



Community Panel Recall Day

Response to your recommendations

Pricing Submission 2023-2028



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What's happened so far



The Community Panel was brought together to provide recommendations on how best to tackle the following question:

Over four months you heard from subject matter experts and stakeholders, we shared information, and together we discussed a range of issues and challenges:

Your participation, feedback and recommendations have guided our decision making:

How does Coliban Water prepare for tomorrow while being fair to customers today?

9 Feb Learned about the task	12 Feb Information, speakers and what would be required to complete the task	26 Feb Filled knowledge gaps and identified key inclusions for the Pricing Submission	5 Mar Drafted and refined recommendations	19 Mar Agreed recommendations
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Your work will ensure the decisions we make for customers today, and in the future, align with community expectations and values. Your recommendations have been incorporated into our Pricing Submission 2023-2028 and will create additional value for our customers and community.



Why we're here today

Considering the information you learned about Coliban Water, current challenges facing our region's water infrastructure and security, details about our catchment area and changing environment, demographics, and our customer care and service – **you made nine recommendations**.

These recommendations recognise our region is at a critical point in its water supply and demand, and that intergenerational investment is required now to prepare for our changing future.

Each recommendation **has been adopted by Coliban Water** and a proposed budget determined for each.

Your task

1

Consider the
proposed price
increase

We will share further details about the pricing increase proposed, including:

- A breakdown for each recommendation.
- An overview of how these figures were determined.
- How the increase can be implemented.

2

Check-in and
review

Does the *Response to Community Panel Recommendations* match the recommendations you made? Are you comfortable with the response and is there anything else we should keep in mind?

What we know

The facts haven't changed

Our region is at a critical point in its water supply and demand.

We have a responsibility to prepare now for this changing future and deliver water security for generations to come.



Historically a reliable water source, the Coliban catchment is now one of the most unreliable due to climate change (53% reduction in inflows over the past 25 years).



Our infrastructure is aging and is unsuitable for current and forecast population growth (30% growth is expected in Bendigo by 2036 and Calder corridor towns are growing quickly).



Intergenerational investment is required to replace and upgrade key infrastructure, secure our water supply and prepare now for our changing future.



Our customers want us to:

- Deliver high quality water they can trust.
- Be easy to deal with.
- Enhance the environment.
- Set fair prices.
- Help make our region a better place to live.



Our response to **your** recommendations



- During the Panel process **you provided us with some great ideas** about what we should deliver for our region in the next five years.
- Each of **your nine recommendations has been accepted** by Coliban Water and a proposed budget determined for each.
- This document includes **our understanding** of your recommendations and plans over the next five years to bring them to life.



Overview of **your recommendations**



- | | |
|------------------------|--|
| Intergenerational debt | <p>We support an equitable increase to billing for both today's community and future generations.</p> <p>Panel members understand the compounding nature of debt and agree it is fair that costs are shared by customers today, and in the future, to ensure future financial sustainability and the continued delivery of safe, clean and trusted water services resilient to the impacts of climate change and a growing population.</p> |
|------------------------|--|





Overview of **your recommendations** cont

- | | | |
|---|---|--|
| 2 | Community contribution | Coliban Water to take a larger or leading role in community contribution and collaboration.
The Panel sees the value in extending community programs and resources to educate customers about the water cycle and sustainable water use. |
| 3 | Community contribution
<i>Provision of water for community benefit</i> | Coliban Water to be a leader in the provision of water for community benefit.
To fulfil its responsibility as a community organisation, the Panel recommends an expanded program of contributions to support the liveability of communities across the region alongside other agencies and groups. |



Overview of **your recommendations** cont



- | | |
|--|--|
| 4 Drought protection
(<i>water security</i>) | <p>Coliban Water to ensure adequate expenditure to secure water supply during periods of drought.</p> <p>Panel members agree we have a responsibility to communicate transparently with customers on this issue and raise awareness of the infrastructure in place to deliver a reliable water supply.</p> |
|--|--|

Higher chance of
water restrictions
during droughts



Lower chance of
water restrictions
during droughts

Overview of **your recommendations** cont



5

Customers
experiencing
vulnerability
*Coliban Water's
contribution*

Coliban Water to increase financial support for customers experiencing hardship.
With proposed prices set to rise to meet community demand and renew aging infrastructure, the Panel believes the hardship support already provided by Coliban Water should be doubled.



Overview of **your recommendations** cont



6

Customers
experiencing
vulnerability
*Voluntary customer
contributions*

Coliban Water to introduce a voluntary contribution to support customers experiencing vulnerability.

The Panel recommends built-in mechanisms to support contributions from customers in a position to show their support for others, particularly after a natural disaster or as a result of COVID-19, domestic violence, or similar unplanned event.



This recommendation can be delivered from within Coliban Water's current day-to-day operating budget.

Overview of **your recommendations** cont



7

Customers
experiencing
vulnerability
*Promote support
programs*

Increase education about Coliban Water services for customers experiencing vulnerability.

With the recommended increase to available financial support, Panel members recommend a boost to education programs to raise awareness of the support available.



This recommendation can be delivered from within Coliban Water's current day-to-day operating budget.

Overview of **your recommendations** cont



8

Education about
Coliban Water

Coliban Water to expand and refocus its education programs.

Members of the Panel recommend education programs be expanded and refocussed to better inform customers where the money from their water bill is spent to benefit them and their community.



This recommendation can be delivered from within Coliban Water's current day-to-day operating budget.

Overview of **your recommendations** cont



9

Innovation

Coliban Water to invest in innovations to ensure water availability.

The Panel expects Coliban Water to invest in new technology and innovative business practices to deliver a high level of water security and quality asset management.



