

2011-12 Prices - Frequently Asked Questions

Residential customers

General Questions and Answers - What does the price increase mean?

What is the price increase for South East Water customers?

An average residential South East Water customer bill will increase by 13.56 per cent including Consumer Price Index. The new price takes effect from 1 July 2011.

A complete list of charges will be available from www.southeastwater.com.au from 1 July 2011.

Residential charges	2011-12 Price
Water service charge	
<i>per annum</i>	\$82.44
<i>per quarter</i>	\$20.61
Water usage charge	
<i>Tier 1 – for the first 440 litres of water used per day</i>	\$1.7511 per kilolitre
<i>Tier 2 - for water usage above 440 and up to 880 litres per day</i>	\$2.1266 per kilolitre
<i>Tier 3 - for water usage above 880 litres per day</i>	\$3.4401 per kilolitre
Sewerage service charge	
<i>per annum</i>	\$335.68
<i>per quarter</i>	\$82.92
Sewage disposal charge	\$1.7116 per kilolitre
Recycled Water Service Charge – per annum	\$21.76

If the price increase is from 1 July 2011, how will I be billed if my meter is read in July, August or September? When will I notice the price increase on my account?

Service Charges are billed quarterly and will apply from your first account after 1 July 2011. Water usage and sewage disposal charges will be charged on a pro rata basis at the old rate until 30 June 2011 and at the new rate after 1 July 2011.

How was the price increase determined?

Melbourne's current water prices are set by a four year pricing plan. The price increase on 1 July is the third instalment of South East Water's plan, which was developed following extensive consultation with customers and stakeholders and was approved in 2009 by the Essential Services Commission (ESC).

Why have the prices increased?

In 2009, our reservoirs reached record lows (25.8 per cent), which meant we had to consider alternative sources of water. We need to ensure Melbourne has a range of water sources to meet the increased demand for water from its growing population. Essential investments have been made in our local water and sewerage infrastructure to meet the needs of Melbourne's growing population.

Recycled water for residential, agricultural and business purposes is a key priority for us - we are investing in upgrading sewage treatment systems to increase the availability of recycled water. The price increase also helps fund major infrastructure projects such as upgrades to the Eastern Treatment Plant to boost the availability of recycled water and the construction of the desalination plant.

This increase is part of our four year pricing plan that was approved in 2009 by the Essential Services Commission. This plan will help ensure Melbourne has enough water in the future.

How do the changes affect pensioners and concession card holders?

The Victorian Government is providing \$62.9 million to increase the concession rate for low income earners and pensioners to help offset the rise in water prices. The concession for water and sewerage costs will increase by 10.3 per cent, which equates to an annual maximum concession of \$270.20 per year.

For customers that are experiencing financial difficulties, South East Water can help by providing a range of payment options to ease the burden and keep customers connected to our vital services. This might include South East Water Assist, access to the Government Assistance Scheme, payment plans or access to free financial counselling through our partnership with Good Shepherd Youth and Family Service.

What can I do to reduce my bill?

There are many ways to save water inside and outside the home. South East Water provides a comprehensive range of information as well as products and services to help you reduce your water consumption. For free information contact us on **131 851** or visit our www.savewater.com.au.

What help is offered if I'm having trouble paying my account?

We know that increased costs can be a burden which is why we can offer payment plans for customers who are having trouble paying their bills. South East Water Assist is designed to help customers who are experiencing financial difficulties by providing a range of payment options to help ease the burden and keep you connected to our vital services.

This might include access to our Government Assistance Scheme, payment plans or access to free financial counselling through our ongoing partnership with Good Shepherd.

What influences the price of water?

The price you pay for water assists us in the delivery of safe and ongoing treatment, collection and removal of water and sewage. Essential investments have been made in our local water and sewerage infrastructure to meet the needs of Melbourne's growing population.

The price increase also helps fund major infrastructure projects such as upgrades to the Eastern Treatment Plant and the construction of the desalination plant.

