



Water Performance Report 2019–20

Performance of Victorian urban water and sewerage businesses

9 December 2020



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From the chairperson



Kate Symons

Chairperson

Kate was appointed chairperson of the Essential Services Commission in September 2019 after three years as a part-time commissioner. As a lawyer with qualifications in public administration and corporate governance, Kate brings particular expertise in risk, compliance and governance.

Kate has a passion for ensuring customer experiences are considered at every step of the regulatory process.

The year 2019–20 has been incredibly challenging, with unprecedented back-to-back states of disaster declared in Victoria. At the beginning of the year, we witnessed ravaging bushfires that devastated communities in the east of the state. That was soon followed by the unfolding coronavirus pandemic that has continued to have an impact on our welfare and economy.

Our primary focus as a regulator is to promote the long-term interests of Victorians. We continued to work closely with water businesses to ensure water customers are supported, especially during these tough times.

Throughout the pandemic, we regularly engaged with our stakeholders to understand the experience of Victorian customers. We did this through:

- hosting leaders from the community and the water sector at six roundtable events

- conducting regular interviews with water businesses
- collecting, for the first time, weekly data from water businesses to monitor the support provided to customers affected by the pandemic.

Our engagement with the sector and our performance monitoring revealed that water businesses have stepped up efforts to support customers this year, allowing greater access to a range of support services. This includes extending support services to small business customers affected by the pandemic.

Our quarterly customer surveys revealed that customer trust in the water sector continued to improve. The latest results showed trust at an all-time high. This improvement is a testament to the sector's ongoing efforts to support customers while also providing reliable water and sewerage services.

As the pandemic continues into 2021, we will keep monitoring and reporting how the water sector is supporting customers.

We are confident water businesses will continue to successfully manage the challenges ahead, as they have done so far.

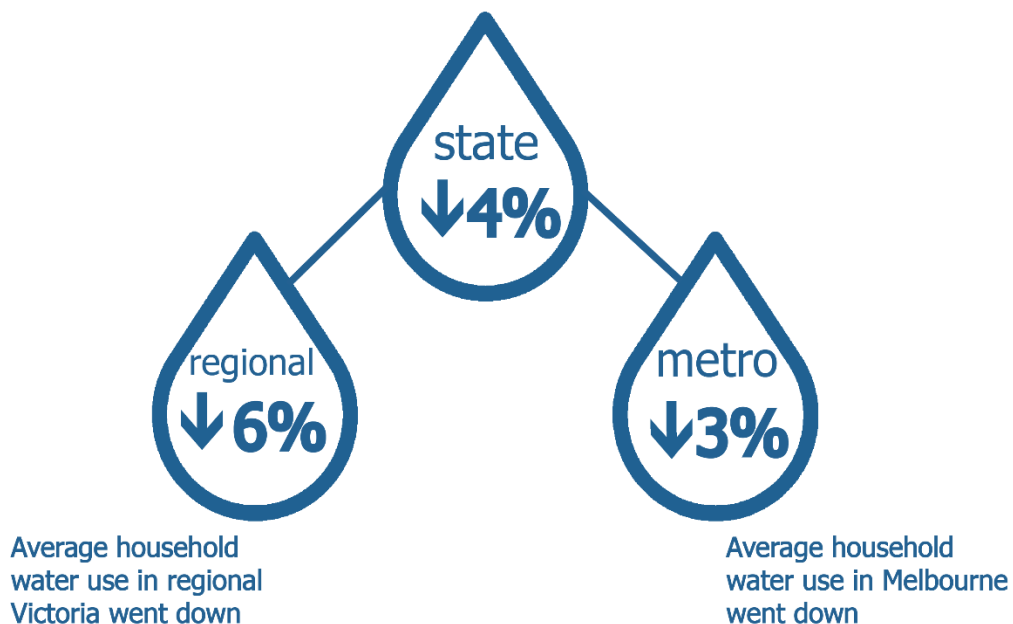
And we will continue to work with the water sector to ensure customers are receiving the support they need.

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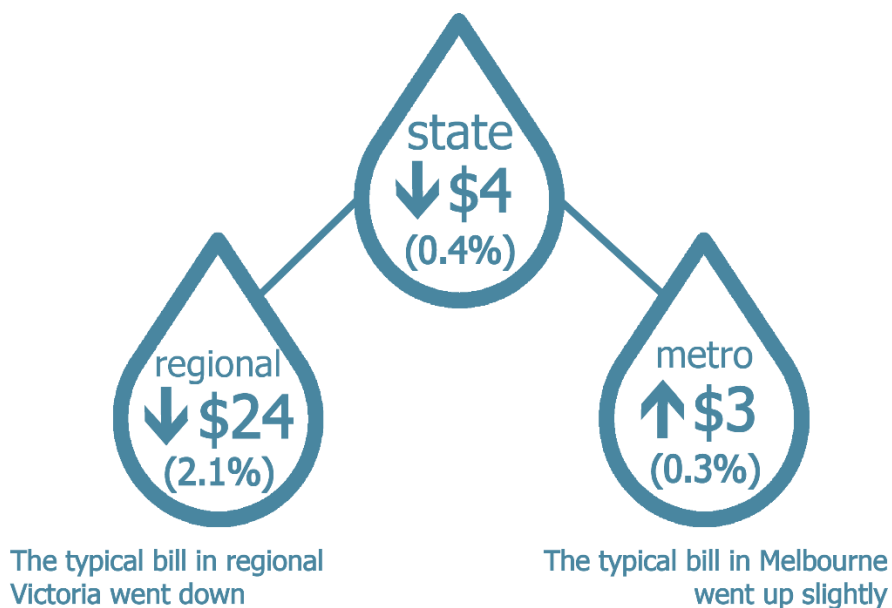
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Key changes from 2018–19 to 2019–20

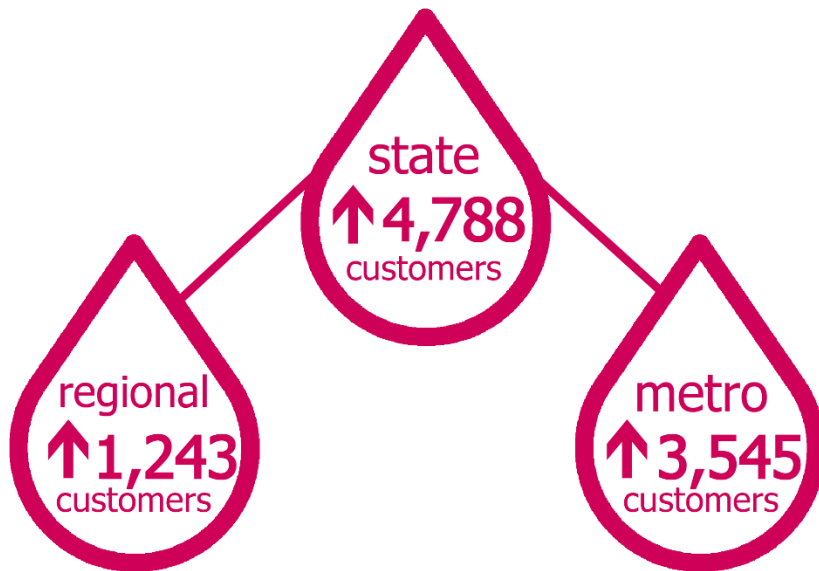
Water use went down across the state



Overall bills went down slightly across the state and down in regional Victoria, while bills in Melbourne went up slightly



More customers received hardship grants from their water business across the state to help pay their water bills



A total of 4,850 regional customers received hardship grants

A total of 12,930 Melbourne customers received hardship grants

Across the state fewer customers had their water restricted or faced legal action for overdue water bills



A total of 2,665 residential customers had their water restricted for overdue debt



A total of 106 residential customers faced legal action for overdue debt

What we found in 2019–20

Victoria’s 16 urban water businesses operate across a range of geographic, environmental and social conditions. We report on the Victorian urban water sector’s performance, both as a whole and as individual businesses.

