

New five-year plan to balance services, affordability and investment

29 June 2023

The next five years will see Goulburn Valley Water balance fairness, affordability and planning for the challenges of the future.

Independent regulator, the Essential Service Commission, has issued its final decision on GVW's Price Submission 2023-28, which will come into effect from July 1.

Goulburn Valley Water Managing Director Steve Capewell said the plan had been significantly shaped by what customers told GVW was important.

"At the heart of our plan is the voice of our customers – we engaged heavily with them over the past two years to create a plan that genuinely reflected what they wanted to see, at the lowest possible prices," Dr Capewell said.

"We heard from more than 3,200 people during the plan's development, and I'd like to thank everyone, including our customer panel participating in our first ever deliberative forum, for their commitment, input and involvement."

The plan is centred on four key promises, to:

- provide reliable water and wastewater services customers can trust
- lead action and partner with communities to grow the region
- care for the environment and adapt to a future impacted by climate variability
- deliver respectful and responsive customer service, balancing affordability, value for money and fairness.

GVW will enter its next five-year period in a strong position, after delivering price reductions of eight per cent in the last three years.

"We know customers want us to keep delivering reliable and affordable services and we want to support customers who need help – so we're going to be working with customers to design an additional \$2 million program to provide support in ways that creates enduring benefits," Dr Capewell said.

"The impacts of inflation are affecting the costs of delivering water and wastewater services, like many other industries, but we're working hard to find efficiencies to keep bill costs as low as possible.

"We know high interest rates and increasing cost of living will be impacting many people, and we encourage customers to reach out to our customer support team to see how we can help, including offering tailored options to suit individual circumstances."

The changes will see average annual bills for owner-occupiers rise by \$63 for 2023-24 in line with inflation rates, but GVW's bill costs will still be among the lowest for water businesses in Australia.

In the following four years prices will only rise in small increments for residential customers; by an average 0.6 per cent in 2024-25, then by 1 per cent for the next three years, excluding inflation costs.

To help meet our commitment to keeping prices affordable, we will also be introducing changes to how we calculate our new customer contributions charges, as well as introducing a new sewer charge. This will help balance investment in infrastructure for high-growth areas, and largely bring us in line with other regional water businesses.

A strong capital expenditure program will help renew and improve critical infrastructure, as well as help adapt to a changing climate.

“Our region is changing, so we need to make sure our infrastructure and services are prepared for this growth and a changing climate,” Dr Capewell said.

“We’re planning a \$234 million program to improve our treatment and supply capacity to meet continuing demand growth, particularly in some of our high-growth regions,” Dr Capewell said.

New pipelines to supply Katunga and Nathalia will be constructed, and we’ve also planned for a significant upgrade to the Broadford Water Treatment Plant to support continuing high growth in our southern corridor around Kilmore.

“In the next five years, we also plan to start construction on a large-scale solar project, which will help us meet our goals to source all of our energy from renewable sources by 2025, and reach net zero emissions by 2035,” Dr Capewell said.

“We’ll also continue to build on the work we’re doing in creating more opportunities to use treated, recycled water in more spaces to help create a more sustainable water future – this was also a recommendation that came through strongly during our customer engagement.

“We’re really proud to have developed a plan that will leave our region in the best shape possible for future generations, and will also see us work with customers, local government and industry to make the region healthier and more prosperous.”

Every five years, GVW is required to develop a pricing submission, which sets out proposed prices, services and projects.

More information, including price details for 2023-24, will be available on GVW’s website this week.

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