Our prices are among the lowest in the country, according to the 2009-10 National Performance Report compiled by the National Water Commission. Did you know it costs less than 1c to fill up a 1 litre bottle of water from your tap at home?

How is the money paid by customers used by South East Water?

Essential investments have been made in our local water and sewerage infrastructure such as:

- Extending and upgrading our water and sewerage network
- Reducing the amount of water lost through leaks and bursts
- Major recycling and backlog sewerage programs
- Replacing water and sewerage infrastructure at the end of its usable life.

We need to ensure Melbourne has a range of water sources to meet the increased demand for water from its growing population. Recycled water for residential, agricultural and business purposes is a key priority for us - we are investing in upgrading sewage treatment systems to increase the availability of recycled water.

The price increase also helps fund major infrastructure projects such as upgrades to the Eastern Treatment Plant and the construction of the desalination plant.

How was the price increase determined?

Melbourne's current water prices are set by four year pricing plan, which was developed in consultation with customers and other key stakeholders. The price increase on July 1 is the third instalment of South East Water's plan, which was developed following extensive consultation with customers and stakeholders and was approved in 2009 by the Essential Services Commission (ESC).

Why have sewage disposal, trade waste and recycled water charges also increased?

The term 'water' is used in the generic sense to include our sewerage, trade waste and recycled water services.

There are significant costs involved in transporting, treating and disposing of water once it has been used; and in recycling it to make it fit for Class A recycled water purposes.

What are the Service Charges on my bill?

Service charges are fixed charges that apply to all properties connected to water and sewerage services.

Through these charges, customers contribute to the ongoing maintenance and upgrade of our water supply and sewerage systems so that we can provide reliable service and first-class water quality well into the future.

What is the difference between the Sewage Disposal Charge and the Sewerage Service Charge?

The Sewage Disposal Charge is different from the Sewerage Service Charge. The Sewage Disposal Charge is a user-pays charge that covers the cost of collection, treatment and disposal of sewage so it may be safely re-used or released back to the environment.

The Sewerage Service Charge covers access to the sewerage system itself, while the Sewage Disposal Charge is calculated on a price per 1,000 litre (kilolitre) basis for residential customers. There is more information available on our website

<http://www.southeastwater.com.au/myaccount/Payment/Pages/waterpricesandcharges.aspx>

If I use less water, will this be reflected on my bill?

Water accounts are made up of fixed and variable charges. Your efforts to save water will be reflected in the amount of variable charges you pay. However customers still need to contribute to the cost of delivering water, which is reflected in the fixed charges.

Maintaining dams, sewage treatment plants and an extensive pipeline network all forms part of the cost of delivering water and sewerage services to Melburnians. These costs exist regardless of the volume of water used by individual customers, which is why there are some fixed costs associated with your water and sewerage bill.

How much water is lost from every year from leaks and bursts?

Leaks and bursts will always occur from time to time, resulting in a regrettable loss of water. The moving of ground soil due to recent dry conditions has resulted in an increase in the number of pipeline leaks and bursts for all Melbourne water providers. South East Water is investing in infrastructure to renew assets that are nearing the end of their lives. This helps to minimise leaks and bursts, and water loss.

As part of our commitment to water efficiency, South East Water manages a leak detection program to regularly check our network for leaks. We have also developed a technical innovation known as *Hydrotrak* to track water used out of fire hydrants and standpipes. South East Water is also working with large residential and industrial buildings in our service region to reduce the amount of water used to test and maintain fire services through our Fire Sprinkler Program.

Why do water retailers charge different amounts?

Each water retailer calculates its pricing plan based on relative investment in infrastructure, proximity to services provided, the cost of bulk water from Melbourne Water, and a host of other factors to ensure prices more accurately reflect the costs of providing water and sewerage services to local customers. All prices are approved by the Essential Services Commission.

What is the role of the Essential Services Commission?

The Essential Services Commission (ESC) is the economic regulator of the Victorian water sector. The sector is comprised of 20 water businesses providing bulk and retail water and wastewater services to all of Victoria's urban and rural customers. The ESC's role includes regulation of prices as well as monitoring of service standards and market conduct.