

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 2022-23 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	Green	Green	Green	Green			
2. Reliable Services	Green	Yellow	Green	Green	Green			
3. Responsive Services	Green	Green	Green	Green	Green			
4. Efficient Systems	Yellow	Yellow	Yellow	Yellow	Yellow			
5. Local Focus	Yellow	Yellow	Yellow	Green	Green			
6. Sustainable Region	Yellow	Yellow	Yellow	Red	Red			
Overall	Yellow	Yellow	Yellow	Yellow	Yellow			

Business comments

In conjunction with the Customer Forum held for the Price Submission, North East Water developed its Customer Outcomes Framework which centred on six clear and consistent customer values (identified above). Twelve key outputs frame our customers' expectations against these outcomes and in 2022-23, the corporation continued to deliver on these drivers.

With the oversight of our Board and management, we have adopted a pragmatic and reasonable approach to indicating performance against our committed Outcomes. Our approach acknowledges a number of aspirational targets to be achieved within the term of our unique, eight-year Price Determination.

We have continued to biannually convey how we are performing to customers through our Customer Report Cards. Again, these are overseen by Board and management and are proactively promoted via a number of channels. Each Report Card contains short case studies to demonstrate the activities of our business during the reporting period.

North East Water continues to demonstrate its agility and resilience in ensuring service continuity and the prioritisation of customer needs to support the health and prosperity of our region.

Following on from strong performance results during our fifth year of Outcomes reporting, North East Water has rated its overall 2022-23 performance to be **Amber**.

A lot has changed in our operating environment, and this ultimately shows the strength in North East Water's ability to maintain essential services. The corporation's Strategic Intent – to support the health and prosperity of the region – remains at the forefront of our ambitions and underpins our actions in this challenging environment.

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%	80.4%	79.2%	80.4%	N/A			
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	76	0	0	0			

Overall outcome 1 performance for the regulatory period so far:



Business comment

- a) In order to determine the percentage of residential customers who pay their bill within the required 30 days, North East Water measures this by the number of bills issued against the number of reminder notices issued; this figure provides the requisite percentage. In 2022-23, as North East Water migrated to a new billing system, reminder notices were not issued during the full system implementation months (October and December), impairing our ability to determine the outcome of the measure.

In 2022-23 North East Water remained the third most affordable water bills in Victoria. As such, we are comfortable that there has not been significant movement on this measure, but in recognising our inability to confidently determine the percentage, we have recorded our performance against this rating as amber.

- b) In March 2020, to better support customers during the COVID-19 pandemic, North East Water ceased all restrictions and legal action. Staff diverted their focus and resources to early intervention and proactively engaged with customers whose accounts were in arrears. With lockdowns inhibiting face-to-face visits, staff established communication channels with customers through phone calls (as well as SMS, Callback Register and Live CHAT) that have resulted in us being able to efficiently communicate support options to a wider demographic. We also continued to provide a range of options to customers, including payment arrangements, Utility Relief Grant Scheme, leak rebates and the Community Rebate program.

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	1	0	0	0			
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	14.7	11.8	12.3	11.1			

Overall outcome 2 performance for the regulatory period so far:



Business comment

- a) North East Water achieved full compliance against the *Safe Drinking Water Act (2003)* and regulations over the 2022-23 period. We made one notification to the Department of Health under Section 18 of the *Safe Drinking Water Act (2003)*, six notifications under Section 22. A successful external audit was conducted in March 2023 to assess the corporation's Risk Management Plan against the requirements of the *Safe Drinking Water Act (2003)* and *Safe Drinking Water Regulations 2015* for the period January 2021 to December 2022.
- a) North East Water operates and maintains over 1,700kms of potable and non-potable water mains which provides water supply to over 55,000 connections. Our service region covers 39 towns and 115,000 people across approximately 20,000 square kilometres.

For 2022-23, North East Water reported 180 unplanned water interruptions. Down from the previous year, this also remains under target and is attributed to the increased investment in renewing end of life water mains with some of the poorer performing water mains in the network now renewed. North East Water continues to be proactive in the water mains renewals space, with further investment planned for 2023-24. This continued commitment to the water mains renewal program will continue to improve the customer's water service outage rates.

Overall, we consider our performance against this Outcome to be **Green** over the 2022-23 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	111.6	99.4	96.1	91.6	80.4	84.4	95.5			
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%	91.3%	90%	85.7%	87%			

Overall outcome 3 performance for the regulatory period so far:



Business comment

- For the 2022-23 reporting year North East Water has achieved a positive result of an average 95.5 minutes for rectifying unplanned water supply interruptions. This also corresponded with a significant reduction in response and repair times, due, in part, to the procurement of larger non-intrusive vacuum trucks that have resulted in a marked improvement in efficiency. This is below target and is coded green.
- 2022-23 saw an expansive engagement program for major strategic projects including the West Wodonga WWTP upgrade, the Beechworth sewer project, Bellbridge water and sewer improvements and the formation of a customer and stakeholder reference group regarding the Mt Beauty Raw Water Offtake Project.

The corporation also undertook meaningful engagement with Traditional Owners, including work with Taungurung Lands and Waters Council on Land Use Activity Agreement for the new Wandiligong pumping station, and Yorta Yorta on a sequestration project being investigated for Winton Wetlands. Though slightly under target, our strong commitment to customer engagement, right across our business, has been reflected in this positive result.

