

## 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 to 2020-21 reporting years. 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	Yellow		
2. Timely, innovative services for our customers	Green	Green	Green		
3. A healthier environment for all	Green	Yellow	Green		
4. Deeper knowledge and partnerships with our community	Green	Green	Green		
5. Affordability for all of our customers	Green	Green	Green		
Overall	Green	Green	Green		

## Business comments

With our customers in mind, we set ambitious targets for ourselves and in 2020-2021 we met 29 of our 33 measures and are continuing to manage our performance to ensure we achieve all outcomes by the end of the regulatory period (30 June 2023).

Supporting customers remains our priority, which is why we committed an extra \$2.5 million over the life of the five year price period to help customers in hardship. We also committed an extra \$2.5 million to help customers with water efficiency initiatives including identifying and reducing leaks which is not only good for the environment but also helps keeps bills down.

## Performance engagement

We felt it was important to test our assumptions about our performance with our independent Customer and Environmental Advisory Committees. We met with them in May and July 2021, inviting feedback on our performance, and our self-rating, for each outcome.

Both committees were positive about Barwon Water's performance in 2020-21. They provided valuable feedback that the performance assessment framework itself should have more flexibility so that minor non compliances for individual metrics should not automatically mean the rating is red. In the instance of Outcomes 1 and 2, where this occurred, both Committees felt strongly that the overall outcome rating should be green or amber for Outcome 1 (not red) and green for Outcome 2 (not red).

We also engaged with key customer stakeholder groups and businesses across our region on perception of performance before presenting our assessment to our Board in August 2021. Based on customer, business, advisory group and Board assessments, we are pleased to report green as our overall performance.

## Our priorities

Barwon Water exists to deliver essential water and sewerage services, while ensuring the health, wellbeing and safety of our community and employees.

During 2020-2021, we continued our positive performance across all five customers' outcomes. In particular our focus areas included:

- providing *timely, innovative services for our customers* through dedicated efforts to improve customer experience including evolving our "Voice of Customer" program
- strengthening our Customer Support Program and ensured continued, meaningful and genuine community engagement was conducted to understand customers changing needs
- investigating and establishing new projects to contribute to producing electricity from renewable sources. This further supports our 'total greenhouse emissions produced (CO<sub>2</sub>e)' targets which remain on track to be met by the end of the regulatory period (June 2023)

- prompt and vigilant responses to the one EPA licence conditions and two Safe Drinking Water Act non-compliances. No adverse impacts to public health were had in relation to the non-compliances. More detail is provided in the Outcome 1 section below
- strong focus on delivering COVIDSafe plans for unplanned and planned service interruptions. Methodologies were continually revised to ensure compliance for public safety was upheld at all points, despite lengthier works times.

Further details for our performance are outlined in the following pages.

## 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	3,140	3,239		
b Number of non-compliances with EPA License conditions	No.	Target	–	0	0	0	0	0	0
		Actual	0	0	1	3	1		
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	2		
d Number of non-compliances with bulk entitlement and licence conditions	No.	Target	–	0	0	0	0	0	0
		Actual	0	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%	0.3%		

Overall outcome 1 performance for the regulatory period so far:



### Business comment

Our Outcome 1 performance was strong in all but two measures. Our Customer and Environmental Advisory Committees thought the current performance assessment framework was too inflexible and even with the minor instances (as above) our individual metrics should be amber or green (not red). Our Board supported this assessment and therefore our overall **assessment for this outcome is amber**.

During year 3, we experienced three instances of non-compliance and continued to act promptly to rectify these concerns. These instances included:

- One non-compliance - Environmental Protection Authority (EPA) license parameters caused by a high rainfall event at the Apollo Bay Water Reclamation due to offsite discharge of partially treated wastewater during a high rainfall event. An incident investigation was conducted and corrective actions were implemented. This event resulted in no impact to public health (1b).
- One non-compliance (minor) - Safe Drinking Water Act administration error
- One non-compliance (minor) - Safe Drinking Water Act E.coli detection from a single sample taken in August 2020. A full investigation was undertaken with corrective actions implemented and sampling error was cited the most likely cause of the E.coli detection.

We performed strongly with improvements across all other measures:

- Our volume of recycled water allocated for productive use was increased through a number of initiatives including partnering with Deakin University at Waurm Ponds, Portarlinton Road customers on the Bellarine, and Barwon Park at Winchelsea (1a).
- We were fully compliant with bulk entitlement and licence conditions (1d).
- Our customers did not experience any time under water restrictions (1e). 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 which ensures security of supply. Longer-term modelling and planning processes ensures requirements for long-term system augmentations are identified to provide security of supply.

We are confident that all targets will be met by the end of this regulatory period.

## 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	66,613		
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	82% Target Established		
		Actual	NA	NA	NA	89%	86%		
c Customers who are able to receive communications via SMS	Percentage	Target	–	64%	66%	68%	70%	73%	75%
		Actual	62%	61%	67%	70%	73%		
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%	82%		
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%	93.4%		
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%	95.4%		
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	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	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%	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	1.42		
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	0.12		

Overall outcome 2 performance for the regulatory period so far:



## Business comment

Our Outcome 2 performance was strong and met all but one of the targets. Our Customer and Environmental Advisory Committees believed we had been delivering positive performance overall even with a minor amber result (93.4% instead of ambitious target of 97%) for the customers who have more than five unplanned water supply interruptions in a year. Overall these committees and our Board rated our **performance for Outcome 2 green**.

