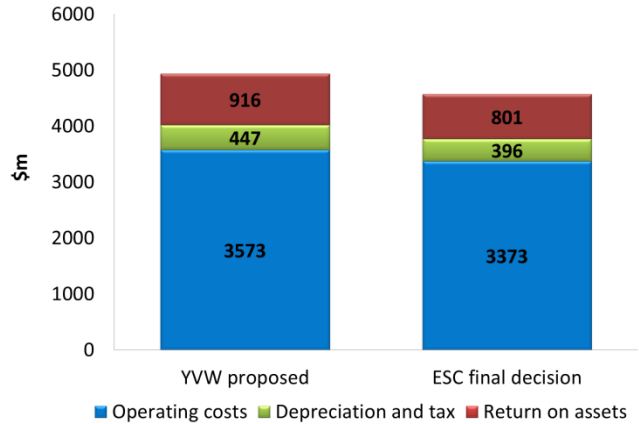


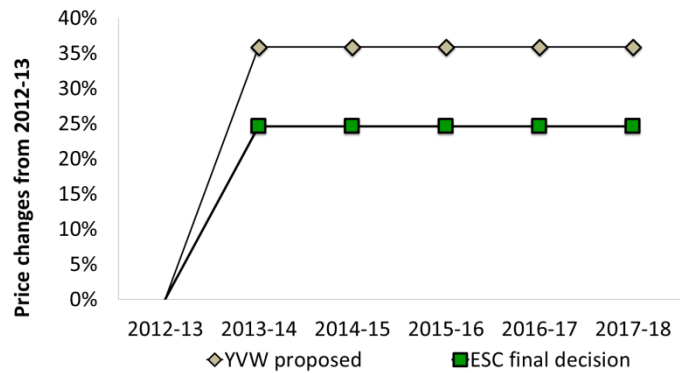
Breakdown of costs*

The ESC's final decision has approved a reduction of Yarra Valley Water's proposed costs of 7.4% (or \$367 million) over the five years from 2013-14**.



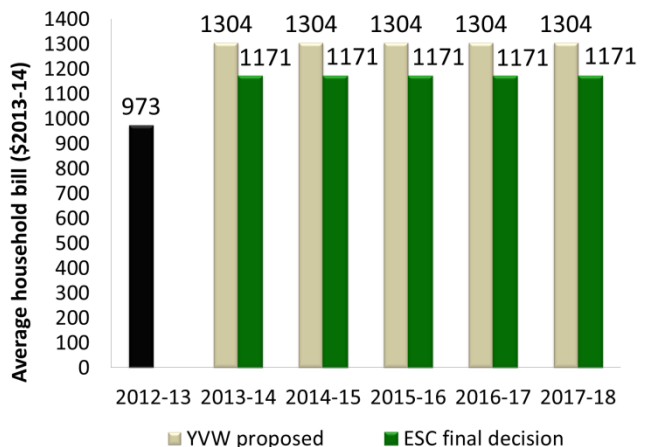
Prices*

The ESC's final decision has approved an increase in average prices of 24.6% over the five years from 2013-14**.



Indicative household bills (owner-occupier)*

The ESC's final decision has approved that over the next five years, indicative Yarra Valley Water household bills would be reduced by \$664**.



*Indicative bills are based on consumption for owner-occupier households.

All numbers presented here are in 2012-13 dollars and do not include future inflation, with the exception of household bills.

** All comparisons are against businesses' Water Plan proposals. Illustrative bills for Yarra Valley Water are based on average consumption of 155kL per annum.

For further details on this business' pricing decision please visit www.esc.vic.gov.au.

Key Final Decision Outcomes

Expenditure

Operating Expenditure

- In its final decision, the Commission has adopted operating expenditure of \$3.4 billion.
- This is \$200.7 million (5.6 per cent) lower than the proposed expenditure of \$3.6 billion.

Capital Expenditure

- Yarra Valley Water proposed capital expenditure of \$1.15 billion.
- There are no adjustments in the Commission's draft decision; approved capital expenditure of \$1.15 billion.

Tariffs

Retail Water Tariffs

- Yarra Valley Water proposed to maintain a three tier inclining block tariff.
- Yarra Valley Water currently charges \$1.78 per kilolitre for the first tier water price.
- From 2013-14, it proposed to charge \$2.66 increasing with inflation to 2017-18.
- In its final decision, the Commission has approved the price structure of residential and non-residential retail water tariffs proposed by Yarra Valley Water.
- The Commission has approved a revenue cap form of price control.

Sewerage Tariffs

- Yarra Valley Water proposed to maintain a two part tariff structure — a fixed component and a variable component for residential and non-residential sewerage tariffs. proposed to move from a per property sewerage charge to a per connection charge.
- The Commission has approved Yarra Valley Water's proposal to maintain existing tariff structures for residential and non-residential sewerage services.

Customer Support

- The Commission continues to emphasise the importance of water retailers ensuring customers experiencing hardship receive assistance and are treated fairly.
- The water retailers, Victorian Government and Commonwealth Government provide a range of programs to assist customers experiencing financial hardship.
- In its final decision, the Commission has allowed an additional \$2 million for Yarra Valley Water to assist low income and vulnerable customers in managing the impact of the proposed price increases.
- We will monitor implementation of measures to assist customers experiencing hardship and report on our findings in our annual performance reports.