



# Water Performance Report 2021–22

Performance of Victorian Urban and Sewerage Businesses

28 February 2023



## Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

### An appropriate citation for this paper is:

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## From the chairperson



The Essential Services Commission has a critical role to play in monitoring and evaluating the performance of Victoria's water businesses. Performance reporting drives continuous improvement in services levels with a focus on consumer engagement and experience.

The *Water Performance Report 2021–22* considers the performance of 15 urban water businesses against their own commitments to customers, which features Greater Western Water, following the merger of City West Water and Western Water.

The report is based on:

- a review against key performance indicators set by the commission
- findings from independent regulator audits
- customer bills and household water use
- quarterly customer service reporting.

We also looked at water businesses' call centre performance to determine the levels of

customer satisfaction when dealing with their water business.

### Supporting Victorians

Victorians faced continuing challenges in 2021–22 with the ongoing health and economic impacts of the COVID-19 pandemic and severe flooding in parts of the state.

The commission continued to regularly engage with our stakeholders over the reporting period to understand the experiences of Victorian customers, especially those who may be experiencing vulnerability or are having trouble paying their bills. We did this through:

- roundtable events with leaders from the community and the water sector
- conducting regular interviews with water businesses
- collecting data from water businesses to monitor the support provided to customers affected by the pandemic.

We also actioned several water sector-related items outlined in our *Getting to fair* strategy that we released in August 2021. The strategy provides a roadmap to address consumers' experience of vulnerability and barriers to accessing essential services. A key highlight included the development of a better practice guide to ensure water businesses implement safe and effective family violence responses.

From the chairperson

## **Greater customer protections**

After temporarily amending our water customer service codes in 2020 in response to the pandemic, we began a review of the codes in late 2020 and early 2021. We aimed to update areas that would strengthen consumer protections, particularly for people facing financial difficulties. We have made our final decision and the updated codes will be put into effect on 1 March 2023.

The new rules ensure consistency and provide greater clarity on the help that is available, including support for small businesses and halting debt recovery.

## **Working with water businesses**

Victoria's water businesses have responded well to the circumstances facing their customers by providing a range of flexible payment options and access to hardship assistance. We encourage businesses to continue to promote these services, particularly for eligible concession customers.

Early in 2022, we met with senior leaders from Victorian water businesses in the lead up to the 2023 water price review for 14 water businesses on their proposed prices and key service outcomes to apply from 1 July 2023. The PREMO framework for the review incentivises water businesses to put forward their best offer to customers and deliver the outcomes its customers value most.

Our engagement with the sector this year indicates Victoria's water businesses are well placed to manage the challenges ahead. We

will continue to work with the sector to ensure customers are receiving the support they need and that the services we regulate are responsive, inclusive and accessible.

## **Kate Symons**

Chairperson

Essential Services Commission

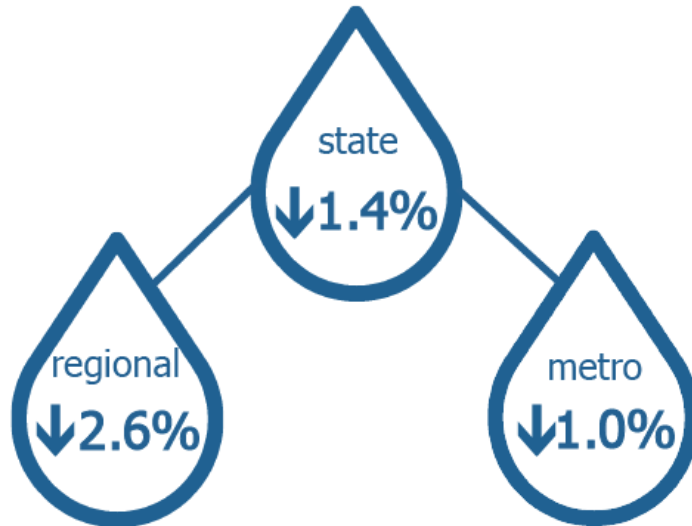
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## Key changes from 2020-21 to 2021-22

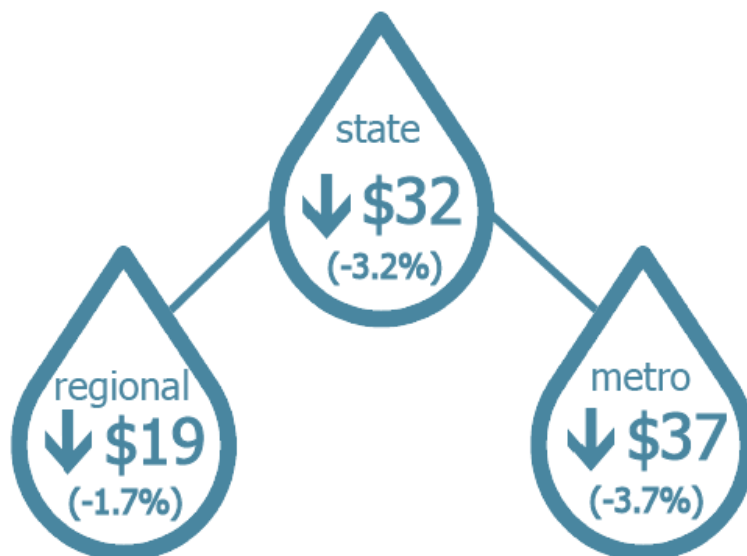
### Victorians used a slightly lower amount of water



Average household water use in regional Victoria went down

Average household water use in Melbourne went down slightly

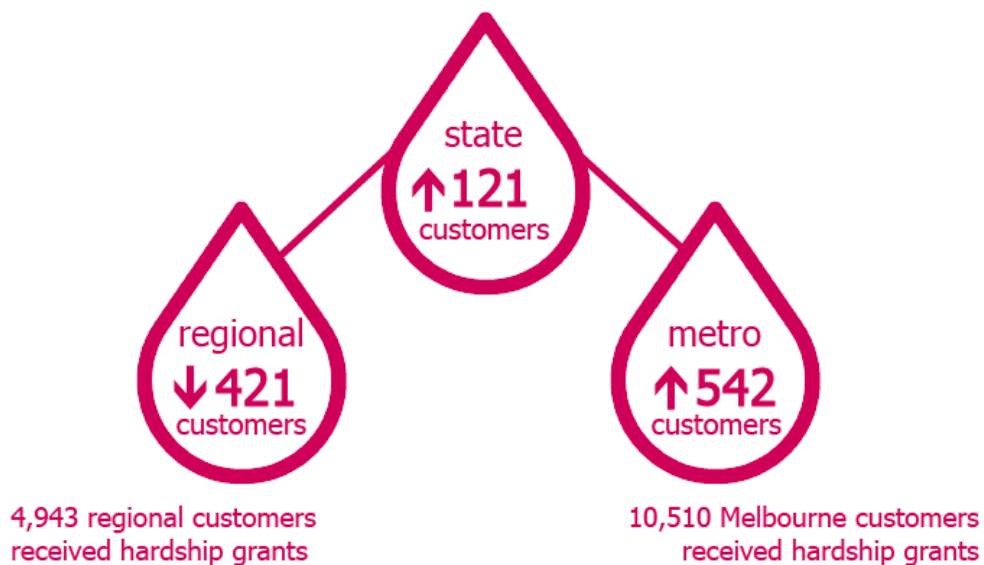
### The typical annual bill went down



The typical bill in regional Victoria went down slightly

The typical bill in Melbourne went down

## Fewer regional customers but more Melbourne customers received hardship grants from their water business to help pay their water bill



## Only one business initiated legal action for unpaid water bills





# Monitoring performance

Victoria's 15 urban water businesses operate across a range of geographic, environmental and social conditions. The Essential Services Commission reports on the Victorian urban water sector's performance, both as a whole and as individual businesses.

We compare each water business in the areas of customer bills, household water use, and other key service measures such as customer experience

The *Water Performance Report 2021–22* is just one of the ways we report on the water sector. This report should be read in conjunction with:

- [water business outcome reports](#)
- [quarterly customer survey reporting](#)
- [quarterly reporting on water customer support during the pandemic](#).

## Water business outcomes reports

Our outcomes reporting drives improvements to ensure better outcomes for water customers. It is tailored to the commitments each water business makes under our outcomes reporting framework.

## Quarterly customer survey reporting

Our quarterly customer survey reporting measures customer satisfaction in four areas:

- value for money
- reputation in the community
- level of trust
- overall satisfaction.

## Quarterly reporting on water customer support during the pandemic

Our quarterly reporting on water customer support during the pandemic provided updates on the number of water customers receiving or applying for various forms of support from their water business. These reports revealed water businesses were generally providing greater access to support services, which was extended to include access to small business customers.

Our quarterly reporting revealed one water business began undertaking legal action for non-payment of bills, beginning in March 2021. Before this, there were no legal actions taken since early 2020.

# What we found in 2021–22

## Businesses continued to support customers in hardship

Water businesses continue to support customers in hardship, with many customers still impacted by 2019-20 bushfires and the ongoing impacts of the coronavirus pandemic. This year we saw the return of extreme weather events in the form of intense flooding in areas across the state. Water businesses' continued customer support is reflected in a number of performance indicators. For example, more metropolitan and regional customers received a utility relief grant and the number of customers with hardship grants stayed relatively stable.

### We updated our water customer service codes in response to the coronavirus pandemic

We temporarily amended our water customer service codes in 2020 to include the national support principles for customers facing hardship because of the pandemic. In late 2021 and early 2022, we began a review of the codes, updating areas that would strengthen consumer protections, especially for people facing financial difficulties. We have made our final decision and the updated codes will be put into effect on 1 March 2023. The review was informed by the effects on customers of significant events such as the coronavirus pandemic and the increased support being offered by water businesses, which often goes beyond the minimum requirements set out in our customer service codes.

## The typical Victorian residential water customer

In 2021-22, a typical Victorian residential water customer:

- **used slightly less water.** Average statewide household water use fell by 2 kilolitres to 154 kilolitres. This coincides with above average rainfall across the state for the reporting period. (See Section 1.2.)
- **received lower bills compared to the previous year.** The typical bill fell for owner occupiers in Melbourne by \$37 to \$963. Regional owner occupiers also saw a decrease in their typical bill by \$19 to \$1,105. Goulburn Valley Water's customers received the lowest typical household owner-occupier bill (\$850). GWMWater customers received the highest typical owner-occupier bill (\$1,344). (See Section 1.3.)
- **received support if experiencing payment difficulties.** Increased efforts to support customers during the coronavirus pandemic continued in 2021-22, providing customers with access to a range of water business and Victorian Government support programs. Significantly, more customers received the Victorian Government Utility Relief Grant, which increased by 34 per cent from the previous year. However, there was a reduction in

customers on flexible payment plans and the number of customers with concessions applied to their water account. (See Sections 1.6 and 1.7.)

- **customer trust in the water sector has fallen.** Our customer surveys revealed both the perception of water businesses and trust in businesses has decreased (see Section 2.2). The Victorian water sector score in a benchmarking study for its customer service remained steady compared to the previous year, indicating that customers received a similar level of customer service despite continuing interruptions due to the pandemic as well as extreme weather events. (See Section 2.3.)
- **experienced more water supply interruptions.** Water networks were less reliable with an increase in average customer ‘minutes off’ supply across the state. Despite this, sewer network reliability improved with a decline in blockages and spills. (See Chapter 3.)
- **debt collection activities for overdue water bills resumed.** One water business resumed debt collection activities this year, resulting in 14 legal actions for non-payment. (See Section 1.8.)

Victoria’s urban water customer base has grown to just under three million. These customers continue to receive good service from their water businesses, despite disruptions and the challenges caused by extreme events. Although some debt collection activities resumed, customers typically received lower bills compared to the previous year. However, as we noted in our 2021-22 outcomes report published in October 2022, a large number of major projects have been delayed or deferred. Water businesses may need to carefully manage their value proposition and ensure that customers continue to receive good value for money.

# Why we report on performance

## Why performance reporting is important

This report covers specific key performance indicators (from the Water Industry Regulatory Order 2014) of the 15 Victorian urban water businesses over a five-year period with attention given to their performance in 2021-22.<sup>1</sup>

City West Water and Western Water merged on 1 July 2021 to form Greater Western Water. This year's report presents the first year's performance of the combined Greater Western Water business. We have merged City West Water and Western Water's historical data to form Greater Western Water's equivalent historical data.

For each business we compare these indicators against:

- other businesses
- its own performance over time.

Rural water businesses are excluded from this report as well as the rural activities of GMMWater and Lower Murray Water, which provide both urban and rural services.

Figure A shows the 15 urban water business boundaries and the Melbourne metropolitan region.

The main purposes for reporting on performance are to:

- help guide discussions between water businesses and their customers about outcomes to be delivered and performance targets
- drive competition between water businesses to improve service standards
- inform the decision-making processes of water businesses, regulatory agencies and the Victorian Government.

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<sup>1</sup> Clause 18 of the Water Industry Regulatory Order 2014 requires us to monitor and report publicly on water sector performance.

**Figure A: Victorian urban water businesses in 2021-22**

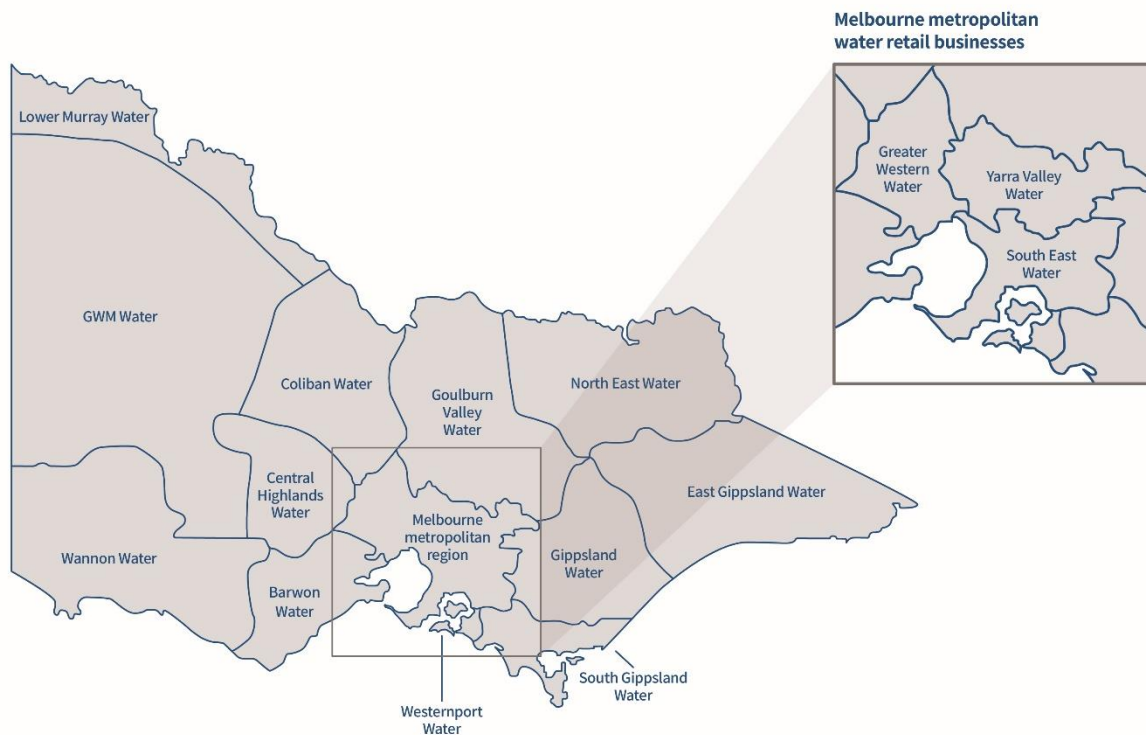


Table A shows the number of urban water and sewerage customers that each of the water businesses serviced in 2021-22, as well as the total numbers of customers in metropolitan Melbourne, regional Victoria and statewide. In addition to a 1 per cent increase in population in Victoria in 2021-22, there were 49,684 more water customer connections.<sup>2</sup> This is about a 1.7 per cent increase compared to the previous year.

