

North East 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	23-24	24-25	25-26
1. Affordable Prices	Green	Green	Green	Green	Grey	Grey	Grey	Grey
2. Reliable Services	Green	Yellow	Green	Green	Grey	Grey	Grey	Grey
3. Responsive Services	Green	Green	Green	Green	Grey	Grey	Grey	Grey
4. Efficient Systems	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Grey	Grey
5. Local Focus	Yellow	Yellow	Yellow	Green	Grey	Grey	Grey	Grey
6. Sustainable Region	Yellow	Yellow	Yellow	Red	Grey	Grey	Grey	Grey
Overall	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Grey	Grey

Business comments

In conjunction with the Customer Forum held for the Price Submission, North East Water developed its Customer Outcomes Framework which centred on six clear and consistent customer values (identified above). Twelve key outputs frame our customers' expectations against these outcomes and in 2021-22, the corporation continued to deliver on these drivers.

With the oversight of our Board and management, we have adopted a pragmatic and reasonable approach to indicating performance against our committed Outcomes. Our approach acknowledges a number of aspirational targets to be achieved within the term of our unique, eight year Price Determination.

We have continued to biannually convey how we are performing to customers through our Customer Report Cards. Again, these are overseen by Board and management and are proactively promoted via a number of channels. Each Report Card contains short case studies to demonstrate the activities of our business during the reporting period.

In a year that has been marred by an unpredictable pandemic, North East Water continues to demonstrate its agility and resilience in ensuring service continuity and the prioritisation of customer needs to support the health and prosperity of our region.

Following on from strong performance results during our third year of Outcomes reporting, North East Water has rated its overall 2021-22 performance to be **Amber**.

A lot has changed in our operating environment and this ultimately shows the strength in North East Water's ability to maintain essential services. The corporation's Strategic Intent – to support the health and prosperity of the region – remains at the forefront of our ambitions and underpins our actions in this challenging environment.

Outcome 1: Affordable Prices

Output			Unit	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a	Fair Prices – Residential customers pay their bill within the required 30 days	Percentage of customers	Target	–	>80%	>80%	>80%	>80%	>80%	>80%	>80%	>80%	>80%
			Actual	82.4%	81.5%	80.1%	80.4%	79.2%	80.4%				
b	Customer Support – number of residential customers being restricted	Number of customers	Target	–	NA	224	217	211	205	199	192	186	180
			Actual	127	231	160	76	0	0				

Overall outcome 1 performance for the regulatory period so far:



Business comment

- a) North East Water understands that any increase to utility bills can affect household budgets and our aim is to make our bills as affordable as possible. Meeting that expectation, in 2021-22 our average residential bill was \$908 (based on a household consumption of 200kL). North East Water remains the third most affordable water bills in Victoria, and we have delivered on our commitment to customers by holding our fixed water and wastewater tariffs constant for the past three financial years and in 2021-22, fixed water and wastewater charges decreased further by 1.25%.
- b) In March 2020, due to the economic downturn as a result of the COVID-19 pandemic, North East Water ceased all restrictions and legal action. Staff diverted their focus and resources to early intervention and proactively engaged with customers whose accounts were in arrears. With lockdowns inhibiting face-to-face visits, staff established communication channels with customers through phone calls (as well as SMS, Callback Register and Live CHAT) that have resulted in us being able to efficiently communicate support options to a wider demographic. We also continued to provide a range of options to customers, including payment arrangements, Utility Relief Grant Scheme, leak rebates and the Community Rebate program.

Outcome 2: Reliable Services

Output			Unit	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a	Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	–	0	0	0	0	0	0	0	0	0
			Actual	1	0	1	1	0	0				
b	Resilient Systems – Number of unplanned water supply interruptions per 100 km	Number per 100 km	Target	–	< 14	< 14	< 14	< 14	< 14	< 14	< 14	< 14	< 14
			Actual	13.07	10.8	12.7	14.7	11.8	12.3				

Overall outcome 2 performance for the regulatory period so far:



Business comment

- a) The corporation achieved full compliance against the *Safe Drinking Water Act* (2003) and regulations over the 2021-22 period. We made no notifications to the Department of Health under Section 18 of the *Safe Drinking Water Act* (2003), six notifications under Section 22 and there was no requirement for a regulatory audit to be completed in the period. Accordingly, we have assigned this metric green.
- b) North East Water operates and maintains over 1,700kms of potable and non-potable water mains which provides water supply to 54,678 connections. Our service region covers 39 towns and 115,000 people across approximately 20,000 square kilometres.