This report is one of the ways we report on the water sector. We also produce customer surveys and outcomes reports.^{1 2}

Our outcomes reporting intends to drive improvements that ensure better outcomes for water customers. It is tailored to the commitments each water business makes under our outcomes reporting framework.

In this report we compare each water business on customer bills, household water use, and other key service measures.

Businesses’ response to the summer bushfires and the coronavirus pandemic

This year, businesses changed their customer support approaches in response to the summer bushfires and the coronavirus pandemic.

A number of performance indicators reflect these changes. For example, after increased efforts to support customers, more customers received hardship grants from their water business. The value of these grants also more than doubled compared to last year.

Businesses paused debt recovery action during the pandemic. This meant fewer customers had their water supply restricted or faced legal action for an overdue water bill.

¹ “How customers rate their water business”, *Essential Services Commission* (2018). <<https://www.esc.vic.gov.au/water/sector-performance-and-reporting/how-customers-rate-their-water-business>>, accessed 21 November 2019.

² “Outcomes reporting”, *Essential Services Commission* (2018). <<https://www.esc.vic.gov.au/water/sector-performance-and-reporting/outcomes-reporting>>, access 21 November 2019.

We are reporting separately on businesses' support for customers during coronavirus

We continue to report monthly on several indicators and conduct regular interviews with water businesses to understand how water businesses are supporting customers during the coronavirus pandemic.

This reporting commenced in April 2020, with a summary of results and insights published each month. These reports show water businesses are providing greater access to support services, which have been extended to include access to small business customers. Read our monthly reports at www.esc.vic.gov.au/water-customer-support-during-coronavirus-pandemic.

In August, we also amended our water customer service codes to include national support principles for customers facing hardship because of the coronavirus pandemic. Read more about our code amendment at www.esc.vic.gov.au/adopting-national-coronavirus-support-principles-water-codes-2020.

This year's performance data has not been audited

Due to the disruptions caused by the coronavirus pandemic, this year we did not require water businesses to have their data independently audited.

We advised businesses in April that we would temporarily suspend this requirement to help reduce their regulatory burden so that they could focus on providing support to customers.

Businesses are responsible for the accuracy of their data and we will require this year's data to be audited at a later stage.

The typical Victorian residential water customer

In 2019–20, a typical Victorian residential water customer:

- **used less water.** Average household water use was down by about four per cent to 157 kilolitres. This coincides with a wetter than average autumn in most parts of the state, in contrast to last year which saw below average rainfall and an increase in household water use.³ See section 1.2 for more information about average household water use.

³ "Victoria in summer 2018-19: warmest summer on record", *Bureau of Meteorology* (2019). Available at: http://www.bom.gov.au/climate/current/statement_archives.shtml?region=vic&period=season, accessed 1 October 2019.

- **received similar bills to the previous year.** Across the state lower average water use resulted in slightly lower typical household bills for most customers. Last year where there was higher average household water use typical bills increased. Goulburn Valley Water’s customers received the lowest typical household owner occupier bill (\$907). GWMWater reported the highest typical owner occupier bill (\$1,381). See section 1.3 for more information on typical bills.
- **received enhanced support if experiencing payment difficulties.** Increased efforts to support customers during the coronavirus from March this year provided customers with greater access to a range of water business and Victorian Government support programs. Significantly more customers received hardship grants from their water business and one-off grants from the Victorian Government. See sections 1.6 and 1.7 for more information about grant assistance.
- **customer trust in the water sector continues to rise.** Customer service representatives demonstrated that they were skilful at resolving customer issues. The Victorian water sector scored slightly higher this year on a benchmarking study for its customer service (discussed in section 2.3). Our customer surveys revealed customer perception of water businesses continues to improve and trust in water businesses is at an all-time high (discussed in section 2.3). Water network reliability remained high with minimal supply interruptions. However, sewer blockages and spills increased, which is commonly observed where wet weather follows a prolonged dry period as was experienced this year. See chapter 3 for more information about water and sewer network reliability.
- **made fewer complaints to the Energy and Water Ombudsman (Victoria) and to their water business.** There were nine per cent fewer complaints made to the Energy and Water Ombudsman (Victoria), suggesting that businesses are doing a better job of resolving complaints that come to them directly.⁴ Customers made four per cent fewer complaints to water businesses, with the majority of complaints in relation to water quality. See section 2.4 and 2.5 for more information about customer complaints made to water businesses.
- **was less likely to have their water restricted or face legal action for overdue debt.** The rate of water supply restrictions and legal action was well down on last year’s rates. This is in part due to the decision made by water businesses to temporarily cease water supply restrictions and legal action in response to the coronavirus pandemic. See section 1.8 for more information on water supply restrictions and legal action for overdue debt.

Overall, Victoria’s 2.9 million urban water customers continue to receive good service from their water businesses, despite disruptions and challenges caused by the summer bushfires and coronavirus, as indicated by rising ratings in our customer surveys. However, as we noted in our

⁴ Energy and Water Ombudsman (Victoria) (2020), Annual Report 2020. Available at: <<https://www.ewov.com.au/2020>>, accessed 19 November 2020.

2019–20 outcomes report published in October, with the growing number of major projects that are delayed or deferred, businesses may need to carefully manage their value proposition to ensure customers continue to receive good value for money in the coming years.

Why we report on performance

Why performance reporting is important

This report covers specific key performance indicators of the 16 Victorian urban water businesses over a five-year period with attention given to their performance in 2019/20.

For each business we compare these indicators against:

- other businesses
- their own performance over time.

Rural water businesses are excluded from this report as well as the rural activities of GWMWater and Lower Murray Water, which provide both urban and rural services.

Figure 1 shows the 16 urban water business boundaries and Melbourne Water.

The main purposes for reporting on performance are to:

- help guide discussions between water businesses and their customers about outcomes to be delivered and performance targets
- drive competition between water businesses to improve service standards
- inform the decision making processes of water businesses, regulatory agencies and the Victorian Government.