<sup>2</sup> 'National, state and territory population: Statistics about the population and components of change (birth, deaths, migration) for Australia and its states and territories', Australian Bureau of Statistics (2022), available at: <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release#states-and-territories>, accessed 31 January 2023.

**Table A Urban water and sewerage customers in 2021-22**

	All water customers	Residential water customers	Non-residential water customers	Sewerage customers
Greater Western	597,551	550,909	46,642	587,954
South East	813,771	752,154	61,617	788,747
Yarra Valley	867,700	807,686	60,014	811,021
Barwon	174,511	161,592	12,919	158,879
Central Highlands	76,352	70,506	5,846	66,179
Coliban	80,073	72,999	7,074	73,101
East Gippsland	25,272	22,324	2,948	20,861
Gippsland	74,794	68,712	6,082	67,261
Goulburn Valley	62,262	55,761	6,501	55,021
GWMWater	32,332	27,641	4,691	26,299
Lower Murray	35,171	31,238	3,933	30,687
North East	54,678	49,923	4,755	49,931
South Gippsland	21,818	18,677	3,141	19,280
Wannon	44,444	37,984	6,460	38,151
Westernport	18,149	17,033	1,116	16,714
<b>Metro total</b>	<b>2,279,022</b>	<b>2,110,749</b>	<b>168,273</b>	<b>2,187,722</b>
<b>Regional total</b>	<b>699,856</b>	<b>634,390</b>	<b>65,466</b>	<b>622,364</b>
<b>Statewide total</b>	<b>2,978,878</b>	<b>2,745,139</b>	<b>233,739</b>	<b>2,810,086</b>

## Our pricing framework

We released our pricing framework (PREMO) for the Victorian water sector in 2016. The framework puts customers at the centre of water businesses' considerations. We challenged businesses to better engage with their customers to understand what they value most and prepare price submissions which take these views into account.

The PREMO framework – Performance, Risk, Engagement, Management and Outcomes – provides incentives for water businesses to provide greater value to customers and holds them accountable for delivering on their commitments. This year marks the fourth reporting year under the PREMO framework, and the last before most businesses are assessed on their PREMO commitments in the 2023 water price review. As part of the 2018 water price review, water businesses established clear outcomes and performance targets, and have self-reported their achievements and the value they have delivered to their customers. We collated these self-reports into an annual outcomes report. The outcomes report for 2021-22 can be accessed on our [website](#). Businesses will be assessed on the performance of these targets in the upcoming 2023 water price review, which will begin in 2022 and determine the prices water corporations can charge beginning 1 July 2023.

Because of this new line of reporting by the water businesses themselves, our performance reporting has changed and will continue to evolve as we monitor how the sector responds. For example, our performance reporting no longer includes the chapter on water businesses' major capital projects. Instead, this has been included in our outcomes reporting because we considered that major projects are closely aligned to businesses' commitments to their customers.

Businesses may use our performance reporting to guide discussions with their customers about service priorities and performance targets. Our performance report can also be used to inform our assessment of the businesses' self-reporting to customers about their own performance.

## Our regulatory functions

We are the economic regulator of the Victorian water sector. One of our regulatory functions is to monitor and to report publicly on the performance of the Victorian Government-owned water businesses.

We are also responsible for regulating service standards and conditions of supply. However, we do not regulate or drive performance in the areas of water conservation, the environment and water quality, although some of these areas are covered in our report.

Other bodies with a role in the state's water services are:

- the Environment Protection Authority Victoria, which is responsible for regulating environmental standards

- the Department of Energy, Environment and Climate Action, which is responsible for water conservation measures
- the Department of Health, which is responsible for drinking water quality standards.

## The data used in this report

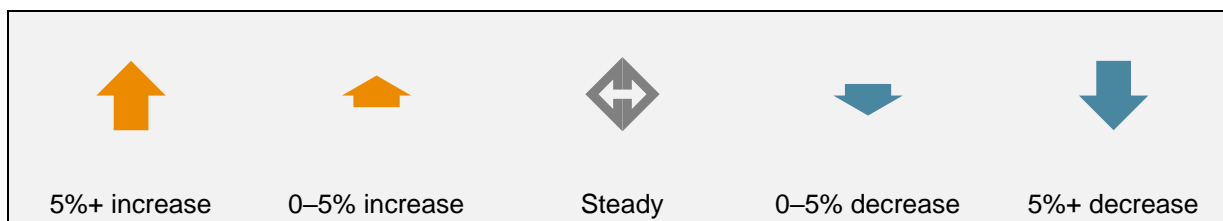
This report is based on:

- performance data reported by the businesses against key performance indicators specified by us, and comments from the businesses explaining their performance
- findings from independent regulatory audits on the reliability of the performance data reported by the businesses. Where data has not passed the audit requirements, it has been excluded from this report or qualified in our discussion.

### Data snapshots

We use snapshots alongside some indicators to highlight changes made at metropolitan Melbourne and regional Victoria level, and the statewide trends. Depending on the indicator, an increase could be an improvement or a deterioration in performance.

### Snapshot symbol definitions



## Access all of our 2021-22 water performance resources

Find all of our 2021-22 performance information at <https://www.esc.vic.gov.au/water-performance-reports>, including:

- this report comparing the performance of the 15 urban water businesses
- water business profiles that provide a snapshot of each business's performance
- a summary of the data behind our tables and charts in this report.



# 1. How much households use and pay for water

This chapter looks at the average water use of households and typical bills at the average water usage level across Victoria.

The bill estimates in this chapter reflect prices charged by water businesses in the year from 1 July 2021 to 30 June 2022.

We also discuss how some customers are paying their bills. Government support and water business assistance programs are available where customers are experiencing payment difficulties. If bills remain unpaid, customers may face water supply restrictions or legal action.

## 1.1. 2021-22 at a glance

Annual average household water use decreased slightly by 2 kilolitres to 154 kilolitres. This coincides with above average rainfall overall this year.

The statewide typical annual bill for both household owner occupiers and tenants decreased compared to the previous year. The statewide typical bill for owner occupiers decreased by about \$32 to \$996 and for tenants it decreased by \$16 to \$446.

More customers received grant assistance from the Victorian Government to help with one-off bill payments.

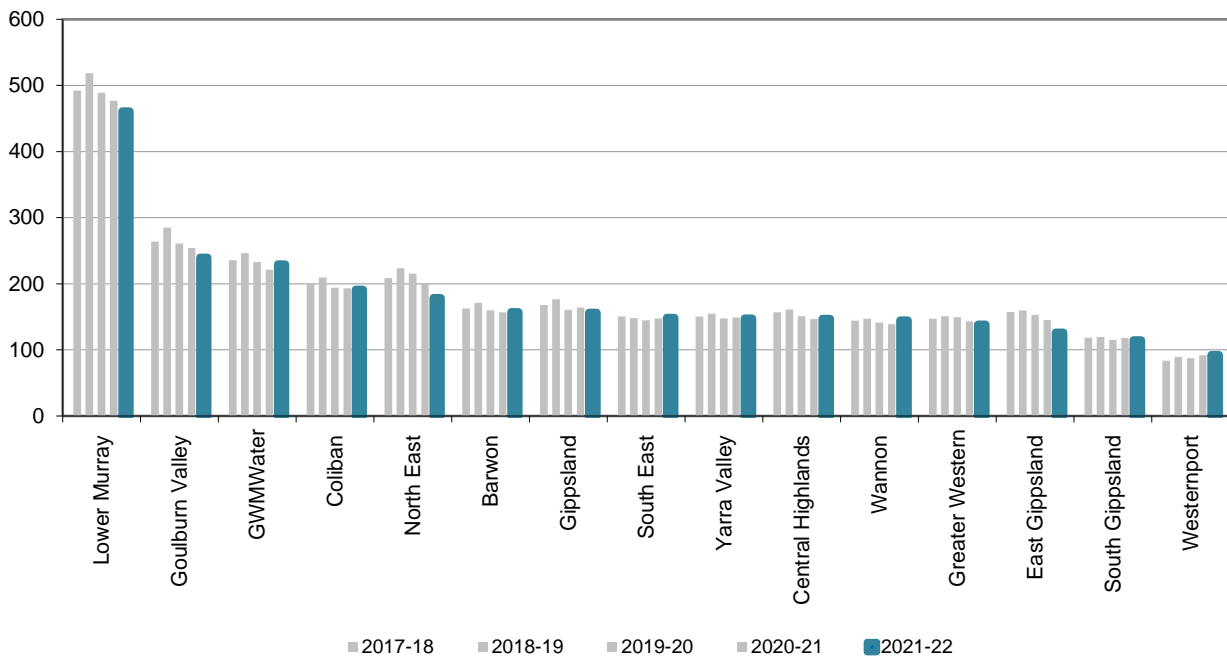
Compared to the previous year, water businesses awarded slightly fewer hardship grants to customers and the average value of grants decreased slightly from \$382 to \$380.

One water business recommenced legal action for non-payment of bills.

## 1.2. Average household water use

Water use varies around the state due to different climates, household demographics, property sizes, and any water restrictions that may be in place. Figure 1.1 shows the average annual household water use across the last five years, measured in kilolitres.

**Figure 1.1 Average household use (kilolitres per household)**



### Snapshot (average household water use, kilolitres)

Statewide average		-1.4%	Metro average		-1.0%	Regional average		-2.6%
2021-22	154	↓	2021-22	146	↔	2021-22	182	↓
2020-21	156		2020-21	147		2020-21	187	

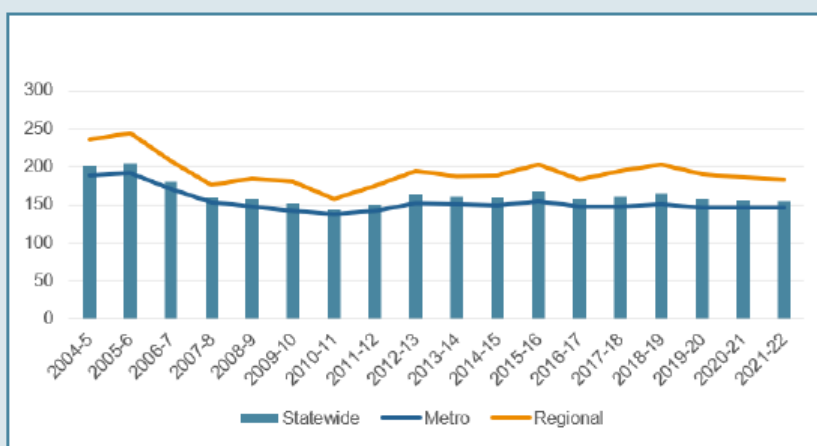
### Key observations

- Across Victoria, average annual household water use in 2021-22 fell by 1.4 per cent, to 154 kilolitres. Most businesses reported a fall in use, however only four businesses reported a

decrease of 5 per cent or more. This reflects above average rainfall this reporting period, as all four seasons experienced above average rainfall.<sup>3</sup>

- In metropolitan Melbourne, average annual household water use decreased slightly by 1 per cent. Of the three metropolitan water businesses, Greater Western Water recorded the largest drop in use at 3 per cent. South East Water was the only metropolitan business to record an increase in use, rising by 1 per cent.
- In regional Victoria, average annual household water use decreased by 2.6 per cent. East Gippsland Water recorded the largest decrease in use of 13 per cent and GWMWater and Wannon Water shared the largest recorded increase in use of 4 per cent.

## Average household water usage (kL)



Victoria's average household water usage has remained at around 160 kilolitres for the past nine years and is well down on levels in the mid 2000's. In metropolitan Melbourne in recent years, average household water use has remained relatively steady at around 150 kilolitres per year. In the past average annual household water use in regional Victoria fluctuated more markedly. This fluctuation was mainly due to consumption patterns in the north and west of the state, particularly for Lower Murray Water. In recent years water consumption in regional Victoria has been trending slightly downward.

<sup>3</sup> "Victoria in winter 2021: close to average rainfall", *Bureau of Meteorology (2021)*, available at: <http://www.bom.gov.au/climate/current/season/vic/archive/202108.summary.shtml>, accessed 10 February 2023

"Victoria in spring 2021: wetter than average", *Bureau of Meteorology (2021)*, available at: <http://www.bom.gov.au/climate/current/season/vic/archive/202111.summary.shtml>, accessed 10 February 2023

"Victoria in summer 2021-22: warm nights, wet in north-east", *Bureau of Meteorology (2022)*, available at: <http://www.bom.gov.au/climate/current/season/vic/archive/202202.summary.shtml>, accessed 10 February 2023

### 1.3. Typical household bills

Household bills across Victoria vary due to the cost to service different regions, sources of water, historical decisions about tariff structures and the average volume of water used.

Bills are a combination of how much water is used, prices for fixed and variable rate charges, and other charges. Owner occupier households pay both fixed and variable charges for their bills. Landlords pay the fixed charges for their property and the tenants only pay the variable charges. Only metropolitan Melbourne households have a variable sewerage charge. Note that although metropolitan businesses include waterways and drainage or parks charges in their bills on behalf of Melbourne Water, we do not include these charges in our calculations of the typical bills.

Figure 1.2 shows typical bills for owner occupiers across five years and Figure 1.3 shows typical bills for tenants across five years.

#### How typical bills are calculated

Typical household bills shown for each year are in that year's dollars. We use each business's average household usage (see Section 1.2) to calculate an indicative household bill for water and sewerage services. This includes both the fixed and variable water and sewerage charges, and any applicable rebate.<sup>4</sup>

For regional businesses with multiple pricing zones, we used the prices in the largest town to calculate that business's typical household bill.