This recommendation can be delivered from within Coliban Water's current day-to-day operating budget.

Your minority reports



- a. Government Funding: 100% customer funding is unconscionable.
- b. Water equivalent of Green Energy: Voluntary bill premium to offset environmental footprint.
- c. Change in Panel process: Shift from Panel process to Jury process.



More detail about your Minority Reports
can be found in the *Response to Community
Panel Recommendations* booklet.

Budgeting for your recommendations

- An overall budget has been determined for each recommendation.
- Several recommendations can be delivered from Coliban Water's day-to-day operating budget, while funding for others will rely on the proposed price increase.
- The percentage increase for each recommendation was informed by your use of the bill simulator.

Recommendation		Proposed % increase 2023-2028	\$ increase by 2027/2028 Excluding inflation, average household
1	Intergenerational debt	10.0%	\$136
2 & 3	Community contribution	0.4%	\$5
4	Drought protection (<i>water security</i>)	1.6%	\$22
5	Customers experiencing vulnerability <i>Coliban contribution</i>	0.2%	\$3
6	Customers experiencing vulnerability <i>Voluntary contribution</i>	-	-
7	Customers experiencing vulnerability <i>Promote support programs</i>	-	-
8	Education about Coliban Water	-	-
9	Innovation	-	-
Total		12.2%	\$166

The way forward from here



Your recommendations have been accepted.
A budget for each has been determined (totalling 12.2% over five years).
We're now working on detailed implementation plans.

While the facts haven't changed since we first met, the economic climate is now more uncertain.
Interest rates are 0.75% higher (and expected to climb) and inflation was forecast at 2% but is now 5%.

Coliban Water recognises some customers will be feeling the impact of the increasing cost of living.
We have considered this when structuring our pricing for 2023-2028.

What it means for customers' bills from 2023 to 2028



We're proposing a phased implementation

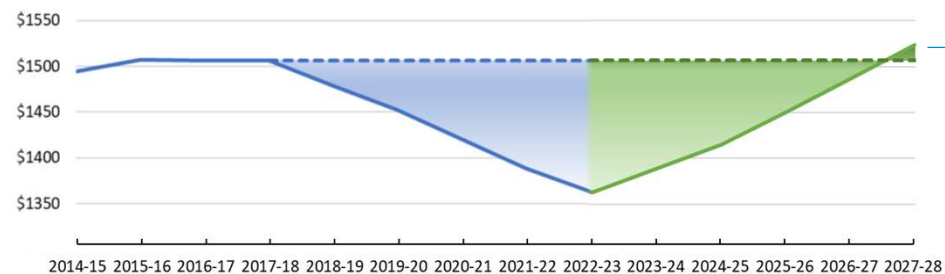
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
% increase Excluding inflation	-2.0%	1.9%	1.9%	2.5%	2.5%	2.5%

The proposed phased implementation does not add-up to the 12.2% price increase outlined.

However, we're confident compound interest will see us achieve the same outcome over time.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Homeowners	\$1,363pa	\$1,389pa	\$1,415pa	\$1,450pa	\$1,487pa	\$1,524pa
Tenants	\$435pa	\$443pa	\$451pa	\$463pa	\$474pa	\$486pa
Small business	\$1,454pa	\$1,482pa	\$1,510pa	\$1,548pa	\$1,586pa	\$1,626pa

Note: A rural modernisation project will consider pricing and service levels for rural customers into the future



After a period where most customers' bills were reduced in real terms, the proposed increase will ensure your recommendations, the investment in critical infrastructure, and our future water security can be achieved.

What will be in our Pricing Submission

LENGTH OF PLAN 
2023-2028

RESIDENTIAL
PRICE INCREASE

1.9%+CPI 
FOR FIRST 2 YEARS
2.5%+CPI
REMAINING 3 YEARS

 AVERAGE RESIDENTIAL
CUSTOMER BILL
INCREASE

FROM **\$1,363**  TO **\$1,524**
IN 2022-2023 IN 2027-2028

ASSETS INCREASE
FROM  **\$2.02**
BILLION 
IN 2021-2022 TO **\$2.55**
BILLION
IN 2026-2027



**DRIVERS
FOR CHANGE**

- > CLIMATE CHANGE
- > POPULATION GROWTH
- > RENEWAL OF AGING ASSETS
- > REGULATORY COMPLIANCE

POPULATION GROWTH
FOR OUR ENTIRE REGION



185,000  **250,000**
IN 2018 BY 2040

Delivering water services for our
customers and communities now
and into the future

PAYMENT SUPPORT FOR
OUR CUSTOMERS INCREASE

FROM  **\$285,000** IN 2022-2023



TO **\$570,000** IN 2027-2028

CAPITAL PROGRAM INCREASE
FROM  **\$142**
MILLION  TO **\$435**
MILLION
IN 2018-2023 IN 2023-2028

DEBT INCREASE 
FROM  **\$410**
MILLION TO **\$683**
MILLION
IN 2021-2022 IN 2026-2027


\$35 MILLION
INVESTED IN WATER
SECURITY INFRASTRUCTURE

**TOP TEN
CAPITAL PROJECTS**

\$221 
MILLION

**KEY UPGRADES
TO BENDIGO AND CASTLEMAINE
WATER RECLAMATION PLANTS**

OVER **\$100**
MILLION

Helping customers manage the change in an uncertain economic climate

- The ability to **phase-in new prices smoothly** over five years will help customers manage the change.
- We've committed to **doubling the level of financial support** available to customers through the Coliban Assist Program – and extending the program to business customers.
- **Assistance types available** include payment extensions, payment plans, concessions and discounts, community rebate program, support for those experiencing violence at home, and referrals to financial counselling services and other agencies.





»»» Thank you



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