

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 2022-23 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	Green	Yellow
2. We will provide infrastructure and services to meet the needs of our customers now and into the future	Green	Green	Green	Green	Green
3. We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations	Green	Green	Green	Green	Green
4. We will be open and transparent with customers about affordable pricing, service disruptions and repairs	Yellow	Yellow	Green	Green	Green
	Green	Green	Yellow	Red	Yellow

5. We will support the liveability in the region	Green	Green	Amber	Red	Amber
Overall	Green	Green	Green	Amber	Amber

Business comments (2022-23)

For the fifth consecutive year, a group of our customers were involved in our performance assessment via an independently facilitated customer forum. Where our performance for any measure was open to interpretation, participants voted on the rating and the majority vote was adopted by Coliban Water. The forum this year was held in Bendigo in June 2023. Most customers having now participated in these forums over multiple years, their views have become increasingly well-informed.

Performance for the year has been assessed overall as **amber** with three outcomes assessed as green and two amber. While there is justification for green overall performance, this accords with the views of forum attendees and we will continue to hold ourselves to a high standard. As a customercentric business, we respect and value the opinions of our customers. We have largely adopted the majority customer assessment of our performance, unless there is a compelling reason to do otherwise (for example where full year data is significantly different to what was presented at the customer forum). While our customers viewed performance as reasonably strong, judging performance as green for three of the five outcomes, we have accepted customers’ views that overall performance for 2022-23 is amber.

The challenges of climate change, population growth and ageing assets are affecting our service reliability. Another key challenge this year was extreme wet weather with widespread flooding across our region in late 2022. Some key measures were impacted by the floods, including the Coliban Water System Customer Index (worst annual performance), the number of EPA-reportable sewer spills, and the number and duration of water supply interruptions.

Flood recovery and mitigation measures are part of our broader focus to meet the challenges of climate change. Investments made after the 2011 floods to mitigate future damage proved crucial in recovery from 2022 flooding, especially in the hardest hit towns of Rochester and Echuca. Flooding

impacts were so severe that previous works to protect pump stations at Lake Eppalock proved ineffective, with flooding levels well above what has been experienced historically. This asset was significantly damaged and rendered inoperable for some months.

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%	81.0%	74.0%
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	1	9
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%	88.0%	86.0%
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	0	0
e New fencing added around major storages across the Kilometres		Target	–	NA	3.0	6.0	9.0	12.0	15.0

regulatory period	(cumulative)	Actual	14.8	4.9	1.5	3.7	4.1	4.4	6.9
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	818	973

Overall outcome 1 performance for the regulatory period so far:



Business comment (2022-23)

We have assessed Outcome 1 performance amber for 2022-23. 63% of customers agreed with an amber rating for outcome 1. A case could be made for overall green for the full regulatory period, however a deeper dive into individual performance measures shows 53% green ratings over the period and a further 23% each amber and red. Given this, despite 3 of 5 years assessed green, we have rated performance over the full regulatory period amber.

2022-23 performance for the Coliban Water Customer System Index at 74% was the worst result for the regulatory period. This has been driven particularly by water quality issues due to extreme wet weather and widespread flooding. Forum attendees were understanding of the challenges presented by flood events, however felt the result should have been better, and that the business should have had better contingencies in place. Customers were mixed in their views (57% red and 43% amber). While the derivation of the Index was explained to customers, feedback was that it's difficult to understand. This view has been consistent for several years and is why the Index will not be used as a performance measure for PS23.

The business experienced seven SDWA non-compliances, five from sampling and two from audit. While customers understand the zero target is exceptionally difficult to achieve, they saw this year's result as unsatisfactory. 71% of attendees agreed a red rating was appropriate and a further 25% amber

Coliban Water fell just short of the target for surveyed satisfaction with water quality (86% vs 87% target). Nevertheless, two thirds of forum attendees agreed that this was sufficient for green rating, particularly given challenges with water quality related to flooding and the reduced customer sampling size this year.

Fencing around major catchments was a cumulative target over the full regulatory period, with Coliban Water achieving 6.9km new fencing against target 15km. Most customers (83%) felt this should be rated amber, noting 2.5km fencing achieved in 2022-23 following multiple years impacted by COVID-19. Customers were supportive of the program goals to prevent catchment damage and risks to water quality, as well as understanding that delays are often likely when negotiating with private landowners abutting reservoirs.

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%	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	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%	13.1%	14.7%
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	29,771	35,403
	Number	Target	–	NA	3	6	9	12	15

e Undertake Water Efficiency Audits with major nonresidential customers	(cumulative)	Actual	NA	New	0	1	1	12	15
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	0.8	0.8

Overall outcome 2 performance for the regulatory period so far: 

Business comment (2022-23)

We have assessed Outcome 2 performance as green, with five of six measures green (meeting or exceeding targets). This view was overwhelmingly supported by customers, with 83% support.


The rollout of digital metering was integral to our ability to meet the target for measure 2e (large customer water efficiency audits), particularly following multiple years where audits were not possible due to COVID-19 social distancing requirements. While 88% of forum attendees supported a green rating, feedback noted the business should be aiming to exceed, not simply meet, such targets.