Some water businesses previously applied a rebate to residential bills. For many water users, this rebate was shown as an annual credit on water bills. Following the 2018 price review this rebate has either not applied or is being phased out.

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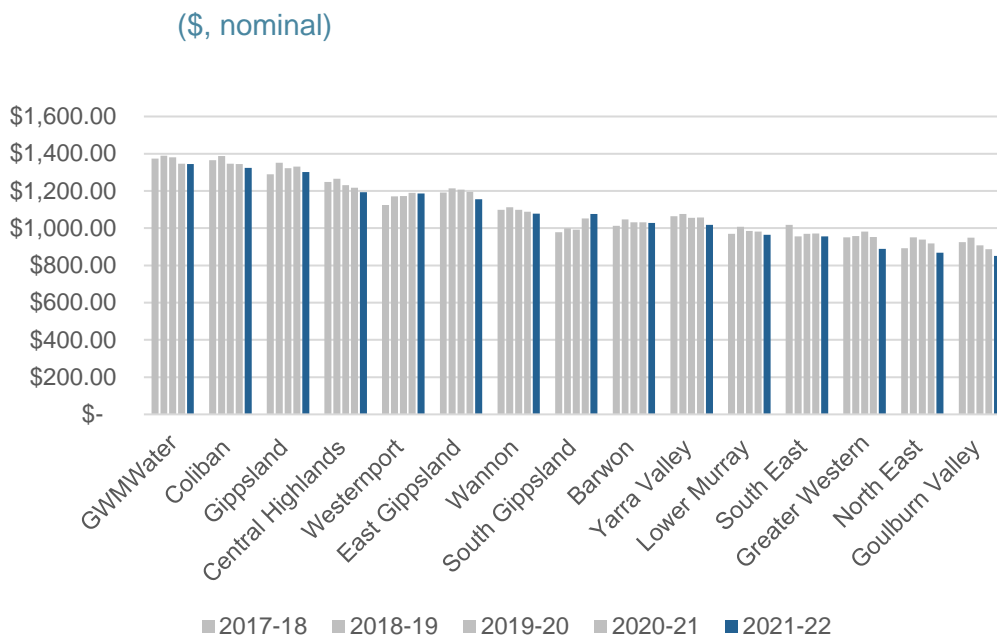
<sup>4</sup> For consistency in comparison, we have excluded the metropolitan drainage charges for Melbourne Water and the metropolitan parks charges set by the Minister for Water, collected on their behalf by the metropolitan water businesses via water bills. These charges are not directly levied by these water businesses and are not part of their revenue stream.

## Want more information?

We have an interactive bill estimator available at [www.esc.vic.gov.au/water/information-water-consumers](http://www.esc.vic.gov.au/water/information-water-consumers), where an indicative bill can be calculated for any annual water usage, and compared across all water businesses.

Our website also explains some key terms for understanding bills, and describes how we regulate prices, visit [www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/](http://www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/)

**Figure 1.2 Typical household bills including inflation, owner occupiers**



Greater Western Water bill based on former City West Water area

### Snapshot (typical owner occupier water bill, nominal dollars)

Statewide average		-3.2%	Metro average		-3.7%	Regional average		-1.7%
2021-22	\$996	↓	2021-22	\$963	↓	2021-22	\$1,106	↓
2020-21	\$1,028		2020-21	\$1,000		2020-21	\$1,125	

How much households use and pay for water

## Key observations

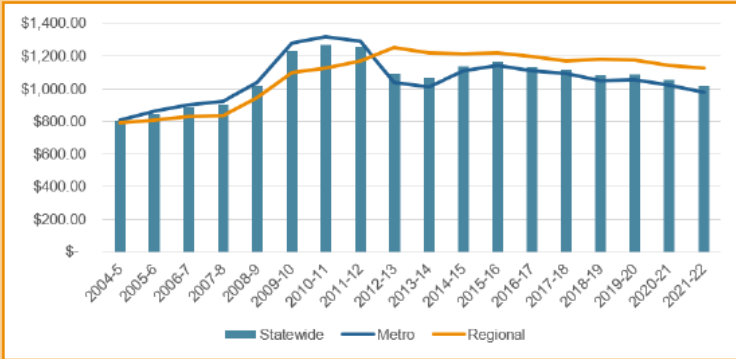
- In 2021-22, the statewide owner occupier typical bill was \$996, about \$32 less than the statewide typical bill in 2020-21 of \$1,028. This is consistent with previous years where a decrease in household water use correlates with a decrease in typical owner occupier bills.
- In metropolitan Melbourne, the typical owner occupier bill decreased by \$37 from \$1000 in 2020-21 to \$963 in 2021-22.
- Greater Western Water customers (formerly City West Water area) saw the largest decrease in their bill, which dropped by \$62 from \$952 in 2020-21 to \$890 in 2021-22.<sup>5</sup>
- In regional Victoria the typical owner occupier bill decreased by \$19, from \$1,125 in 2020-21 to \$1,106 in 2021-22.
- South Gippsland Water was the only regional water business to see an increase in its typical customer bill, rising by \$24 from \$1053 in 2020-21 to \$1077 in 2021-22. This is consistent with the price path approved in its 2020 water price review.
- Goulburn Valley Water customers continue to receive the lowest typical bill for a third year in a row at \$851. Customers of GWMWater continue to receive the highest typical bill for the fifth year in a row at \$1,343, despite a slight decrease from their 2020-21 bill.

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<sup>5</sup> Greater Western Water customers (formerly Western Water area) saw their bill decrease by \$5 from \$965 in 2020-21 to \$960 in 2021-22

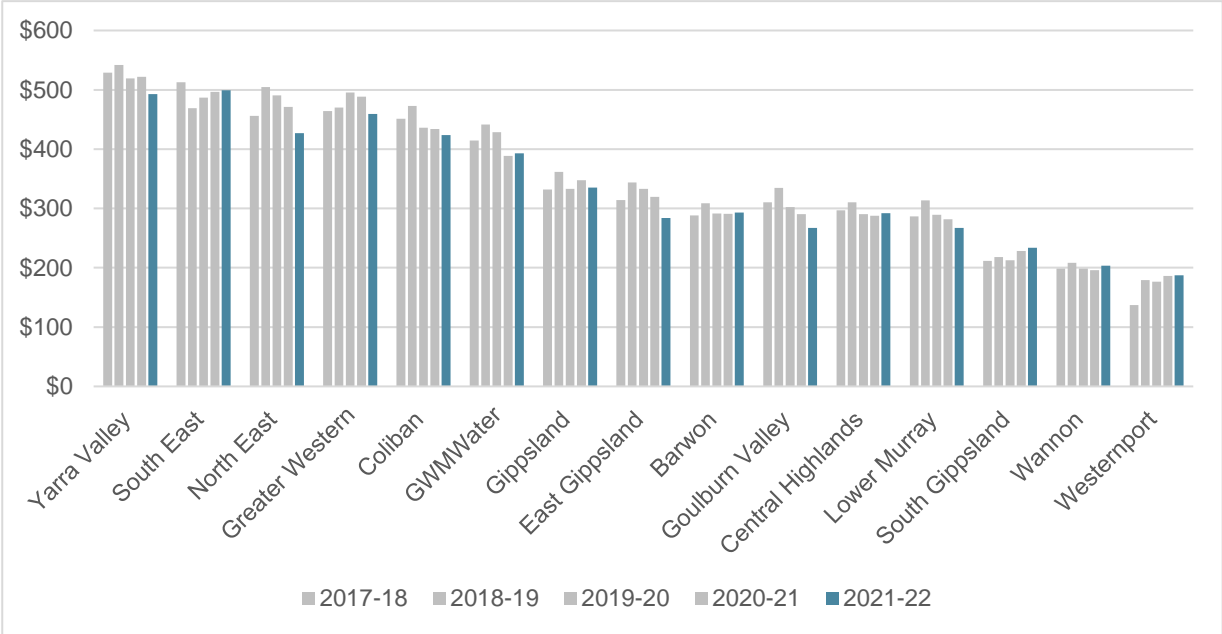


# Owner occupier typical bills (real \$2021-22)



This chart shows the trend in typical bills excluding inflation and holding consumption constant. It provides a long term view of price changes on customer bills. Typical bills for both metropolitan and regional customers increased during the height of the millennium drought in 2009 and 2010 to allow businesses to recover costs of expansion of water supply infrastructure. Since then, bills have remained steady across the state. In recent years bills have seen a slight decrease.

**Figure 1.3 Typical household bill including inflation, tenants**  
(\$, nominal)



## Snapshot (typical tenant water bill, nominal dollars)

Statewide Average			Metro Average			Regional Average		
		-3.4%			-3.5%			-2.6%
2021-22	\$446	↓	2021-22	\$486	↓	2021-22	\$314	↓
2020-21	\$462		2020-21	\$504		2020-21	\$322	

### Key observations

- The statewide typical bill for tenants decreased by 3.4 per cent, from \$462 in 2020-21 to \$446 in 2021-22.
- In regional Victoria, tenants' typical bills decreased by 2.6 per cent from \$322 in 2020-21 to \$314 in 2021-22.
- In Melbourne, the typical bill for tenants decreased by 3.5 per cent, from \$504 in 2020-21 to \$486 in 2021-22.
- Customers of six regional water businesses saw a decrease in their typical bill, while customers of the remaining six saw an increase. Wannon Water customers saw the largest increase of 3.6 per cent from \$196 in 2020-21 to \$203 in 2021-22. East Gippsland Water customers saw the largest decrease of 11.6 per cent from \$319 in 2020-21 to \$284 in 2021-22.
- North East Water customers' typical tenant bill was the highest in 2021-22 at \$427, despite enjoying a 9.3 per cent decrease in their typical bill. Westernport Water customers continue to receive the lowest typical tenant bill of \$187 despite a slight increase of less than 1 per cent.
- South East Water was the only metropolitan water business to record an increase in typical tenant bills, however this increase was marginal.

### 1.4. Concession customers

Twenty-four per cent of residential customers have a concession applied to their water bills.<sup>6</sup> The Victorian Government, through the Department of Families, Fairness and Housing, provides concessions to assist low-income households with water and sewerage bills at their principal place of residence. In 2021-22, \$177.1 million was contributed as concessions to residential water bills. The number of concession households decreased by 55,053 (8 per cent), from 724,882 in 2020-21

<sup>6</sup> Concession data sourced from the Department of Families, Fairness and Housing.



to 669,829 in 2021-22, returning to typical pre-pandemic numbers as more Victorians returned to work at the end of the lockdown period.<sup>7</sup>

Customers holding a concession card can contact their water business to apply for a concession. Concessions may be applied retrospectively.

## 1.5. Customers on flexible payment plans

Instalment plans are alternative payment arrangements offered by water businesses to provide flexibility for customers in managing their bill payments and to assist those experiencing payment difficulties. Payment arrangements may include giving customers the ability to pay off their bill in monthly instalments.

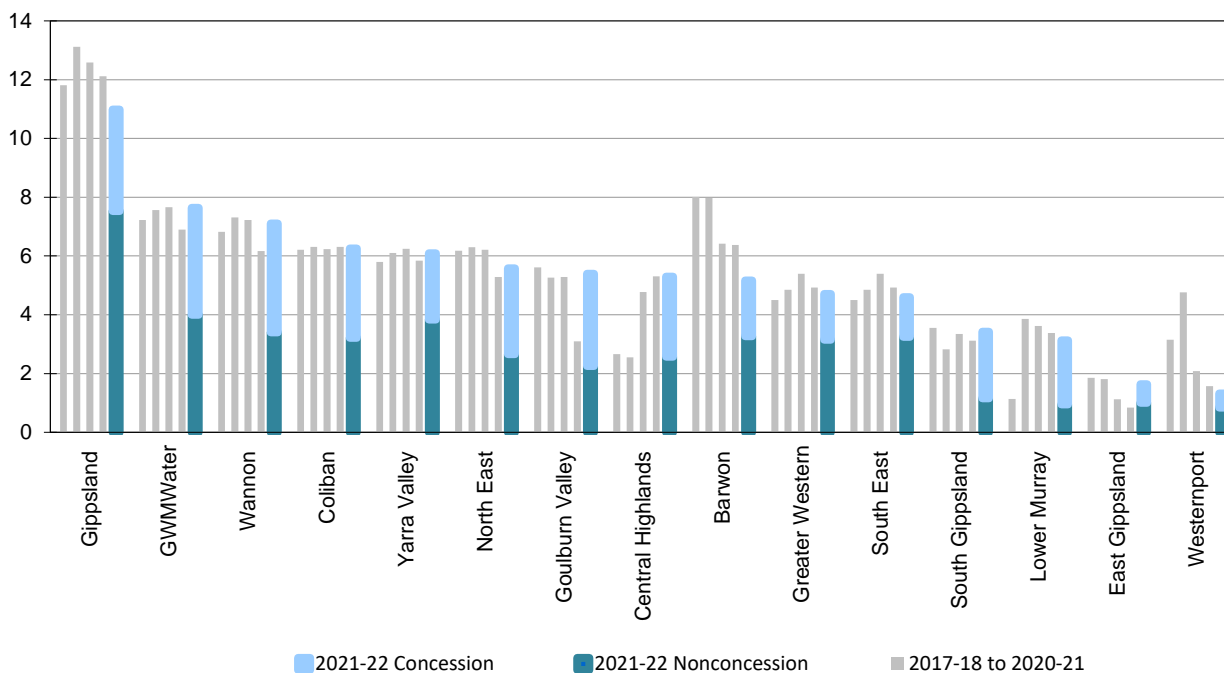
Figure 1.4 shows the number of customers on instalment plans per 100 customers as recorded on 30 June 2022 and split between the proportion of concession customers (light blue) and non-concession customers (dark blue).

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<sup>7</sup> Data in reporting years 2018-19, 2019-20 and 2021-22 show households with eligible concessions ranged between 669,829–684,015. In 2020-21, more households were eligible for concession during the height of the pandemic, which saw the number of eligible concession households spike to 724,882.

**Figure 1.4 Residential customers with instalment plans per 100 customers**

(at 30 June 2022)



**Snapshot (residential instalment plans per 100 customers)**

Statewide average		-7.9%	Metro average		-10.8%	Regional average		1.6%
2021-22	5.3	↓	2021-22	5.2	↓	2021-22	5.8	↑
2020-21	5.8		2020-21	5.8		2020-21	5.7	

**Key observations**

- The total number of residential customers on instalment plans at the end of 2021-22 decreased from 156,679 to 146,789, continuing the downward trend from previous years. This is reflected in the decrease of the overall rate of residential customers on instalment plans to 5.3 per 100 customers in 2021-22, from 5.8 in 2020-21.
- Most businesses reported a decrease in the rate of customers on instalment plans.
- The rate of residential customers with instalment plans ranged from 1.3 per 100 customers for Westernport Water customers to 11.0 per 100 customers for Gippsland Water customers.
- Central Highlands Water and East Gippsland Water reported the largest increases in the rate of customers on instalment plans. Central Highlands Water reported an increase of 76 per cent and East Gippsland Water reported an increase of 99 per cent. East Gippsland Water notes this was one of the impacts it experienced due to extreme weather events in 2021, among other

events which impacted its service area.<sup>8</sup> Despite the large increase East Gippsland Water still has a comparatively low rate of customers with instalment plans.

