

Day 4

Response to draft recommendations

What you said → What we heard → What we'll do

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These are YOUR recommendations



- We have attempted to sort recommendations
- We have attempted to understand your recommendations to mean
- We have attempted to outline what we could do with your recommendations
- If we have made any errors in our attempts, please let us know

These bill figures are real



- **The numbers in the Bill Simulator represent actual bills**
- **Inflation needs to be added to all the numbers**

Recommendation recap

1. Equitable increase to billing
2. ?Debt repayment?
3. Price increases and debt
4. Expand community contribution
5. Leader in community benefit
6. Community choice through billing
7. Adequate drought proofing
8. Expand hardship support
9. Increase hardship education
10. Vulnerability choice through billing
11. General community education
12. Invest in innovation
13. Program choice through billing

Recommendation batting order

Voluntary contributions



- 6. Community choice through billing**
- 10. Vulnerability choice through billing**
- 13. Program choice through billing**

**Common theme:
Voluntary contributions**

Recommendation batting order

Education



- 9. Increase hardship education
- 11. General community education

**Common theme:
Education**

Recommendation batting order

New technologies



12. Invest in innovation

**Theme:
New technologies**

Recommendation batting order

Intergenerational equity



1. Equitable increase to billing
2. ?Debt repayment?
3. Price increases and debt

Theme:
Intergenerational equity
(Bill Simulator Question 1)

Recommendation batting order

Community contributions



- 4. **Expand community contribution**
- 5. **Leader in community benefit**

Theme:
Community contributions
(Bill Simulator Question 2)

and a bit of

- 6. Community choice through billing
- 13. Program choice through billing

Recommendation batting order

Drought protection



7. Adequate drought proofing

Theme:
Drought protection
(Bill Simulator Question 3)

Recommendation batting order

Customers experiencing vulnerability



8. Expand hardship support

and a bit of:

10. Vulnerability choice through billing

Theme:
Customers experiencing vulnerability
(Bill Simulator Question 4)

Voluntary contributions

- | | |
|--|--|
| 6. Community choice through billing | <ul style="list-style-type: none">• Opportunities to increase community benefit through online billing<ul style="list-style-type: none">• Community programs• Discrete projects• Customers experiencing vulnerability• Clarification<ul style="list-style-type: none">• Does this mean we'd stop all our other projects?• Is it fair to reduce our current programs and replace with voluntary opt-in contributions? |
| 10. Vulnerability choice through billing | |
| 13. Program choice through billing | |

Voluntary contributions

6. Community choice through billing

10. Vulnerability choice through billing

13. Program choice through billing

What we would do with this?

- We cannot commit to immediate implementation
- Who would get to choose the projects?
- What if projects become half funded?
- Would many people take it up anyway?
- Should we provide maximum choice?
- Or should we offer a water equivalent of *Greenpower*?
- **Likely Bill impact: Low, not quite zero**

Education

9. Increase hardship education

11. General community education

- **Recommendations note we can do better promoting our customer support programs and our general services and operations**
 - Ability to spend more financial vulnerability money
 - Customers can understand what we do and the costs we incur
- **Clarification**
 - Should we spend more money (higher prices) on education?

Education

9. Increase hardship education

11. General community education

- **What would we do with this?**
 - We have education programs in place
 - We are well connected with customer support agencies
 - We could increase focus on groups that are hard to reach
- **Likely bill impact: Close to zero (up to 50 cents / quarter)**

Invest in innovation

12. Invest in innovation

- **Panel requesting a focus on innovation for saving water and new technology to operate more efficiently**
- **Clarification**
 - Should we spend more money (higher prices) on innovation?
- **What we would do with this**
 - Continue to work with industry groups
 - Use new technology when possible
- **Likely bill impact: Zero**

Intergenerational equity

1. Equitable increase to billing
2. ?Debt repayment?
3. Price increases and debt

- **Panel recognise the need for “equitable increases” in price to reduce debt burden for future generations**
 - Also a preference for new assets to be repaid over the long term
- **Clarification:** Preference for Simulator option #3?

Simulator option	Descriptor	Quarterly bill impact (Owner)
#1	<i>Fund as much as possible with debt to delay price rises</i>	\$16.64 (5.0%)
#2	<i>Fund almost as much as possible with debt</i>	\$24.95 (7.5%)
#3	<i>Fund mostly with debt</i>	\$33.25 (10.0%)
#4	<i>Fund more through price rises</i>	\$41.58 (12.5%)
#5	<i>Fund as much as possible with price rises</i>	\$49.86 (15.0%)

Intergenerational equity

1. Equitable increase to billing
2. ?Debt repayment?
3. Price increases and debt

- **What we would do with this?**
 - Smooth price rise of 10% over five years
 - Reduces debt burden by \$50 million
 - Consider how extra support for customers experiencing vulnerability can be provided
- **Likely bill impact:** 10% over 5 years (smooth)
 - Each year: a 50c/week increase

Community Contributions



- 4. Expand community contribution
- 5. Leader in community benefit

and a bit of

- 6. Community choice through billing
- 13. Program choice through billing

- **Panel requesting Coliban Water to “be a leader” in water for community benefit**
- **Clarification**
 - Is this the same as Simulator Option #4?