Attendees agreed that measure 2f (main channel renewal) is appropriately assessed as red for 2022-23 and overall for the PS18 regulatory period. The business delivered only 0.8km main channel renewal against a target of 3.0km. Customers were overall comfortable with reprioritisation of other initiatives instead of meeting this target, given emerging business needs (and overall satisfactory condition of the main channel), with 37% of attendees considering amber or green appropriate. Customers do however want to see renewal of the main channel as a high priority in future years given it is the ‘heart’ of the water supply system to Castlemaine and Bendigo.

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	27,057	20,259
b Number of EPA reportable sewer spills	Number	Target	–	NA	19	18	17	16	15
		Actual	22	14	10	16	11	24	262
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	\$137	\$113
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	20.7	17.1

Overall outcome 3 performance for the regulatory period so far: 

Business comment (2022-23)

Customers at this year’s forum were divided on the appropriate rating for Outcome 3, with 11 (46%) favouring amber and 13 (54%) green. With two green measures and 2 amber we have gone with majority views and rated Outcome 3 as overall green.

The number of sewer spills in 2022-23 was severely impacted by extreme wet weather and widespread flooding. This year saw our worst recent result for the number of EPA-reportable spills, more than 17 times the annual target. Our customers, who live in the local area and directly experienced extreme wet conditions this year, were sympathetic to the challenges, with 46% agreeing amber rating, 38% red and 17% advocating for green. Based on the environmental challenges of the year, and support from forum attendees (63% agreeing performance was better than ‘red’), we have rated this measure amber despite the result.

The cost of chemicals for treatment again exceeded target, driven by extremely poor source water quality particularly in our Murray towns and Heathcote. Nevertheless, the result was a significant improvement from the prior year. Customers agreed that amber is appropriate for this measure (67% amber and 17% each green and red).


For measures rated green, CO₂ emissions were again well under target, supported by favourable environmental conditions resulting in lower than forecast pumping. While environmental factors led to very high number of sewer spills, the opposite was seen with blockages, with our best annual result this regulatory period.

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	9.9	31.2
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%	98.9%	66.9%
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	11	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	65.0	76.9

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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	1	0
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%	7.8%	11.8%
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	11	11.5
h Total value of Hardship Grants awarded to customers \$ (excluding government schemes)		Target	–	NA	\$165,000	\$195,000	\$225,000	\$255,000	\$285,000
		Actual	\$136,013	\$76,099	\$144,243	\$102,561	\$123,225	\$119,422	\$300,319

Overall outcome 4 performance for the regulatory period so far: 

Business comment (2022-23)

Overall, in consultation with our customers we have assessed Outcome 4 green, with five measures green, two amber, and one red. We note that most forum attendees (58%) rated Outcome 4 green, despite information available at that time only showing four measures as green (see below).


A single burst water main incident in Kyneton in April 2023 resulted in more than 3,600 customers experiencing a single 450-minute supply outage. This one incident materially impacted measures 4a, 4b and 4f; excluding that single incident, all three measures would have been met for 2022-23. For these measures we have accepted customer views and rated 4a red, 4b amber (customer attendees were split with 38% each for red and amber, and 25% green) and 4f amber due to overwhelming customer support for this view (83% of attendees).

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At the time of the customer forum, our year-to-date figure for measure 4f (value of hardship grants) was approximately \$180,000, well below the full year target of \$285,000. In June 2023, we paid hardship grants to more than 1,700 customers in Rochester and Echuca who had been severely impacted by flood events this year. This pushed the total financial support provided above the annual target for the first time this regulatory period. With increased support for customers experiencing financial hardship in the 2023 regulatory period (\$570,000 annual support), we have carefully considered learnings from the past five years to ensure we are well placed to meet future annual targets.

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	161	241.4
b Maintain or improve our credit rating	Credit rating	Target	–	NA	BBB	BBB	BBB	BBB+	BBB+
		Actual	BBB	BBB	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	\$0.0M	\$0.0M

Overall outcome 5 performance for the regulatory period so far: 

Business comment (2022-23)

Coliban Water provided 241.4 ML (against target 300 ML) to councils via discounted recreational pricing in 2022-23. While the full 300 ML was made available to councils across our region, not all submissions met the strict criteria applied, meaning the full volume was not assigned. Our customers

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understood drivers for this measure and noted that conditions have been wet in recent years (suppressing demand). Customers had mixed views on an appropriate rating, with 58% voting amber and 38% green. We have accepted the majority view and rated this measure amber.

It became clear early in the PS18 period that Coliban Water would need to invest more to address key compliance risks and to continue to provide acceptable levels of service. This meant that from 2020-21 we stopped paying down debt (and in fact net debt has since increased); the flow-on impact of this is that an improved credit rating of BBB+ this regulatory period was not achievable. Most forum attendees have been part of the journey for multiple years, so understand the business needs driving our performance for these measures. Nevertheless, they noted these targets were set and ultimately not achieved, hence customer ratings of amber for 5b (67% agreement) and red for 5c (71%).