

South East Water – Outcomes – 2018–23

Summary table

Outcome	18-19	19-20	20-21	21-22	22-23
1. Get the basics right, always	Green	Green	Green	Green	Grey
2. Warn me, inform me	Green	Green	Green	Green	Grey
3. Fair and affordable for all	Green	Yellow	Green	Green	Grey
4. Make my experience better	Green	Green	Yellow	Yellow	Grey
5. Support my community, protect my environment	Green	Green	Yellow	Yellow	Grey
Overall	Green	Green	Green	Green	Grey

Business comment – 2021–22

As another financial year comes to an end we are proud to once again achieve an overall GREEN rating across our customer outcomes. This rating consists of three outcomes achieving target and two falling outside but within the tolerance bands set at the start of the 2018-19 year. Whilst our aim is for all five outcomes to achieve a green rating there were significant impacts as a result of the COVID-19 pandemic that were not foreseeable and made the delivery of some programs and services difficult over the past two years, along with a far more variable climate delivering extreme weather events that put additional strain on our network.

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Our operating cost per property metric is just outside target for the year in isolation however remains under from a cumulative perspective across the four years to-date of the current regulatory period. This year is also forecast to be slightly over target in isolation but we are forecasting to meet the five year commitment from a cumulative perspective at years end.

Our customer satisfaction at 82% is below target however remains a positive result overall with us also being announced by the ESC as the top Victorian Water Retailer in their customer perception surveys. Since the targets were set back in 2018 we have expanded our surveys across additional channels and have adjusted the rating of a 'positive' interaction up from scores of 6 to 7 and above out of 10.

We've continued our strong performance in supporting customers through difficult times with both associated support targets achieved. This included maintaining a strong focus on providing extra support to those who needed it most with the ongoing impact of the coronavirus (COVID-19) pandemic.

Our total complaints per 100 result was 0.57 and remained outside our target of 0.38. As mentioned previously, this isn't unexpected nor taken in a negative sense because of the change to the definition and consistent capture across our organisation. The change allows for pain point identification and rectification, essentially driving an increased level of service and satisfaction moving forward.

Despite the result for both number of properties connected to recycled water and the volume of water used falling outside target for the year we've made significant progress towards the end of the year as a result of the coronavirus (COVID-19) related restrictions being lifted. Both measures increased year-on-year more than originally targeted for the 2021-22 year however do remain slightly behind target. We believe both will continue to perform strongly and expect to meet the target this year providing no further coronavirus (COVID-19) impacts play out.

Outcome 1: Get the basics right, always

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Number of Safe Drinking Water Act non-compliances (water sampling and audit)	No.	Target		0	0	0	0	0	0
		Actual	0	0	0	0	1	0	
b Number of water quality complaints per 100 customers	no. per 100 customers	Target		0.18	0.18	0.18	0.18	0.18	0.18
		Actual	0.18	0.10	0.10	0.10	0.13	0.12	
c Number of customers receiving greater than 5 unplanned water supply interruptions	No.	Target		532	532	532	532	532	532
		Actual	468	265	226	244	315	0	
d Number of customers receiving 3 or more sewerage blockages	No.	Target		17	17	17	17	17	17
		Actual	21	24	31	19	22	21	

Overall outcome 1 performance for the regulatory period so far:



Business comment

Overall, we consider our performance for outcome 1 to be green as three measures have achieved target with the remaining one comfortably within the tolerance band.

- a. South East Water have been fully compliant with the Safe Drinking Water Act. This can be attributed to both the comprehensive risk management plan and the additional sample tap maintenance program which has reduced the impact of false positive E.coli detects by ensuring representative sampling of the water being supplied to our customers.
- b. Water quality complaints are marginally down compared with the last financial year, despite chlorine residuals throughout the network being increased as part of the chlorination strategy. In fact, chlorine taste and odour complaints are down by 7%, demonstrating that the strategy has been well executed with minimal impact to our customers perception of water quality.