For 2020-21, North East Water reported 198 unplanned water interruptions. Though up slightly from the previous year, this remains under target and is attributed to the increased investment in renewing end of life water mains with some of the worst performing water mains in the network now renewed. North East Water continues to be proactive in the water mains renewals space, with further investment planned for 2022-23. This continued commitment to the water mains renewal program will continue to improve the customer's water service outage rates.

Overall, we consider our performance against this Outcome to be **Green** over the 2021-22 period.

Outcome 3: Responsive Services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Timely Response – Average duration of unplanned water supply interruptions	Minutes	Target	–	≤100	≤100	≤100	≤100	≤100	≤100	≤100	≤100	≤100
		Actual	111.60	99.4	96.1	91.6	80.4	84.4				
b Inclusive Decisions – Customers are satisfied with NEW in engagement and community inclusion. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	90%	91%	90.8%	91.3%	90%	85.7%				

Overall outcome 3 performance for the regulatory period so far:



Business comment

- a) For the 2021-22 reporting year North East Water has achieved a positive result of an average 84.4 minutes for rectifying unplanned water supply interruptions. This also corresponded with a significant reduction in response and repair times, due, in part, to the procurement of larger non-intrusive vacuum trucks that have resulted in a marked improvement in efficiency. This is below target and is coded green.
- b) Though engagement initiatives moved largely online due to COVID restrictions, early 2022 enabled us to undertake an engagement program for major strategic projects including the Urban Water Strategy (2022) and the formation of a customer and stakeholder reference group regarding the Mt Beauty Raw Water Offtake Project.

The corporation continued to seek new methods for customer engagement under the circumstances of pandemic, and significantly increased our social media messaging and the development of additional options for online customer assistance. Though slightly under target, our strong commitment to customer engagement, right across our business, has been reflected in this positive result.

Overall, we consider our performance against this Outcome to be **Green** over the 2021-22 period.

Outcome 4: Efficient Systems

Output			Unit	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a	Asset Stewardship – Sewer mains blockages	Number per 100 km	Target	–	< 12	< 12	< 12	< 12	< 12	< 12	< 12	< 12	< 12
			Actual	11.13	10.6	10.6	10.6	10.9	10.1				
b	Non-revenue water (as a percentage of total water delivered)	Percentage	Target	–	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%
			Actual	13.6%	15.4%	13.5%	13.5%	14.3%	12.7%				

Overall outcome 4 performance for the regulatory period so far:



Business comment

- a) Against a target of less than 12, customers experienced only 10.1 sewer interruptions per 100km. Over the 12 month reporting period, our staff attended 124 unplanned sewer events, slightly less than in 2020-21. North East Water will continue its proactive inspection and maintenance program of our sewer network in 2022-23.
- b) Significant investments in infrastructure and resources across our service region will see further progression towards this target during the Regulatory Period. In 2021-22 our performance against this measure indicates a decrease from the previous year's performance due to repairs undertaken at the Bears Hill treated water basin in Wodonga. North East Water's journey towards this aspirational target will continue over the course of the Price Determination.

Noting the green and red status of individual elements within this Outcome, we consider our overall performance to be the average of both sub-components. Accordingly, an overall **Amber** rating has been assigned.