Figure 1: Victorian urban water businesses

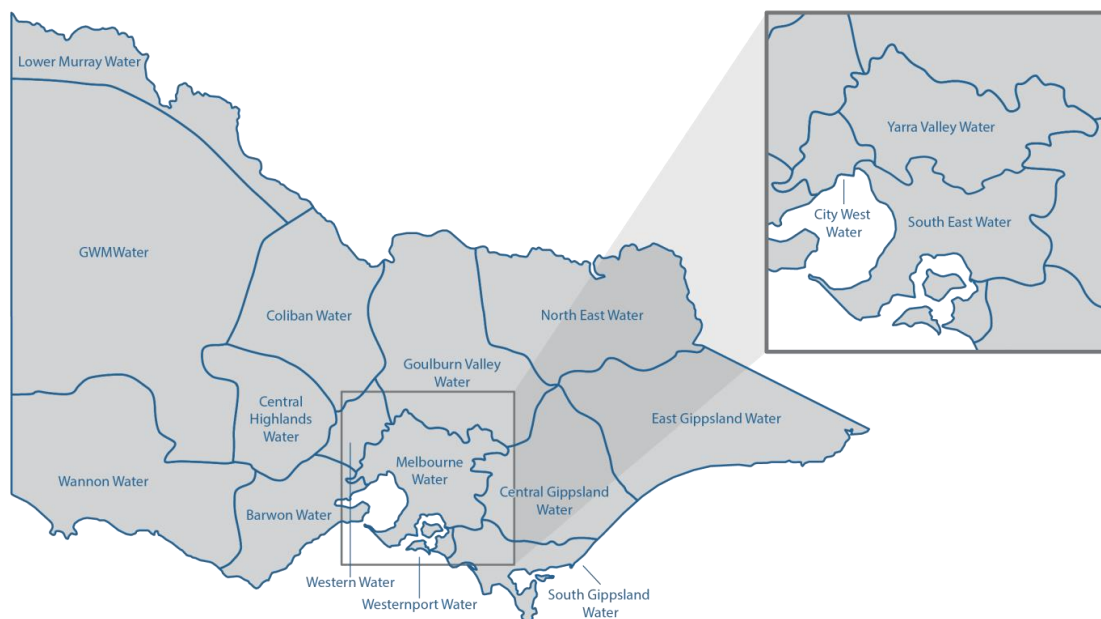


Table 1 shows the number of urban water and sewerage customers that each of the water businesses serviced in 2019–20, as well as the total numbers of customers in Melbourne, regional Victoria and statewide. This year water businesses provided services to 62,225 more customers, about a 2 per cent increase compared to last year.

Table 1: Urban water and sewerage customers in 2019–20

	All water customers	Residential water customers	Non-residential water customers	Sewerage customers
City West	488,191	445,754	42,437	484,744
South East	792,546	730,868	61,678	766,516
Yarra Valley	839,516	781,288	58,228	782,501
Barwon	165,804	153,167	12,637	150,417
Central Highlands	72,128	66,374	5,754	62,475
Coliban	77,709	70,678	7,031	70,474
East Gippsland	24,448	21,486	2,962	20,206
Gippsland	71,963	65,905	6,058	64,559
Goulburn Valley	60,279	53,828	6,451	53,206
GWMWater	32,052	27,368	4,684	26,126
Lower Murray	34,311	30,431	3,880	29,868
North East	52,707	48,032	4,675	47,852
South Gippsland	20,956	17,771	3,185	18,517
Wannon	43,603	37,176	6,427	37,321
Western	72,286	68,886	3,400	66,238
Westernport	17,256	16,169	1,087	15,794
Metro total	2,120,253	1,957,910	162,343	2,033,761
Regional total	745,502	677,271	68,231	663,053
Statewide total	2,865,755	2,635,181	230,574	2,696,814

Our new pricing framework

In 2016, we released our new pricing framework (PREMO) for the Victorian water sector, which puts customers squarely at the centre of water businesses' considerations. We challenged businesses to better engage with their customers to understand what they value most and prepare price submissions which take these views into account.

The PREMO framework provides incentives for water businesses to provide greater value to customers and holds them accountable for delivering on their commitments. This year marks the second reporting year under the PREMO framework. As part of the 2018 water price review, water businesses established clear outcomes and performance targets, and have self-reported their achievements and the value they have delivered to their customers. We collated these self-reports into an annual outcomes report. The outcomes report for 2019–20 can be accessed on our website at www.esc.vic.gov.au/water-outcomes-reporting.

Because of this new line of reporting by the water businesses themselves, our performance reporting has changed and will continue to evolve as we monitor how the sector responds. For example, our performance reporting now no longer includes the chapter on water businesses' major capital projects. Instead this has been included in our outcomes reporting because we considered that major projects are closely aligned to businesses' commitments to their customers.

Businesses may use our performance reporting to guide discussions with their customers about service priorities and performance targets. Our performance report can also be used to inform our assessment of the businesses' self-reporting to customers about their own performance.

Our regulatory functions

We are the economic regulator of the Victorian water sector. One of our regulatory functions is to monitor and to report publicly on the performance of the Victorian Government-owned water businesses.

We are also responsible for regulating service standards and conditions of supply. However, we do not regulate or drive performance in the areas of water conservation, the environment and water quality, although some of these areas are covered in our report.

Other bodies with a role in the state's water services are:

- the Environment Protection Authority Victoria, which is responsible for regulating environmental standards
- the Department of Environment, Land, Water and Planning, which is responsible for water conservation measures

Why we report on performance

- the Department of Health and Human Services, which is responsible for drinking water quality standards.

The data used in this report

This report is based on performance data reported by the businesses against key performance indicators specified by us, and comments from the businesses explaining their performance.




Data in this year's report is unaudited

Normally the data provided to us by the businesses is independently audited, however this year we removed this requirement to lower the regulatory burden placed on businesses, allowing them to focus more closely on supporting customers during the coronavirus. Businesses are responsible for the accuracy of their data and we will still require this year's data to be audited at a later stage.

Data snapshots

We use snapshots alongside some indicators to highlight changes made at metropolitan Melbourne and regional Victoria level, and the statewide trends. Depending on the indicator, an increase could be an improvement or a deterioration in performance.

Snapshot symbol definitions

				
5%+ increase	0–5% increase	Steady	0–5% decrease	5%+ decrease

Access all of our 2019–20 water performance resources

Find all of our 2019–20 performance information at <https://www.esc.vic.gov.au/water-performance-reports>, including:

- this report comparing the performance of the 16 urban water businesses
- water business profiles that provide a snapshot of each business's performance
- a summary of the data behind our tables and charts in this report.

1. How much households use and pay for water

This chapter looks at the average water use of households and typical bills at the average water usage level across Victoria.

The bill estimates in this chapter reflect prices charged by water businesses in the year from 1 July 2019 to 30 June 2020.

We also discuss how some customers are paying their bills. Government support and water business assistance programs are available where customers are experiencing payment difficulties. If bills remain unpaid, customers may face water supply restrictions or legal action.

1.1. 2019–20 at a glance

Household water use decreased by about 4 per cent across the state to 157 kilolitres. This coincides with above average rainfall in the later half of 2019-20 and follows two consecutive years of increased water use during a prolonged dry period.