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- c. SEW experienced zero customers with more than 5 unplanned water supply interruptions in the 2022 financial year. This can be attributed to a lower number of water main leaks and bursts in the network compared to the 10-year average (~10% less). The increased network reliability has been as a result of cooler and wetter weather during the 2022 fiscal year and our ongoing targeted water main renewal program.
- d. Despite a slight increase in overall blockage numbers, we have seen a decrease in the number of customers experiencing 3 or more sewer blockages. There has been a deliberate focus on identifying the causes of repeat issues and resolving them before the customer experiences a third interruption.

Outcome 2: Warn me, inform me

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Percentage of customers notified per unplanned water supply interruption (for customers who have provided email/mobile details) * superseded	% of notifiable customers	Target		64%	68%	72%	76%	78%	80%
		Actual	60%	65%	79%	89.9%	94.2%	NA	NA
a Percentage of customers notified per unplanned water supply interruption (as a percentage of total customer affected)	% of affected customers	Target						59%	61%
		Actual					72.2%	71.8%	
b Average duration of unplanned water supply interruptions	minutes	Target		88	88	88	88	88	88
		Actual	87.7	84	82	81.6	81.1	79.2	
c Percentage of customer interruptions that are in peak hours	%	Target		28.0%	27.9%	27.8%	27.7%	27.6%	27.6%
		Actual	28.1%	28.9%	27.9%	26.4%	25.9%	26.6%	
d Planned water interruptions restored within notification period	%	Target		98%	98%	98%	98%	98%	98%
		Actual	98%	98%	99%	98.8%	98.8%	98.7%	

Overall outcome 2 performance for the regulatory period so far:



Business comment

Overall, we consider our performance for outcome 2 to be green as all four of the target measures have been met and continue to improve year on year.


- a. The percentage of customers notified of unplanned interruptions is within target and remains steady with the previous month. We're continuing to progress improvements within the notification process to enhance the timeliness and reliability of communication to impacted customers.

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- b. The length of time taken to repair failed water mains remains within target for the year. Our maintenance contractors performed well repairing failures in a timely manner to minimise impact to customers. This was despite major challenges due COVID-19 disruptions and resulting resource constraints.
- c. The target for the percentage of water interruptions to customers in peak hours met target for the 2022 year. Field crews continue to delay repairs and network outages to outside peak hours where safe and viable to do so.
- d. Robust processes to ensure that planned water interruptions are restored within the notification period have led to targets being met again during the 2022 year which is another positive result for customers impacted.

Outcome 3: Fair and affordable for all

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Operating cost per property (residential and non-residential). * superseded	\$2017-18 per property	Target		161	158	155	152	150	147
		Actual	161	158	161	160	NA	NA	NA
a Operating cost per property (residential and non-residential).	\$2017-18 per property	Target		161	158	155	152	150	147
		Actual			156	153	147	151	
b Customers supported by South East Water Assist program	No.	Target		5057	5310	5575	5854	6147	7147
		Actual	4557	5,298	5,485	6,599	5,839	7,102	
c Average level of debt upon entry to South East Water Assist program	\$2017-18	Target		925	875	825	800	800	800
		Actual	925	909	839	674	616	650	

Overall outcome 3 performance for the regulatory period so far: 

Business comment

Overall, we consider our performance for outcome 3 to be green as two measures are within target and one just outside target but within tolerance band.

- a. The operating cost per property was marginally above target for 2021-22 although remains below for the total four years of the regulatory period to date. Whilst cost pressures continue to impact the business, savings achieved earlier in the regulatory period have enabled the business to absorb these pressures and forecast to be under the allowance over the five-year regulatory period.
- b. Customers supported by South East Water is above target as a result of our ongoing support program and focus on identifying and reaching out to customers who might be having trouble paying their water bill. Quarter 4 saw the launch of our proactive outreach to customers with bills issued for an amount 150% or higher than normal which further assisted in early identification and support to those in need.

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- C. The proactive outreach program (above) has helped to identify and engage with customers earlier in the billing journey and before they start to accumulate arrears. This means individual levels of debt are lower upon entry to the Assist program and customers are receiving support earlier in the cycle, hopefully limiting the financial pressure they are experiencing.