- Greater Western Water (24 per cent) and Westernport Water (13 per cent) reported the largest decreases in customers with instalment plans.
- Lower Murray Water reported a decrease in the rate of customers on instalment plans by 7 per cent from 2020-21, despite resuming debt collection activity for non-payment of bills in 2021-22.

## 1.6. Government funded grants scheme

The Department of Families, Fairness and Housing administers the utility relief grants scheme, which provides one-off financial contributions towards a bill of a customer experiencing payment difficulties. The grant payment is generally used to assist with a short-term financial crisis. It is different from the hardship programs provided by the water businesses to customers who experience ongoing financial hardship.

Table 1.1 provides information relating to the number of customers that have received a utility relief grant in 2021–22.

Our regular reporting monitored how water businesses supported customers during the pandemic and provided up to date information on the number of customers applying for a utility relief grant.

Water businesses must assist customers experiencing payment difficulties on a case-by-case basis by appropriately referring customers to government funded assistance programs or to an independent financial counsellor. This includes helping eligible customers apply to the Department of Families, Fairness and Housing for a utility relief grant.

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<sup>8</sup> East Gippsland Water, 2023 water price submission, September 2022, p. 6

**Table 1.1 Utility relief grant scheme in 2021-22 (residential customers)**

	Number of grants approved	Percentage of grants initiated that are approved	Average value of grant paid	Grants approved per 100 customers
Greater Western	3,833	80%	\$374	0.7
South East	4,789	94%	\$336	0.6
Yarra Valley	13,459	106%	\$252	1.7
Barwon	1,009	103%	\$333	0.6
Central Highlands	871	101%	\$416	1.2
Coliban	774	104%	\$405	1.1
East Gippsland	372	101%	\$379	1.7
Gippsland	937	95%	\$382	1.4
Goulburn Valley	1,253	106%	\$319	2.2
GWMWater	120	48%	\$425	0.4
Lower Murray	137	48%	\$407	0.4
North East	718	101%	\$314	1.4
South Gippsland	253	101%	\$381	1.4
Wannon	239	84%	\$414	0.6
Westernport	78	81%	\$339	0.5
<b>Statewide</b>	<b>28,842</b>	<b>97%</b>	<b>\$309</b>	<b>1.1</b>

Source: Department of Families, Fairness and Housing

Grants approved per 100 customers refers to the number of grants approved per the relevant water business's own residential customer base.

Approval rates greater than 100 per cent may arise where grants are approved after the end of the financial year in which they were lodged.

Water businesses with lower grant approval rates should continue to support customers facing financial hardship. We will work with these businesses to understand the challenges around approving utility relief grants.

## Key observations

- The number of grants approved by the Department of Families, Fairness and Housing has continued to increase this year, as in previous years, increasing from 21,469 in 2020-21 to 28,842 in 2021-22. This reflects continued efforts by both water businesses and the department to support customers as the coronavirus pandemic continues, as well as supporting those affected by various extreme weather events.
- The proportion of Victorian customers receiving grants increased from 0.8 per 100 customers in 2020-21 to 1.1 per 100 customers in 2021-22.
- The average grant value for the state was \$309, which is \$57 less than the average of \$366 in 2020-21. Across businesses, average grant values ranged from \$252 for Yarra Valley Water customers to \$425 for GWMWater customers.
- Similar to 2020-21, almost half of all grant payments went to Yarra Valley Water customers, with a total of \$4.5 million paid across 13,459 customers – noting that Yarra Valley Water has the largest customer base.
- Goulburn Valley Water had the highest rate of customer applications approved, with 2.2 applications approved per 100 customers. GWMWater and Lower Murray Water shared the lowest rate of customer applications approved, with 0.4 applications approved per 100 customers for each business.
- 97 per cent of applications initiated were approved statewide. This is an increase on 2020-21, where 82 per cent of applications initiated were approved statewide.




## 1.7. Customer hardship grants from water businesses

Hardship grants are another approach used by water businesses to assist customers experiencing payment difficulties. These often take the form of co-payment schemes, where the water business will waive a periodic payment if the customer meets a set number of scheduled payments, with the waived payment counted as a hardship grant. Table 1.2 provides information about the number and value of hardship grants received by customers from each water business in 2021–22.

**Table 1.2** Hardship grants (residential customers, excluding inflation)

	Average value of a customer grant, 2021-22	Average value of a customer grant, 2020-21	Per 100 customers, 2021-22	Per 100 customers, 2020-21
Greater Western	\$463	\$469	0.20	0.32
South East	\$509	\$423	0.34	0.11
Yarra Valley	\$473	\$498	0.85	0.94
Barwon	\$116	\$141	2.10	2.24
Central Highlands	\$325	\$757	0.03	0.02
Coliban	\$451	\$316	0.43	0.54
East Gippsland	\$189	\$248	1.45	1.40
Gippsland	\$248	\$175	0.20	0.25
Goulburn Valley	\$136	\$189	0.43	0.38
GWMWater	\$348	\$207	0.14	0.42
Lower Murray	\$0	\$500	0.00	0.00
North East	\$950	\$704	0.18	0.36
South Gippsland	\$0	\$1000	0.00	0.01
Wannon	\$221	\$319	0.40	0.47
Westernport	\$54	\$60	1.40	1.57
<b>Statewide</b>	<b>\$380</b>	<b>\$382</b>	<b>0.56</b>	<b>0.57</b>

## Snapshot (hardship grants approved per 100 customers)

Statewide average		-1.0%	Metro average		3.6%	Regional average		-9.6%
2021-22	0.56		2021-22	0.50		2021-22	0.78	
2020-21	0.57		2020-21	0.48		2020-21	0.86	

### Key observations

- Across the state, water businesses awarded hardship grants to a total of 15,453 customers in 2021-22, representing 0.56 customers receiving grants per 100 customers. This is a 1 per cent decrease in grants received per 100 customers compared to 2020-21. This rate remains significantly higher than the years leading up to the pandemic.
- Metropolitan Melbourne water businesses reported a 3.6 per cent increase in the rate of hardship grants awarded to customers, while regional Victoria businesses reported a 9.6 per cent decrease.
- The state average value of grants decreased slightly, falling from \$382 in 2020-21 to \$380 in 2021-22.
- The average value of grants across businesses ranged from \$54 (Westernport Water) to \$950 (North East Water).
- Barwon Water continued to report the highest rate of hardship grants awarded with 2.10 grants awarded per 100 customers, followed by East Gippsland Water with 1.45 per 100 customers.
- Central Highlands Water, Lower Murray Water and South Gippsland Water continue to have the lowest rates at zero or close to zero.

## 1.8. Actions for non-payment of bills

Water legislation allows water businesses to limit the water flowrate to non-paying customers by inserting a restriction device in the customer's water supply line. Water businesses may also take legal action against customers to recover unpaid debt.

Water businesses must assist customers experiencing payment difficulties on a case-by-case basis by:

- observing minimum periods of notice before applying supply restrictions or pursuing legal action to recover outstanding debts
- not restricting water supply of a customer or pursuing legal action before first taking additional steps to secure payment, including making a reasonable attempt to contact the person, offering a payment arrangement and resolving any dispute over the outstanding amount.

Our Customer Service Code sets out the procedures water businesses are required to follow before restricting a customer's water supply or taking legal action.

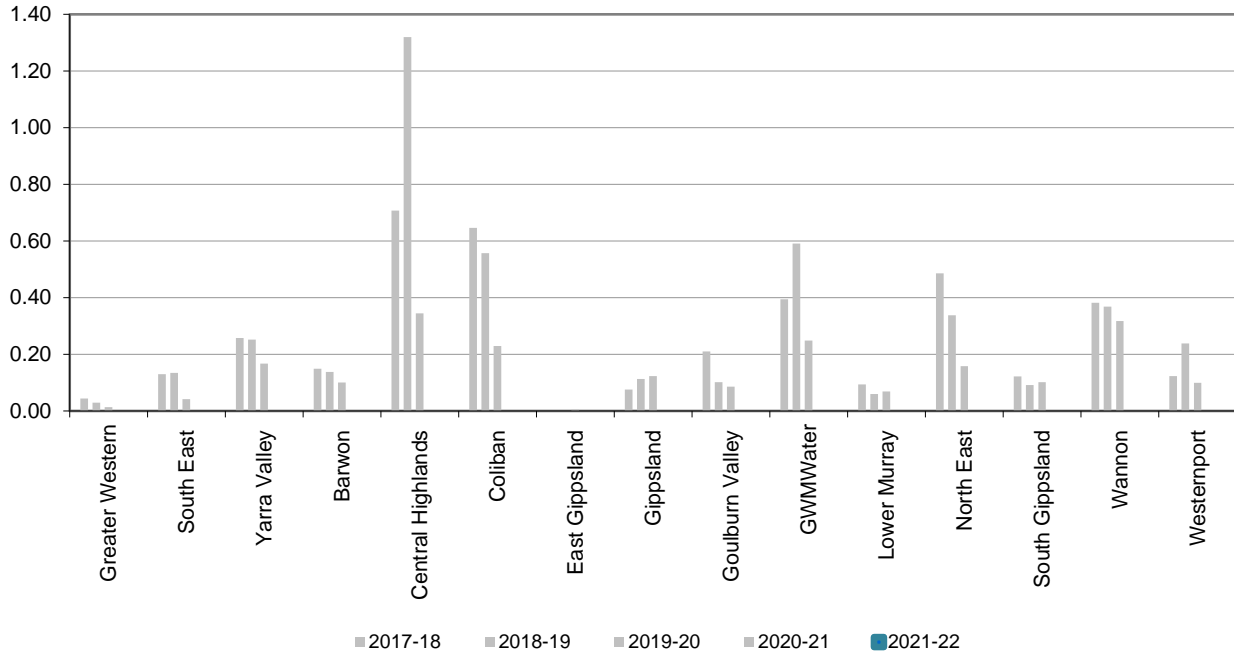
During the pandemic and its associated lockdowns, water businesses suspended debt recovery actions against water customers, in line with the guidelines provided by our customer service code. In March 2022, one water business, Lower Murray Water, resumed legal action for non-payment of bills. The remaining water businesses have continued to suspend debt recovery actions.

Figure 1.5 shows the number of customers who had their water supply restricted per 100 customers for each water business across the last five years. Figure 1.6 shows the number of customers that faced legal action per 100 customers across the last five years.



**Figure 1.5 Water supply restrictions for non-payment of bills**

(per 100 residential customers)



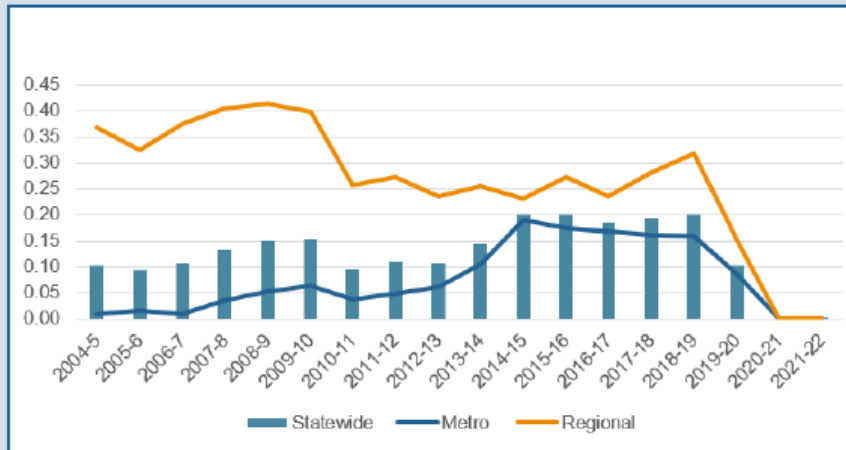
**Snapshot (residential water supply restrictions per 100 customers)**

Statewide average		0.0%	Metro average		0.0%	Regional average		0.0%
2021-22	0.00	↕	2021-22	0.00	↕	2021-22	0.00	↕
2020-21	0.00	↕	2020-21	0.00	↕	2020-21	0.00	↕

**Key observations**

- There were no new restrictions for non-payment of bills in 2021-22, the same as the previous year. This is due to businesses continuing to voluntarily cease restrictions for non-payment of bills.

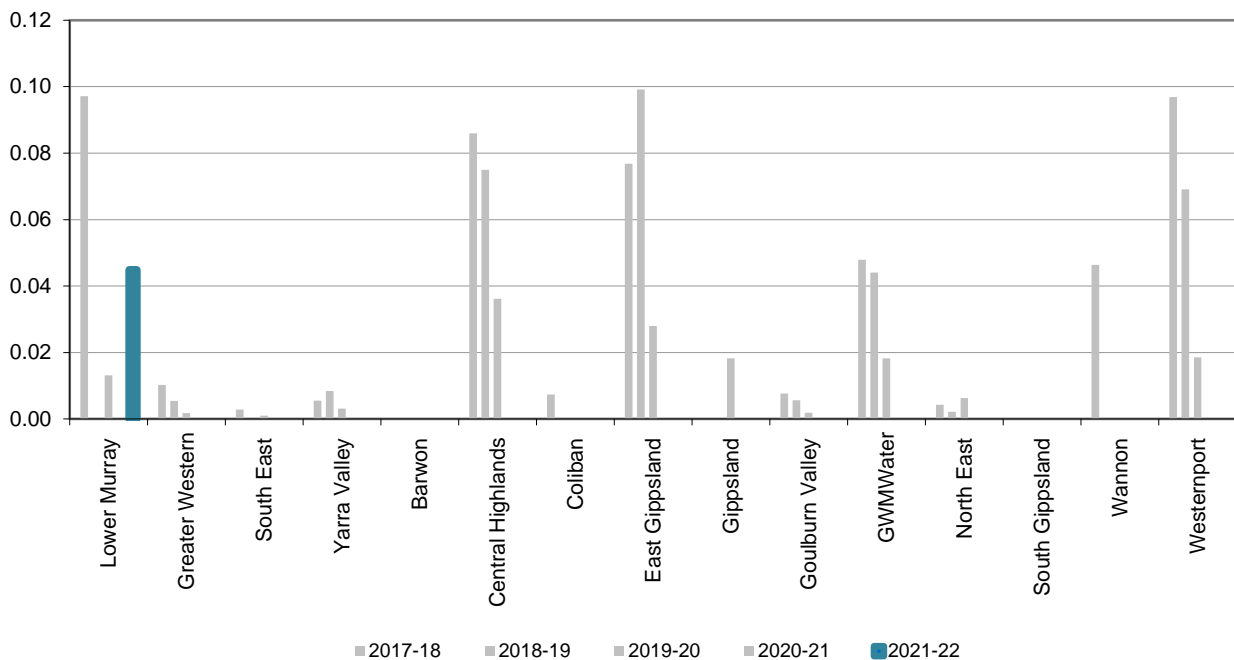
## Water supply restrictions for non-payment of bills



Businesses have continued to voluntarily cease restrictions for non-payment of water bills. The restriction rate fell to zero in 2020-21 due to a moratorium on water supply restrictions during the pandemic. In the past, the regional restriction rate was much greater than the restriction rate in Melbourne. The regional and Melbourne restriction rates started to merge from about 2014-15.

