




Southern Rural Water

2023 water price review | customer fact sheet

Victoria's water businesses send us submissions on proposed prices and key outcomes for their customers. We assess the submissions and make price determinations on the maximum price they can charge for their services from 1 July 2023 to 30 June 2028.

Snapshot of Southern Rural Water's price submission

Bills	Tariffs	Outcomes
		
<p>Irrigation customers in the Werribee and Macalister irrigation districts could see bill increases of 1.0% and 1.5% respectively per year. This excludes inflation, which is added to bills each year.¹</p> <p>All other customers will see increases capped at inflation.</p>	<p>Southern Rural Water proposes to introduce 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 and Southern Rural Water's price submission is available at www.esc.vic.gov.au/water-price-review-2023</p>		

Send us your feedback on Southern Rural Water's proposal

Submitting your feedback by **1 December 2022** will help us prepare for the release of our draft decision. Send us your feedback via <https://engage.vic.gov.au/water-price-review-2023>.

¹ You can access latest independent forecasts for inflation via <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>.



What are the changes to prices and tariffs?

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

Southern Rural Water proposes the following changes to tariffs:

- cap the recreational water charge to Gippsland Water to \$446,000 (before inflation) and limit the annual increase to inflation
- move bulk entitlement customers from a price cap to a cost reimbursement model consistent with the Bulk Entitlement Orders
- re-categorise some charges to miscellaneous charges as they are based on pricing principles.

The proposed price changes before inflation are:

- Macalister irrigation area: 1.5 percent annual increase
- Werribee irrigation district: 1 percent annual increase
- Baccus Marsh irrigation district: No change
- Groundwater and rivers: No change

What are the outcomes for customers?

As part of their price submission, water businesses must propose a set of outcomes that they will deliver to their customers over the following five years. The set of outcomes, measures and targets are unique to each business, reflecting those performance elements that matter most to customers, as revealed through the customer engagement process.

Southern Rural Water worked with its customers to develop five major outcomes with measures and targets to track its performance. Southern Rural Water's outcome commitments to its customers are:

- **Reliable water supply:** Customers have access to reliable water to support their business needs
- **Sustainable water:** Allocations are managed in a sustainable way for customers, community, and the environment to ensure a secure future
- **Great service:** Customers have access to great service



- Valued community member: We deliver value to regional communities through direct actions and relationships with Traditional Owners, stakeholders, customers, and the general community
- Fair and reasonable prices: Prices reflect customer value.

Southern Rural Water also proposed to:

- help reconnect Aboriginal communities to water for cultural, economic, customary and spiritual purposes
- continue to set a robust pathway to long-term financial sustainability, including modernising assets in the Macalister and Werribee districts
- work with private dam owners to improve dam safety.

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?

We require each business to tell us what revenue it will require for the period of its price submission. This helps us understand how Southern Rural Water calculated the prices in its submission.

Southern Rural Water has proposed a five-year price period and forecasts that it needs **\$138 million** of operating expenditure and **\$125 million** of capital expenditure to provide its services to customers over this time. To fund this, it requires **\$176 million in revenue**, an increase on the annual average from past years.

Got a question?

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