

Coliban Water – Outcomes – 2018–2023

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2020-21 reporting year. The business has given itself a “traffic light” rating (green = met target, red = not met, yellow = close or largely met) for its performance on each measure, outcome and an overall rating. The business has provided its own comments about its performance on each outcome and overall.

Summary table

Outcome	18-19	19-20	20-21	21-22	22-23
1. We will supply high quality water you can trust	Green	Yellow	Green	Grey	Grey
2. We will provide infrastructure and services to meet the needs of our customers now and into the future	Green	Green	Green	Grey	Grey
3. We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations	Green	Green	Green	Grey	Grey
4. We will be open and transparent with customers about affordable pricing, service disruptions and repairs	Yellow	Yellow	Green	Grey	Grey
5. We will support the liveability in the region	Green	Green	Yellow	Grey	Grey
Overall	Green	Green	Green	Grey	Grey

Business comments (2020-21)

In this third year of the five-year PS18 pricing period, Coliban Water has again weathered continuing impacts of the COVID-19 pandemic, as well as challenges from asset failures caused by an ageing network and treatment plants. Despite these challenges, our overall performance against Customer Outcomes is in line with customer expectations.

We again empowered customers to provide input via customer forums in early June 2021. The first forum was dedicated to engaging with customers on the performance measure “we will pay down our debt”. To respond to environmental needs in Kyneton and deteriorating assets generally, net debt increased in 2020-21 and will increase sustainably in the future. Customers at the forum declared that this is appropriate to manage asset risk and ensure service continuity. The second customer forum sought feedback from our customers on Performance Measures where performance was less than the targets. Overall, customers expressed confidence that performance overall was in line with expectations, despite some areas currently below target.

Performance for the year has been assessed as green in line with the rating for four of the five outcomes.

Outcome 1: We will supply high quality water you can trust

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Systems meeting all parameters in Coliban Water System Customer Index	Percentage	Target	–	NA	90.0%	90.0%	90.0%	90.0%	90.0%
		Actual	NA	New	84.6%	75.9%	85.5%		
b Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	–	NA	0	0	0	0	0
		Actual	15	8	3	14	1		
c Customer agreement that "I am satisfied with the quality of water delivered by Coliban Water" (annual Customer Satisfaction Survey)	Percentage	Target	–	NA	75.0%	87.0%	87.0%	87.0%	87.0%
		Actual	NA	New	87.0%	84.0%	88.0%		
d Water quality to low palatability towns - No of towns deemed to be low palatability	Number	Target	–	NA	0	0	0	0	0
		Actual	0	0	0	0	0		
e New fencing added around major storages across the regulatory period	Kilometres (cumulative)	Target	–	NA	3.0	6.0	9.0	12.0	15.0
		Actual	14.8	4.9	1.5	3.7	4.1		
f Length of water mains cleaned to remove sediment and improve delivered water quality across the regulatory period	Kilometres (cumulative)	Target	–	NA	100.0	200.0	300.0	400.0	500.0
		Actual	42	239	130.0	331.0	622		

Overall outcome 1 performance for the regulatory period so far:



Business comment (2020-21)

We have assessed Outcome 1 as green with 3 of the 6 performance measures exceeding targets. While traffic light ratings are similar to last year, performance has improved significantly.

For measure 1a, the 85.5% result is just below the 90% target, and significantly improved from the 75.9% in 2019-20. 100% of forum attendees were confident that we would be on track for this indicator in future years.

The number of Safe Drinking Water Act non-compliances (measure 1b), with 1 non-compliance, failed to meet the aspirational zero target. Despite this, we have assessed this measure amber as it is an improvement on prior years and based on the feedback from forum attendees.

Measure 1e fencing around major storages has been assessed as red. Only 0.4km new fencing was constructed in 2020-21, due to lengthy delays identifying appropriate sites and negotiating with landowners. 4.25km fencing has been identified for construction beginning 2021-22.

