee districts
- help reconnect Aboriginal communities to water for cultural, economic, customary and spiritual purposes

What are the major works that will go on around you?

(\$ million before inflation)

Project	Detail	Total
Macalister Irrigation District Modernisation Phase 2	This project includes the replacement an open channel with a pipeline and high-use meter outlet replacements. This will ensure a reliable water supply for the district.	23.9
Stages 4 and 5 of the Werribee Irrigation District Modernisation project	This project will involve further replacement of open channels within the district with pipelines. This will ensure a reliable water supply for the district.	13.1
Groundwater and River Meter Upgrade project	This project will replace the existing groundwater and river meters with patent approved meters to ensure compliance	6.2
Main Southern Carrier Tunnel No. 5 remediation	This project will address high water loss and ensure a reliable and sustainable water supply for customers.	3.3

How much revenue is required from 2023 to 2028?

Our final decision for Southern Rural Water allows operating expenditure of **\$137.9 million** and gross capital expenditure of **\$125.1 million** to provide its services to customers over the next five years. To fund this, Southern Rural Water requires **\$179.0 million** in revenue.

Got a question?

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