Simulator option	Descriptor	Quarterly bill impact (Owner)	Annual cost of program (change)
#1	<i>Reduce Coliban Water’s role</i>	-\$0.45 (-0.1%)	-\$100,000
#2	<i>Maintain current involvement</i>	\$0.00 (no change)	Nil
#3	<i>Take a larger role</i>	+\$1.35 (+0.4%)	+\$300,000
#4	<i>Take a lead role</i>	+\$4.89 (+1.5%)	+\$1.2 million

Community Contributions

- 4. Expand community contribution
- 5. Leader in community benefit

and a bit of

- 6. Community choice through billing
- 13. Program choice through billing

• What we would do with this

- Develop a program to match the expenditure (refer to panel responses day 2)
- Could include water bubblers, community events, water bottles for schools/kinders, encourage refilling bottles, discounts to councils for swimming pools and green spaces, support council investigations, sustainability groups, bird hides, green corridors, platypus studies, support for agencies that provide community contributions
- Could be led by additional staff

- **Likely bill impact:** +1.5% over 5 years (\$4.89 per quarter)
 - We'll develop community contribution program for any dollar value

Drought protection

7. Adequate drought proofing

- Panel requesting additional focus and expenditure being the lead agency in preparing for drought
- **Clarification:** *How much should we spend?*

Simulator option	Descriptor	Quarterly bill impact (Owner)	Annual cost of program (change)
#1	<i>Much higher chance of water restrictions during droughts</i>	<i>\$0.00 (no change)</i>	<i>Nil</i>
#2	<i>Higher chance of water restrictions during droughts</i>	<i>\$0.36 (+0.1%)</i>	<i>+\$80,000</i>
#3	<i>Use of groundwater in some towns to avoid/delay water restrictions</i>	<i>\$0.90 (+0.3%)</i>	<i>+\$250,000</i>
#4	<i>Slightly lower chance of water restrictions during droughts</i>	<i>\$1.80 (+0.5%)</i>	<i>+\$500,000</i>
#5	<i>Lower chance of water restrictions during droughts</i>	<i>\$5.39 (+1.6%)</i>	<i>+\$1.2 million</i>
#6	<i>Lowest chance of water restrictions during droughts</i>	<i>\$17.98 (+5.4%)</i>	<i>+ \$4 million</i>

Drought protection



7. Adequate drought proofing

- **What we would do with this**
 - Ensure our long term plans respond to drought
 - Work with councils and agencies so that drought plans are aligned
 - Implement our Urban Water Strategy actions
- **Likely bill impact:** Unsure
 - We'll develop drought protection program for any dollar value

Customers experiencing vulnerability



8. Expand hardship support

and a bit of:

10. Vulnerability choice through billing

- **Panel requesting to extend financial support programs**

- **Clarification:** *How much should we spend?*

- Discussion informs us that the panel is supportive of option 3?
- Should we increase support AND explore optional choice through billing?

Simulator option	Descriptor	Quarterly bill impact (Owner)	Annual cost of program (change)
#1	<i>Reduce support</i>	-\$0.34 (-0.1%)	- \$142,500
#2	<i>Maintain current level of support</i>	\$0.00 (no change)	Nil
#3	<i>Double support</i>	+\$0.68 (+0.2%)	+ \$285,000
#4	<i>Increase support to \$1 million per annum</i>	+\$1.71 (+0.5%)	+ \$0.7 million
#5	<i>Increase support to \$3 million per annum</i>	+6.48 (+1.9%)	+ \$2.7 million

Customers experiencing vulnerability



8. Expand hardship support

and a bit of:

10. Vulnerability choice through billing

• **What we would do with this**

- Progressively increase our hardship expenditure as bills increase
- Explore adding a bill option for voluntary contributions
- More and direct support for charities/agencies that support customers experiencing vulnerability

• **Likely bill impact:** Unsure

- We'll develop drought protection program for any dollar value

Overall bill summary (draft)



Reco #	Theme	Bill increase
6, 10, 13	Voluntary contributions	Very low
9, 11	Education	Very low (~50c/qtr, ~0.1%)
12	Invest in innovation	Nil
1, 2, 3	Intergenerational equity	Over 5 years: +10%, \$33/qtr Each year: 50 cents per week
4, 5	Community contributions	Over 5 years: +1.5%, \$5/qtr
7	Drought protection	Unsure?
8	Customers experiencing vulnerability	Over 5 years: +0.2%, \$0.70/qtr
TOTAL		Each year: 2 to 3%, or 10-15% total