During year 3, we experienced positive performance which included:

- Continued increase in customers who receive e-billing, building on the work from year 1 and an improvement in a range of initiatives to encourage conversion for those customers we have an email address for but have not yet switched to e-bills (2a).
- Establishing a target for capturing first-point-resolution at our Customer Centre after two years of data collection. We have set a target of 82% for 2020-21 and for each subsequent year (2b).
- Capturing mobile phone numbers during all customer channels including calls and written correspondence to contribute to us meeting our target for customers who are able to receive communications via SMS (2c).
- Positive customer response for 'ease of doing business' with us through continual updates and engagement with customers (2d).
- Improvement in our target for customers who have a planned water supply interruption to have their water back on within 5 hours (2f).
- The system of alerts introduced in 2019-20 for multiple instances of water interruptions and sewer spills has meant we are able to proactively manage any at risk customers (2g,h).
- The customer satisfaction measure for the overall quality of drinking water hasn't been assessed as we are anticipating new results in the biennial National Customer Perceptions Study conducted by WSAA (surveyed in 2021) (2i). The result will be included in next year's report.
- Barwon Water has met our water quality and Ombudsman complaint targets. The number of water quality complaints received in 2020-21 was well below target, a small increase on the previous year, which could be attributed to variation in water usage patterns due to the impact of COVID-19 (2j). The number of Ombudsman complaints reduced throughout 2020-21 (2k).

We were unable to meet one target – 'customers who have an unplanned water supply interruption to have their water back on within 5 hours'. Out of 487 jobs, 32 went over time due to two key factors:

1. an increased safety focus to implement COVIDSafe plans and social distancing precautions led to longer time required for jobs; or
2. contractor planned jobs went over time, for which we have no control over (2e).

Our Guaranteed Service Level (GSL) performance results were strong. We are confident that all targets will be met by the end of this regulatory period.



### 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 <sub>2</sub> e)	tCO <sub>2</sub> e	Target	–	40,195	39,811	35,659	30,904	29,627	28,742
		Actual	42,986	39,505	43,238	44,259	30,082		
b Proportion of electricity from renewable sources	Percentage	Target	–	2%	5%	18%	34%	39%	43%
		Actual	0%	5%	5.6%	10.6%	28.7%		
c Biosolids mass re-used	Percentage	Target	–	100%	100%	100%	100%	100%	100%
		Actual	100%	100%	100%	100%	100%		
d 'Unaccounted for' water	Percentage	Target	–	9%	9%	9%	9%	9%	9%
		Actual	9%	9%	7.12%	5.68%	6.35%		
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	44%	42%	37%
		Actual	NA	NA	On-track	Met (targets established)	35%		
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	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	Complete		

Overall outcome 3 performance for the regulatory period so far:



## Business comment

Our Outcome 3 performance was strong and met all but one of the targets. Our Customer and Environmental Advisory Committees rated our performance green for this outcome but noted reporting should look at the five-year term instead of year on year. The committees agreed that the delay to switching on the Colac Renewable Organics Network contributed to the amber rating for this period with regards to proportion of electricity from renewable sources (3b), but noted that we are still looking on track to achieve the 2022-23 customer outcome targets and therefore **rated our performance green**. Our Board supported this assessment.

During year 3, we made positive steps to deliver a healthier environment for all which included:

- A one-third reduction of total greenhouse emissions produced (CO<sub>2</sub>e) compared to last year's result. Significant changes in the relevant emissions meant a 57 per cent (3,488 tCO<sub>2</sub>-e) reduction in nitrous oxide emissions from wastewater treatment. More recent updates to international reporting guidelines (yet to flow through to Australian guidelines) will mean this reduction is expected to be temporary (3a).
- All biosolids produced continue to be re-used through the Biosolids Management Project, delivering a sustainable program for the treatment and beneficial re-use of the biosolids across 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. These have supported our increased focus on response times and preventative work around burst water mains, reducing our 'unaccounted for' water (3d).
- Establishing industrial waste to landfill targets to meet our overall zero waste target by 2030 by measuring the % of industrial waste to landfill with a steady reduction year on year. We will first focus on wastes that can be re-used and recycled, such as concrete, clean soil (dry) and drilling mud / hydro slurry. In these targets, wastes that currently do not have the technology to process them for re-use or recycle, such as asbestos, screenings sludge, and sewer pipeline cleaning waste have not been included (3e).
- Further research into water treatment sludge re-use options with the appointment of a PhD student (3f) and the construction and commissioning works for waste to energy capture which was completed prior to the end of 2020-21 ahead of target (3g).

Our 'proportion of electricity from renewable sources' target was not met during 2020-2021.

