

Barwon Water – Outcomes – 2018–2023

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2018-19 reporting year. The business has given itself a “traffic light” rating (green = met target, red = not met, yellow = close or largely met) for its performance on each measure, outcome and an overall rating. The business has provided its own comments about its performance on each outcome and overall.

Summary table

| Outcome | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|---|-------|--------|-------|-------|-------|
| 1. A reliable, secure water future for our region | Green | Yellow | | | |
| 2. Timely, innovative services for our customers | Green | Green | | | |
| 3. A healthier environment for all | Green | Yellow | | | |
| 4. Deeper knowledge and partnerships with our community | Green | Green | | | |
| 5. Affordability for all of our customers | Green | Green | | | |
| Overall | Green | Green | | | |

Business comments

Barwon Water is on track to achieve all targets by the end of the regulatory period, and is pleased to report an overall green result.

We have continued to provide a *reliable, secure water future for our region*, despite the loss of a water source, a hotter and drier climate and growing population, by switching to alternate water supplies for example, the Melbourne to Geelong pipeline and Anglesea borefield. These challenges are also putting increasing pressure on expenditure due to the need to use more expensive sources of water to meet increasing customer demand. However, we continue to focus on managing these cost pressures through being innovative and efficient as demonstrated by our Customer Affordability Pipeline (CAP) which has already realised \$14.5M of savings over two years and remains on track to achieve \$32M over the life of this price period.

The challenges above have also required us to bring forward the planning for future supply augmentation, which could be required as early as 2029, when demand could exceed supply under a worst case climate scenario. We've been collaborating with our customers and community through our *Water for our Future* program to co-design our next Urban Water Strategy and a new water future for our region. Through this process, we have already heard from more than 3,000 people about what they value most about water and their ideas for managing future water supply and demand. All of this engagement will provide excellent data for our next pricing submission

Barwon Water's priority during the COVID-19 pandemic was to continue to deliver essential water and sewerage services, while ensuring the health, wellbeing and safety of our community and employees. We have established a dedicated Pandemic Incident Management Team and Crisis Management Team to oversee and drive our proactive and deliberate response across all areas of operations to ensure we can continue to support our services and customers, and in particular help customers experiencing financial hardship.

Our positive performance in providing *timely, innovative services for our customers* demonstrates our dedicated efforts to improve customer experience including evolving our "Voice of Customer" program, strengthening our Customer Support Program, more face-to-face engagement and making it easier for customers to connect with us.

We have invested more than \$75million to provide efficient and reliable water and sewerage services. We also invested significantly in innovative and cost effective renewable energy projects, many of which will come online by the end of 2020.

We need to report a small number of non-compliances with EPA licence conditions in 2019/20 and as a consequence have scored an overall amber in the Outcome 1 category. In addition, we are also assessing ourselves as amber for Outcome 3 as a result of falling short in meeting our CO2 emissions and renewable energy targets.

Outcome 1: A reliable, secure water future for our region

| Output | Unit | | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|--|--------------------|--------|-------|-------|-------|-------|-------|-------|-------|
| a Volume of recycled water allocated for productive use by 2022-23 | ML | Target | – | 2,600 | 2,700 | 3,100 | 3,200 | 3,400 | 3,600 |
| | | Actual | 2,600 | 2,600 | 2,606 | 3140 | | | |
| b Number of non-compliances with EPA License conditions | No. | Target | – | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Actual | 0 | 0 | 1 | 3 | | | |
| c Number of Safe Drinking Water Act non-compliances (water sampling and audit) | No. | Target | – | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Actual | 1 | 0 | 1 | 0 | | | |
| d Number of non-compliances with bulk entitlement and licence conditions | No. | Target | – | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Actual | 0 | 0 | 0 | 0 | | | |
| e Percentage of time water restrictions are in place | Percentage of time | Target | – | <5% | <5% | <5% | <5% | <5% | <5% |
| | | Actual | 0 | 0 | 0.4% | 0.4% | | | |

Overall outcome 1 performance for the regulatory period so far:



Business comment

Barwon Water performed strongly in the majority of Outcome 1 measures and we are confident that all targets will be met by the end of this regulatory period, however as a result of not meeting one of the measures, we are assessing our performance for this outcome as amber.