Lower household water use across the state contributed to a slightly lower statewide typical annual bill for both owner occupiers and tenants. The typical bill for owner occupiers in regional Victoria decreased by 2 per cent to \$1,118 and for tenants decreased by 7 per cent to \$317. The typical bill in Melbourne increased by less than 1 per cent for owner occupiers to \$1,003 and for tenants increased by 1 per cent to \$498.

More customers received grant assistance from the Victorian Government to help with one-off bill payments.

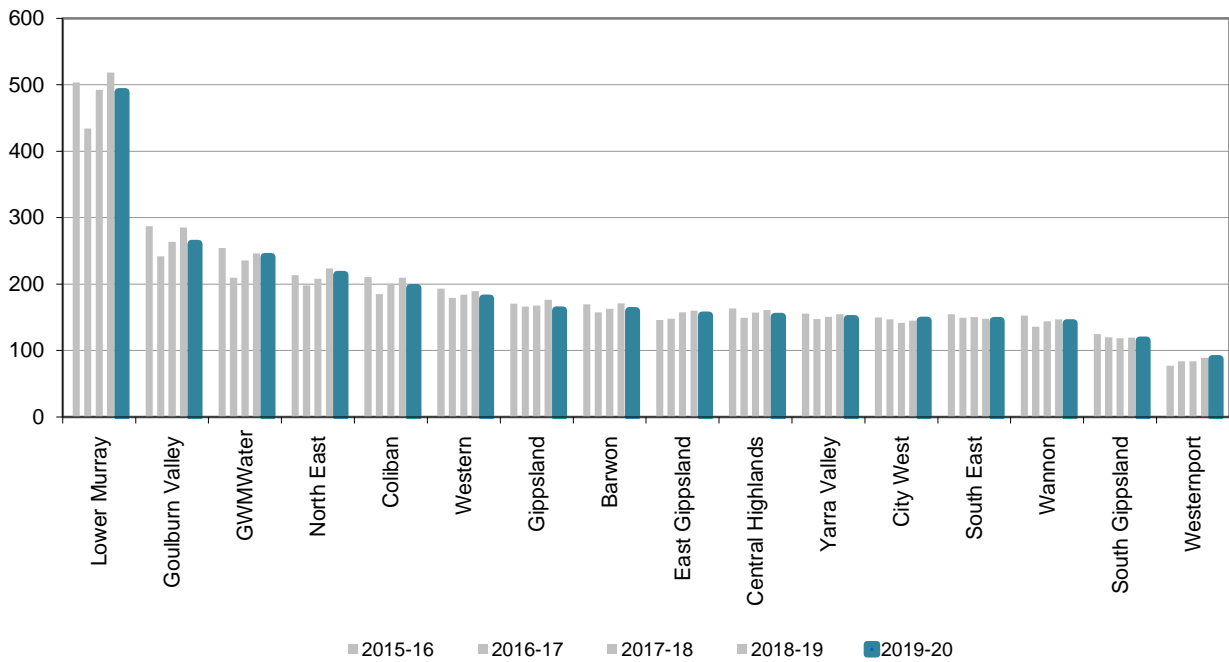
Water businesses awarded more hardship grants to customers and the value of grants more than doubled statewide to \$532 compared to \$242 the previous year. This follows increased efforts by water businesses to support customers during the coronavirus pandemic.

Fewer customers faced water supply restrictions and fewer customers faced legal action for unpaid debt. This is in part due to the businesses' decision to temporarily cease action against customers for unpaid debt in response to the effects of the coronavirus.

1.2. Average household water use

Water use varies around the state due to different climates, household demographics, property sizes, and any water restrictions that may be in place. Figure 2 shows the average annual household water use across the last five years, measured in kilolitres.

Figure 2: Average household use (in kilolitres per household)



Snapshot (average household water use, kilolitres)

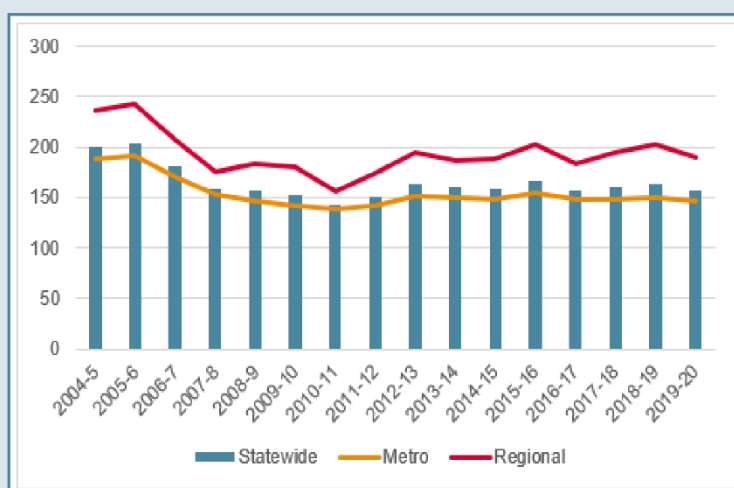
State-wide average		-3.9%	Metro average		-2.8%	Regional average		-6.4%
2019-20	157	↓	2019-20	146	↓	2019-20	190	↓
2018-19	164		2018-19	150		2018-19	203	

How much households use and pay for water

Key observations

- Average annual household water use across Victoria decreased by 4 per cent in 2019–20, to 157 kilolitres, with no business reporting an increase. This reflects a wetter than average autumn in most parts of the state despite lower than average rainfall in the first half of the year.⁵
- Average annual household water use decreased by 6 per cent in regional Victoria. The largest decreases were recorded by Goulburn Valley Water and Gippsland Water, both reporting a 9 per cent decrease.
- In metropolitan Melbourne, average annual household water use decreased by 3 per cent. Of the metropolitan businesses, Yarra Valley Water reported the largest decrease of 5 per cent.

Average household water usage (kL)



Victoria's average household water usage has remained at around 160 kilolitres for the past eight years and is well down on levels in the mid 2000's. In metropolitan Melbourne in recent years, average household water use has remained relatively steady at around 150 kilolitres per year. Average annual household water use in regional Victoria has fluctuated more markedly. This fluctuation is mainly due to consumption patterns in the north and west of the state, particularly for Lower Murray Water.



⁵ "Victoria in autumn 2020: wetter than average with cool days", *Bureau of Meteorology (2020)*. Available at: <http://www.bom.gov.au/climate/current/season/vic/archive/202005.summary.shtml>, accessed 19 November 2020.

1.3. Typical household bills

Household bills across Victoria vary due to the cost to service different regions, sources of water, historical decisions about tariff structures and the average volume of water used.

Bills are a combination of how much water is used, prices for fixed and variable rate charges, and other charges. Owner occupier households pay both fixed and variable charges for their bills. Landlords pay the fixed charges for their property and the tenants only pay the variable charges. Only metropolitan Melbourne households have a variable sewerage charge. Note that although metropolitan businesses include waterways and drainage or parks charges in their bills on behalf of Melbourne Water, we do not include these charges in our calculations of the typical bills.

Figure 3 shows typical bills for owner occupiers across five years and Figure 4 shows typical bills for tenants across five years.

