

Coliban 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. We will supply high quality water you can trust	Green	Grey	Grey	Grey	Grey
2. We will provide infrastructure and services to meet the needs of our customers now and into the future	Green	Grey	Grey	Grey	Grey
3. We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations	Green	Grey	Grey	Grey	Grey
4. We will be open and transparent with customers about affordable pricing, service disruptions and repairs	Yellow	Grey	Grey	Grey	Grey
5. We will support the liveability in the region	Green	Grey	Grey	Grey	Grey
Overall	Green	Grey	Grey	Grey	Grey

Business comments

A total of 48 Coliban Water customers attended our first annual Customer Forum on 25 June 2019 to discuss our annual performance. Preliminary data for the Customer Outcomes was presented and discussed at the Forum. Despite the fact that interim 2018-19 KPI performance figures indicated a lower level of performance than final data, customers at the forum were overall extremely happy with Coliban Water's performance across all Customer Outcomes, with 78%-88% customer confidence that the business was successfully delivering against each of the Customer Outcomes. In addition, customers provided feedback on areas of potential improvement and these have been analysed to identify areas of improvement.

We believe our results indicate that we have achieved overall success in our performance against the Customer Outcomes in 2018-19. We have successfully achieved four of the five outcomes this year, with the remaining outcome partially met (amber status). Where amber or red status is noted for individual performance measures, in some instances this has been due to issues beyond our control, notably the third party damage to the Napier Street water main that resulted in the business not achieving its target for average minutes off water supply.

In some areas, green performance is shown for measures that are whole of regulatory period targets. Due to the nature of these measures (fencing around water storages, water audits, Main Channel renewal), dynamic assessment of business needs means that, while interim annual targets may not be achieved in any individual year, we are confident of achieving the overall targets within the PS18 regulatory period.

Outcome 1: We will supply high quality water you can trust

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Systems meeting all parameters in Coliban Water System Customer Index	Percentage	Target	–	NA	90.0%	90.0%	90.0%	90.0%	90.0%
		Actual	NA	New	84.6%				
b Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	–	NA	0	0	0	0	0
		Actual	15	8	3				
c Customer agreement that "I am satisfied with the quality of water delivered by Coliban Water" (annual Customer Satisfaction Survey)	Percentage	Target	–	NA	75.0%	87.0%	87.0%	87.0%	87.0%
		Actual	NA	New	87.0%				
d Water quality to low palatability towns - No of towns deemed to be low palatability	Number	Target	–	NA	0	0	0	0	0
		Actual	0	0	0				
e New fencing added around major storages across the regulatory period	Kilometres (cumulative)	Target	–	NA	3.0	6.0	9.0	12.0	15.0
		Actual	14.8	4.9	1.5				
f Length of water mains cleaned to remove sediment and improve delivered water quality across the regulatory period	Kilometres (cumulative)	Target	–	NA	100.0	200.0	300.0	400.0	500.0
		Actual	42	239	130.0				

Overall outcome 1 performance for the regulatory period so far:



Business comment

The Customer Water Quality Index measures the performance of 19 water supply systems monthly over 2018-19. 193 of 228 observations were above the 90% threshold. While our result falls below the annual benchmark, we have graded it amber as it represents reasonable year 1 performance, with scope to improve in future years.

While the business reported three Safe Drinking Water Act (SDWA) non-compliances in 2018-19, this was down from 8 the previous year and 15 in 2016-17. All exceedances this year (nickel in Boort, lead in Strathfieldsaye and aluminium in Echuca) were for exceedance in a single test result, with all follow-up test results within guideline values. All systems were fully compliant with the *E. coli*, disinfection by-products and turbidity drinking water standards during 2018-19.

No water supply systems qualified for a long-term aesthetic water quality rebate in 2018-19. While Boort received a (short-term) aesthetic water quality community rebate for elevated levels of manganese (colour), this was fully resolved within a short time period.

We remain on track to meet the PS18 target for fencing around major storages. In 2018-19 the business continued to negotiate with local landowners adjacent to water storages to resolve issues with stock access and riparian rights, with goal to meet the overall PS18 target in the remaining years.

