

East Gippsland Water – Outcomes – 2023-2028

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2024-25 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	23-24	24-25	25-26	26-27	27-28	Overall for the period to date
1. Reliable services, done well.	Green	Green	Grey	Grey	Grey	Green
2. Fair prices for all	Yellow	Yellow	Grey	Grey	Grey	Yellow
3. Improved environmental outcomes	Yellow	Yellow	Grey	Grey	Grey	Yellow
4. Prepare for population growth and a changing climate	Yellow	Red	Grey	Grey	Grey	Yellow
5. Contributing to community	Green	Green	Grey	Grey	Grey	Green
Overall, for reporting year	Yellow	Yellow	Grey	Grey	Grey	Yellow

Business comments

This is East Gippsland Water's second year of the 2023-2028 Price Submission. The business has rated itself against the five key outcomes that customers told East Gippsland Water they valued. These outcomes were determined through extensive engagement with customers in the lead up to the 2023-2028 Price Submission.

For 2024-25, East Gippsland Water rated the overall performance of the five outcomes as yellow (close or largely met) having met two of the five outcomes, made good progress towards meeting the two of the remaining outcomes. One outcome was not met for the year however good progress has been made and it is expected that this outcome will be back on track by the end of the period.

A range of tolerances for each measure have been established in consultation with East Gippsland Water's Customer Advisory Committee. The final traffic light scores for each outcome have also been endorsed by the Customer Advisory Committee. Whilst East Gippsland Water have achieved the majority of the outcome measures, plans have been put in place to address the deficiencies where measures have not been achieved.

Outcome 1: Reliable services, done well.

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a Number of water quality complaints	Number / 1000 customers	Target	≤3	<3	<3	<3	<3	<3
		Actual		1.12	0.826			
b Percentage of customers answering 'yes' satisfied with the quality of EGW's drinking water (via annual customer satisfaction survey)	Percentage	Target	n/a	>85	>85	>85	>85	>85
		Actual	88	90	87			
C Percentage of affected customers informed about planned and unplanned water interruptions	Percentage	Target	n/a	>65	>65	>65	>65	>65
		Actual		76	76			
D Percentage of planned and unplanned water interruptions restored within the advised notification timeframe.	Percentage	Target	n/a	>90	>90	>90	>90	>90
		Actual		100	100			

How is EGW tracking for outcome 1 in the regulatory period so far?

Business comment

East Gippsland Water rated the performance for Outcome 1 as green, as all targets have been achieved.

East Gippsland Water has performed well for this outcome Reliable Services, Done Well. The number of water quality complaints year on year have remained low and stable. This reflects EGW's action to respond to customer issues including flushing mains when colour and taste and air as aesthetic values are reported.

Outcome 2: Fair prices for all

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A Number of formal interactions* with external agencies providing advice or education on EGW's assistance options (i.e. Anglicare, Neighbourhood House) reported back to Customer Advisory Committee. *Formal interactions could include newsletter, site visits, market attendance, new agency relationships.	Number	Target	n/a	≥4	≥4	≥4	≥4	≥4
		Actual		20	23			
B Controllable operating cost per connection	Dollars (\$2022-23)	Target	n/a	≤\$897	≤\$885	≤\$877	≤\$867	≤\$854
		Actual		\$1,015	\$1,041			
C Percentage of customers answering 'yes' aware of our financial assistance program (via annual customer satisfaction survey)	Percentage	Target	60	>61	>62	>63	>64	>65
		Actual	68	70	74			

How is EGW tracking for outcome 2 in the regulatory period so far?

Business comment

East Gippsland Water rated the overall performance for Outcome 2 as yellow, as one of the targets were not achieved.

EGW are working hard to keep its controllable operating costs down however there has been an uplift in positions across the business (18 in total), including additional trainees to provide the services required to its customers. A fundamental shift is how EGW's recycled water farms are being managed has increased operating costs significantly (\$600K), predominately aimed at ensuring EGW's environmental compliance is maintained. In 2024/25 EGW entered the State Purchasing Contract for electricity, and this has seen electricity costs accelerated by over \$500K for similar usage patterns. The transition to Software as a Service for EGW's IT products has resulted in ongoing operational costs being higher than forecasted in the PS2023-28. Work has been

undertaken business wide to set a 2025/26 controllable cost budget that is at the same level as the 2024/25 expenditure, this will allow the business to lower the cost per connection over the coming three years, however at this point in time, the cost per connection metric will be missed for the PS23-28 period.