We had three instances of non-compliance with EPA licence conditions. The incidents were as follows:

- 4 Nov 2019 - Black Rock WRP: decanter failure lead to offsite discharge of partly treated wastewater
- 4 Nov 2019 - Black Rock WRP: notification of the incident above to EPA was beyond the timeframe required by EPA
- 3 Jan 2020 - Anglesea WRP: Offsite discharge of Class B recycled water during transfer to customer

Incident investigations were conducted for each of these events and corrective actions and improvements implemented to prevent recurrence (1b).

We were fully compliant with the safe drinking water act and bulk entitlement and licence conditions. We have a well-developed and robust water quality risk management system in place and our risk management plan is HACCP certified. The multi barrier approach of the risk management plan has ensured that we continue to supply safe drinking water to our customers (1c). Our focus on continuous improvement over the past 12 months has also enhanced our key controls and reflect successful outcomes for the safety of public health. We continue to have a well-established Bulk Entitlement Metering Program which includes real-time monitoring of compliance through telemetry, along with weekly and monthly reporting of compliance with bulk entitlement conditions (1d).

We improved our result from amber to green for the volume of recycled water allocated for productive use by 2022-23 through a number of initiatives including turning on the purple pipe for customers in the residential areas of Armstrong Creek and Torquay North for toilet flushing and garden use, irrigated agriculture adjacent to the Bannockburn WRP, irrigation of open space adjacent to the Northern Water Plant and irrigation of vineyards on the northern Bellarine (1a).

Our customers did not experience any time under water restrictions. Close system monitoring and short to medium term forecasting of system storage levels provides early warning of declining storage levels and requirement for implementation of short-term contingency measures, to ensure security of supply. Longer-term modelling and planning processes ensures requirements for long-term system augmentations are identified to provide security of supply (1.e).

Outcome 2: Timely, innovative services for our customers

| Output | Unit | | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|--|----------------------------------|--------|--------|--------|--------|--------|-------------------------|--------|--------|
| a Number of customers who receive e-billing | Number of customers | Target | – | 17,500 | 20,500 | 28,000 | 38,000 | 51,000 | 54,000 |
| | | Actual | 14,500 | 20,587 | 45,372 | 60,914 | | | |
| b Modify customer survey to capture first-point-resolution rate through the Customer Centre and collect initial data to set a target | Met / not met | Target | – | NA | NA | Met | Targets to be developed | | |
| | | Actual | NA | NA | NA | 89% | | | |
| c Customers who are able to receive communications via SMS | Percentage | Target | – | 64% | 66% | 68% | 70% | 73% | 75% |
| | | Actual | 62% | 61% | 67% | 70% | | | |
| d Customer 'ease of doing business' with BW (survey respondents giving 9 or 10 out of 10) | Percentage of customers surveyed | Target | – | 78% | 79% | 80% | 81% | 83% | 85% |
| | | Actual | 77% | 78.3% | 83% | 81% | | | |
| e Customers who have an unplanned water supply interruption have their water back on within 5 hours | Percentage | Target | – | 97% | 97% | 97% | 97% | 97% | 97% |
| | | Actual | 96.5% | 96.6% | 96.8% | 97.3% | | | |
| f Customers who have a planned water supply interruption have their water back on within 5 hours | Percentage | Target | – | 85% | 85% | 85% | 85% | 85% | 85% |
| | | Actual | 85% | 91.6% | 91.7% | 92.3% | | | |
| g Number of customers who have more than five unplanned water supply interruptions in the year | Number of customers | Target | – | 100 | 100 | 100 | 100 | 100 | 100 |
| | | Actual | 1 | 0 | 0 | 0 | | | |