**Figure 1.6 Legal actions for non-payment of bills**

(per 100 residential customers)



**Snapshot (residential legal actions, per 100 customers)**

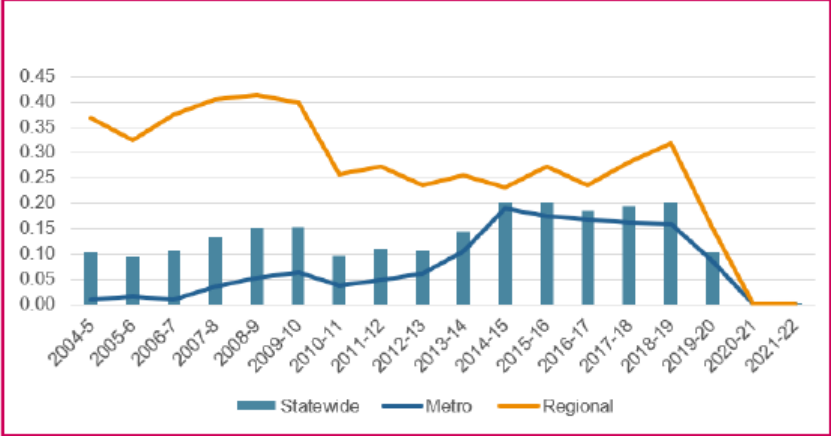
Statewide average		0.0%	Metro average		0.0%	Regional average		0.0%
2021-22	0.00	↕	2021-22	0.00	↕	2021-22	0.00	↕
2020-21	0.00	↕	2020-21	0.00	↕	2020-21	0.00	↕

**Key observations**

Lower Murray Water was the only water business to pursue legal action for non-payment of bills in 2021-22. This marks the first year that legal action has been initiated for non-payment of bills since March 2020. Lower Murray Water confirmed no action was taken against customers identified as experiencing financial difficulty, and noted that it is targeting long-term outstanding debts, where amounts have been outstanding since before the start of the covid-19 pandemic. Where it has been unable to engage with account holders, debts are being referred to its collection agency for formal collections, and in some cases legal action, for ongoing non-payment.



# Legal actions for non-payment of bills



The rate of customers facing legal actions for overdue bills increased slightly in 2021-22 due to one water business initiating actions for overdue bills. Before this, the rate of customers facing legal action for overdue bills fell to zero in 2020-21, due to the moratorium on debt collection action. Despite the moratorium the rate both in regional and metropolitan Victoria had been trending down towards zero for several years.

## 2. How water businesses respond to their customers

This chapter explores how water businesses manage enquiries to their call centres. We also examine the most common areas for complaints made to water businesses and when customers take their complaints to the ombudsman.

Our Customer Service Code places obligations on businesses for responding to enquiries or complaints and providing appropriate service. These obligations include:

- having policies, practices and procedures for handling customers' complaints and disputes
- providing certain information to customers on request.

Specific details can be found in each water business's Customer Charter, which is available on their websites.

### 2.1. 2021-22 at a glance

Our customer perception survey results for 2022 have fallen slightly compared to 2021 and show customer ratings of their water business vary only slightly from business to business.

Customers continue to receive a similar standard of customer service as for previous years, despite continuing disruptions due to the pandemic and extreme weather events.

Across the state the number of complaints made to water businesses decreased, but the largest proportion of complaints continue to relate to water quality.

Complaints about water quality decreased compared to the previous year.

## 2.2. How customers rate their water business

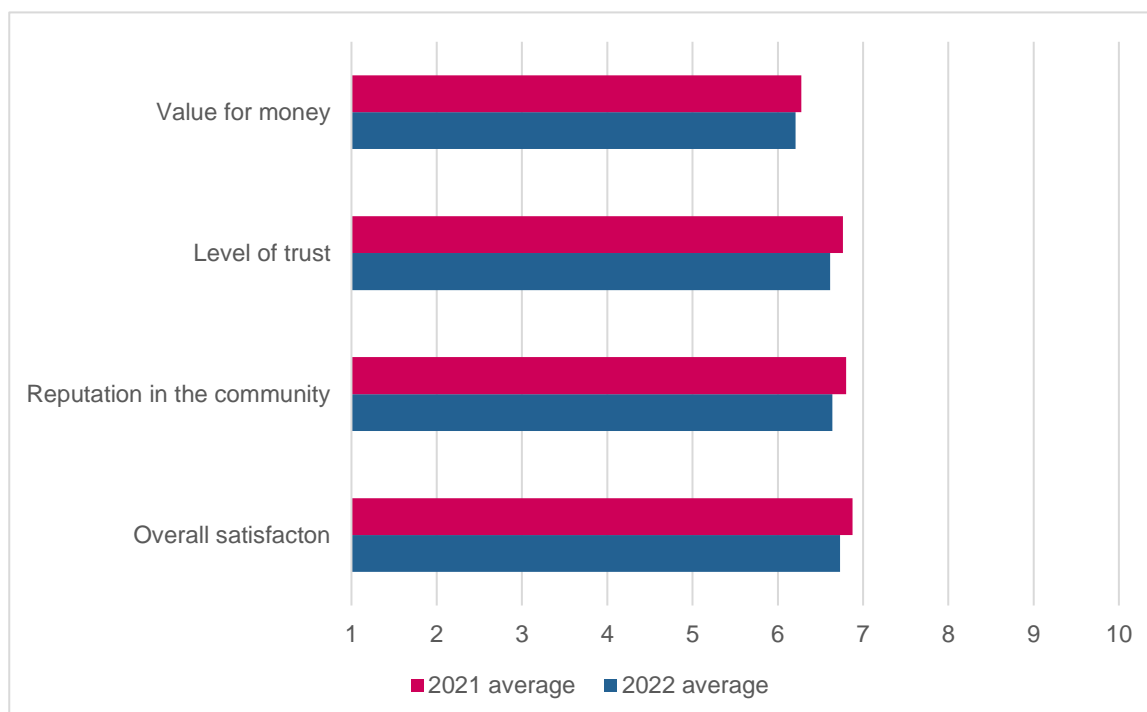
We survey 1,450 water customers every quarter (5,800 customers a year) across the 15 urban and regional water businesses on how they think their water business rates across four key areas:

- value for money
- reputation in the community
- level of trust
- overall satisfaction.

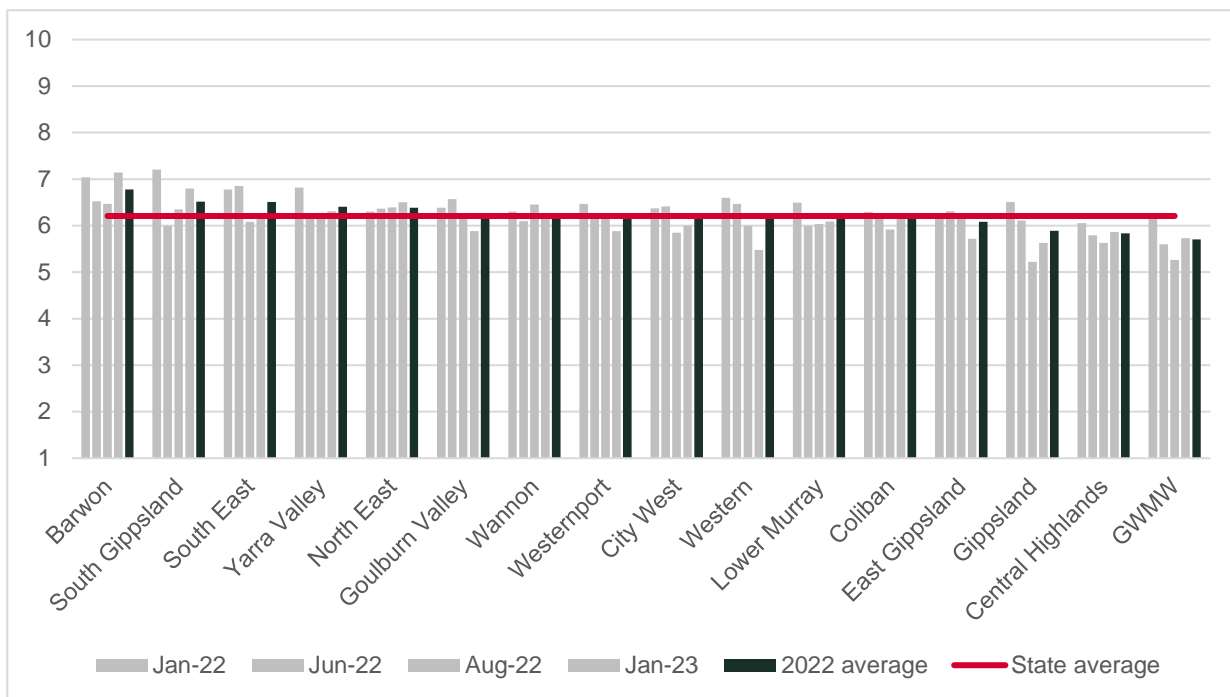
Our customer perception survey results for 2022 show average customer ratings of their water business have fallen slightly in all four areas when compared to the previous year's results. For more information about our customer surveys and to view the trend over a longer period, see <https://www.esc.vic.gov.au/how-customers-rate-their-water-business>.

Figure 2.1 compares the state average scores in 2022 for each of the four areas with the scores in 2021. Figures 2.2 to 2.5 below show the scores out of 10 that customers gave their water business for each of these four key areas for each quarterly survey round and the overall average for 2022. Businesses are ranked according to the average score for the year, as shown by the blue bar.

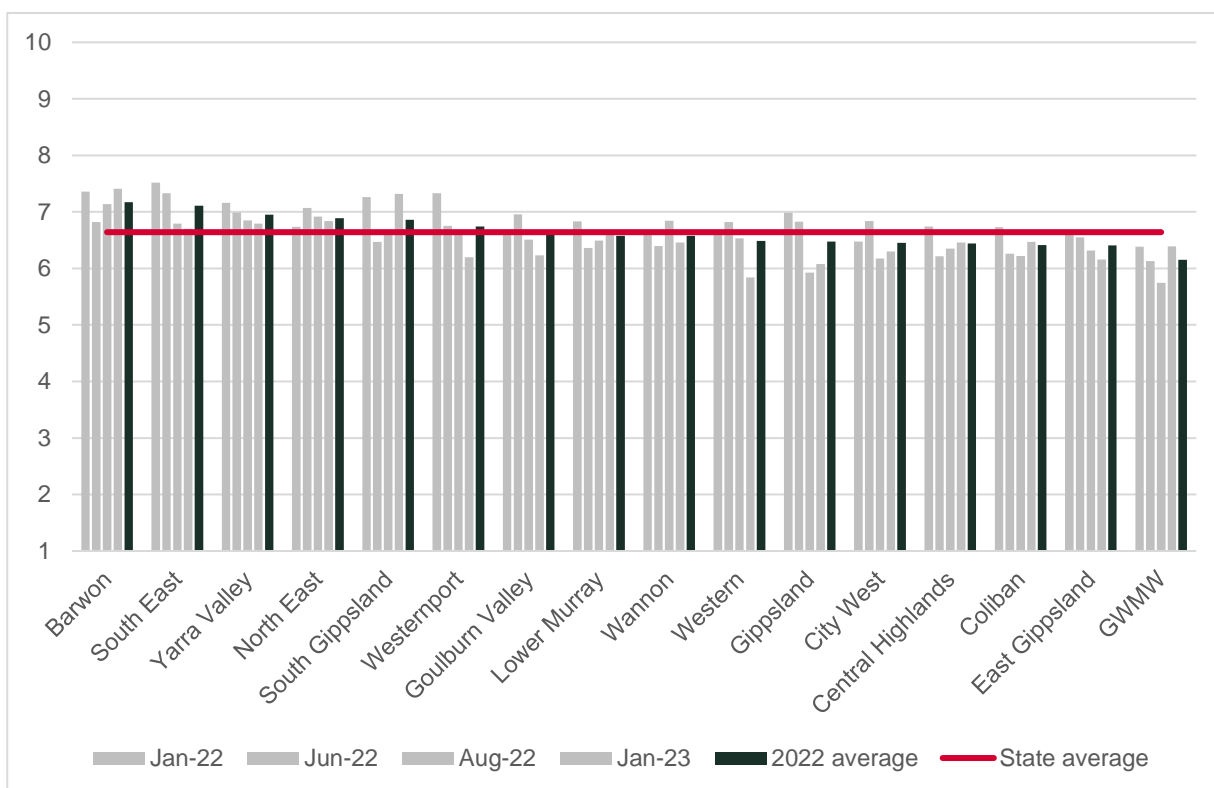
**Figure 2.1 State average scores for each area surveyed**



