

North East 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 2019-20 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	23-24	24-25	25-26
1. Affordable Prices	Green	Green						
2. Reliable Services	Green	Yellow						
3. Responsive Services	Green	Green						
4. Efficient Systems	Yellow	Yellow						
5. Local Focus	Yellow	Yellow						
6. Sustainable Region	Yellow	Yellow						
Overall	Yellow	Yellow						

Business comments

In conjunction with the Customer Forum held for the Price Submission, North East Water developed its Customer Outcomes Framework which centred on six clear and consistent customer values, identified above. Twelve key outputs frame our customer's expectations against these outcomes and in 2019-20, the Corporation has continued to deliver on these drivers.

With the oversight of our Board and Management, we have adopted a pragmatic and reasonable approach to indicating performance against our committed Outcomes. Our approach acknowledges a number of aspirational targets to be achieved within the term of our unique, 8-year price determination. We recognise it may appear that our reporting could show our performance to be lower than that of our peers. However, improvements in these trends over our long-range, approved Regulatory Period timeframe are paramount to us as an organisation

The self-assessments of our performance have been based on what's real. Where we have not met sub-targets, we have not considered ourselves to have achieved the higher level Outcome. We have adopted this approach despite our operational performance being at the highest levels across numerous, standardised metrics when compared with other state water businesses. This means that where an Outcome hasn't been totally achieved, we've recognised this and have assessed our performance to be the average of the sub-criteria scores. So where there's been an 'Amber' and a 'Green' against each sub-criteria (say), overall we've assessed ourselves to be 'Amber' against that particular Outcome.

We have continued to biannually convey how we are performing to customers through our Customer Report Cards. Again, these are overseen by Board and Management and are proactively promoted via a number of channels. Each Report Card contains short case studies to demonstrate the activities of our business during the reporting period.

In a year that has been marred by severe bushfires and an unpredictable pandemic, North East Water continues to demonstrate its agility and resilience in ensuring service continuity and the prioritisation of customer needs to support the health and prosperity of our region.

Following on from strong performance results during our first year of Outcomes reporting, North East Water has rated its overall 2019-20 performance to be **Amber**.

Whilst most of the metrics derived from our customer perception and research programs have achieved the highest satisfaction levels recorded to date, our commitments to a smaller environmental footprint have additionally seen the carbon emissions from our activities achieve levels which are 11% below target.

Noting that North East Water continues to perform extremely well in comparison to its peers, we acknowledge that Coronavirus (COVID-19) restrictions may have had some impact on the Corporation's ability to proactively convey community awareness of our Sustainability efforts. Along with a number of significant infrastructure and resource investments to address capacity limitations due development growth within our reticulation and treatment systems, improved opportunities for generating greater community awareness are expected to be realised within the remaining Regulatory Period.

Outcome 1: Affordable Prices

Output		Unit	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	
a	Fair Prices – Residential customers pay their bill within the required 30 days	Percentage of customers	Target	–	>80%	>80%	>80%	>80%	>80%	>80%	>80%	>80%	
			Actual	82.4%	81.5%	80.1%	80.4%						
b	Customer Support – number of residential customers being restricted	Number of customers	Target	–	NA	224	217	211	205	199	192	186	180
			Actual	127	231	160	76						

Overall outcome 1 performance for the regulatory period so far:



Business comment

- a) North East Water understands that any increase to utility bills can affect household budgets and our aim is to make our bills as affordable as possible. Meeting that expectation, in 2019-20, our average residential bill was \$905 (based on a household consumption of 200kL) and for the third year in a row, the Bureau of Meteorology identified ours as the most affordable water bills in Australia. As the bill payments from our customers have continued to exceed our repayment targets, this continues to indicate a favourable customer sentiment towards the affordability of our tariff structure.
- b) North East Water acknowledges the complex social-economic factors within in the communities in which we serve, and we understand that occasionally some customers will experience some form of financial hardship. In 2019-20, we continued to provide a range of options to customers, including payment arrangements, leak rebates and the Community Rebate program. Until the rise of the global pandemic, customers were provided with face-to-face 'customer support' visits, for discussing available support options, including (where eligible) access to Government grants. This contributed to significant reductions in the amount of customers restricted of their water supply. Additionally, North East Water ceased all residential customer restrictions during the period of public health measures resulting from Coronavirus (COVID-19).

