

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

Business comments

Following on from strong performance results during our first year of outcome reporting, North East Water has rated its overall performance to be amber. Our intention of making significant investments in infrastructure and resources over the forthcoming eight year Regulatory Period should see us realising improvements in our performance against the baseline levels reported within this document.

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%	>80%
			Actual	82.4%	81.5%	80.1%							
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							

Overall outcome 1 performance for the regulatory period so far:



Business comment

- a) Noting that utility bills affect household budgets, we aim to make our bills as affordable as possible. Meeting that expectation, in 2018-19, our average residential bill was \$897 (based on a household consumption of 200kL). Customer payments of their bills have continued to exceed our repayment targets and this is seen to indicate favourable sentiment towards the affordability of our tariff structure.
- b) Acknowledging the complex social-economic factors within communities of our service area, in 2018-19 we continued to offer a range of options to customers experiencing financial hardship. These included payment arrangements, leak and the Community Rebate programs. Customers were also provided with face-to-face 'customer support' visits for discussing available support options, and (where eligible) access to Government grants. This has resulted in a significant reduction in the amount of customers being restricted of their water supply.

Overall, we consider our performance against this Outcome to be green over the 2018-19 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							
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							

Overall outcome 2 performance for the regulatory period so far:



Business comment

- a) The Corporation has achieved a high level of compliance against the Safe Drinking Water Act and Regulations over the 2018-19 period. We have recorded zero non-conformances with our audit requirements and we made one notification to the Department of Health and Human Services under Section 18 of the Safe Drinking Water Act 2003 for a detection of lead. Accordingly we have assigned a green coding to this metric.
- b) For the 2018-19 reporting period there were 195 interruptions logged in comparison to 168 interruptions in 2017-18. The increase in unplanned interruptions can be attributed to many factors including seasonal conditions, third party damage, leaking hydrants along with mains failure due to age or condition. The Corporation has been proactive in attempting to reduce unplanned interruptions by:
 - Providing accurate asset data into AMIS that informs the Capital Mains renewal program
 - Ensuring GIS below ground information is accurate and up to date
 - Education of contractors – Utilisation of DBYD (avoiding third party damage)
 - Working with local council on hydrant maintenance programs
 - Implementing more planned maintenance on our valves.

Overall, we consider our performance against this Outcome to be green over the 2018-19 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							
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%							

Overall outcome 3 performance for the regulatory period so far:



Business comment

- a) North East Water achieved a positive result of 96.1 average minutes for rectifying unplanned water supply interruptions at the end of the 2018-19 reporting period. This is below target and is coded green.
- b) The Corporation has worked closely with communities across our footprint over the reporting period. Most recently it has engaged with neighbours of our Beechworth Wastewater Treatment Plant in respect to extensive upgrades which are designed to improve efficiencies for the town. In addressing their concerns, significant changes have been made during the project’s design to ensure their concerns were met without compromising service delivery. Our strong commitment to customer engagement right across our business is reflected in this positive result which has been obtained from a diverse customer sample and is accordingly coded green.

Overall, we consider our performance against this Outcome to be green over the 2018-19 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							
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%							

Overall outcome 4 performance for the regulatory period so far:



Business comment

- The final performance score for 2018-19 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 126 unplanned sewer events, which is the same as 2017-18.
- 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 2018-19 our performance against this measure reflects a reduction of 1.9% in losses of from the Corporation's 2017-18 performance. Although this cannot be directly attributed to any one factor, the result is likely to have resulted from the combination of a number of initiatives including leak detection and repair, operational effectiveness and improved measurement for non-revenue water.

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%							
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%							

Overall outcome 5 performance for the regulatory period so far:



Business comment

- Our annual result from our customer research program significantly improves on previous years and has exceeded our desired 'stretch' target. This measure is accordingly deemed to be 'Achieved' and is coded green.
- Water conservation was our primary education focus in 2018-19. Dry weather conditions prompted the need to increase community knowledge of the regional water supply systems, supply availability and water conservation through more efficient practices. Although activities promoting the benefits of drinking tap water and the Schools Water Efficiency Program (SWEP) were progressed, our result is slightly short of target. We consider this to be mainly due to changes in the measurement methodology (from previous years). A significant investment in water conservation and drought awareness messaging should realise improvements on this result over the next 12 months.

Overall, we consider our performance against this Outcome to be amber over the 2018-19 period.

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%							
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							
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%							

Overall outcome 6 performance for the regulatory period so far:



Business comment

- North East Water has set an aspirational target against this measure. We acknowledge our progression towards its achievement will be enhanced through a number of significant capital wastewater investments that will occur over the Regulatory Period. Overall, we recorded nine non-compliances against key parameters of our EPA licences during 2018-19. These largely related to infrastructure constraints at sites which currently limit licence conditions being fully met at some of our WWTPs. Forthcoming infrastructure investments at a number of WWTPs should see an upward trend towards this measure's target over the period ending 2026. Our overall performance result of 95% for 2018-19 is below target and is coded red accordingly.
- The greenhouse gas emissions for 2018-19 were 33,905 tCO₂-e. This is an overall 5% reduction from 2017-18 levels and 7% under the emissions reduction pledge estimate of 36,314. 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.