**Figure 2.2** How customers rated their business for value for money

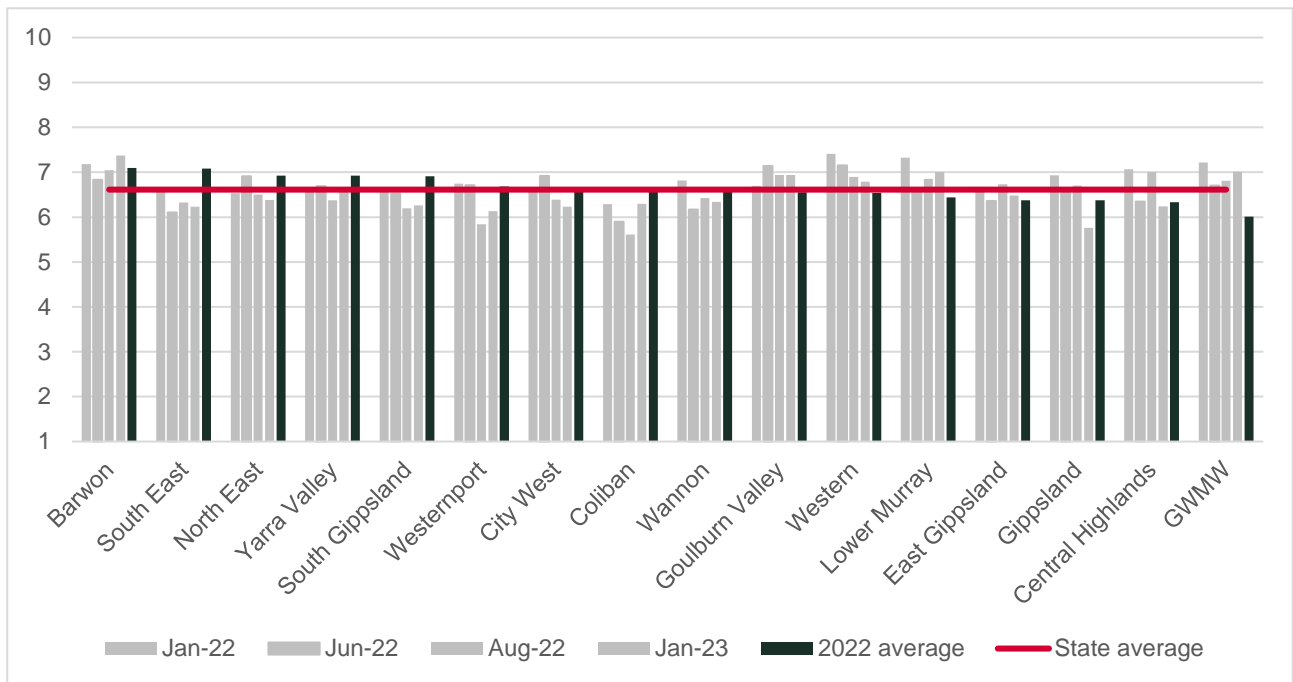


**Figure 2.3** How customers rated their water business on reputation in the community

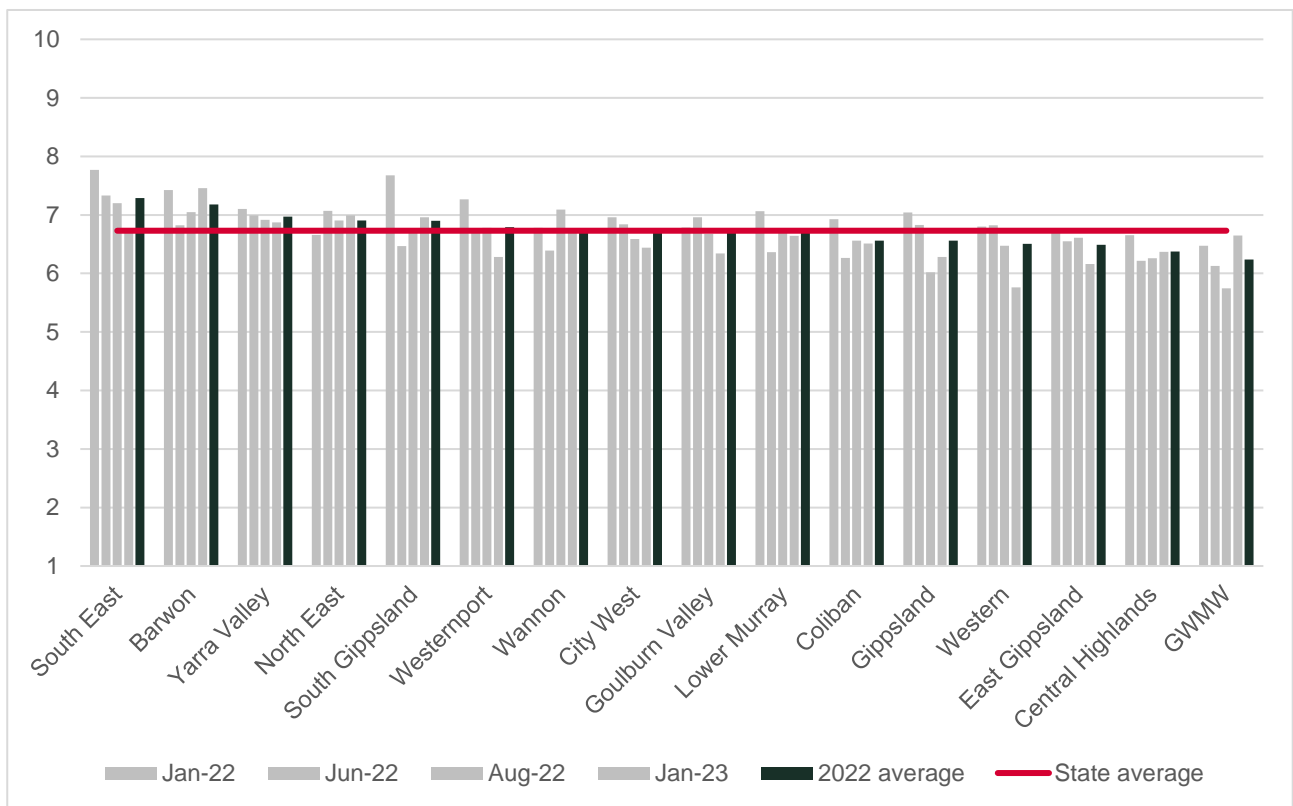


How water businesses respond to their customers

**Figure 2.4** How customers rated their water business for level of trust



**Figure 2.5** How customers rated their water business for overall satisfaction





## Key observations

- Scores continue to vary only slightly from business to business. The difference between the highest rated business and lowest rated business remained steady from the previous year at around one point.
- Customers generally gave the highest ratings for overall satisfaction and reputation in the community, which average at 6.7 out of 10 and 6.6 out of 10 at the state level respectively. Of the four areas surveyed, the lowest ratings were for value for money which averaged at 6.2 out of 10 at the state level.
- Barwon Water was, for the second year in a row, rated highest for value for money in 2022 and had the seventh lowest typical bill in 2021-22. Meanwhile GWMWater was rated the lowest on value for money in 2022 and had the highest typical bill in 2021-22. This indicates that while customers strongly consider the price of their bill when rating the value their water business provides, other factors may also form part of their consideration.
- Barwon Water, for the second year in a row, was one of the highest rated businesses in 2022. It placed first in three categories – value for money, trust, and reputation in the community. Additionally, South East Water was the only business to be rated higher than Barwon Water for overall satisfaction, with the two businesses recording similar ratings for this category.
- Across all four surveyed categories GWMWater was the lowest rated water business in 2022.

## 2.3. Water business customer service

We asked Customer Service Benchmarking Australia (CSBA) to independently benchmark the call centre performance of Victorian water businesses. Posing as genuine customers with general enquiries, trained CSBA mystery shoppers contacted each of the water businesses' call centre agents on 60 occasions via the account line (as opposed to the fault line) and scored each interaction.

Customer Service Benchmarking Australia uses a proprietary approach called SenseCX for scoring the key aspects of the customer experience during a telephone call.

The key aspects are described as: **engage, introduce, clarify, resolve** and **close**. The scoring approach measures performance in these key aspects across the following three areas:

- **Ease** – the effort the customer must expend to accomplish their goals. The interaction must be easy. The agent should actively guide the customer through a clear process towards resolution.
- **Sentiment** – how the experience and interaction make the customer feel. Customers want to be treated as an individual, not just another transaction in the agent's day.
- **Success** – the degree to which the customer is able to accomplish their goals. Customers want to get what they came for and move on. They need to be understood and provided with a no-fuss resolution.

The SenseCX approach provides a benchmark comparative score, and helps businesses identify specific areas where they can improve the customer experience. Points are allocated for meeting specific criteria across the three areas. The score is simply the percentage of total points achieved out of the total points available for each area. Overall, the Victorian water sector achieved a score of 57 per cent, the same score as the previous year.

Since 2017-18, CSBA has applied its SenseCX approach to score the water sector and compare it with other industry sectors' scores. Table 2.1 outlines the median scores for each of the sectors in 2021-22, which all fall within a 9 percentage point range. The median scores of the metropolitan and regional Victorian water sectors are comparable to the median scores of utilities and other Australian sectors measured by CSBA.

Table 2.2 provides the overall average score for each water business, along with average scores for each of the three pillars: ease, sentiment and success.

**Table 2.1 Victorian metropolitan and regional water sectors compared to other Australian sectors in 2021–22 (median score under SenseCX)**

Sector	Median score (per cent)
Education	62
<b>Victorian Regional Water Sector</b>	<b>58</b>
Automotive	57
Australian Water Sector	57
Commercial	57
<b>Victorian Metropolitan Water Sector</b>	<b>56</b>
All Utilities	56
Financial Services	55
Government	53

Source: Customer Service Benchmarking Australia

**Table 2.2 Water businesses' overall benchmark scores and scores for each area under SenseCX (per cent)**

Water business	Score	Ease	Sentiment	Success
Barwon Water	73	63	79	77
GWM Water	61	43	69	70
South Gippsland Water	59	36	65	74
East Gippsland Water	58	34	61	75
Westernport Water	58	34	68	70
Yarra Valley Water	57	38	62	68
Coliban Water	56	33	64	68
Gippsland Water	56	34	62	69
Goulburn Valley Water	56	33	61	71
Greater Western Water	56	35	62	69
South East Water	56	34	63	69
Wannon Water	55	32	62	69
Central Highlands Water	54	33	60	66
North East Water	54	30	62	67
Lower Murray Water	52	28	60	66
<b>Victorian Water Sector (average)</b>	<b>57</b>	<b>36</b>	<b>64</b>	<b>70</b>

Source: Customer Service Benchmarking Australia

### Key observations

- The Victorian water sector overall score and scores for each of the three areas – ease, sentiment and success – remained stable compared to the previous year. The areas of ease and success saw slight improvements to 36 per cent and 70 per cent respectively whilst sentiment did not change. This suggests that despite continuing uncertainty and change due to the pandemic, customers continue to receive a similar level of customer

How water businesses respond to their customers

service as in previous years. However, this also suggests that the level of service is not improving year on year.

- Ease continues to be the lowest scoring area for all water businesses with a sector average score of 36 per cent, just above half the sector average score for success at 70 per cent. Helping customers stay informed and increasing transparency to guide them to a resolution continues to be an area of improvement for water businesses. CSBA does note that challenges in this area are reflective of the broader customer service industry.
- There were slight to moderate improvements in most businesses' overall scores compared to 2020-21. Only Barwon Water, Coliban Water, Wannon Water, North East Water and Lower Murray Water saw a decrease in their overall score.
- Barwon Water continues to be the best performing business, sitting well above the rest of the sector at 73 per cent. However it also had the largest drop in overall score, falling by 3 percentage points compared to 2020-21.

### Want more information?

For more information, see our [data summary](#) which contains the data that forms the basis for our tables and charts.

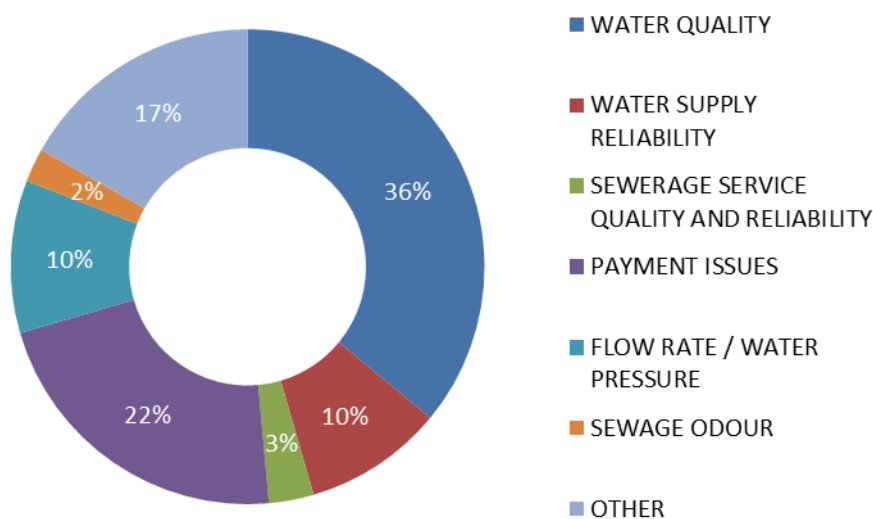
## 2.4. Complaints made to water businesses

Customer complaints can indicate dissatisfaction with the services provided by water businesses.<sup>9</sup> If a business cannot resolve a complaint directly with the customer, the customer may refer the matter to the Energy and Water Ombudsman (Victoria) for further investigation. Figure 2.6 shows the breakdown of total complaints made to water businesses in 2021-22 according to several categories and sizes each category according to its relative share of complaints.

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<sup>9</sup> A complaint is recorded if a customer registers dissatisfaction in a complaint category. Australian Standards define a complaint as an 'expression of dissatisfaction made to or about an organisation, related to its products, services, staff or handling of a complaint where a response is implicitly expected or legally required.' (AS/NZS 10002:2014) Under our reporting definitions, any customer query related to water quality must be recorded as a water quality complaint.

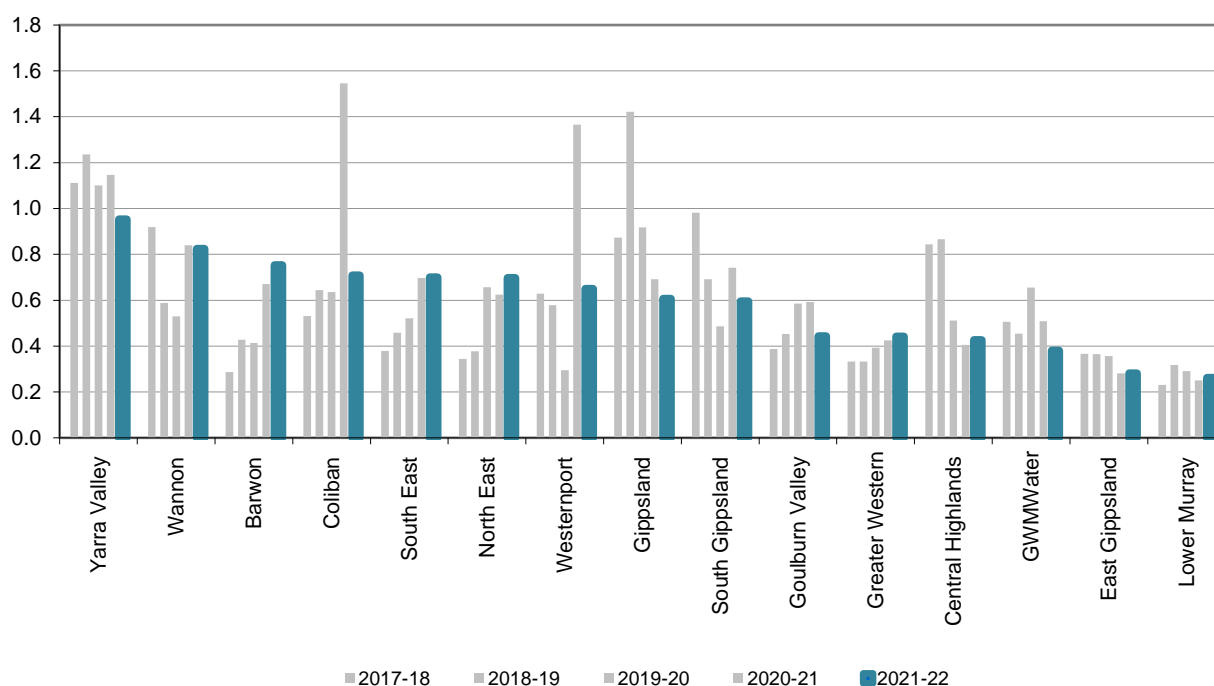
**Figure 2.6 Complaints by category in 2021-22 (total complaints made to water businesses)**



In 2021-22, businesses reported a total of 20,818 customer complaints across Victoria, a 9 per cent decrease from 22,847 total complaints in 2020-21. Water quality complaints again represented the largest proportion at 36 per cent of the total statewide complaints, however this is 3 percentage points lower than in 2020-21. In contrast, the proportion of complaints in relation to payment issues increased by 2 percentage points from 20 per cent in 2020-21 to 22 per cent in 2021-22.