Overall, we consider our performance against this Outcome to be **Green** over the 2022-23 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	10.6	10.9	10.1	9.6			
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%	13.5%	14.3%	12.7%	13%			

Overall outcome 4 performance for the regulatory period so far:



Business comment

- Against a target of less than 12, customers experienced only 9.6 sewer interruptions per 100km. Over the 12 month reporting period, our staff attended 122 unplanned sewer events, slightly less than in 2021-22. North East Water will continue its proactive inspection and maintenance program of our sewer network in 2023-24.
- Significant investments in infrastructure and resources across our service region will see further progression towards this target during the regulatory period. In 2022-23 our performance against this measure indicates an increase from the previous year's performance. In 2022-23 we continued to further address water losses through actions contained in the Water Loss Reduction Plan. A focus for the year ahead will be to trial the use of metered hydrant to better estimate the volume of water used in flushing and repairs. For systems that have high non-revenue water, like Bright and Porepunkah, we will continue to use our leak detection loggers to try and identify leaks so we can repair them in a timely manner.

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%	84.4%	79%	84.2%	85%			
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%	88.2%	88.3%	88.9%	89.4%			

Overall outcome 5 performance for the regulatory period so far:



Business comment

- a) Our annual result from our customer research program shows a slight increase on the previous year’s result and exceeding the target set. The consistent score reflects our customers’ high level of satisfaction with our local knowledge as North East Water’s services are supplied solely by local staff who are a part of the communities we serve.
- b) Water conservation continued to be our primary education focus in 2022-23. We continued to promote community knowledge of regional water supply systems, supply availability and water conservation, though the La Nina event, which created a cooler and wetter summer, invariably impacted the campaign’s currency. The corporation continued its ‘Water Wise’ campaign, a joint partnership with a number of local governments and Goulburn Murray Water to ensure consistency of message across the region.

Overall, we consider our performance against this Outcome to be **Green** over the 2022-23 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%	92%	94%	87%	84%			
b A Smaller Footprint – Total carbon emission	Tonnes CO ₂ e	Target	–	35,672	36,314	36,555	32,762	23,289	19,128	19,422	19,817	19,817
		Actual	37,737	35,605	33,905	32,614	32,197	31,607	30,935			
c Enhanced liveability – Customers are satisfied in NEW is ensuring water security for future 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%	90.4%	93%	92%	94.8%			

Overall outcome 6 performance for the regulatory period so far:



Business comment

- a) North East Water achieved 84% compliance on its licence compliance, including the quality of wastewater from the corporation’s wastewater treatment plants. This metric is aligned with Environment Protection Authority (EPA) licence conditions, including treated wastewater quality parameters, and provides an overall representation of wastewater treatment plant performance. While a result of 100% was not achieved the Corporation is committed to achieving full compliance across all sites.

The non-compliances in 2022-23 were due to high rainfall and infiltration across our wastewater networks resulting in record level discharge volumes, wet weather discharges and limiting treatment performance at discharge to water sites. Wet weather discharges occurred at 12 sites including Baranduda, Beechworth, Benalla, Chiltern, Corryong, Mount Beauty, Rutherglen, Tallangatta, Wangaratta, Walwa, West Wodonga & Yarrowonga. Many of these locations do not comply with the 90th percentile containment standard and work is underway to augment facilities to improve containment.

Projects to address operational licence non-compliances continue to be a focus at North East Water through capital upgrades and improved operational performance. North East Water continued to reduce the impact of wastewater discharges to the environment and improve EPA licence compliance through:

- Understanding the risks and impacts to beneficial uses of receiving waterways through utilising the Ecological Risk Assessment (ERA) process.
 - Implemented a master planning program to assess all wastewater systems for growth, treatment performance and future infrastructure upgrades as inputs to the capital investment program and next pricing submission.
 - Our wastewater treatment plant upgrade program has seen continued progress. Tallangatta WWTP upgrade was completed and is now a lagoon-based treatment with improved inlet structure and odour controls. The Bellbridge WWTP project commencing construction in 2022-23 with the WWTP being upgraded to a mechanical sequential batch reactor (SBR) treatment process. Planning and design for upgrades at Beechworth and West Wodonga WWTPs progressed ensuring growth and licence compliance.
 - The Beechworth transfer sewer main was completed including the construction of the Church St sewer pump station and an energy dissipation structure, electrical upgrades and pipe works at the WWTP. The improvements will reduce the risk of spills to the Beechworth Historic Park and mitigate odour non-compliances at the WWTP.
- b) Total greenhouse gas emissions decreased by 2.1% from 2021-22 levels with the commissioning of the 3MW solar farm and a reduction in the grid emissions factor having a positive effect on Scope 2 emissions. Our overall emissions are 61.7% greater against the emissions reduction pledge target, largely due to delays in the completion of the 3MW solar farm and West Wodonga WWTP upgrade. The corporation is on track to exceed the 2025-26 target with an updated emission reduction pledge including net zero Scope 2 emissions by 2025-26 and net zero emissions by 2035. The corporation made progression on its carbon reduction initiatives this year, with completion of the feasibility study for the sequestration opportunity at Winton Wetlands and tendering for the West Wodonga Wastewater Treatment Plant Capacity and Emissions Upgrade Project.
- c) This reporting measure is designed to track our performance in increasing 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 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 **Red** rating is assigned.