

Goulburn Valley 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 2022/23 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. The best price outcomes for customers	Green	Green	Green	Green	Green
2. Renewed focus on water quality and supply	Green	Green	Yellow	Yellow	Yellow
3. Modern and thoughtful customer service	Green	Green	Green	Green	Green
4. Meaningful environmental and recreational outcomes	Green	Yellow	Yellow	Green	Green
Overall	Green	Green	Green	Green	Green

Business comments

Goulburn Valley Water progressed well against its commitments to our customers in the last year of the 2018-2023 Price Plan, despite challenging financial, regulatory, compliance and environmental changes and extenuating events, including COVID-19 and natural disaster impacts.

We continued to check-in with our customers on our performance against the outcomes we promised in our price plan at our Annual Performance Forum (APF). The APF is attended by a representative sample from 60 of Goulburn Valley Water's customers. The following ratings are consistent with the feedback received from these customers at the June 2023 APF.

Outcome 1: The best price outcomes for customers

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Tariff trial in Kilmore and Cobram underway by 1 July 2019.	Pass/Fail	Target	–	NA	Pass	NA	NA	NA	NA
		Actual	NA	NA	Pass	NA	NA	NA	NA
b Decision by 30 June 2022 as to whether to extend or vary the tariff trial or adopt a new tariff structure.	Pass/Fail	Target	–	NA	On track	On track	On track	Pass	NA
		Actual	NA	NA	On Track	On Track	On Track	Pass	NA
c Business financial position remains ahead of ESC benchmarks (FFO interest cover >1.5 times, Net Debt/ RAV % <70%, FFO/Net debt % >10%, internal financing ratio % >35%)	Pass/Fail	Target	–	Pass	Pass	Pass	Pass	Pass	Pass
		Actual	Pass	Pass	Pass	Pass	Pass	Pass	Not on Track

Overall outcome 1 performance for the regulatory period so far:



Business comment

- 1.a Following an invitation (April 2019) to a random selection of 400 customers in Cobram and Kilmore to participate in a tariff trial, GVW sent a commencement survey to 26 customers. Baseline data was gathered from the customers who agreed to participate in the trial to understand water usage, water usage perceptions and their perceptions of GVW. Nineteen customers completed the survey and became part of the trial. The trial began on 1 July 2019, with the 19 customers transitioned into the trial in the following bill cycle, with changes made to their fixed service and variable usage charges. Annual surveys were conducted to understand any impact of changes in the tariffs and on water bills and water usage, and to gauge customer satisfaction levels. The tariff trial project was completed on 30 June 2022. This output is not applicable in 2022/23 as the tariff trial has been completed.
- 1.b In 2020/21 the Executive Team endorsed continuing with this tariff trial for another year so that a third year of data could be collected and analysed. The tariff trial project was completed on 30 June 2022, where it was decided not to extend or vary the trial. From the trial results, it was found that customer water use did not change significantly, nor did customer satisfaction. A GSL payment was not made to any residential customers as the decision to cease the trial had been made by the due date and no breach had occurred. This output is not applicable in 2022/23 as the tariff trial has been completed.
- 1.c GVW's financial position has been confirmed for the year ending for all indicators. Two of the four indicators were not within the ESC benchmarks parameters. Free Funds from Operation over Net debt was 5.4% (Target: >10%) and the Internal financing ratio was 33.3% (Target: >35%). These results are due to the October 2022 flood incident, with reduced receipts from customers and foregone income streams (e.g. farming revenue) and over budget expenses in meeting these emergency demands and significant price increases for inputs e.g. chemical costs.

Outcome 2: Renewed focus on water quality and supply

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Water supply pressure results meet Customer Charter requirements. (Where they don't a GSL will be paid, constituting a fail of this measure).	Pass/Fail	Target	–	NA	Pass	Pass	Pass	Pass	Pass
		Actual	NA	NA	Pass	Pass	Pass	Pass	Pass
b Identified activities to address towns with systemic taste issues are delivered on time.	Pass/Fail	Target	–	NA	Pass	Pass	Pass	Pass	Pass
		Actual	NA	NA	Pass	Pass	Pass	Pass	Pass
c Program to develop water quality improvement options for towns with non-potable water supply is delivered consistent with the established timeline.	Pass/Fail	Target	–	NA	Pass	Pass	Pass	Pass	Pass
		Actual	NA	NA	Pass	Pass	Pass	Pass	Pass
d Water By Agreement customers (who receive a lower service level than standard residential customers).	Number	Target	–	1,500	1,440	1,380	1,320	1,260	1,200
		Actual	1,544	1,290	1,271	1,221	1,194	1,195	1,194
e Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	–	0	0	0	0	0	0
		Actual	0	0	0	0	1	3	9
f Number of customers experiencing 5 or more unplanned water supply interruptions in the year	Number	Target	–	85	40	40	40	40	40
		Actual	0	0	0	0	0	0	0
g Average duration of unplanned water supply interruptions	Minutes	Target	–	115	120	120	120	120	120
		Actual	98	103	99	106	94	118	84