Outcome 5: Local Focus

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Local People – Customers are satisfied with NEW staff local knowledge, employment and location. (Survey response of "very satisfied" or "satisfied")	Percentage of survey responses	Target	–	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%
		Actual	73.3%	75%	80.3%	84.4%	79%	84.2%				
b Education and Awareness – Customers are satisfied with NEW educating and informing them about water conservation and sustainability. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	96.7%	95%	88%	88.2%	88.3%	88.9%				

Overall outcome 5 performance for the regulatory period so far:



Business comment

- a) Our annual result from our customer research program shows an increase on the previous year’s result and exceeding the target set. The score reflects our customers’ high level of satisfaction with our local knowledge as North East Water’s services are supplied solely by local staff who are a part of the communities we serve.
- b) Water conservation continued to be our primary education focus in 2021-22. We continued to promote community knowledge of regional water supply systems, supply availability and water conservation, though the La Nina event, which created a cooler and wetter summer, invariably impacted the campaign’s currency. The corporation continued its ‘Water Wise’ campaign, a joint partnership with a number of local governments and Goulburn Murray Water to ensure consistency of message across the region. As proactive education and awareness activities were curtailed due to pandemic-led restrictions we increased our social media presence to counteract this and further promoted our online school resources.

Outcome 6: Sustainable Region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a A Smaller Footprint – Compliance with EPA Licences (percentage compliance against key parameters across all licences)	Percentage	Target	–	94%	100%	100%	100%	100%	100%	100%	100%	100%
		Actual	84%	94%	95%	92%	94%	87%				
b A Smaller Footprint – Total carbon emission	Tonnes CO ₂ e	Target	–	35,672	36,314	36,555	32,762	23,289	19,128	19,422	19,817	19,817
		Actual	37,737	35,605	33,905	32,614	32,197	31,607				
c Enhanced liveability – Customers are satisfied in NEW is ensuring water security for future drought responses. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	New	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	New	New	91.7%	90.4%	93%	92%				

Overall outcome 6 performance for the regulatory period so far:



Business comment

a) North East Water achieved 87% compliance on its licence compliance, including the quality of wastewater from the corporation’s wastewater treatment plants. This metric is aligned with Environment Protection Authority (EPA) licence conditions, including treated wastewater quality parameters, and provides an overall representation of wastewater treatment plant performance. While a result of 100% was not achieved the Corporation is committed to achieving full compliance across all sites.

The non-compliances in 2021-22 were primarily due to high rainfall and infiltration to our wastewater networks resulting in record level discharge volumes and wet weather discharges. Additionally, there were non-compliances due to treatment limitations at discharge to water sites, particularly with nitrogen removal. Projects to address licence non-compliances continue to be a focus at North East Water through capital upgrades and improved operational performance.

North East Water continued to reduce the impact of wastewater discharges to the environment and improve EPA licence compliance through:

- Understanding the risks and impacts to beneficial uses of receiving waterways through utilising the Ecological Risk Assessment (ERA) process
- Our region-wide wastewater treatment plant upgrade program has seen continued progress. Planning and design for upgrades at Beechworth, Bellbridge, Chiltern, Corryong, Rutherglen and West Wodonga ensuring growth and licence compliance occurred in 2021-22. Construction also commenced for a new WWTP at Tallangatta.
- The Beechworth transfer main has begun construction that includes the installation of a pump station and pipeline. These works, forecast to be completed in 2022-23, will increase the overall system capacity reducing the risk of spills to the Beechworth Historic Park.

- b) Though our total greenhouse gas emissions decreased by 1.8% from 2020-21 levels (with fuel usage accounting for the majority of the decrease), our overall emissions were 28% greater against target, largely due to delays in completing the 3MW solar plant at West Wodonga. The corporation also made significant inroads on its carbon reduction initiatives this year, with investigation into a sequestration partnership opportunity with Winton Wetlands to potentially sequester 10,000 tonnes of carbon per year, and funding secured for the West Wodonga Wastewater Treatment Plant Capacity and Emissions Upgrade Project which will deliver the required capacity upgrade while achieving significant reductions in greenhouse gas emissions.
- c) This reporting measure is designed to track our performance in increasing community awareness and understanding of the 'water challenge'. This result exceeds our target and is drawn from monthly and six monthly research of our customer base which included customers and other broader communities, businesses, industries and developers operating in our catchment areas.

Noting the green and red status of individual elements within this Outcome, we consider our overall performance to be the average of these sub-components. Accordingly, an overall **Red** rating is assigned.