| | | | | | | | | | | |
|---|--|----------------------------------|--------|------|------|--------------------------------------|------|------|------|------|
| h | Number of customers who have more than two sewer spills to their property in a year | Number of customers | Target | – | 1 | 1 | 1 | 1 | 1 | 1 |
| | | | Actual | 1 | 0 | 2 | 0 | | | |
| i | Customer satisfaction with the overall quality of drinking water (survey respondents answering "Satisfied" or "Extremely Satisfied") | Percentage of customers surveyed | Target | – | 85% | 85% | 85% | 85% | 85% | 85% |
| | | | Actual | 85% | NA | Tracking methodology to be developed | 85% | | | |
| j | Water quality complaints | Number per 1,000 customers | Target | – | 3 | 3 | 3 | 3 | 3 | 3 |
| | | | Actual | 3 | 0.08 | 1.11 | 1.22 | | | |
| k | Complaints to Energy Water Ombudsman Victoria | Number per 1,000 customers | Target | – | 0.65 | 0.65 | 0.65 | 0.65 | 0.65 | 0.65 |
| | | | Actual | 0.05 | 0.04 | 0.28 | 0.26 | | | |

Overall outcome 2 performance for the regulatory period so far:



Business comment

Barwon Water performed very strongly in meeting our Outcome 2 measures and met all targets and as a consequence we have assessed our performance for this outcome as green.

The number of customers who receive e-billing was driven by the introduction of active transfer to e-billing with customer notification and continued focus on this opportunity through all communication channels. Performance is expected to remain strong during 20/21 with a range of initiatives including correspondence to encourage conversion for those customers we have an email address for but have not yet switched to e-bills (2a). Our continued focus on capturing mobile phone numbers during all customer channels including calls and written correspondence, has contributed to us

meeting our target for customers who are able to receive communications via SMS (2c). We are also now able to capture first-point-resolution at our Customer Centre and our customers have responded positively to us for 'ease of doing business' resulting in us meeting both these targets (2b,d).

Our water network performance results were also strong. Weekly meetings to monitor performance and review any jobs that do not meet the target to find improvement opportunities was a key contributor in meeting the 'customers who have an unplanned water supply interruption have their water back on within 5 hours target' (2e). We also continue to work with developers to make sure they are not planning too much work on the one day to ensure we are able to restore planned water supply to the customer within the 5 hour target (2f).

Our sewer network performance results were strong. We have put a lot of focus on improving performance including increased visibility of "at risk" properties by flagging them in FOCUS and creating alerts for our maintenance services crews which has helped to meet the 'number of customers who have more than five unplanned water supply interruptions in the year' (2g) and 'number of customers who have more than two sewer spills to their property in a year' (2h) measures.

A significant proportion of customers responded that they were satisfied with Barwon Water's overall quality of drinking water in the biennial National Customer Perceptions Study conducted by WSAA in 2019. Not only is this reflected in our WSAA survey result, it is also reflected in the Victorian survey conducted by the Essential Services Commission which shows that Barwon Water ranked highest for 'reputation in the community' and third highest in 'overall satisfaction' out of all of the state's water businesses (2i).

Barwon Water has met our water quality and EWOV complaints targets. There are controls in place to manage and reduce the number of water quality complaints. The effectiveness of these controls has resulted in a continued reduction of the three year rolling average of water quality complaints received per 1,000 properties. This is despite the impacts of supply system changes made to balance water storage levels across our different reservoir catchments and recent change to water usage patterns due to the impact of Coronavirus (COVID-19). Over the past 12 months, we have continued our focus on staff training, which has resulted in a number of enquiries and complaints being resolved during first customer contact (2j,k)

