

GWMWater – Outcomes – 2018–2023

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2020-21 reporting year. The business has given itself a “traffic light” rating (green = met target, red = not met, yellow = close or largely met) for its performance on each measure, outcome and an overall rating. The business has provided its own comments about its performance on each outcome and overall.

Summary table

Outcome	18-19	19-20	20-21	21-22	22-23
1. Safe and Clean Water	Green	Green	Yellow	Grey	Grey
2. Reliable and Affordable Services	Yellow	Yellow	Yellow	Grey	Grey
3. Healthy and Liveable Region	Yellow	Green	Green	Grey	Grey
Overall	Yellow	Green	Yellow	Grey	Grey


Business comments

In 2020-21, GWMWater has continued to progress many of the commitments in our *2018 Water Price Review* along with new projects and initiatives. Our performance highlights opportunities for further improvement within the: Safe and Clean Water, and Reliable and Affordable Services outcomes.

Further details on performance is included against each outcome and output measure in the following tables.

Outcome 1: Safe and Clean Water

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Overall Customer Satisfaction (rating of 5 or above out of 10) via GMMW's customer survey	Percentage of survey responses	Target	–	N/A	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	94%	96%	94%	94%	96%		
b Urban customers receiving a drinking water supply	Percentage	Target	–	N/A	93%	93%	95%	95%	95%
		Actual	91%	91%	91%	92%	92%		
c Total water quality complaints (urban and rural)	Number per 1,000 customers	Target	–	N/A	4	4	4	4	4
		Actual	3.7	4.2	3.8	3.3	4.0		
d Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	0	0	0	0	0	0	0
		Actual	7	3	2	0	2		

Overall outcome 1 performance for the regulatory period so far: 

Business comment

1a: Result based on biennial phone survey, with 602 urban and rural customers interviewed between 11 May 2021 and 15 June 2021. The survey provides valuable feedback across all of our customer segments and water supply systems including urban drinking water residential customers (owners and tenants; sewered and unsewered), urban non-drinking water customers, rural domestic and stock pipeline customers and rural take and use customers (groundwater and unregulated surface water).

The 2021 survey was the first time GMMWater incorporated the same four questions which are asked of urban customers in the Essential Service Commission's (ESC) quarterly survey of 100 customers. The responses to our survey are noted below for comparison.

	2021	
	Urban	Rural
Value for money	7.15	6.76
Trust for GWMWater	8.05	7.58
Reputation	7.89	7.52
Overall satisfaction	8.33	8.14

Source: GWMWater Customer Survey Results (score out of 10)

Also collected, customers were surveyed on their satisfaction across specific service delivery areas of water supply, water quality, wastewater services, service interruptions, customer service and information. All areas demonstrated overall satisfaction levels of over 94% (rating of 5 or above out of 10). The highest levels of satisfaction, with a rating of 9 or 10 out of 10, were reliability of supply (77%), new rural pipeline customers connected to the South West Loddon pipeline (75%) and wastewater services (71%); our least satisfied customer group were urban non-drinking water customers (35%).

All feedback received from customers including the customer survey, customer contacts and engagement forums continues to inform GWMWater's annual operating and servicing plans.

1b: GWMWater is committed to delivering water quality improvement projects and is cognisant of the benefits these projects deliver at the same time ensuring the most cost effective and affordable solutions are chosen. In the *2018 Water Price Review* GWMWater had assumed the delivery of Ultima and Kaniva drinking water projects would be completed by the end of 2020-21. We acknowledge that the assessment of strategic options to provide a drinking water supply to these towns and planning activities has taken longer than anticipated and to this end we have reduced our fully treated tariffs below our approved tariffs in 2021-22.

Our focus remains on reaching our target of 95% of customers receiving a drinking water supply by 2023.

Water quality upgrade projects completed during this regulatory period:

August 2019 Mallee Towns Drinking Water Project (Brim, Beulah, Woomelang and Sea Lake)

1c: Total number of quality complaints per 1,000 increased from 3.3 in 2019-20 to 4.0 in 2020-21. The supply to rural pipeline customers in the northern Mallee remains vulnerable to deteriorations in source raw water quality from the Murray River. Where available, contingency plans are activated to minimise the impact to rural pipeline and urban customers. GWMWater has committed to a clean water pilot project to help manage poor water quality at the Wemen offtake point on the Murray River. The project will assist in the pre-treatment of water that supplies the Ouyen and Underbool water treatment plants (thereby also supporting upgrades required to meet Health Based Target (HBT) log reduction requirements), and will provide improved water quality to rural customers on this system.

1d: Two non-compliance incidents were reported during 2020-21. The first was a taste and odour incident in Horsham and Natimuk caused by low raw water storage levels causing the production of non-hazardous geosmin at the Horsham Water Treatment Plant (WTP); a compound with a strong earthy taste and odour. The powder activated carbon (PAC) dosing unit was initiated at the WTP to remove the compound from the water in response to the incident.

The second incident occurred in Manangatang when raw water entered the Clear Water Storage (CWS) during improvement works at the Manangatang WTP. Corrective actions were undertaken which included comprehensive flushing and taking multiple samples throughout the distribution system to assess for health risk. At no stage did the contamination event cause water in the reticulation system to not comply with required water quality standards.

No non-compliances were identified during the *Safe Drinking Water Act 2003* (Act) audit in respect to review of monitoring alarms.