Outcome 2: We will provide infrastructure and services to meet the needs of our customers now and into the future

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Access to fit for purpose water: Rural allocation provided	Percentage	Target	–	NA	100%	100%	100%	100%	100%
		Actual	100%	100%	100%	100%	100%		
b Access to fit for purpose water: Number of towns on water restrictions (not including PWSR)	Number	Target	–	NA	0	0	0	0	0
		Actual	0	0	0	0	0		
c Unaccounted for water (urban)	Percentage	Target	–	NA	15.0%	15.0%	15.0%	15.0%	15.0%
		Actual	8%	11.3%	10.1%	13.1%	14.5%		
d New digital meters installed and operational across the regulatory period	Number (total)	Target	–	NA	5,000	10,000	15,000	20,000	25,000
		Actual	NA	New	1,244	23,658	28,378		
e Undertake Water Efficiency Audits with major non-residential customers	Number (cumulative)	Target	–	NA	3	6	9\$	12	15
		Actual	NA	New	0	1	1		
f Renew Coliban Main channel: length renewed	Kilometres (cumulative)	Target	–	NA	0.6	1.2	1.8	2.4	3.0
		Actual	0.9	0.8	0.3	0.8	0.8		

Overall outcome 2 performance for the regulatory period so far:



Business comment (2020-21)

We have assessed Outcome 2 as green, with 4 of 6 measures exceeding targets and 1 measure amber.

The ability to undertake water efficiency audits was again impacted by COVID-19 site access restrictions. Over the final years of PS18 we aim to leverage off other internal projects, including digital metering, to meet this target. Of the forum attendees, most were confident that we will get this back on track after discussion at the forum.

Coliban Water informed forum attendees that we are unlikely to meet the target for length of main channel renewal over the PS18 period. Reprioritisation of capital expenditure to address higher risk projects means this has been deferred. With an overall positive condition assessment of the main channel, we will be able to continue to supply safe, high-quality water via the channel. Forum attendees supported this decision, however consider this an important project to resume in the future.

Outcome 3: We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual CO ₂ emissions	Tonnes CO ₂ -eq	Target	–	NA	32,505	32,505	32,505	32,505	29,305
		Actual	33,645	28,898	33,857	29,938	26,941		
b Number of EPA reportable sewer spills	Number	Target	–	NA	19	18	17	16	15
		Actual	22	14	10	16	11		
c Annual chemical consumption expenditure (Real \$2017-18)	\$ per ML (water/wastewater) treated	Target	–	NA	\$103	\$101	\$99	\$97	\$95
		Actual	NA	\$105	\$76	\$107	\$106		
d Number of sewer blockages per 100km sewer main	Number per 100km	Target	–	NA	42.0	40.0	38.0	36.0	35.0
		Actual	40.5	29.6	27.1	22.3	17.8		

Overall outcome 3 performance for the regulatory period so far:



Business comment (2020-21)

Outcome 3 is assessed as green with three of four measures exceeding targets. Forum attendees were positive about our performance for this outcome.

The cost of chemicals for treatment again exceeded target due to higher than forecast solids loading into the Bendigo Water Reclamation Plant requiring significant additional chemical treatment. CO2 emissions were again well under target, supported by favourable environmental conditions resulting in lower than forecast pumping. The number of sewer spills was well down on the previous year and sewer blockage performance was favourable compared to target. This performance was due to an enhanced and increased gravity sewer preventative maintenance program including sewer cleaning, condition assessment and maintenance hole inspections.