To see a breakdown of the bill components for owner occupier and tenant bills for 2019–20 see Appendix A and B.

How typical bills are calculated

Typical household bills shown for each year are in that year's dollars. We use each business's average household usage (Figure 2) to calculate an indicative household bill for water and sewerage services. This includes both the fixed and variable water and sewerage charges, and any applicable rebate.⁶

For regional businesses with multiple pricing zones, we used the prices in the largest town to calculate that business's typical household bill.

Some water businesses previously applied a rebate to residential bills. For many water users, this rebate was shown as an annual credit on water bills. Following the 2018 price review this rebate has either not applied or is being phased out.

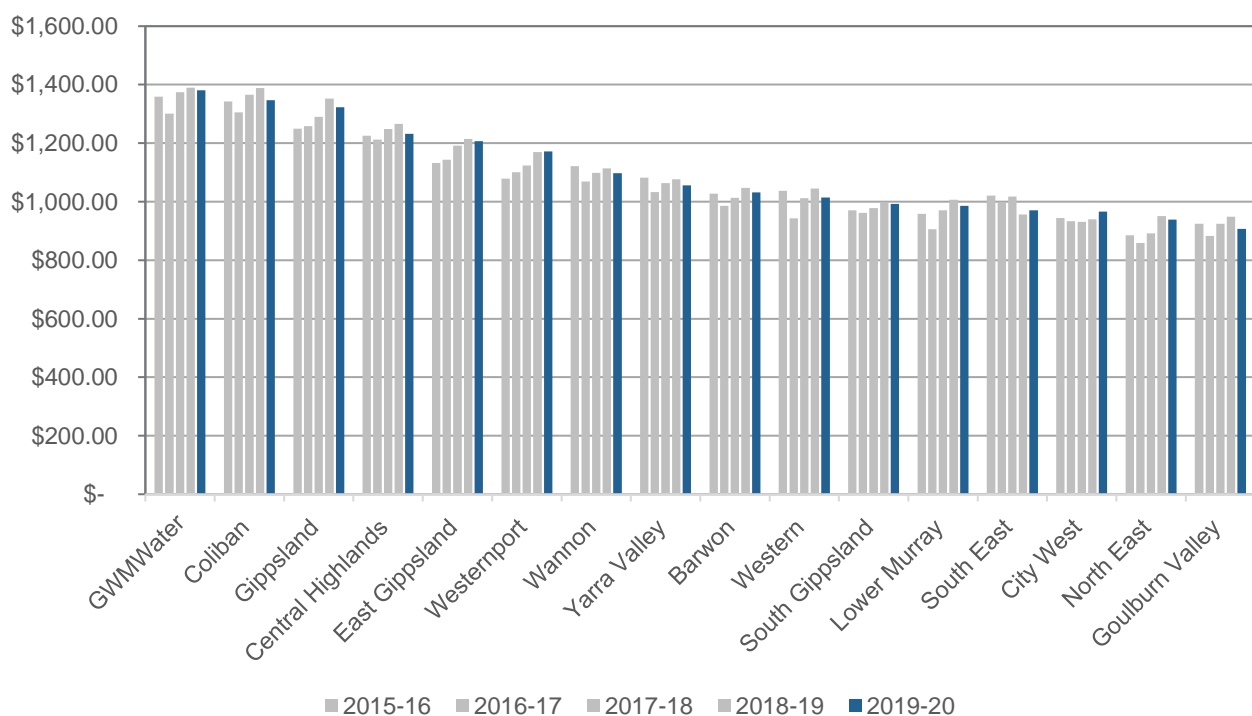
⁶ For consistency in comparison, we have excluded the metropolitan drainage charges for Melbourne Water and the metropolitan parks charges set by the Minister for Water, collected on their behalf by the metropolitan water businesses via water bills. These charges are not directly levied by these water businesses and are not part of their revenue stream.

Want more information?

We have an interactive bill estimator available at www.esc.vic.gov.au/water/information-water-consumers, where an indicative bill can be calculated for any annual water usage, and compared across all water businesses.

Our website also explains some key terms for understanding bills, and describes how we regulate prices, visit www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/

Figure 3: Typical household bills including inflation, owner occupiers (\$, nominal)



Snapshot (typical owner occupier water bill, nominal dollars)

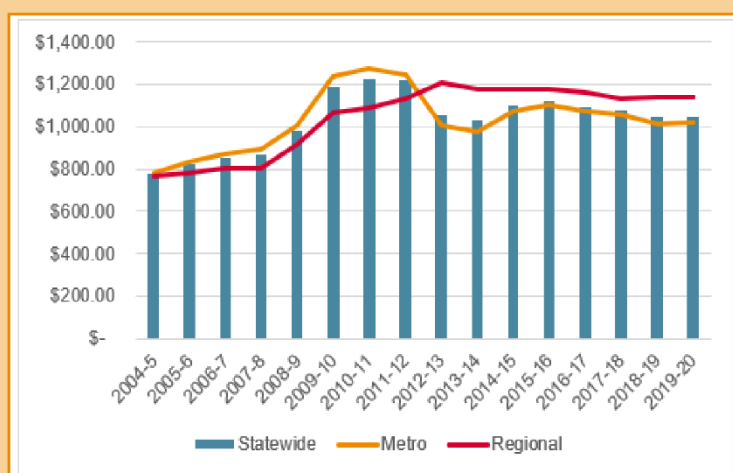
State Average		-0.4%	Metro Average		0.3%	Regional Average		-2.1%
2019-20	\$ 1,032.81	↕	2019-20	\$ 1,003.41	↕	2019-20	\$ 1,117.81	↓
2018-19	\$ 1,036.93		2018-19	\$ 1,000.46		2018-19	\$ 1,142.16	

How much households use and pay for water

Key observations

- In 2019–20 the statewide owner occupier typical bill was \$1,033, \$4 less than the statewide typical bill in 2018–19 of \$1,037. This coincides with reduced household water use, and is consistent with annual observations – last year, which saw an increase in household water use from the previous year also saw an increase in typical bills.
- In Melbourne, the typical owner occupier bill increased slightly by \$3 from \$1,000 in 2018–19 to \$1003 in 2019–20.
- City West Water and South East Water customers saw a slight increase in their typical bill, while Yarra Valley Water customers saw a slight decrease.
- In regional Victoria the typical owner occupier bill decreased by \$24, from \$1,142 in 2018–19 to \$1,118 in 2019–20.
- All regional water business customers saw a decrease in their typical bill in 2019–20, except for Westernport Water customers whose typical bill remained flat.
- Goulburn Valley Water’s customers received the lowest typical household bill (\$907) of the state.
- GWMWater customers received the highest typical bill for the third year in a row (\$1,381).