Outcome 2: Reliable and Affordable Services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual Service Standard Performance Report – Number of targets met	Percentage	Target	–	N/A	>80%	>80%	>80%	>80%	>80%
		Actual	70%	57%	72%	74%	78%		
b Total controllable operating expenditure (cumulative 2018–2023, \$2017-18 real)	\$ million	Target	33.7	33.0	31.1	62.3	93.1	123.8	154.3
		Actual	31.4	33.0	32.6	65.8	95.6		
c Hardship grants awarded (excluding government schemes) - Urban	Number	Target	–	N/A	150	150	150	150	150
		Actual	50	138	70	93	115		

Overall outcome 2 performance for the regulatory period so far:



Business comment

2a: Performance improved due to a reduction in the number of unplanned urban water supply interruptions during 2020-21. The renewals program is being targeted towards poor performing assets which has resulted in fewer major leaks and bursts being experienced.

Also during 2020-21 there was a focus on reducing the impact to customers for planned works especially under coronavirus (COVID-19) conditions with many customers working from home or home-schooling. Where planned works extended beyond notified times, options of alternative supply to customers were utilised with water tanker and pressure pumps where possible. In many cases during notified times, access to water was offered particularly for longer outages.

GMMWater's proposed level of renewal expenditure over the five-year regulatory period was reduced by \$9.3 million in the *2018 Water Price Review* final decision. The increased level of risk was accepted by GMMWater on the basis of continuing to improve asset condition and performance data, commitments to maintain customer affordability, and expectation that if a greater level of expenditure was required, this would be reconciled and

reviewed in the next price submission. The renewals program is based on a combination of condition (year 1-2) and predictive modelling based on life. As a result, there is an inherent level of uncertainty in outer years and this will continue to be informed based on actual performance, condition assessments along with improvements in strategic asset management tools being utilised.

GWMWater's Service Standards are published in the Urban Customer Charter and Rural Customer Charter, and can be found at <https://www.gwmwater.org.au/about-us/about-gwmwater>.

For a detailed report on GWMWater performance against these standards and to see how these and other indicators compare to other water business across Victoria, refer to the Water Industry Performance Report published by the Essential Services Commission at <https://www.esc.vic.gov.au/water/sector-performance-and-reporting/water-performance-reports#tabs-container2>.

2b: The cumulative 2018-2021 total controllable operating expenditure represents an interim result pending completion and audit of the 2020-21 annual regulatory accounts. The interim result indicates that controllable operating expenditure was \$1.0 million below the benchmark allowance in 2020-21; offsetting half of the over expenditure in 2019-20. After adjusting for incremental demands and revenue, cumulatively over the three years controllable operating expenditure is less than 1% over the total benchmark allowance.

2c: GWMWater is continuing to work proactively with hardship customers and local community support services to identify and implement opportunities to increase the level of hardship support provided. The number of customers accessing support increased by 24% in 2020-21. The total value of hardship support provided increased by \$11,274 to \$22,938 in 2020-21.

Outcome 3: Healthy and Liveable Region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Number of organisations receiving recreation water discounts	Number	Target	–	–	–	–	–	–	–
		Actual	328	389	414	416	431		
b Carbon emission reduction – 20% reduction (from 20,017 tonnes) by 2025 (cumulative)	Percentage	Target	–	4%	9%	11%	12%	14%	16%
		Actual	25%	17%	2%	17%	23%		
c Recycled water use	Percentage	Target	100%	100%	100%	100%	100%	100%	100%
		Actual	60%	64%	76%	100% ¹	97%		
d Non-compliance incidents with Bulk Entitlements	Percentage	Target	0	0	0	0	0	0	0
		Actual	4	4	4	4	4		
e Review of Western Region Sustainable Water Strategy by end 2018-19	Met/not met	Target	N/A	N/A	Met	N/A	N/A	N/A	N/A
		Actual	N/A	N/A	Met	-	-		
f Level of unaccounted water	Percentage	Target	–	N/A	10%	10%	10%	10%	10%
		Actual	11.9%	7.3%	10.3%	7.6%	7.8%		
		Actual	12.6%	10.2%	4.2%	8.6%	10.5%		

Overall outcome 3 performance for the regulatory period so far:



¹ Result updated based on final audited Performance Statement results as reported in GMMWater's 2019/20 Annual Report.

Business comment

3a: A total of 431 organisations including schools received recreation water discounts in 2020-21. The results include nine new customers on the South West Loddon pipeline eligible for recreation water discounts. Recreation water discounts are funded through a recreation contribution charge collected from residential and rural households and is reported in GWMWater's Annual Report.

3b: Gross carbon emissions reduced to 15,361 Tonnes CO₂-e in total in 2020-21, a reduction of 4,656 Tonnes CO₂-e compared to our Carbon Pledge baseline emissions. Investments in behind the meter renewable energy between 2019 and 2021, along with efficiency improvements implemented since 2016, has seen a significant reduction in carbon emissions to the baseline.

For further information including breakdown of the source and trend in carbon emissions, water consumption volumes and bulk entitlement water amounts taken refer to GWMWater's Annual Report available at <https://www.gwmwater.org.au/about-us/annual-reports>.

3c: The 2018-19 and prior year results remains as reported in GWMWater's Annual Report however includes water produced and lost through the treatment process unable to be re-used. The basis of the calculation was corrected to exclude evaporation in 2019-20 and confirmed full reuse of available water was achieved in that year. A favourable result was also achieved in 2020-21 with 97% reuse of available water.

3d: GWMWater is yet to implement a metering plan approved by the Minister for each Bulk Entitlement. A metering program was submitted to the Minister for Water in October 2011. Amendments to the program are required prior to approval, and have been deferred to follow the update of Victorian Water Corporations' Non-Urban Metering Action Plans in 2020, and the update of Bulk Entitlement Metering Plan Guidelines by the Department of Environment, Land, Water and Planning in 2021.