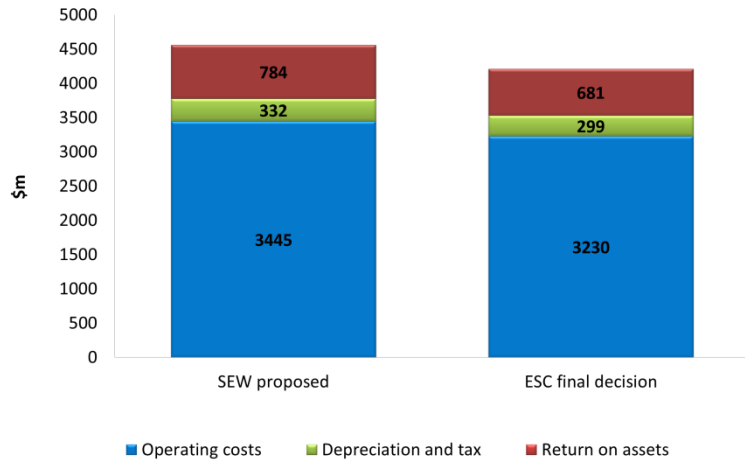


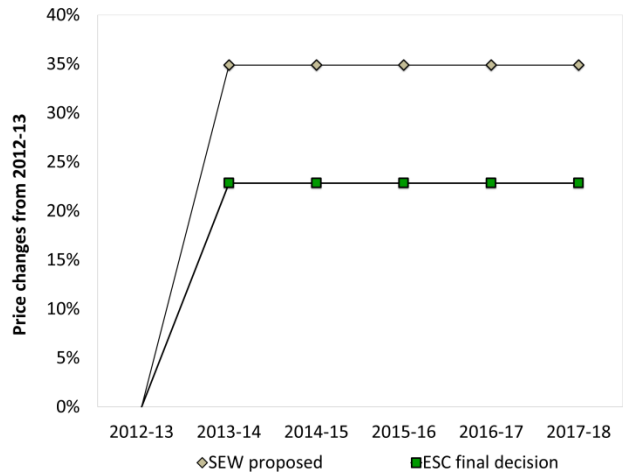
### Breakdown of costs\*

The ESC's final decision has approved a reduction of South East Water's proposed costs of 7.7% (or \$350 million) over the five years from 2013-14\*\*.



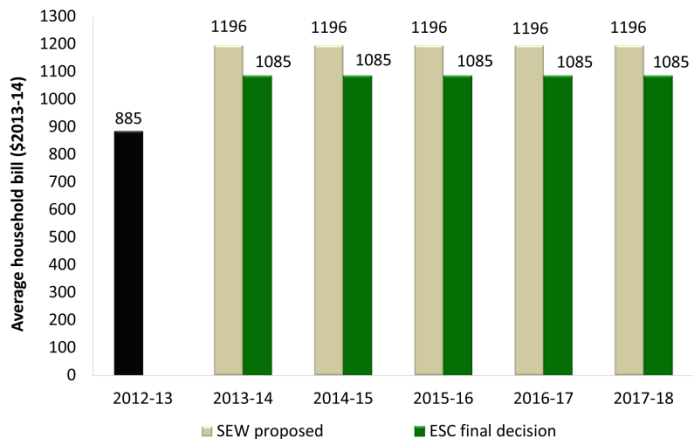
### Prices\*

The ESC's final decision has approved an increase in average prices of 22.84% 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 South East Water household bills would be reduced by \$553\*\*.



\*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 South East Water are based on average consumption of 150kL per annum.

For further details on this business' pricing decision please visit [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

### **Key Final Decision Outcomes**

#### **Expenditure**

##### Operating Expenditure

- The Commission's final decision has adopted operating expenditure of \$3.2 billion.
- This is \$246.8 million (7.2 per cent) lower than the proposed expenditure of \$3.4 billion.

##### Capital Expenditure

- South East Water proposed capital expenditure of \$1.13 billion.
- The Commission's final decision has adopted capital expenditure of \$1.14 billion.
- This is \$0.9 billion (or 0.1 per cent) higher than the proposed capital expenditure by South East Water.

#### **Tariffs**

##### Retail Water Tariffs

- South East Water proposed to maintain a three tier inclining block tariff.
- South East Water currently charges \$1.75 per kilolitre for the first tier water price.
- From 2013-14, it proposed to charge \$ 2.59, 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 South East Water.

##### Sewerage Tariffs

- South East Water proposed to maintain a two part tariff structure — a fixed component and a variable component for residential and non-residential sewerage tariffs.
- South East Water proposed a sewerage disposal volume factor of 75 per cent of metered water consumption for houses and 85 per cent for apartments.
- The Commission proposes to approve South East 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 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 South East 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.