

GWMWater – Outcomes – 2018–2023

Summary table

Outcome	18-19	19-20	20-21	21-22	22-23
1. Safe and Clean Water	Green	Green	Grey	Grey	Grey
2. Reliable and Affordable Services	Yellow	Yellow	Grey	Grey	Grey
3. Healthy and Liveable Region	Yellow	Green	Grey	Grey	Grey
Overall	Yellow	Green	Grey	Grey	Grey

Business comments

Over the past year, GWMWater has continued to progress many of the commitments in our *2018 Water Price Review* along with new projects and initiatives. Our performance in 2018/19 highlighted opportunities for further improvement within the: Reliable and Affordable Services and Healthy and Liveable Region outcomes. Focus in these areas has resulted in improved overall outcome while maintaining the status on Safe and Clean Water outcome.

Although dry seasonal conditions continued though 2019/20, the impact on outputs was managed due to measures implemented to improve performance. Completion of Mallee Towns (Brim, Beulah, Woomelang and Sea Lake) Drinking Water Supply and South West Loddon Rural Water Supply projects now provide new or improved services to thousands of customers within GWMWater’s region. Further to this, we have made


significant progress to reduce carbon emissions through behind the meter renewable energy investments which will continue to provide environmental and financially sustainable outcomes for many years to come.

Planning for other major capital works are also well underway with imminent community engagement planned for the East Grampians Water Supply Project, Ultima Drinking Water Supply and Goroke Sewerage Scheme.

INTERIM

Outcome 1: Safe and Clean Water

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Overall Customer Satisfaction (rating of 5 or above out of 10) via GWMW's customer survey	Percentage of survey responses	Target	–	N/A	> 90%	> 90%	> 90%	> 90%	> 90%
		Actual	94%	96%	94%	94%			
b Urban customers receiving a drinking water supply	Percentage	Target	–	N/A	93%	93%	95%	95%	95%
		Actual	91%	91%	91%	92%			
c Total water quality complaints (urban and rural)	Number per 1,000 customers	Target	–	N/A	4	4	4	4	4
		Actual	3.7	4.2	3.8	3.3			
d Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	0	0	0	0	0	0	0
		Actual	7	3	2	0			

Overall outcome 1 performance for the regulatory period so far: 

Business comment

1a: Result based on biennial phone survey, with 701 customers interviewed in February-March 2019. Of particular note, the percentage of customers that were very satisfied (ie their satisfaction rating was 9 or 10 out of 10) increased from 48% to 56%. All feedback received from customers including the customer survey, customer contacts and engagement forums continues to inform GWMWater's annual operating and servicing plans.

1b: The completion of the Mallee Towns Drinking Water Project and gazettal to remove regulated declarations in Brim, Beulah and Woomelang was achieved in August 2019, improving our result in 2019/20. The result for 2019/20 is close to target pending delivery of the Ultima Drinking Water Project.


1c: Total number of quality complaints per 1,000 improved further in 2019/20 to 3.3, favourable to target. The supply to rural pipeline customers in the northern Mallee remains vulnerable to deteriorations in source raw water quality from the Murray River. Where available, contingency plans are activated to minimise the impact to rural pipeline customers. GWMWater is continuing further investigations on response plans in relation to water quality incidents on the Murray River, and note other government programs aimed at improving water quality along the Murray River such as the Victorian Murray Floodplain Restoration Project¹.

1d: No non-compliance was identified during the *Safe Drinking Water Act 2003* (Act) audit in respect to review of monitoring alarms.

¹ <https://www.vmfrp.com.au/>

Outcome 2: Reliable and Affordable Services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual Service Standard Performance Report – Number of targets met	Percentage	Target	–	N/A	>80%	>80%	>80%	>80%	>80%
		Actual	70%	57%	72%	74%			
b Total controllable operating expenditure (cumulative 2018–2023, \$2017-18 real)	\$ million	Target	33.7	33.0	31.1	62.3	93.06	123.81	154.33
		Actual	31.4	33.0	32.6	64.8			
c Hardship grants awarded (excluding government schemes)	Number	Target	–	N/A	150	150	150	150	150
		Actual	50	138	70	93			

Overall outcome 2 performance for the regulatory period so far: 

Business comment

2a: Performance impacted by sustained number of unplanned urban water supply interruptions and time taken to restore planned and unplanned urban water supply interruptions resulting in a number of service standards not meeting target. Our renewals program is currently being reviewed and will focus on priority areas to improve the number of unplanned supply interruptions.