Overall, we consider our performance against this Outcome to be **Green** over the 2019-20 period.

Outcome 2: Reliable Services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	–	0	0	0	0	0	0	0	0	0
		Actual	1	0	1	1						
b Resilient Systems – Number of unplanned water supply interruptions per 100 km	Number per 100 km	Target	–	< 14	< 14	< 14	< 14	< 14	< 14	< 14	< 14	< 14
		Actual	13.07	10.8	12.7	14.7						

Overall outcome 2 performance for the regulatory period so far:



Business comment


- The Corporation has achieved a high level of compliance against the Safe Drinking Water Act and Regulations over the 2019-20 period. We have recorded zero non-conformances with our audit requirements and we made no notifications to the Department of Health and Human Services under Section 18 of the Safe Drinking Water Act 2003. Accordingly we have assigned a green coding to this metric.
- North East Water operates and maintains 1,711 kilometres of potable and non-potable water mains which provides water supply to 51,923 connections. Our service region covers 39 towns and 110,000 people across approximately 20,000 square kilometres, with communities ranging from 16,000 connections in Wodonga to just 38 in St James.

For 2019-20, North East Water reported 226 unplanned water interruptions. This is an increase of 29 unplanned water interruptions from the previous reporting period. However, whilst interruption number have increased, the Corporation continues to reduce response and repair times through the use of hydro excavation. Investments in new plant and equipment, and our commitment to the significant water mains renewals planned for 2020-21 will continue to improve the customer water service outage rates and outage times.

Overall, we consider our performance against this Outcome to be **Amber** over the 2019 - 20 period.

Outcome 3: Responsive Services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Timely Response – Average duration of unplanned water supply interruptions	Minutes	Target	–	100	100	100	100	100	100	100	100	100
		Actual	111.60	99.4	96.1	91.6						
b Inclusive Decisions – Customers are satisfied with NEW in engagement and community inclusion. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	90%	91%	90.8%	91.3%						

Overall outcome 3 performance for the regulatory period so far: 

Business comment

- a) For the 2019/20 reporting year North East Water has achieved a positive result of 91.6 minutes for rectifying unplanned water supply interruptions. This is below target and is coded green.
- b) In 2019-20, North East Water worked closely with communities across our footprint. We explored a digital meter trial and other upgrades taking place in the provision of water and wastewater services in some of our small towns. We continued to engage with the communities of Beechworth and Tallangatta regarding upgrades to their wastewater treatment plants and the residents of Wahgunyah in removing a deteriorating water standpipe.

The Corporation continued to seek new methods for customer engagement under the circumstances of pandemic, and significantly increased our social media messaging and the development of additional options for online customer assistance. Our strong commitment to customer engagement, right across our business, has been reflected in this positive result which has been obtained from a diverse customer sample and has exceed target.

Overall, we consider our performance against this Outcome to be **Green** over the 2019-20 period.

Outcome 4: Efficient Systems

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Asset Stewardship – Sewer mains blockages	Number per 100 km	Target	–	< 12	< 12	< 12	< 12	< 12	< 12	< 12	< 12	< 12
		Actual	11.13	10.6	10.6	10.6						
b Non-revenue water (as a percentage of total water delivered)	Percentage	Target	–	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%	< 10%
		Actual	13.6%	15.4%	13.5%	13.5%						

Overall outcome 4 performance for the regulatory period so far:



Business comment

- The final performance score for 2019-20 is 10.6 interruptions per 100km. Although a positive result, North East Water will continue its proactive inspection and maintenance program of our sewer network. Over the 12 month reporting period, our staff attended 127 unplanned sewer events, which is similar to the 2018-19 period.
- North East Water's journey towards this aspirational target will be taking place over the coming years. Significant investments in infrastructure and resources across our service region should see our further progression towards this target during the Regulatory Period. In 2019-20 our performance against this measure indicates no change from the Corporation's 2018-19 performance. Although this performance appears unchanged, the Corporation experienced higher than normal water losses associated with bushfires and firefighting use in 2019-20. It is expected that the Corporation's efforts to reduce water losses will be evident in this performance measure in future reporting periods.