Outcome 3: A healthier environment for all

| Output | Unit | | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|---|--------------------|--------|--------|----------|----------|----------|---------------------------|----------|--------|
| a Total greenhouse emissions produced (CO ₂ e) | tCO ₂ e | Target | – | 40,195 | 39,811 | 35,659 | 30,904 | 29,627 | 28,742 |
| | | Actual | 42,986 | 39,505 | 43,238 | 44,259 | | | |
| b Proportion of electricity from renewable sources | Percentage | Target | – | 2% | 5% | 18% | 34% | 39% | 43% |
| | | Actual | 0% | 5% | 5.6% | 10.6% | | | |
| c Biosolids mass re-used | Percentage | Target | – | 100% | 100% | 100% | 100% | 100% | 100% |
| | | Actual | 100% | 100% | 100% | 100% | | | |
| d ‘Unaccounted for’ water | Percentage | Target | – | 9% | 9% | 9% | 9% | 9% | 9% |
| | | Actual | 9% | 9% | 7.12% | 5.68% | | | |
| e Development of a tool for tracking of industrial waste recycled from BW operations and collection of initial data – by June 2020, with targets for subsequent years to be established | Met /not met | Target | – | NA | On-track | Met | Targets to be established | | |
| | | Actual | NA | NA | On-track | Met | | | |
| f Undertake research into water treatment sludge re-use options | Project status | Target | – | NA | On-track | On-track | On-track | Complete | NA |
| | | Actual | NA | NA | On-track | On-track | | | |
| g Construct and commission works for waste to energy capture | Project status | Target | – | On-track | On-track | On-track | On-track | Complete | NA |
| | | Actual | NA | On-track | On-track | On-track | | | |

Overall outcome 3 performance for the regulatory period so far:



Business comment

Barwon Water performed strongly in the majority of Outcome 3 measures and we are confident that all targets will be met by the end of this regulatory period, however by not meeting two measures we have assessed our overall performance for this outcome as amber.

We exceeded our Total greenhouse emissions produced (CO₂e) and Proportion of electricity from renewable sources targets primarily as a result of a significant increase in electricity use and a delay in the commencement of the Zero Emissions Water Power Purchase Agreement (PPA). Reduced surface water resource availability necessitated the use of more energy intensive water sources. Significant emissions reductions are expected going forward, with a number of renewable energy projects due to commence operation in 2020/21 and 2021/22, including the Zero Emissions Water PPA (solar) and Colac Renewable Organics Network (biogas) (3a,b).

All Biosolids produced continue to be re-used through the Biosolids Management Project which is delivering a sustainable program for the treatment and beneficial re-use of the biosolids from the Black Rock Water Reclamation Plant and a number of other Barwon Water reclamation plants (3c).

Continued implementation of programs including maintenance of closed distribution networks, the mains replacement program, pressure management programs and low flow system monitoring, as well as increased focus on response times for burst water mains, have led to meeting our 'Unaccounted for' water target (3d).

A process was developed and implemented for the tracking of Industrial Waste across Barwon Water. Following the collection of 6 months' worth of data, targets were developed to meet our overall Zero Waste target (3e).

We are also on track with our research into water treatment sludge re-use options with the appointment of a PhD student and the construction and commissioning works for waste to energy capture (3f,g).

Outcome 4: Deeper knowledge and partnerships with our community

| Output | Unit | | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|--|------------------------------------|--------|---------|-----------|------------|-----------|-----------|-----------|-----------|
| a Stakeholder perceptions (large customers / regional stakeholders / strategic partnerships) | Percentage net positive | Target | NA | NA | NA | 75% | 80% | 85% | 90% |
| | | Actual | NA | NA | NA | 84% | | | |
| b Residential per capita water consumption (annual average) | Litres/person /day | Target | – | NA | Set target | 207 | 205 | 203 | 201 |
| | | Actual | 202 | 208 | 218 | 203 | | | |
| c New community green / open space provided using existing BW land (cumulative total across regulatory period) | Hectares | Target | – | 0 | 4 | 8 | 12 | 16 | 20 |
| | | Actual | 0 | 2 | 5 | 59 | | | |
| d Social media engagement (Twitter, Facebook, Instagram and LinkedIn) – posts served to customers' feeds | Number of impressions per year | Target | – | 960,000 | 960,000 | 1,991,000 | 2,050,000 | 2,092,000 | 2,133,000 |
| | | Actual | 960,000 | 2,242,424 | 2,043,809 | 3,638,432 | | | |
| e Gender balance in senior leadership team | Percentage male: percentage female | Target | – | 50:50 | 50:50 | 50:50 | 50:50 | 50:50 | 50:50 |
| | | Actual | 62:38 | 47:53 | 54:46 | 50:50 | | | |

Overall outcome 4 performance for the regulatory period so far:



Business comment

Barwon Water performed very strongly in meeting our Outcome 4 measures and met all targets and as a result we have assessed our performance for this outcome as green.