Water quality complaints still outnumbered all other complaints for all water businesses except Barwon Water, Central Highlands Water, Wannon Water, Gippsland Water and Lower Murray Water. Barwon Water received more complaints about issues classified as ‘other’. Central Highlands Water and Gippsland Water received more complaints about water pressure/flow rate issues than water quality. Figure 2.7 shows the complaint rate for each water business per 100 customers.

**Figure 2.7 Complaints made to water businesses (per 100 customers)**



**Snapshot (total complaints, per 100 customers)**

Statewide average		-10.4%	Metro average		-8.7%	Regional average		-16.6%
2021-22	0.70	↓	2021-22	0.73	↓	2021-22	0.60	↓
2020-21	0.78		2020-21	0.80		2020-21	0.72	

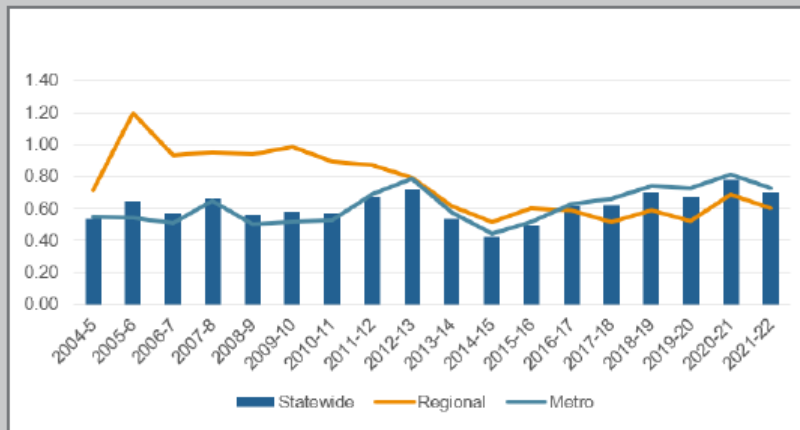
**Key observations**

- The average customer complaint rate in 2021-22 was 0.70 complaints per 100 customers, a decrease of 10.4 per cent compared to 2020-21, when the rate was 0.78 complaints per 100 customers
- The complaint rate decreased for both metropolitan and regional urban water businesses by 8.7 per cent and 16.6 per cent respectively.
- Yarra Valley Water reported the highest complaint rate with 0.95 complaints made per 100 customers. The largest proportion of these complaints were related to water quality.
- Barwon Water had the largest increase in its complaint rate, increasing by 0.08 from 0.67 to 0.75 complaints per 100 customers. About 47 per cent of these complaints were related to issues categorised as ‘other’.
- Coliban Water reported the largest decrease in its complaint rate, decreasing by 0.84 from 1.55 in 2020-21 to 0.71 in 2021-22.

- East Gippsland Water and Lower Murray Water reported the lowest rates of about 0.3 complaints per 100 customers.



## Complaints made to water businesses



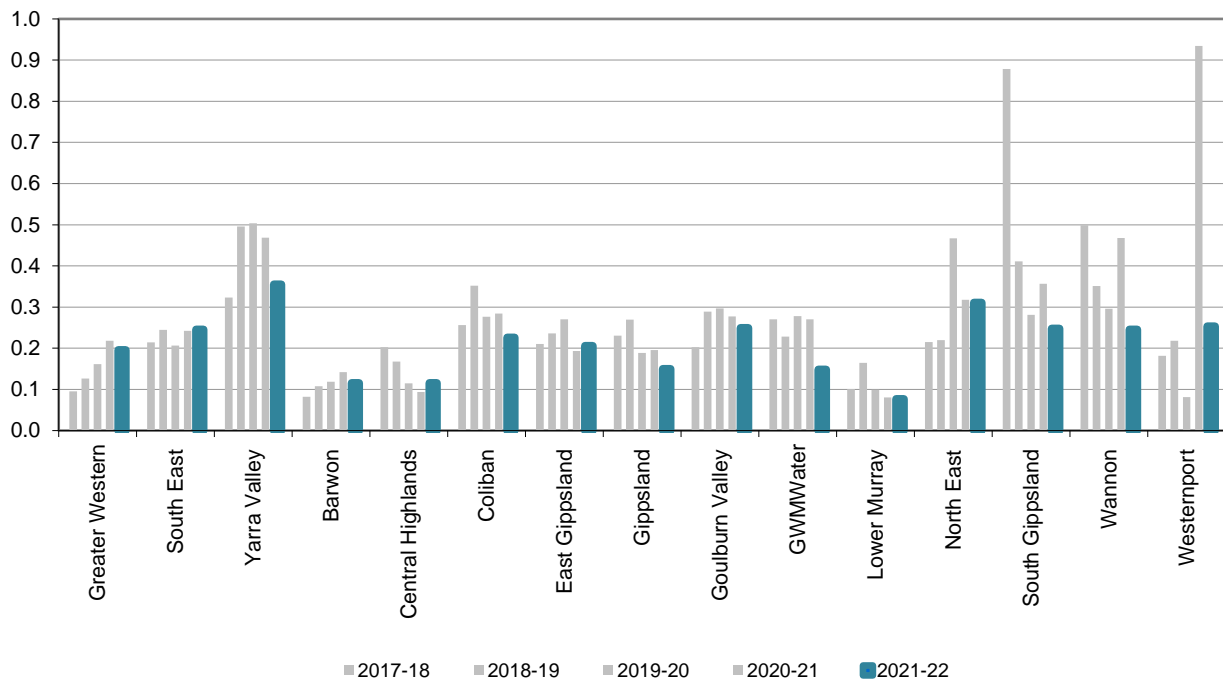
The rate of complaints made to water businesses has varied year by year in Victoria. In regional Victoria the complaint rate has come down from a peak in 2005–6 to below the metropolitan rate. In recent years the metropolitan rate has trended slightly upward.



## 2.5. Water quality complaints made to water businesses

The number of water quality complaints is a measure of customer satisfaction with the colour, taste and odour of water supplied. Figure 2.8 shows the number of water quality complaints received by each water business per 100 customers across five years.

**Figure 2.8** Water quality complaints made to water businesses (per 100 customers)



### Snapshot (water quality complaints, per 100 customers)

Statewide average		-16.8%	Metro average		-15.0%	Regional average		-25.1%
2021-22	0.25	↓	2021-22	0.27	↓	2021-22	0.18	↓
2020-21	0.30		2020-21	0.32		2020-21	0.24	

### Key observations

- A total of 7,491 water quality complaints were made to water businesses across the state in 2021-22, a decrease of 1,366 on the year before. This equates to 0.25 complaints per 100 customers and is slightly below last year's complaint rate of 0.30.
- In metropolitan Melbourne, complaints per 100 customers decreased by 15 per cent compared to 2020-21. South East Water was the only metropolitan business to report an increase in its complaint rate, a 1 per cent rise from 0.24 in 2020-21 to 0.25 in 2021-22.

Greater Western Water's complaint rate decreased by 10 per cent, and while Yarra Valley Water reported the largest decrease of 24 per cent, it still reported the highest complaint rate statewide at 0.36 complaints per 100 customers.

- In regional Victoria there was a 25.1 per cent decrease in complaints per 100 customers with only two businesses reporting an increase. Westernport Water reported the largest decrease in complaint rate of 73 per cent, falling from 0.93 complaints per 100 customers in 2020-21 to 0.25 in 2021-22.
- Across the state, Central Highlands Water reported the largest increase in its complaint rate, which rose from 0.09 complaints in 2020-21 to 0.12 complaints per 100 customers in 2020-21, an increase of 22 per cent.
- As mentioned previously, Westernport Water reported the largest decrease in water quality complaint rate, falling by 0.681 complaints to 0.25 complaints per 100 customers in 2021-22. Barwon Water and Central Highlands Water had the lowest overall complaint rates of 0.12 per 100 customers.

## 3. Water and sewer network reliability

This chapter looks at reliability of the water and sewer networks, by exploring how often customers are without a water supply and how often sewer blockages and spills impact customers. Our measures only consider the pipe network and pumps under the control of the water businesses and exclude the private property connections managed by customers.

### 3.1. 2021-22 at a glance

Water networks were less reliable with an increase in average customer minutes off supply across the state.

Sewer service reliability increased across the state, with a decline in sewer blockages and spills.

### 3.2. Water service – minutes off supply

'Minutes off supply' is a measure of how many minutes on average a customer for each water business was without their water supply during a year. This measure only looks at interruptions to water mains and excludes smaller ancillary pipelines or private connections.

Various factors affect average minutes off supply, including the:

- number of interruptions
- duration of each interruption
- number of customers affected by each interruption.

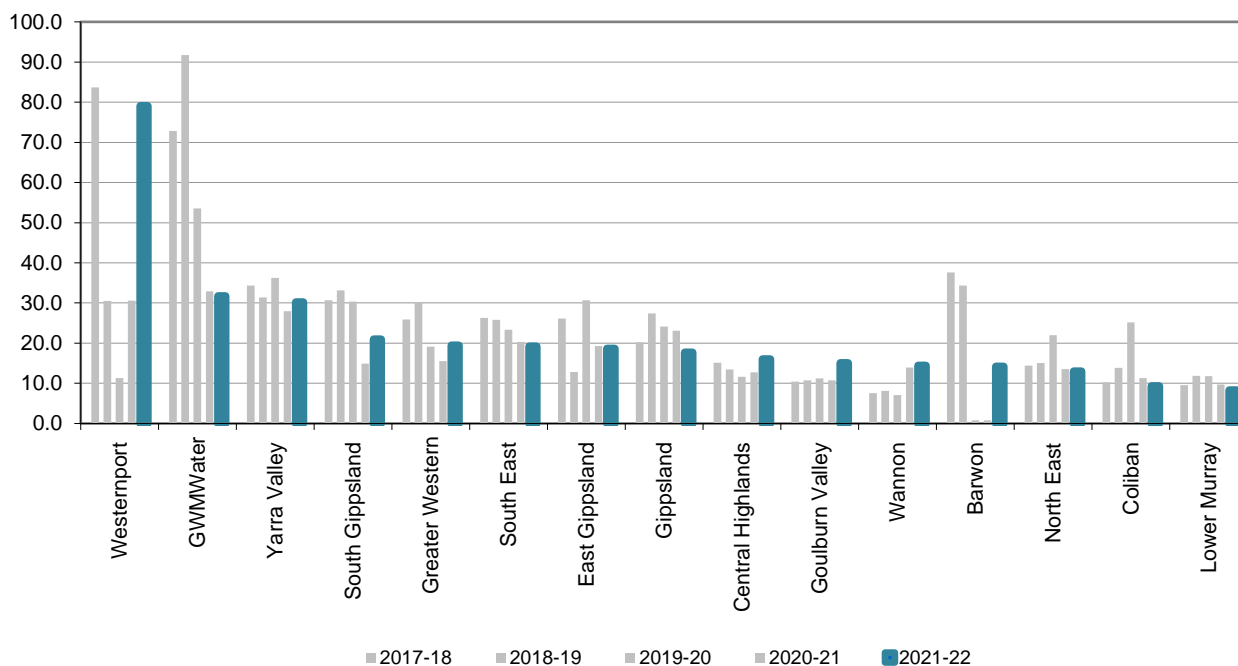
Whether interruptions are planned or unplanned also gives insight into the stability and reliability of the network. Figure 3.1 shows the average time in minutes a customer had their water supply interrupted for each water business across the last five years.

#### **Types of interruptions – planned and unplanned**

A planned interruption occurs when a customer has received at least two days' notice of an interruption to their water service. An unplanned interruption occurs when this notice was not given, or the duration of a planned interruption exceeded the time estimated.

The duration of supply interruptions can be greatly affected by factors including the size and location of the pipeline, access to the worksite, the availability of work crews to attend, and the nature of the repair required.

**Figure 3.1 Average minutes off water supply per customer**



**Snapshot (average customer minutes off supply)**

Statewide average		11.2%	Metro average		6.7%	Regional average		37.1%
2021-22	22	↑	2021-22	23	↑	2021-22	17	↑
2020-21	20		2020-21	22		2020-21	12	

**Key observations**

- Across Victoria, the average customer minutes off supply increased by 11.2 per cent from 20 minutes in 2020-21 to 22 minutes in 2021-22.
- In Melbourne, the average customer minutes off supply increased by 6.7 per cent from 22 minutes to 23 minutes.
- Regional Victoria saw a 37.1 per cent increase in customer minutes off supply, from 12 minutes to 17 minutes.
- Westernport Water reported the highest average customer minutes off supply at 79 minutes, another large increase from its 2020-21 value of 13 minutes. This is the second year in a row that Westernport Water has seen a large increase in its average customer minutes off supply.
  - Westernport Water attributes the large increase from 2020-21 to 2021-22 to two major factors. Firstly, there was planned mains cleaning in Cowes which naturally

required supply being turned off. Secondly, there were two water main bursts that were complex to repair. One burst was the result of a fallen tree damaging both a water main and powerlines. Repairs were not able to be commenced until the site was safe, delaying time to restore services.<sup>10</sup>

- Lower Murray Water had the lowest average customer minutes off supply at 8.3 minutes, citing its renewals and preventative maintenance programs as the sources of its strong performance.<sup>11</sup>
- Barwon Water reported a significant rise in average customer minutes off supply from 0.8 in 2020-21 to 14.2 minutes in 2021-22, over a 16-fold increase. Despite this increase Barwon Water had the fourth lowest average customer minutes off supply. Barwon Water attribute this to a combination of factors, including an increased focus on safety and ensuring additional checks were performed. Additionally, it noted issues with external contractors taking longer to complete jobs.<sup>12</sup>

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<sup>10</sup> Essential Services Commission, *Westport Water's outcomes performance 2021-22*, October 2022, p. 2.

<sup>11</sup> Essential Services Commission, *Lower Murray Water's outcomes performance 2021-22*, October 2022, p. 12.

<sup>12</sup> Essential Services Commission, *Barwon Water's outcomes performance 2021-22*, October 2022, p. 8.