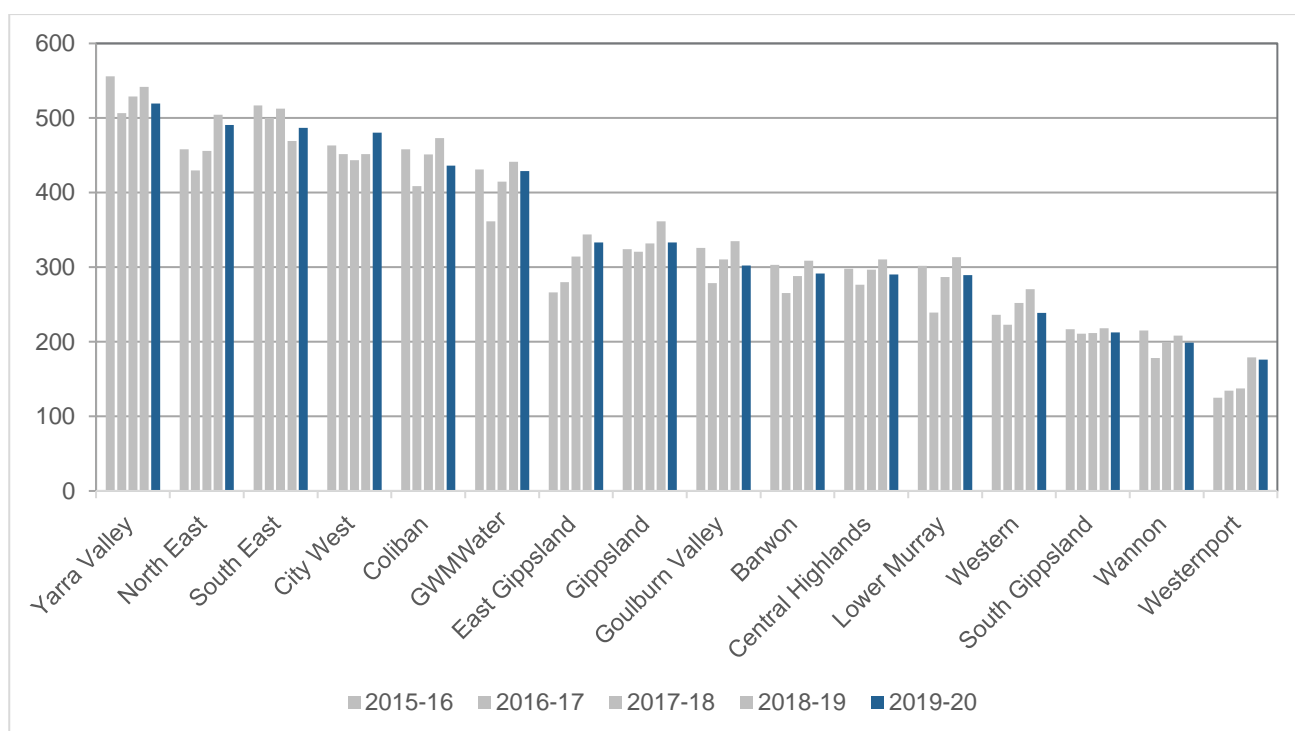
Owner occupier typical bills (real \$2019-20)



This chart shows the trend in typical bills excluding inflation and holding consumption constant. It provides a long term view of price changes and impacts on customer bills. Typical bills for both metropolitan and regional customers increased during the height of the millennium drought in 2009-10 to allow businesses to recover costs of expansion of water supply infrastructure. Since then bills have remained reasonably steady across the state.

How much households use and pay for water

Figure 4: Typical household bill including inflation, tenants (\$, nominal)



Snapshot (typical tenant water bill, nominal dollars)

State Average	-0.6%	Metro Average	0.8%	Regional Average	-6.6%
2019-20 \$ 451.71	↕	2019-20 \$ 498.31	↕	2019-20 \$ 317.00	↓
2018-19 \$ 454.34		2018-19 \$ 494.23		2018-19 \$ 339.25	

Key observations

- The statewide typical bill for tenants decreased slightly by less than 1 per cent from \$454 in 2018–19 to \$452 in 2019–20.
- In regional Victoria, tenants’ typical bills decreased by 7 per cent from \$339 in 2018–19 to \$317 in 2019–20.
- All regional water business customers saw a decrease in their typical bill. Western Water customers saw the largest decrease of about 12 per cent from \$270 in 2018–19 to \$239 in 2019–20.
- In Melbourne, the typical bill for tenants increased by less than 1 per cent, from \$494 in 2018–19 to \$498 in 2019–20. City West Water and South East Water customers saw increases of \$29 (6 per cent) and \$18 (4 per cent) respectively in their typical bills, while Yarra Valley Water customers saw a decrease of \$23 (4 per cent).
- Westernport Water customers received the lowest typical tenant bill across the state at \$176.
- Yarra Valley Water customers received the highest typical tenant bill across the state at \$519.

How much households use and pay for water

1.4. Concession customers

Twenty-six per cent of residential customers have a concession applied to their water bills.⁷ The Victorian Government, through the Department of Health and Human Services, provides concessions to assist low income households with water and sewerage bills at their principal place of residence. In 2019–20, \$172.2 million was contributed as concessions to residential water bills. The number of concession households decreased by 5,109 (0.7 per cent), from 684,015 in 2018–19 to 678,906 in 2019–20.

Customers holding a concession card can contact their water business to apply for a concession. Concessions may be applied retrospectively.

1.5. Customers on flexible payment plans

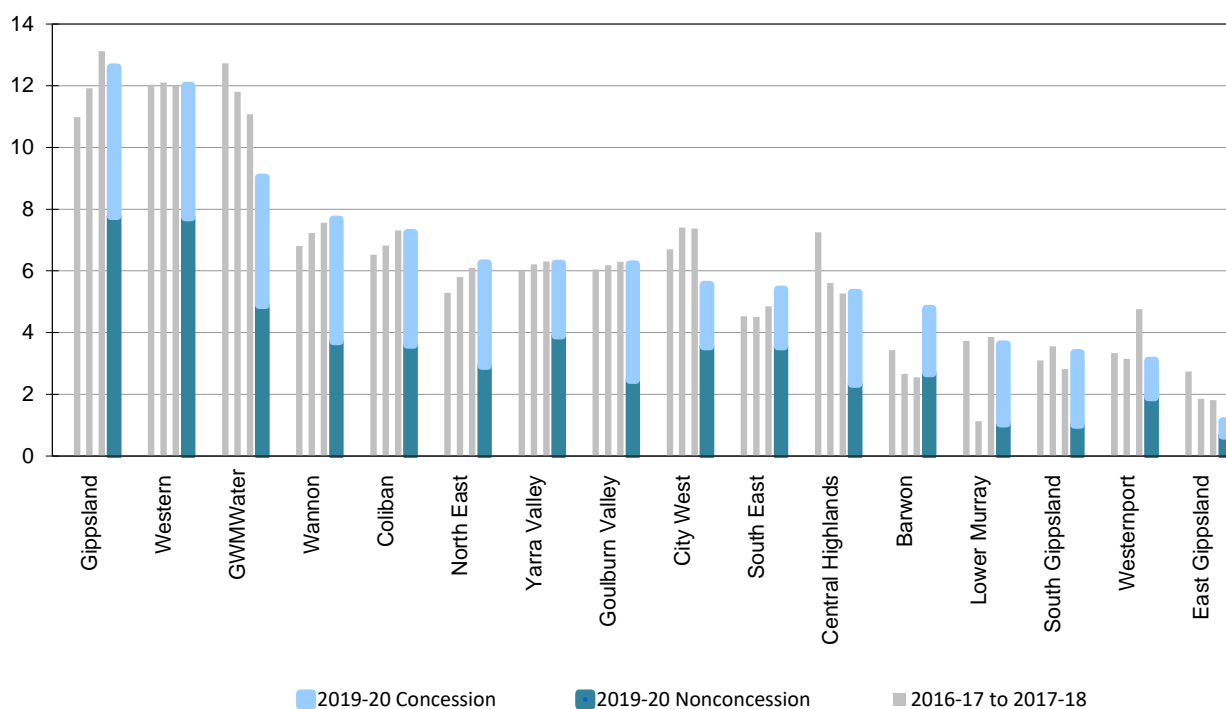
Instalment plans are alternative payment arrangements offered by water businesses to provide flexibility for customers in managing their bill payments and to assist those experiencing payment difficulties. Payment arrangements may include giving customers the ability to pay off their bill in monthly instalments.