Outcome 3: Improved environmental outcomes

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A Paynesville waste water recycling plant improvements project milestone reached by end of financial year	Project Status	Target	n/a	Detailed design, procurement	Construction	Construction & commissioning		
		Actual		Detailed Design	Construction			
B Number of non-compliances against EPA Amalgamated Licence	Number	Target	n/a	≤2	≤2	≤1	≤1	≤0
		Actual		2	2			
C CO ₂ emission targets en-route to net zero by 2035	CO ₂ -e tonnes	Target	6,870	<4,875	<2,300	<2,098	<1,896	<1,694
		Actual	7,477	6,874	6,387			

How is EGW tracking for outcome 3 in the regulatory period so far?

Business comment

East Gippsland Water rated the overall performance for outcome 3 as yellow, achieving two of the three targets and missing one.

The number of non-compliances against EPA operating licences were at one facility being Paynesville. EGW is currently in the construction phase of the Paynesville upgrades and the project is on target for commissioning in 2025-2026.

Whole of business carbon emissions are higher than the target for 2024-25. During the reporting period EGW reviewed and updated the emissions calculations for water recycling plants. The revised calculations resulted in an overall increase of approximately 3,000 tCO₂-e for the financial year. This increase has been largely offset by a significant reduction in electricity emissions, now zero, due to the transition to 100% renewable energy in the 2024/25 financial year. The overall result is that EGW's 2024/25 emissions are two percent lower than the previous year. EGW remains committed to achieving net zero by 2035 which is supported by adoption of 100% renewable energy in 2024/25, planned vehicle and fuel transition and future planned upgrades to EGW's water recycling plants.

Outcome 4: Prepare for population growth and a changing climate

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A Third raw water storage at Woodglen project milestone reached by end of financial year	Project Status	Target	n/a	Business case approval	Detailed design	Procurement & commence construction	Construction continued	Construction & commissioning
		Actual		Business case approved	Design development			
B Cumulative value of water efficiency rebates granted over the period	Dollars (\$)	Target	n/a	90,000	180,000	270,000	360,000	450,000
		Actual		20,210	71,469			

How is EGW tracking for outcome 4 in the regulatory period so far?

Business comment

East Gippsland Water rated the overall performance for Outcome 4 as red.

The detailed design for the third raw water storage basin at Woodglen is nearing completion with the milestone expected to be finalised by September 2025. Due to complex geo-technical conditions additional investigations and inputs were required, which resulted in a minor variance to the detailed design program.

Rebate uptake rose from \$20,210 in 2023/24 to \$71,469 in 2024/25, yet remains below target. Despite broad media promotion, further program expansion is being considered to boost customer engagement.

Outcome 5: Contributing to community

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A Number of trainees, apprentices and vacation students hosted	Number	Target	n/a	>5	>5	>5	>5	>5
		Actual		15	18			
B Value of funds awarded under our community sponsorship program each year	Dollars (\$)	Target	n/a	≥20,000	≥20,000	≥20,000	≥20,000	≥20,000
		Actual		19,230	18,563			
C Percentage of customers answering 'yes' EGW is a valued member of the community (via annual customer satisfaction survey)	Percentage	Target	n/a	>61	>62	>63	>64	>65
		Actual	70	63	66			

How is EGW tracking for outcome 5 in the regulatory period so far?

Business comment

East Gippsland Water rated the overall performance for Outcome 5 as green with all targets met.

The number of trainees, apprentices and vacation targets hosted exceeds the target.

East Gippsland Water achieved (greater than 90% of the target) its community sponsorship goal in 2025 by aligning initiatives with local values, increasing visibility through targeted outreach and applying insights from the Communications and Engagement Strategy to strengthen community connections

The percentage of customers answering 'yes' EGW is a valued member of the community remains high at 66% this is a 3% increase. EGW's Customer Connect program has expanded, with a regular schedule of attendance at local markets and community events, along with regular engagement in Orbost, Omeo and Mallacoota sites.