h	Unplanned water supply interruptions restored within 5 hours	Percentage	Target	–	98%	98%	98%	98%	98%	98%
			Actual	99%	99%	99%	94%	96%	96%	97%
i	Sewer spills contained within 5 hours	Percentage	Target	–	100%	100%	100%	100%	100%	100%
			Actual	100%	94%	100%	97%	97%	100%	90%
j	Average time to rectify a sewer blockage	Minutes	Target	–	120	100	100	100	100	100
			Actual	87	93	108	143	119	117	120

Overall outcome 2 performance for the regulatory period so far:



Business comment

- 2.a Water pressure complaints are monitored and reviewed on a regular basis with established monthly reporting processes captured in the billing system. In 2022/23 there were two reported water pressure issues that did not give rise to a GSL payment.
- 2.b This topic was previously put to the 2020 Customer Annual Performance Forum (APF) and the project was presented to the Executive Team with annual findings. It was agreed that there were no systemic issues. It was previously decided by management that a taste improvement plan was not needed. GVW did receive some negative feedback on the taste of water for Kyabram from the APF participants but there was not enough concern to warrant it being classified as a systemic issue. GVW continued looking at options to manage algae which will address the taste issue. In response to previous findings, in 2020/21 new Powder Activated Carbon (PAC) dosing facilities were completed and installed at some sites that experience the periodic taste and odour issues. In 2021/22 sites earmarked for the installation of PAC facilities had works completed. In 2022/23 GVW established an algae monitoring program that set a high standard for the industry and contained current interventions that have been working very well.
- 2.c GVW continued to develop a program for water quality improvements for six towns with a non-potable (regulated) water supply. This longer-term view looked at maintenance and capital works operations and planning for these supply systems. The work undertaken during the 2018-

2023 Price Plan included: **2019/20** - Baxter's Road, Goulburn Weir, saw a detailed improvement program commence to improve reliability and water supply quality; **2020/21** - Goulburn Weir improvements were in a commissioning phase; **2021/22** - this Goulburn Weir system review was completed (this had been postponed due to COVID-19 restrictions) and GVW installed a drinking water station in Strathbogie.

Investigations into suitable technologies to continue to improve water quality in non-potable towns have been undertaken. A project management plan was developed to transition regulated sites to a potable supply. Trialled improvement programs guide future improvement undertakings in the other towns.

- 2.e In 2022/23 (i) four E.coli notifications were reported, all of which were notified and supported by the Department of Health as false positive notifications; (ii) there were three reports of widespread public complaints (one at Nathalia - November 2022 and two at Shepparton - December 2022), and (iii) two manganese notifications were reported for exceeding the ADWG health limit (one at Murchison - attributed to a sampling error and one at Nathalia - as a result of poor raw water resulting from the floods).

Regular testing and verification of water quality was conducted during the year to ensure safe drinking water was supplied to customers. GVW was able to maintain water supply that complied with requirements to all towns, including several that were substantially flood-affected.

- 2.g In 2022/23 this output was within the target. In previous periods, the output was not met, impacted by some major events and complex repairs affected by power, gas and road infrastructure. From 2021/22 GVW adopted improved health and safety practices associated with fatigue management and leaks occurring outside normal business hours. This also impacted the output results.
- 2.h The 2022/23 result of 97% was under the target of 98% but was given the same performance traffic light rating as the three previous years. The 97% result was based on seven unplanned water interruptions that were not restored within five hours. The total number of unplanned interruptions was 223. Restoration time periods ranged from 300 to 1,337 minutes.
- 2.i There were three sewer spill events that exceeded five hours, out of 30 spill events during the year.
- 2.j 2022/23 saw a continuation of higher than targeted sewer blockage rectification times. The increase in sewer blockage rectification times in 2019/20 was attributed to COVID-19 which increased blockage rates. In 2020/21 there was a marked improvement in the rectification times and this continuing service improvement was evident in 2021/22. The reportable measure can be skewed (adversely impacted) by a small number of unplanned events that may have very long durations to either respond to or rectify. These long duration events have a significant impact on

the average result. Given that our customer satisfaction rating is still high, we know through the APF that customers remain accepting of the response time.