From 2016–17, this performance indicator changed from number of customers entering instalment plans in a 12 month period to the number of customers on instalment plans at a point in time. Some businesses may have customers on several short-term instalment plans within a year, while others may have their customers on longer instalment plans. We consider that a snapshot measure enables a better comparison between water businesses.

Figure 5 shows the number of customers on instalment plans per 100 customers as recorded on 30 June 2020 and split between the proportion of concession customers (light blue) and non-concession customers (dark blue).

⁷ Concession data sourced from the Department of Health and Human Services.

Figure 5: Residential customers with instalment plans per 100 customers (at 30 June 2020)



Snapshot (residential instalment plans per 100 customers)

State-wide Average		-1.5%	Metro Average		-4.0%	Regional Average		4.9%
2019-20	6.0	↓	2019-20	5.8	↓	2019-20	6.9	↑
2018-19	6.1		2018-19	6.0		2018-19	6.6	

Key observations

- The total number of residential customers on instalment plans at the end of 2019–20 increased slightly from 158,275 at the end of 2018–19 to 159,421. However, the overall rate of residential customers on instalment plans decreased slightly to 6.0 per 100 customers from 6.1 in 2018–19.
- Most businesses reported a decrease in the rate of customers on instalment plans.
- Residential customer use of instalment plans ranged from 1.1 per 100 customers for East Gippsland Water customers to 12.6 per 100 customers for Gippsland Water customers.
- Barwon Water almost doubled its rate of customers on instalment plans, reporting a rate of 4.8 per 100 customers compared to 2.5 in 2018–19. Barwon Water stated that this was due to previously underreporting the number of customers on instalment plans.

- City West Water (25 per cent), East Gippsland Water (38 per cent), GWMWater (19 per cent) and Westernport Water (35 per cent) reported the largest decreases in the rates of customers on instalment plans.

1.6. Government-funded grants scheme

The Department of Health and Human Services administers the utility relief grants scheme, which provides one-off financial contributions towards a bill of a customer experiencing payment difficulties. The grant payment is generally used to assist with a short-term financial crisis. It is different from the hardship programs provided by the water businesses to customers who experience ongoing financial hardship.

Table 2 provides information relating to the number of customers that have received a utility relief grant in 2019–20.

Our ongoing monthly reports that monitor how water businesses are supporting customers during the pandemic also provide up to date information on the number of customers applying for a utility relief grant. Read our latest monthly reports at www.esc.vic.gov.au/water-customer-support-during-coronavirus-pandemic

Water businesses must assist customers experiencing payment difficulties on a case-by-case basis by appropriately referring customers to government funded assistance programs or to an independent financial counsellor. This includes helping eligible customers apply to the Department of Health and Human Services for a utility relief grant.

Table 2: Utility relief grant scheme in 2019–20 (residential customers)

	Number of grants approved	Percentage of grants initiated that are approved	Average value of grant paid	Grants approved per 100 customers
City West	1,054	44%	\$513	0.24
South East	3,755	61%	\$504	0.51
Yarra Valley *	6,156	101%	\$519	0.79
Barwon	698	91%	\$481	0.46
Central Highlands *	512	110%	\$524	0.77
Coliban *	608	101%	\$524	0.86
East Gippsland	190	98%	\$566	0.88
Gippsland	792	85%	\$524	1.20
Goulburn Valley *	480	115%	\$474	0.89
GWMWater	221	76%	\$577	0.81
Lower Murray	95	49%	\$490	0.31
North East	541	87%	\$472	1.13
South Gippsland	40	82%	\$505	0.23
Wannon	160	95%	\$533	0.43
Western	509	90%	\$530	0.74
Westernport	52	52%	\$553	0.32
Statewide	15,863	79%	\$513	0.60

Source: Department of Health and Human Services

Grants approved per 100 customers refers to the number of grants approved per the relevant water business's own residential customer base.

* Some applications from the previous year were approved this year, which explains why more than 100 per cent of Central Highlands Water, Coliban Water, Goulburn Valley Water and Yarra Valley Water customer applications initiated were approved.

Key observations

- The number of grants approved by the Department of Health and Human Services more than doubled this year, increasing from 7,379 in 2018–19 to 15,863 in 2019–20. This follows increased efforts by both water businesses and the Department of Health and Human Services to support customers during the coronavirus pandemic.
- The proportion of Victorian customers receiving grants doubled: from 0.3 per 100 customers in 2018–19 to 0.6 per 100 customers in 2019–20.

How much households use and pay for water

- The average grant value for the state was \$513. Across businesses, average grant values ranged from \$472 for North East Water customers to \$577 for GWMWater customers.
- More than a third of all grant payments went to Yarra Valley Water customers, with a total of \$3.19 million paid across 6,156 customers – noting that Yarra Valley Water has the largest customer base.
- Gippsland Water had the highest rate of customer applications approved, with 1.20 applications approved per 100 customers. South Gippsland Water had the lowest rate of customer applications approved, with 0.23 applications per 100 customers.
- Seventy-nine per cent of applications initiated were approved statewide. This is a significant increase compared to last year where 55 per cent of applications initiated were approved.

1.7. Water business hardship grants

Hardship grants are another approach used by water businesses to assist customers experiencing payment difficulties. These often take the form of co-payment schemes, where the water business will waive a periodic payment if the customer meets a set number of scheduled payments, with the waived payment counted as a hardship grant. Table 3 provides information about the number and value of hardship grants received by customers from each water business in 2019–20.

