

FAIRER WATER BILLS: Q&A

Westernport Water

1. What are the savings Westernport Water has achieved for customers as a result of Fairer Water Bills?

From 1 January 2015, Westernport Water is providing a rebate of \$23 to all customers receiving water services, including tenants. Additional rebates of up to \$30 will be applied annually through to 2017-18.

2. How will the savings be passed on to customers?

Savings will be passed onto customers from January 2015 in the form of a rebate. The rebate will be shown on the customers account as a separate line item.

3. Who is eligible for the Fairer Water Bills saving?

To ensure a fairer water bill for all customers Westernport Water is passing the savings identified on to all customers, including tenants.

4. How much is a Westernport Water customer's average bill?

An average annual bill for a Westernport Water customer in 2014-15 will be \$1,075 for owner occupiers and \$133 for tenants.

5. Will owners and tenants receive the rebate? If not, why not?

Yes, all Westernport Water customers with water services will receive the rebate.

6. How are you going to achieve the savings?

Westernport Water has identified capital and operational cost savings without any compromise to service standards or existing hardship protections that assist vulnerable customers. Examples of the types of savings achieved include:

- *A range of operational efficiencies and areas of cost savings across all areas of the business, including redirecting our testing and sampling activities to in-house services and greater use of internal resources in-place of external consultants.*
- *Innovative use of new cloud technology, saving ongoing costs associated with licencing, data storage and upgrades.*
- *A range of purchasing and procurement savings as a result of a strategic alliance with the four regional water corporations servicing the wider Gippsland region including Westernport Water, East Gippsland Water, Gippsland Water and South Gippsland Water.*

7. Will the Fairer Water Bills savings result in job losses at Westernport Water? If so, how will these job reductions be achieved?

The corporation recognises the importance of maintaining its agreed levels of service to customers. We are not looking to reduce our staffing levels in our endeavours to find efficiencies and have ensured the cost savings will not impact our service levels.

8. How can you guarantee that the savings will be delivered in all of the next four years?

Each of the water corporation boards have committed to delivering the savings over the next four years in their corporate plans which have been approved by the Minister for Water.

9. Why is there no uniform approach across all regional water corporations for passing on the savings?

The circumstances for each of the regional water corporations are different, meaning that it is not possible to adopt a standard approach to passing on the savings. Given that they know their own circumstances best, the decision on how the identified savings would be used was a matter for the Board of each water corporation.

10. Why was there a uniform approach adopted by metropolitan water corporations?

There are two principal reasons for the common approach adopted across the metropolitan water corporations. Firstly, each of the metropolitan retailers and Western Water operate under a similar price determination process, overseen by the Essential Services Commission. Secondly, the cost base for each of the metropolitan retailers is very similar because they all source their bulk water supplies through Melbourne Water.

11. Why are some water corporations not passing on any savings to customers?

The decision about how the savings would be used was a matter for each of the regional water corporation boards. Some of the water corporation boards decided to use the savings to reduce debt, believing that this would be in the best long-term interests of both the corporation and its customers.

12. Why are the savings in regional Victoria so much less than those delivered in Melbourne?

The reason that the level of savings is different between metropolitan and regional water corporations is that metropolitan water corporations operate with very different cost structures and financial arrangements and have a very different scale of operations to their regional counterparts.

13. Why was there such a delay between announcing the savings in Melbourne and in regional Victoria?

The decision about how the savings would be used was a matter for each of the regional water corporation boards. The timing of regional announcements was influenced by the timing of regional water corporation board meetings and the decisions that they made.

14. How will you ensure that service standards will not reduce as a result of savings identified?

Westernport Water recognises the importance of maintaining its agreed levels of service to its customers and will be upholding current staffing levels.

15. Despite the \$23 saving, will bills be increasing anyway?

Westernport Water's price increases by CPI each year. From 1 July 2014 a typical owner/occupier customer will see an increase of approximately \$7 compared to \$30 without the Fairer Water Bills saving.

16. Will Westernport Water continue to be viable despite cost cutting and rebates?

Yes. All the initiatives have been closely scrutinised by internal and external experts to ensure there is no increase in financial, service delivery or safety risk.

17. Will hardship plans still apply?

Yes. These programs will continue to assist any customers experiencing financial difficulty.

18. How will the saving be communicated to people?

In addition to today's announcement, the saving will be publicised on Westernport Water's website and information can be obtained from one of our friendly Customer Support Officers on 1300 720 711. More information will be provided on your July account.