Outcome 3: Modern and thoughtful customer service

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Develop an overall customer satisfaction measure, methodology and targets by 30 June 2020.	Pass/Fail	Target	–	NA	On track	Pass	NA	NA	NA
		Actual	NA	NA	On Track	Pass	NA	NA	NA
b Develop and implement a 24/7 digital access and online self-service portal for residential customers by 30 June 2019	Pass/Fail	Target	–	NA	Pass	NA	NA	NA	NA
		Actual	NA	NA	Pass	NA	NA	NA	NA
c Develop and implement a 24/7 digital access and online self-service portal for connections customers (developers, plumbers, etc.) by 30 June 2020	Pass/Fail	Target	–	NA	On track	Pass	NA	NA	NA
		Actual	NA	NA	On Track	Pass	NA	NA	NA
d Prescribed events for which affected customers receive real-time notification of details and locations of faults and outages.	Percentage of prescribed events	Target	–	NA	NA	100%	100%	100%	100%
		Actual	NA	NA	NA	98%	96%	96%	96%
e Intelligent water meters installed to provide real time usage data to customers. Target is for 9,000 meters by 30 June 2021.	Number (cumulative)	Target	–	NA	0	0	9,000	9,000	9,000
		Actual	NA	NA	0	0	9,800	11,500	12,000
f Implementation of a water use behaviour change program by 30 June 2022	Pass/Fail	Target	–	NA	On track	On track	On track	Pass	NA
		Actual	NA	NA	On Track	On Track	On Track	Not on track	Not on track

g	Conduct the Annual Customer Performance Forum	Pass/Fail	Target	–	NA	Pass	Pass	Pass	Pass	Pass
			Actual	NA	NA	Pass	Pass	Pass	Pass	Pass
h	Billing and account complaints	Number per 1,000 customers	Target	–	1.3	1.3	1.3	1.3	1.3	1.3
			Actual	0.60	0.63	0.45	0.58	0.89	0.72	0.60
i	Overall customer satisfaction (percentage of customers rating their experience with GVW as high or very high in the annual Customer Service Evaluation Survey)	Percentage of survey respondents	Target	–	NA	NA	NA	90%	90%	90%
			Actual	–	NA	NA	NA	95%	96%	94%
j	Ranking amongst participating water corporations on community reputation measure in the annual Alliance Customer Satisfaction Survey	Ranking amongst water corporation Alliance members	Target	–	NA	NA	NA	≤ 3	≤ 3	≤ 3
			Actual	–	NA	NA	NA	1	1	1
k	Ranking amongst participating water corporations on trust measure in the annual Alliance Customer Satisfaction Survey	Ranking amongst water corporation Alliance members	Target	–	NA	NA	NA	≤ 3	≤ 3	≤ 3
			Actual	–	NA	NA	NA	1	1	1
l	Ranking amongst participating water corporations on value for money measure in the annual Alliance Customer Satisfaction Survey	Ranking amongst water corporation	Target	–	NA	NA	NA	≤ 3	≤ 3	≤ 3
			Actual	–	NA	NA	NA	1	1	1

Alliance
members

Overall outcome 3 performance for the regulatory period so far:



Business comment

- 3.a GVW has developed overall customer satisfaction measures and targets using proven methodologies. The results are documented in actions 3.i - 3.l.
- 3.b & 3.c Website portal functionality continued to be available for customers who receive a water bill and connections' customers. From 2020/21 builders and plumbers had access to drainage plans in real time.
- 3.d The percentage of prescribed events for which affected customers received real-time notification of details and locations of faults and outages was 96%. GVW failed to send a text message to 135 customers across nine events. (Total count of events: 225).
- 3.e The Intelligent metering project continued in 2022/23 with a final total of 12,000 meters installed at 30 June 2023. Data continued to be received in near real time that assisted to detect water leaks. This helped avoid bill shocks for identified customers.
- 3.f The intelligent water system is in place to record meter readings. However, since the installation of the meters, this action was not completed due to a delay in data analysis tool development, including the customer portal, and usage patterns analytics. In addition, below-average water usage during the summer of 2022/23 limited the identification of high-water users to work with to effect behaviour change.
- 3.g The Annual Performance Forum (APF) was delivered in June 2023. Customers were satisfied with GVW's Price Plan performance in 2022/23.
- 3.h Billing and account complaints continued to track below target, because of an ongoing focus on customer service excellence and increased availability and accessibility of payment support options.
- 3.i - 3.l The customer results for 2022/23 are:

- 3.i Overall customer satisfaction: Target 90% or more – annual Customer Service Evaluation Survey result was 94% in 2022/2023. The satisfaction result is the percentage of respondents who rate their level of satisfaction as high or very high from a 5-point rating scale. This evaluation has been conducted over more than five years and provides a trend for this measure over time, along with recommendations for improvement from the data collected.
- 3.j Community reputation: Target – top three of seven Victorian water corporations in Alliance – the annual Alliance Customer Satisfaction Survey result was the top ranking.
- 3.k Trust: Target – top three of seven Victorian water corporations in Alliance – the annual Alliance Customer Satisfaction Survey result was the top ranking.
- 3.l Value for money: Target – top three of seven Victorian water corporations in Alliance – the annual Alliance Customer Satisfaction Survey result was the top ranking.

Outcome 4: Meaningful environmental and recreational outcomes

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Net carbon emissions (on track to achieve 2025 target of 37,416 tonnes CO ₂ e per year)	Tonnes CO ₂ e	Target	–	NA	64,222	62,481	58,493	51,755	48,167
		Actual	56,831	58,908	64,229	77,754	71,742	34,572	30,955
b Number of customer carbon group meetings each year	Number	Target	–	NA	2	2	2	2	2
		Actual	NA	2	2	2	2	2	2
c Complete Mansfield Wastewater Management Facility Environmental Offsets Project during 2022-23	Pass/Fail	Target	–	NA	On track	On track	On track	On track	Pass
		Actual	NA	NA	On Track	On Track	On Track	On Track	Pass
d Complete Kilmore Wastewater Management Facility Environmental Offsets Project during 2021-22	Pass/Fail	Target	–	NA	On track	On track	On track	Pass	NA
		Actual	NA	NA	On track	On track	Pass	Pass	NA
e New hydration stations that can be accessed by customers and community members	Number (cumulative)	Target	–	NA	8	16	24	32	40
		Actual	NA	NA	8	16	25	36	48

Overall outcome 4 performance for the regulatory period so far:



Business comment

4.a Carbon emissions have continued to reduce significantly since 2020-21. This overall reduction is attributed to:
Essential Services Commission **Goulburn Valley Water – Outcomes – 2018–2023**

(i) from 2021/22 there has been a reduction in Scope 1 emissions at both the Shepparton and Tatura Wastewater Management Facilities (WMFs). Both facilities had high-rate anaerobic lagoon cover replacements in 2020/21. This enabled increased biogas capture, which together with improved reliability of the biogas system and accuracy of biogas and influent data resulted in large reductions.

(ii) for 2022/23 influent loads received at several wastewater management facilities being lower than previous years.

(iii) for 2022/23 full benefits from solar panel installations across numerous sites are being realised.

The revised SoO (ER) requires 100% of electricity to be sourced from renewable sources by 2025. The pathway to meeting this target is now documented in the updated Climate Change Mitigation Strategy that was prepared in 2022/23. This strategy also established the proposed pathway to meet net-zero in 2035 (also a requirement of the revised SoO (ER)).

- 4.b The Carbon Customer Advisory Group (CCAG) met in December 2022 and in May 2023. At the May 2023 meeting the group reflected on the journey they have been on, with GVW demonstrating how their input was used in decision-making during the 2018-23 Price Plan.
- 4.c During 2019/20 the Mansfield Waste Management Facility water balance model was updated and a revised strategy to provide 90th percentile compliance at the site was identified. It was found that an environmental offsets approach was no longer the preferred upgrade option, and modelling at that time showed that the project timing can be deferred for completion beyond 2022/23. The approved business case included an additional winter storage and an irrigation area. This winter storage design was completed, and GVW-owned land was rezoned to allow for the construction works to commence. Construction is expected to commence in 2023/24 and be completed by 2024/25.
- 4.d All elements of the Kilmore Wastewater Management Facility (WMF) Environmental Offsets treatment process performed as required during 2022/23 and produced effluent quality as per GVW requirements. The WMF is fully operational and project objectives were fully met.
- 4.e GVW installed 12 permanent hydration station in 2022/23. The total number of hydration stations installed over the 2018-23 Price Plan was 48, which was above the target of 40. As of 30 June 2023, at least one hydration station is located in every town that GVW delivers potable water to, another commitment in the plan, that was met with the support of local government and community groups.