Outcome 2: We will provide infrastructure and services to meet the needs of our customers now and into the future

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Access to fit for purpose water: Rural allocation provided	Percentage	Target	–	NA	100%	100%	100%	100%	100%
		Actual	100%	100%	100%				
b Access to fit for purpose water: Number of towns on water restrictions (not including PWSR)	Number	Target	–	NA	0	0	0	0	0
		Actual	0	0	0				
c Unaccounted for water (urban)	Percentage	Target	–	NA	15.0%	15.0%	15.0%	15.0%	15.0%
		Actual	8%	11.3%	10.1%				
d New digital meters installed and operational across the regulatory period	Number (total)	Target	–	NA	5,000	10,000	15,000	20,000	25,000
		Actual	NA	New	1,244				
e Undertake Water Efficiency Audits with major non-residential customers	Number (cumulative)	Target	–	NA	3	6	9	12	15
		Actual	NA	New	0				
f Renew Coliban Main channel: length renewed	Kilometres (cumulative)	Target	–	NA	0.6	1.2	1.8	2.4	3.0
		Actual	0.9	0.8	0.3				

Overall outcome 2 performance for the regulatory period so far:



Business comment

Customers believe we are delivering on this outcome, with 80% support for the business meeting this outcome from attendees at the Forum. Areas for potential improvement identified include converting open channels to pipes, continued introduction of digital metering and planning for future population growth and climate change.

We remain on track to deliver the target number of digital meters installed and operational within the PS18 regulatory period. The 2018-19 result reflects additional planning to ensure the project will be delivered effectively, including a thorough peer review process. In 2019-20 we anticipate delivering in excess of 9,200 meters to the townships of Echuca, Rochester and Boort.

While no Water Efficiency Audits were undertaken this year, planning is now well underway, including scoping the program for future years as well as preliminary data analysis to target suitable non-residential customers for support. Scheduling of audits from 2019-20 will reflect delivering the overall target within the remainder of the regulatory period.

The previous Coliban Main Channel renewal project finished a year ahead of schedule in 2017-18, with in excess of 1.6 km renewal in the past two years, and 2018-19 focused largely on planning for the next package of renewal works. We anticipate meeting the cumulative target for channel renewal within the PS18 regulatory period.

Outcome 3: We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual CO ₂ emissions	Tonnes CO ₂ -eq	Target	–	NA	32,505	32,505	32,505	32,505	29,305
		Actual	33,645	28,898	33,857				
b Number of EPA reportable sewer spills	Number	Target	–	NA	19	18	17	16	15
		Actual	22	14	10				
c Annual chemical consumption expenditure (Real \$2017-18)	\$ per ML (water/wastewater) treated	Target	–	NA	\$103	\$101	\$99	\$97	\$95
		Actual	NA	\$105	\$76				
d Number of sewer blockages per 100km sewer main	Number per 100km	Target	–	NA	42.0	40.0	38.0	36.0	35.0
		Actual	40.5	29.6	27.1				

Overall outcome 3 performance for the regulatory period so far:



Business comment

Of the Customer Forum attendees, 78% expressed confidence that Coliban Water is delivering these measures successfully. Feedback from customers expressed concern that prioritising strong performance in this area could result in higher future water bills.

Greenhouse gas emissions were 4.2% above the target due primarily to persistent dry conditions increasing the volume of water pumped from Lake Eppalock. We forecast 7 GL pumping for 2018-19, however in the six months January to June 2019 alone, we pumped close to 9 GL from Eppalock to Sandhurst Reservoir.

We are pleased with our performance for the other measures under this outcome. Continuing focus on improving sewer performance, including the targeted maintenance program, continues to see significant improvement in the number of blockages and spills, with the business meeting both targets in 2018-19.

The exceptional result for the cost of chemicals used in treatment was driven by improved incentives for operators to promote efficiency and reduce costs.