Outcome 4: We will be open and transparent with customers about affordable pricing, service disruptions and repairs

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Average customer minutes off water supply (planned and unplanned)	Minutes	Target	–	NA	13.0	12.8	12.3	11.8	11.5
		Actual	14.6	10.2	13.6	25.2	8.8		
b Planned or unplanned water supply interruptions restored within 5 hours	Percentage	Target	–	NA	98%	98%	98%	98%	98%
		Actual	98%	100%	97.9%	99.4%	98.7%		
c Customers experiencing 5 or more planned or unplanned water supply interruptions	Number	Target	–	NA	5	5	5	5	5
		Actual	8	68	17	29	0		
d Average time to rectify a sewer blockage	Minutes	Target	–	NA	80.0	80.0	80.0	80.0	80.0
		Actual	81.2	70.7	67.4	63.6	66.0		
e Customers receiving 3 or more sewer blockages in the year	Number	Target	–	NA	16	16	16	16	16
		Actual	16	4	12	0	14		
f Residential customers receiving 1 or more planned or unplanned water service interruption in year	Percentage	Target	–	NA	10.5%	10.2%	10.0%	9.8%	9.6%
		Actual	9.4%	11.1%	8.5%	16.6%	7.8%		
g Utility Relief Grants provided by DHHS to Coliban Water residential customers	Number per 1,000 residential customers	Target	–	NA	8.8	8.8	8.8	8.8	8.8
		Actual	9.3	4.9	5.4	9.1	3.8		

h Total value of Hardship Grants awarded to customers (excluding government schemes)	\$ real \$2017-18	Target	–	NA	\$165,000	\$195,000	\$225,000	\$255,000	\$285,000
		Actual	\$136,013	\$76,099	\$144,243	\$102,561	\$123,225		

Overall outcome 4 performance for the regulatory period so far:



Business comment (2020-21)

We have assessed Outcome 4 as green overall, with 6 of 8 measures exceeding targets. This is the highest number of green assessments since 2018.

Both customer hardship measures (URGs and hardship grants) were below target in 2020-21. The additional government support available to customers experiencing vulnerability due to the COVID-19 pandemic, including increases in government benefits, early access to superannuation and temporary mortgage freezes, reduced the number of customers seeking financial assistance. COVID-19 restrictions again put a hold on the Plumber Assist program.

Customers were mixed in their views on our performance for these measures, with one forum attendee not confident in our URGS performance and two customers not confident in our hardship grants performance. We note that in the period between the customer forums and end of financial year, performance against both measures improved markedly. URGs per 1,000 residential customers increased from 2.6 to 3.8, and hardship grants provided increased from \$42,948 to \$123,225. Coliban Water is reviewing its hardship support processes with view to improving performance in this area in future years.

Outcome 5: We will support the liveability in the region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Volume of water delivered to councils through recreational pricing	ML	Target	–	NA	0.0	50.0	100.0	200.0	300.0
		Actual	0	New	0.0	70.0	98.0		
b Maintain or improve our credit rating	Credit rating	Target	–	NA	BBB	BBB	BBB	BBB+	BBB+
		Actual	BBB	BBB	BBB	BBB	BBB		
c We will pay down our debt	\$ (nominal)	Target	–	NA	\$4.0M	\$4.0M	\$4.0M	\$4.0M	\$4.0M
		Actual	\$3.5M	\$3.5M	\$4.0M	\$4.0M	\$0.0M		

Overall outcome 5 performance for the regulatory period so far:



Business comment (2020-21)

We have assessed outcome 5 as amber for 2020-21.

Several assets required significant additional investment. This includes the Kyneton Water Reclamation where increased sewage inflows culminated in the EPA prosecuting Coliban Water for a discharge event. Coliban Water has already committed \$20M in additional investment to upgrade storage capacity to meet growing demand and ensure positive environmental outcomes. The investment in these works was brought forwards from future regulatory periods. While Coliban Water contained expenditure by diverting capital to higher priorities, to meet our legal environmental duties we had no choice but to increase net debt. The first customer forum on 8 June discussed solely this measure. Customers in attendance accepted the need for additional investment and the decision to increase debt to fund it. Customers noted the need to communicate on risks more deeply with the broader customer base.

Lastly, for recreational water delivered to councils, Coliban Water supplied 98ML against a 100ML target. While the program was oversubscribed by councils seeking water, only 98ML of tenders met the strict criteria for acceptance. The additional 2ML will be made available in 2021-22.