- Delays in the Colac biogas co-gen commissioning (commenced late June 2021) and late commencement of ZEW PPA (commenced January 2021) reduced our ability to meet this target.


- Our renewable energy initiatives supplied twenty-nine per cent of electricity use for the year, reducing scope 2 emissions by a total of 9,004 tCO2-e.
- The result will improve in 2021-22 with consistent operation of the Colac biogas co-gen and ZEW PPA assets.
- Expressions of interest for the Barwon Region Renewable Energy Project (Barwon Region PPA) implementation phase is now in progress, with the PPA anticipated to commence late 2022.
- Due the project delays, our CAC and EAC noted having five-year targets instead of year-to-year targets would help communicate the trends easier and allow for planned projects that take time to implement.

Whilst we had one amber rating, we are on-track to achieve our ambitious 2025 target of 100% renewable electricity (3b).

#### 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%	86%		
b Residential per capita water consumption (annual average)	Litres/person /day	Target	–	NA	Set target	207	205	203	201
		Actual	202	208	218	203	205		
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	61		
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	7,076,697		

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	47:53		

Overall outcome 4 performance for the regulatory period so far: 

### Business comment

Our Outcome 4 performance was exceptional with all targets met and with improvements across most measures. Our Customer and Environmental Advisory Committees rated our performance green and praised Barwon Water for our community engagement. It was noted that our per capita water consumption data was an important measure to help understand the impact of our communication to customers about water saving literacy (a key focus area for the 2018 Price Submission). Our Board supported the CAC and EAC performance assessment and **rated this green**.

We performed strongly across all targets including:

- A survey of regional stakeholders and strategic partners was undertaken and nearly 40 per cent partners completed the survey. This survey provided an opportunity to assess and give feedback on Barwon Water's 2018 Price Submission customer outcomes, indicating a 4.45 / 5 support rating for these (4a).
- Continued focus on water efficiency and despite a slightly wetter climate, our Water Assist audits contribute to the steady residential per capita water consumption (annual average) and our target being achieved (4b).
- The provision of new community green / open space using existing Barwon Water land. The 54ha of land at Bostock reservoir was transferred to the Wadawurrung Traditional Owner Aboriginal Corporation in mid-2019, enabling the Wadawurrung traditional owner community to use the land and contributing to our overall target. 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 7 million impressions. This is largely attributed to the targeted promotion of key programs and projects, particularly in the customer support space. Given the financial stresses placed on customers and businesses throughout the pandemic, this financial year we prioritised raising awareness of our concessions, support and payments assistance options for vulnerable customers. (4d).

- Barwon Water's senior leadership positions have marginally more females at the end of 2020-21 with the turnover at the senior leadership remaining quite stable (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	3,099		
b Dollar benefit from continuous improvement activities	\$ 2017-18 million	Target	–	NA	\$4	\$7	\$11	\$16	\$19
		Actual	NA	NA	\$6.1	\$14.6	\$23.9		
c** Capital works program on budget ( +/- 10% tolerance, \$ 2017-18) cumulative**	\$ 2017-18 million	Target	–	\$82.2	\$86.0	\$165.1	\$222.7	\$273.1	\$328.6
		Actual	\$82.20	\$66.4	\$79.5	\$154.7	\$217.1		
d Controllable opex / property (\$ 2017-18)	\$ 2017-18	Target	–	682	\$681	\$664	\$652	\$644	\$629
		Actual	682	640	\$662	\$665	\$636		
e Affordability measure – average customer residential bill as percentage of region's median wage	Percentage	Target	–	NA	Set target <2%	<2%	<2%	<2%	<2%
		Actual	NA	NA	Target set	1.9%	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'.

\*\* The capital works program has been modified from a yearly measure to a cumulative measure based on community feedback.

Overall outcome 5 performance for the regulatory period so far:



## Business comment

Barwon Water's Outcome 5 performance was exceptional with all targets met and with improvements across most measures. Both the Customer and Environmental Advisory Committees rated our performance green for this outcome. The Customer Advisory Committee thought the controllable opex and capital works programs should be measured based on a cumulative target, rather than a year to year amount. The Environmental Advisory Committee believed these metrics should be reviewed for the future price submission (2023-2028) to help communicate our performance for customer value better. As a result our **CAC, EAC and Board performance assessment for this outcome is green.**

Our strong performance for 'affordability for all of our customers' included:

- Performing above target on the number of hardship payment plans achieving customer grants. All customer contact teams are showing consistent results in identifying and encouraging eligible customers onto support payment plans through proactive and empathetic outbound calling (5a).
- Delivering on savings and creating new revenue as part of our Customer Affordability Pipeline (CAP) program. The program continues to deliver efficiency and improvement activities to meet 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 (5d).
- Modification to the capital works program on budget (+/1 10% tolerance, \$2017-18) to report a cumulative measure (instead of yearly) following advice from our Customer and Environmental Advisory Committees. Both committees thought a cumulative result tracks the intent of this measure more effectively and helps keep Barwon Water accountable to deliver our 2018 Price Submission capital works commitments. Cumulatively, in the first three years, we are only three percent below target (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 being met (5e).