GMMWater's proposed level of renewal expenditure over the five year regulatory period was reduced by \$9.3 million in the *2018 Water Price Review* final decision. The increased level of risk was accepted by GMMWater on the basis of continuing to improve asset condition and performance data, commitments to maintain customer affordability, and expectation if a greater level of expenditure be required, this would be reconciled and reviewed in the next price submission. The renewals program is based on a combination of condition (year 1-2) and predictive modelling based on life. As a result, there is an inherent level of uncertainty and this will continue to be informed based on actual performance and condition assessments.

GWMWater's Service Standards are published in the Urban Customer Charter and Rural Customer Charter, and can be found at <https://www.gwmwater.org.au/about-us/about-gwmwater>.

For a detailed report on GWMWater performance against these standards and to see how these and other indicators compare to other water business across Victoria, refer to the Water Industry Performance Report published by the Essential Services Commission at <https://www.esc.vic.gov.au/water/sector-performance-and-reporting/water-performance-reports#tabs-container2>.

2b: The result in GWMWater's 2018/19 Customer Outcomes Report was reported prior to completion and audit of the annual regulatory accounts. The final performance result is in line with the net expenditure assumptions from the 2018 Water Price Review and has been adjusted in this report.

The dry seasonal conditions in 2018/19 caused an increase in the related variable costs including pumping and treatment costs, and water carting in areas where source water was affected by blue green algae, all contributing to the \$1.5 million increase in water and wastewater service costs. This increase was fully recovered through increased volumetric charges and as such, the performance for 2018/19 has been updated from amber to green.

Once again, the cumulative 2018/19-2019/20 total controllable operating expenditure represents an interim result pending completion and audit of the 2019/20 annual regulatory accounts. The 2019/20 interim result indicates additional expenditure of \$1 million compared to expectations in performance for the year. This is in addition to the \$1.5 million increase in variable costs from 2018/19. This result reflects total controllable operating expenditure targets set in the 2018 Water Price Review.

The increase in expenditure in 2019/20 is due to a number of factors including increase in leave liabilities; provision of special leave to staff in response to coronavirus (COVID-19) public health measures and school closures; sustained level of leaks and blockages resulting in higher levels of expenditure on maintenance and road reinstatements; along with increased expenditure on pump station and storage maintenance activities.

2c: A review of GWMWater's program was undertaken in 2019/20 with a 33% increase in the level of hardship grants provided. GWMWater will continue to work proactively with hardship customers and local community support services to identify and implement opportunities to increase the level of hardship support provided.

Outcome 3: Healthy and Liveable Region

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Number of organisations receiving recreation water discounts	Number	Target	–	–	–	–	–	–	–
		Actual	328	389	414	416			
b Carbon emission reduction – 20% reduction (from 20,017 tonnes) by 2025 (cumulative)	Percentage	Target	–	4%	9%	11%	12%	14%	16%
		Actual	25%	17%	2%	17%			
c Recycled water use	Percentage	Target	100%	100%	100%	100%	80%	80%	80%
		Actual	60%	64%	76%	81.4%			
d Non-compliance incidents with Bulk Entitlements	Percentage	Target	0	0	0	0	0	0	0
		Actual	4	4	4	4			
e Review of Western Region Sustainable Water Strategy by end 2018/19	Met/not met	Target	N/A	N/A	Met	N/A	N/A	N/A	N/A
		Actual	N/A	N/A	Met	-			
f Level of unaccounted water	Percentage	Target	–	N/A	10%	10%	10%	10%	10%
		Actual	11.9%	7.3%	10.3%	7.6%			
		Actual	12.6%	10.2%	4.2%	8.6%			

Overall outcome 3 performance for the regulatory period so far:



Business comment

3a: A total of 416 organisations including schools received recreation water discounts in 2019/20. Recreation water discounts are funded through a recreation contribution charge collected from residential and rural households and is reported in GWMWater's Annual Report.

3b: Gross carbon emissions reduced from 19,524.8 Tonnes CO₂-e in 2018/19 to Tonnes 16,634.7 CO₂-e in 2019/20 which represents a total reduction of 2,887.8 Tonnes CO₂-e. A decrease in water consumption relative to 2018/19, along with investments in behind the meter renewable energy during 2019/20 has seen a significant reduction in carbon emissions for the year.

For further information including breakdown of the source and trend in carbon emissions, water consumption volumes and bulk entitlement water amounts taken refer to GWMWater's Annual Report available at <https://www.gwmwater.org.au/about-us/annual-reports>.

3c: Result impacted by reduced customer demand for recycled water. Further investigations planned to increase customer demand for recycled water.

3d: GWMWater is yet to implement a metering plan approved by the Minister for each Bulk Entitlement. Work has commenced on developing a Non-Urban Metering Action Plan in accordance with guidelines published by the Department of Environment, Land, Water and Planning. The plan is expected to be adopted in 2020/21.