Outcome 4: Make my experience better

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Customers satisfied (rating of 7 or above out of 10) via SEW's post-interaction survey	% of survey responses	Target		81%	81%	83%	83%	85%	85%
		Actual	81%	83%	89%	83%	84%	82%	
b Customers who consider SEW provides value for money (rating of 7 or above out of 10) via SEW's post interaction survey	% of survey responses	Target		New	68%	69%	70%	71%	72%
		Actual	New	68%	74%	74%	73%	72%	
c Total complaints per 100 customers	per 100 customers	Target		0.43	0.41	0.40	0.39	0.38	0.37
		Actual	0.36	0.27	0.32	0.42	0.58	0.57	

Overall outcome 4 performance for the regulatory period so far:



Business comment

Overall, we consider our performance for outcome 4 to be amber with one measure on target, one outside target but within the acceptable range, and the third outside target due to a change in our complaint management framework and reporting.

- The Customer Contact team (Faults and Accounts) saw a two per cent drop in customer satisfaction as compared to the previous year. The reduction is primarily attributed to high rates of absenteeism due to COVID related resourcing issues impacting inbound calls and a significant increase in repeat calls due to a backlog of works with our service provider similarly impacted. Both contact centre teams continue to embed our new customer interaction framework with a focus on purposeful and value-add interactions, taking us away from the previous transaction-based approach.
- Our Value for Money result remains within target however is trending downwards over the past two years. As a result, we have reviewed the drivers of value through our perceptions and brand survey. This showed that those who have interacted with us versus those who have not, highlighting those customers feel greater value when they've interacted with us compared with the general customer population.
- Since the introduction of our revised complaint definition in 2020 we have maintained an increased volume of annual complaints due to a deliberate effort to capture them consistently across the business. The volumes have stabilised over the last two financial years however remain higher than our

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original targets set prior to identifying the need for this organisation wide change. We still have opportunities where we envisage further increases to the capture of complaints across various areas of the business and expect to see a gradual increase in the years to come.

Outcome 5: Support my community, protect my environment

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Total net CO2 emissions	tonnes CO2e	Target		40,410	37,385	38,049	28,969	28,609	29,690
		Actual	41,745	47,359	38,264	32,007	37,277	27,556	
b Number of EPA reportable sewer spills	No.	Target		20	20	20	20	20	20
		Actual	20	19	17	14	10	11	
c Percentage of customers in designated greenfield areas receiving recycled water (residential only)	% of customers connected	Target		47%	46%	46%	65%	78%	77%
		Actual	New	New	44%	58%	59%	74%	
d Volume of recycled water as a percentage of total water supplied to designated greenfield areas	%	Target		12%	12%	14%	16%	18%	20%
		Actual	New	New	12%	13%	13%	16%	

Overall outcome 5 performance for the regulatory period so far:



Business comment

Overall, we consider our performance for outcome 5 to be amber with two of four measures within target, one outside target but within the acceptable range and the fourth outside the target for 2021-22.

- a. We are well on our way to sourcing 100% of our electricity from renewable sources and expect to reach this goal by 2024/25. The next action is to tackle our direct emissions from driving vehicles and treating wastewater at our treatment plants. We are investigating a number of ways to reduce our direct emissions including reducing emissions at the source with innovative technology design in future treatment plant upgrades and sourcing local biodiverse sequestration offsets. The emissions of 27,556 tCO2e is an early estimate of the 2021-22 net total emissions with final results available in October 2022.
- b. Another strong result has been achieved this year following the review of business processes and the accuracy of the underlying data despite a wetter climate and the associated pressure on the network.

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- c. With no COVID-19 restrictions being in place in the second half of this year, the program of on-site audits to connect customers to recycled water was able to be completed in Q4 for 2021-22 despite the initial delays. The on-site audits will recommence in 2022-23 once the remaining strategic links in the recycled water network have been constructed. Assuming no major delays in the 2022-23 construction program, the 77% target should be met.
- d. The volume of recycled water is a lagging indicator compared with KPI c) because meters are read every 3 months. Hence, whilst the program of onsite audits was completed in Q4 2021-22, the impact on the volume of recycled water will only be seen in Q1 2022-23.