Noting the green and red status of individual elements within this Outcome, we consider our overall performance to be the average of both sub-components. Accordingly, an overall **Amber** rating has been assigned.

Outcome 5: Local Focus

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Local People – Customers are satisfied with NEW staff local knowledge, employment and location. (Survey response of "very satisfied" or "satisfied")	Percentage of survey responses	Target	–	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%	> 80%
		Actual	73.3%	75%	80.3%	84.4%						
b Education and Awareness – Customers are satisfied with NEW educating and informing them about water conservation and sustainability. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	96.7%	95%	88%	88.2%						

Overall outcome 5 performance for the regulatory period so far:



Business comment

- a) Our annual result from our customer research program significantly improves on previous years and has exceeded our desired 'stretch' target. A number of emergency incidents at the beginning of 2020 have served to increase awareness of the Corporation's local presence within the communities we serve.
- b) Water conservation continued to be our primary education focus in 2019-20. Dry weather conditions and raging bushfires prompted the need to increase community knowledge of regional water supply systems, supply availability and water conservation through more efficient practices. The Corporation developed its 'WaterWise' website (and subsequent community e-newsletters), formed partnerships with a number of local governments and conducted site visits to large employers to share WaterWise materials and information. During the second half of the reporting period, opportunities for proactive education and awareness activities were curtailed due to bushfires and pandemic. Despite this, the Corporation achieved a similar result to last year.

Outcome 6: Sustainable Region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
a A Smaller Footprint – Compliance with EPA Licences (percentage compliance against key parameters across all licences)	Percentage	Target	–	94%	100%	100%	100%	100%	100%	100%	100%	100%
		Actual	84%	94%	95%	92%						
b A Smaller Footprint – Total carbon emission	Tonnes CO ₂ e	Target	–	35,672	36,314	36,555	37,762	23,289	19,128	19,422	19,817	19,817
		Actual	37,737	35,605	33,905	32,614						
c Enhanced liveability – Customers are satisfied in NEW ensuring water for future and supporting Council drought responses. (Survey response of "very satisfied", "satisfied", "neither satisfied nor dissatisfied")	Percentage of survey responses	Target	–	New	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	New	New	91.7%	90.4%						

Overall outcome 6 performance for the regulatory period so far:



Business comment

- a) North East Water achieved 92% compliance on its licence compliance, including the quality of wastewater from the Corporation's wastewater treatment plants. This metric is aligned with Environment Protection Authority (EPA) licence conditions, including treated wastewater quality parameters, and provides an overall representation of wastewater treatment plant performance. While a result of 100% was not achieved during 2019-20, the Corporation is committed to achieving full compliance across all sites.

The non-compliances in 2019-20 were primarily due to the treatment limitations within some systems, particularly nitrogen removal. A number of sites are currently undergoing major upgrades to improve treatment performance and licence compliance.

- North East Water continued to investigate opportunities to reduce the impact of wastewater discharges to the environment as well as driving towards EPA licence compliance through:

- Understanding the risks and impacts to beneficial uses of receiving waterways through utilising the Ecological Risk Assessment (ERA) process
 - Planning and design for capital upgrades for the Beechworth and Benalla WWTPs
 - Completion of upgrade projects for the Bright and Myrtleford WWTPs.
- b) In 2019-20, total greenhouse gas emissions decreased 4% from 2018-19 levels with electricity accounting for the majority of the decrease. While there was a minor reduction in the total electricity used (MWh), the reduction in carbon emissions is primarily due to the reduced electricity emissions factor for 2019-20. The fossil fuels component of the carbon emissions had a slight increase from 2018-19 levels which is attributed to the use of diesel generators during the significant bushfires over the summer period and for aeration at the Beechworth WWTP. For the year 2019-20, net greenhouse gas emissions totalled 32,614 tonnes CO₂-e. Target has been achieved.
- c) A new reporting measure that is designed to track the Corporation's performance in enabling community awareness and understanding of the 'water challenge', this result exceeds our target and is drawn from monthly and six monthly research of our customer base which included recent customers and other broader communities, businesses, industries and developers operating in our catchment areas.

Noting the green and red status of individual elements within this Outcome, we consider our overall performance to be the average of these sub-components. Accordingly, an overall **Amber** rating is assigned.