A survey of regional stakeholders and strategic partners was undertaken in June 2020. 127 Invitations were issued with 75 responses and an 84.4% favourable rating. It should be noted that large customers were not included in this survey, a survey of these customers is planned for the latter part of 2020/21 (4a).

We continue to focus on water efficiency and in addition to a slightly wetter climate, our Water Assist audits are contributing to the decline in residential per capita water consumption (annual average) and our target being achieved (4b).

The provision of new community green / open space target using existing Barwon Water land has been met and includes a 54ha of land at Bostock reservoir transferred to the Wathaurung Aboriginal Corporation in mid-2019, enabling the Wadawurrung traditional owner community to use the land. Our 2022-23 target is 20ha and we are pleased to have met our final year target earlier than anticipated (4c).

Social media reach continues to perform very well across a number of platforms, with more than 1,600 pieces of unique content, resulting in more than 3.6 million impressions. This financial year, a decrease in proactive posts during the coronavirus pandemic was offset by increased social media engagement in the key areas of Water For Our Future, Class A recycled water, and support option for customers facing financial hardship (4d).

Gender balance in our senior leadership team has once again been maintained at 50% Female and 50% Male in 2019/20 (4e).

Outcome 5: Affordability for all of our customers

| Output | Unit | | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|---|---------------------|--------|---------|--------|----------------|--------|--------|--------|--------|
| a Customers who receive a grant (rebate bill credit) from Arrange & Save payment incentive program. (Total per year)* | Number of customers | Target | – | 1,200 | 1,250 | 1,300 | 1,350 | 1,450 | 1,500 |
| | | Actual | 1,150 | 1,278 | 1,588 | 1,827 | | | |
| b Dollar benefit from continuous improvement activities | \$ 2017-18 million | Target | – | NA | \$4 | \$7 | \$11 | \$16 | \$19 |
| | | Actual | NA | NA | \$6.1 | \$8.4 | | | |
| c Capital works program on budget (+/- 10% tolerance, \$ 2017-18) | \$ 2017-18 million | Target | – | \$82.2 | \$86.0 | \$79.1 | \$57.6 | \$50.4 | \$55.5 |
| | | Actual | \$82.20 | \$66.4 | \$79.5 | \$75.2 | | | |
| d Controllable opex / property (\$ 2017-18) | \$ 2017-18 | Target | – | 682 | \$681 | \$664 | \$652 | \$644 | \$629 |
| | | Actual | 682 | 640 | \$662 | \$665 | | | |
| e Affordability measure – average customer residential bill as percentage of region's median wage | Percentage | Target | – | NA | Set target <2% | <2% | <2% | <2% | |
| | | Actual | NA | NA | Target set | 1.9% | | | |

* It should be noted that this measure has been renamed since our 2018 Price Submission where it was called 'Number of customers engaged and supported through Barwon Water's hardship payment plans'.

Overall outcome 5 performance for the regulatory period so far:



Business comment

Barwon Water performed strongly in the majority of Outcome 3 measures and we are confident that all targets will be met by the end of this regulatory period and as a result we have assessed our overall performance for this outcome as green.

Specific efforts under our Customer Support Strategy have increased the number of Barwon Water customers assisted by the Arrange & Save program. During the last few months of 19/20, our pandemic response has also increased the number of customers provided grants under the program (5a).

We continue to deliver on savings and new revenue as part of our Customer Affordability Pipeline program aimed to deliver continuous improvement activities, in response to proposing one of the most ambitious productivity hurdles proposed in the 2018 Victorian Price Submissions (5b). These continue to be reflected in our controllable opex / property measure which we only marginally exceeded (by less than \$1) (5d).

Once again we have delivered within 10% of our capital works program with a focus on projects aimed to improve the performance of our customer outcomes (5c).

Barwon Water's 2018 Price Submission price path continues to keep the regions average customer bill below 2% of the median household income resulting in the Affordability measure, 'average customer residential bill as percentage of region's median wage' measure being met (5e)