Outcome 4: We will be open and transparent with customers about affordable pricing, service disruptions and repairs

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Average customer minutes off water supply (planned and unplanned)	Minutes	Target	–	NA	13.0	12.8	12.3	11.8	11.5
		Actual	14.6	10.2	13.6				
b Planned or unplanned water supply interruptions restored within 5 hours	Percentage	Target	–	NA	98%	98%	98%	98%	98%
		Actual	98%	100%	97.9%				
c Customers experiencing 5 or more planned or unplanned water supply interruptions	Number	Target	–	NA	5	5	5	5	5
		Actual	8	68	17				
d Average time to rectify a sewer blockage	Minutes	Target	–	NA	80.0	80.0	80.0	80.0	80.0
		Actual	81.2	70.7	67.4				
e Customers receiving 3 or more sewer blockages in the year	Number	Target	–	NA	16	16	16	16	16
		Actual	16	4	12				
f Residential customers receiving 1 or more planned or unplanned water service interruption in year	Percentage	Target	–	NA	10.5%	10.2%	10.0%	9.8%	9.6%
		Actual	9.4%	11.1%	8.5%				
g Utility Relief Grants provided by DHHS to Coliban Water residential customers	Number per 1,000 residential customers	Target	–	NA	8.8	8.8	8.8	8.8	8.8
		Actual	9.3	4.9	5.4				

h Total value of Hardship Grants awarded to customers (excluding government schemes)	\$ real \$2017-18	Target	–	NA	\$165,000	\$195,000	\$225,000	\$255,000	\$285,000
		Actual	\$136,013	\$76,099	\$144,243				

Overall outcome 4 performance for the regulatory period so far:



Business comment

Customer Forum attendees were highly supportive of our performance for these measures, with 87% support that we are delivering in line with their expectations. Customers noted areas for potential improvement including additional community engagement and providing online platforms for customers to engage.

Third party damage to the water mains in White Hills resulted in more than 1,000 customers experiencing a 5+ hour water service outage. This resulted in an additional 4.5 minutes average off supply for customers this year. Excluding that incident, we would have been 30% under target in 2018-19.

A total of 280 of 286 water supply interruptions this year were restored within the 5 hour target. This resulted in us just failing to meet the target. We note that the total number of interruptions decreased by 7% this year, down from 300 in 2017-18.

All 17 customers who experienced 5 or more service outages were located in close proximity in Guildford, where multiple mains bursts occurred over the period October 2018 to June 2019. The business has prioritised works to address the local network issues and to prevent future poor performance.

The business set a very high target for the rate of URGS approved by DHHS based on an exceptional result in 2016-17. This figure remains our aspirational target, although it will be challenging to again meet this target during the PS18 regulatory period. The 2018-19 result (5.4 URGS per 1,000 customers) is in line with recent performance.

While financial assistance to customers via the Coliban Assist Program was below the annual target, we note that additional support was provided to our customers via the Community Rebates program (in excess of \$56,000) in 2018-19. Including this support (70% of the Community Rebates program funding was delivered in the one year), total financial support provided to our customers was in excess of \$200,000, well above the annual target.

Outcome 5: We will support the liveability in the region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Volume of water delivered to councils through recreational pricing	ML	Target	–	NA	0.0	50.0	100.0	200.0	300.0
		Actual	0	New	0.0				
b Maintain or improve our credit rating	Credit rating	Target	–	NA	BBB	BBB	BBB	BBB+	BBB+
		Actual	BBB	BBB	BBB				
c We will pay down our debt	\$ (nominal)	Target	–	NA	\$4.0M	\$4.0M	\$4.0M	\$4.0M	\$4.0M
		Actual	\$3.5M	\$3.5M	\$4.0M				

Overall outcome 5 performance for the regulatory period so far:



Business comment

Customers who attended the Forum noted that we performed well for this outcome, with 81% of attendees agreeing our performance met their expectations. Potential opportunities for improvement raised include increasing the level of support for community projects to increase awareness around sustainable water use.

Coliban Water has maintained our credit rating at BBB, enabling debt repayment costs to be lower and mitigating the risk of passing on any additional financing costs to our customers in the long term. To support this we have met the \$4.0 million debt repayment target for 2018-19, up from \$3.5m the previous year.

The business in 2018-19 began the process of engaging with councils across our region to determine appropriate support via recreational pricing for water for public use (green spaces and other initiatives for the public benefit).