### 3.3. Sewerage service – sewer blockages

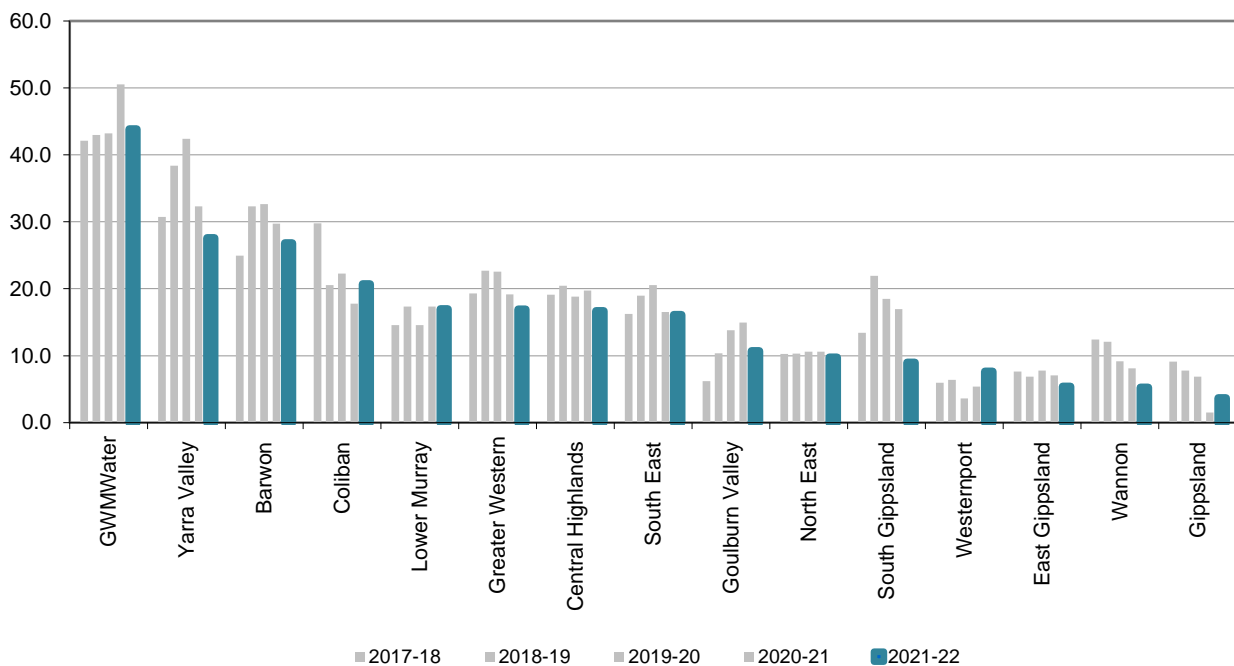
Sewer networks consist of:

- trunk and reticulation mains (core infrastructure involving large pipes and pumps to transfer sewage to treatment facilities)
- house connection branches and property drains (ancillary smaller infrastructure that transfers sewage from customers to the sewer mains)
- private connections from customers to connection branches or property drains (faults in these are the responsibility of customers).




Figure 3.2 shows the number of sewer blockages reported per 100 kilometres of sewer main for each water business across the last five years.

A sewer blockage is a partial or total obstruction of a sewer main that impedes sewage flow and does not include blockages in the ancillary infrastructure or private connections.

**Figure 3.2 Sewer blockages per 100 kilometres of sewer main**



## Snapshot (Sewer blockages per 100 kilometres of sewer main)

Statewide average		-10.2%	Metro average		-10.8%	Regional average		-8.7%
2021-22	19.0		2021-22	20.7		2021-22	15.9	
2020-21	21.1		2020-21	23.2		2020-21	17.4	

### Key observations

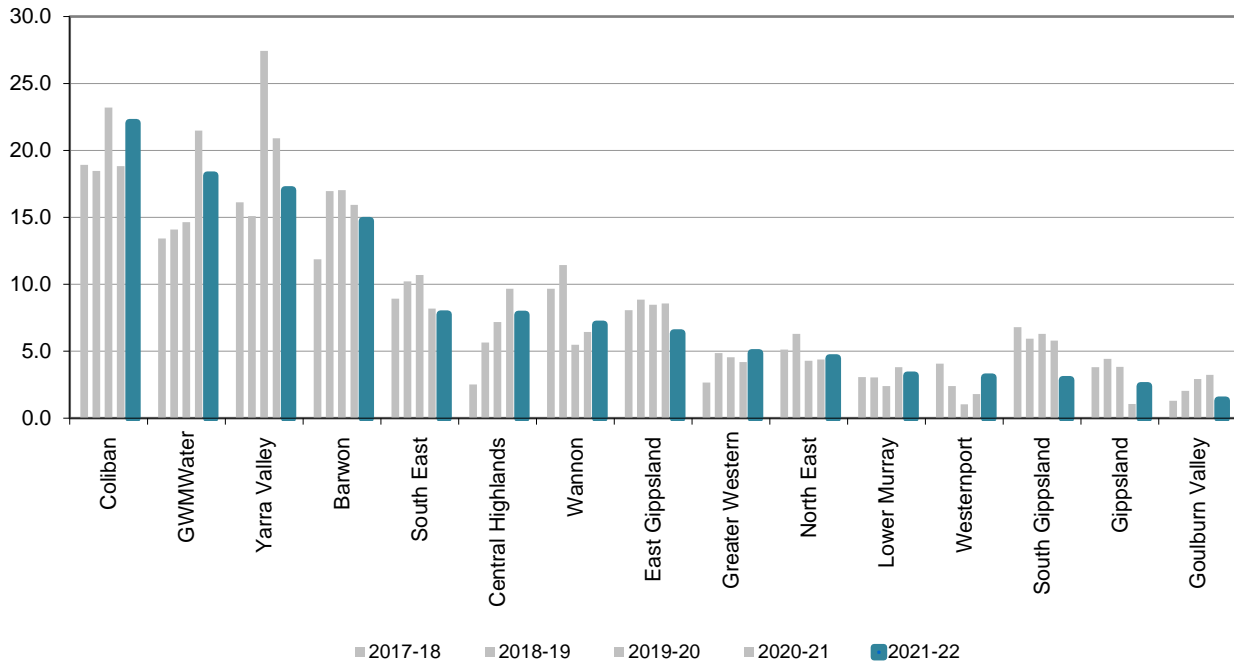
- Across the state, the rate of sewer blockages decreased by 10.2 per cent, continuing the downward trend from 2020-21.
- In metropolitan Melbourne, there was a 10.8 per cent decrease with 21 blockages on average per 100 kilometres of sewer main. All three metropolitan businesses have continued to report lower sewer blockage rates in 2021-22.
- In regional Victoria the blockage rate was 16 blockages per 100 kilometres of sewer mains, down from 17 blockages per 100 kilometres of sewer mains the previous year.
- GWMWater continues to report the highest rate of sewer blockages with 43.8 blockages per 100 kilometres of sewer mains, and has reported the highest rate each year since 2016-17. This is despite a 13 per cent decrease in its sewer blockages from the previous year.
- Gippsland Water continue to report the lowest sewerage blockage rate with 4 blockages per 100 kilometres of sewer main in 2021-22, despite an increase in blockage rate from 2020-21.



### 3.4. Sewerage service – containment of sewer spills

Spills are a failure to contain sewage within the core sewer infrastructure. Figure 3.3 shows the number of sewer spills reported per 100 kilometres of sewer main for each water business across five years.

**Figure 3.3 Sewer spills per 100 kilometres of sewer main**



#### Snapshot (Sewer spills per 100 kilometres of sewer main)

Statewide average		-9.6%	Metro average		-12.4%	Regional average		-3.4%
2021-22	10.2	↓	2021-22	10.6	↓	2021-22	9.4	↓
2020-21	11.2		2020-21	12.1		2020-21	9.7	

#### Key observations

- The statewide sewer spill rate decreased by 9.6 per cent, from 11 sewer spills per 100 kilometres of sewer main in 2020-21 to 10 sewer spills per 100 kilometres in 2021-22.
- Only four businesses across the state reported an increase in sewer spill rates, four fewer than the previous year.
- Coliban Water reported the highest sewer spill rate with 22 sewer spills per 100 kilometres of sewer main in 2021-22 up from 19 in 2020-21.

- Goulburn Valley Water had the lowest sewer spill rate and the largest percentage decrease with 1 sewer spill per 100 kilometres of sewer main compared to 3 spills the previous year.

### **Containing spills within five hours**

- Eight businesses – Greater Western Water, Coliban Water, East Gippsland Water, Goulburn Valley Water, GWMWater, Lower Murray Water, South Gippsland Water and Westernport Water – contained 100 per cent of sewer spills within five hours in 2021-22. This is the same number of businesses as in the previous year.
- Two businesses – South East Water and Yarra Valley Water – contained close to 100 per cent of spills within five hours, containing 99.9 and 99.7 per cent within five hours respectively.
- The percentage of spills contained within five hours for the remaining five businesses were:
  - Barwon Water: 98.6 per cent, up from 98.4 per cent in 2020-21
  - North East Water: 91.2 per cent, down from 98.2 per cent in 2020-21
  - Central Highlands Water: 98.3 per cent, up from 96.6 per cent in 2020-21
  - Gippsland Water: 97.7 per cent, down from 100 per cent in 2020-21
  - Wannon Water: 98.5 per cent, up from 95.2 per cent in 2020-21.

## 4. How much water is recycled

### 4.1. Recycled water – effluent treatment and reuse

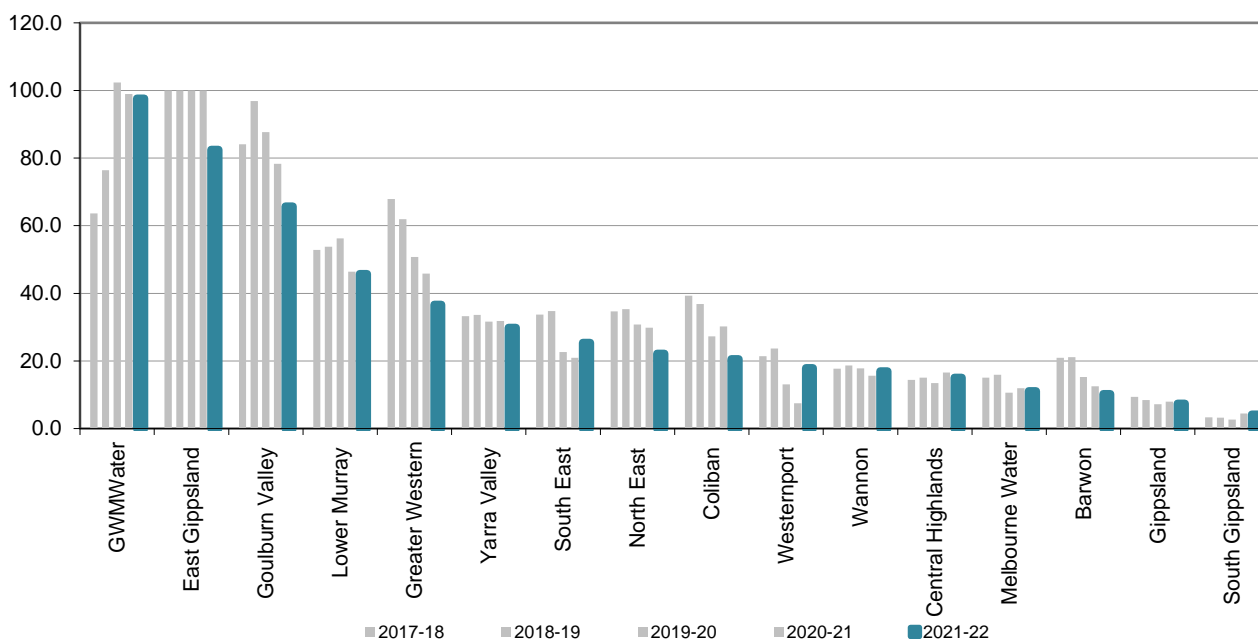
Wastewater consists of residential and non-residential sewage, trade waste from commercial and industrial customers, and stormwater that reaches the sewer network. The wastewater treatment plants produce an effluent stream that, if unused or not recycled, is normally discharged to the environment.

Recycled water is generally used on turf farms, dairy farms, recreational lands (such as parks and golf courses) and is used in some industrial processes and for irrigation. Some businesses operate ‘third pipe’ recycled water supply systems to their customers, for non-potable uses such as watering the garden and flushing the toilet. Recycled water can also be used for beneficial environmental outcomes, such as maintaining wetlands.

In 2020, the Department of Environment, Land, Water and Planning (now Department of Energy, Environment and Climate Action) led a whole-of-government review and update of Victoria’s recycled water guidance, which ultimately resulted in changes and new classifications to ensure proper attribution to reuse and recycling of treated wastewater. Our reporting now separately captures effluent disposal to land where there is no customer, community group or similar entity using products generated by irrigation (i.e., crops, woodlots, livestock, etc). This may result in reductions in reported reuse for some businesses that had previously incorrectly classified wastewater as “reused” or “recycled” when discharging treated effluent to land or storing effluent in lagoons for disposal via evaporation. The Department is working with the Environmental Protection Authority to better define these indicators and will provide further advice for the next reporting year.

Figure 4.1 shows the proportion of water recycled as a percentage of the volume of effluent produced by each water business across the last five years.

**Figure 4.1 Recycled water used as a percentage of effluent volume produced**



**Snapshot (recycled water, percentage of effluent produced)**

State Average		-8.6%	Metro Average		-8.7%	Regional Average		-9.7%
2021-22	16	↓	2021-22	13	↓	2021-22	22	↓
2020-21	17		2020-21	14		2020-21	25	

**Key observations**

- Across the state, total effluent production increased slightly by two per cent (12,592 megalitres) to 525,273 megalitres. This follows a 1 per cent (4,582 megalitres) decrease the year before.
- Across the state 16 per cent of effluent produced was reused as recycled water on average. This is down from 17 per cent in 2020-21 and reflects slight decreases in both metropolitan Victoria and regional Victoria.
- South East Water, Westport Water and Wannon Water were the only businesses to reuse a higher proportion of the effluent they produced in 2021-22 than they had in 2020-21.
- No water business reused 100 per cent of the effluent it produced. East Gippsland Water, which regularly reported 100 per cent reuse, has reported 82 per cent this year, because some of the effluent it produces is stored in lagoons for disposal by evaporation, which can no longer be considered as reuse under the new definitions.
- Only East Gippsland Water, GWMWater and Goulburn Valley Water reused more than 50 per cent of the effluent they produced. Lower Murray Water almost achieved this, reporting 46 per cent reuse.

How much water is recycled

- South Gippsland Water continues to report the lowest proportion of recycled water usage. This year it reused 4 per cent of the effluent it produced, the same amount as in 2020-21.



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