Table 3: Hardship grants (residential customers, excluding inflation)

	Average value of a customer grant, 2019-20	Average value of a customer grant, 2018-19	Per 100 customers, 2019-20	Per 100 customers, 2018-19
City West	\$551	\$656	0.05	0.14
South East	\$301	\$463	0.07	0.10
Yarra Valley	\$656	\$209	1.56	1.05
Barwon	\$186	\$75	1.57	1.06
Central Highlands	\$433	\$289	0.04	0.13
Coliban	\$173	\$286	0.86	0.74
East Gippsland	\$210	\$152	1.49	1.01
Gippsland	\$284	\$166	0.28	0.27
Goulburn Valley	\$111	\$108	0.22	0.32
GWMWater	\$135	\$35	0.34	0.26
Lower Murray	\$446	\$0	0.01	0.00
North East	\$509	\$566	0.24	0.24
South Gippsland	\$0	\$1,000	0.00	0.01
Wannon	\$294	\$295	0.48	0.50
Western	\$527	\$508	0.99	0.72
Westernport	\$45	\$160	0.66	0.19
Statewide	\$532	\$242	0.67	0.50

Snapshot (hardship grants approved per 100 customers)

State-wide average		33.8%	Metro average		34.6%	Regional average		31.6%
2019-20	0.67	↑	2019-20	0.66	↑	2019-20	0.72	↑
2018-19	0.50		2018-19	0.49		2018-19	0.54	

Key observations

- Across the state, water businesses awarded hardship grants to a total of 17,780 customers in 2019–20, representing 0.67 customers receiving grants per 100 customers. This is a 34 per cent increase in grants received per 100 customers compared to the previous year and is in part due to the impact of the coronavirus pandemic and water businesses' increased efforts to support customers during these difficult times.
- Melbourne metro water businesses reported a 35 per cent increase in the rate of hardship grants awarded to customers and regional Victoria reported a 32 per cent increase.
- The state average value of grants more than doubled, from \$242 in 2018–19 to \$532 in 2019–20.
- The average value of grants across businesses ranged from \$45 (Westernport Water) to \$656 (Yarra Valley Water). South Gippsland Water did not award any hardship grants.
- Barwon Water reported the highest rate of hardship grants awarded with 1.57 grants awarded per 100 customers, followed closely by Yarra Valley Water with 1.56 per 100 customers.
- The rate of grants awarded to Westernport Water customers more than tripled from 0.19 customers awarded grants per 100 customers in 2018–19 to 0.66 grants awarded per 100 customers in 2019–20. Westernport Water stated that this was due to more customers requesting support during the pandemic.

1.8. Actions for non-payment of bills

Water legislation allows water businesses to limit the water flowrate to non-paying customers by inserting a restriction device in the customer's water supply line. Water businesses may also take legal action against customers to recover unpaid debt.

Water businesses must assist customers experiencing payment difficulties on a case-by-case basis by:

- observing minimum periods of notice before applying supply restrictions or pursuing legal action to recover outstanding debts
- not restricting water supply of a customer or pursuing legal action before first taking additional steps to secure payment, including making a reasonable attempt to contact the person, offering a payment arrangement and resolving any dispute over the outstanding amount.

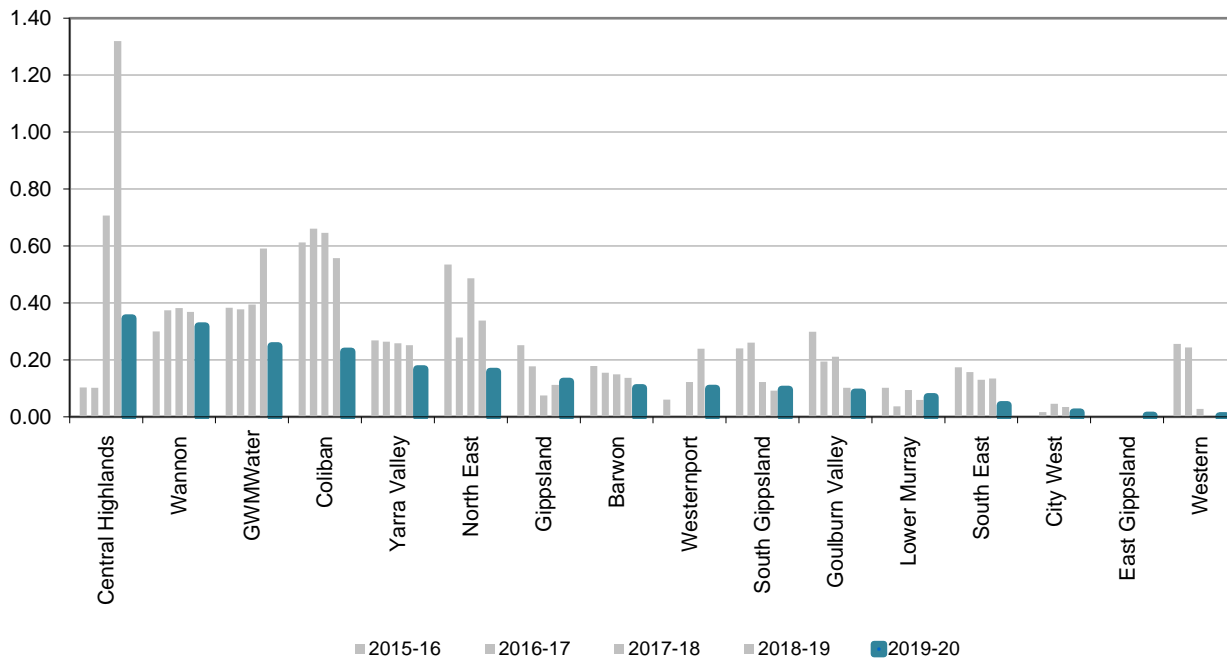
Our Customer Service Code sets out the procedures water businesses are required to follow before restricting a customer's water supply or taking legal action.

Water businesses reported that they initiated unpaid debt recovery actions (including water supply restrictions or legal action) against 2,771 residential customers across the state in 2019–20 (0.11 per cent of customers).

Figure 6 shows the number of customers that had their water supply restricted per 100 customers for each water business across the last five years.

Figure 7 shows the number of customers that faced legal action per 100 customers across the last five years.

Figure 6: Water supply restrictions for non-payment of bills per 100 residential customers



Snapshot (residential water supply restrictions per 100 customers)

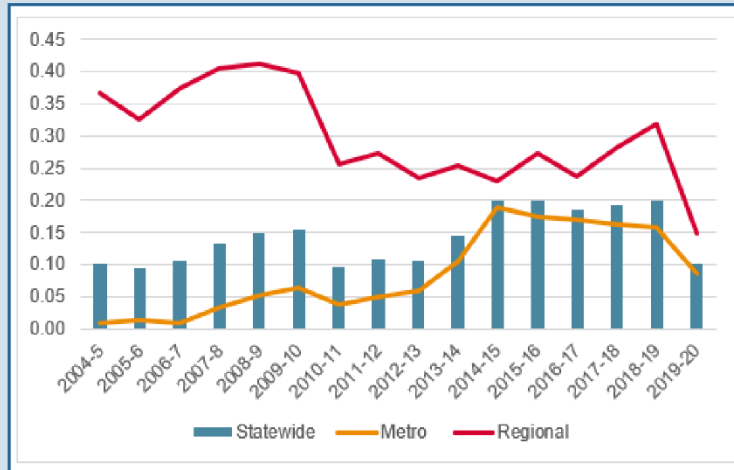
State-wide average		-49.4%	Metro average		-46.2%	Regional average		-54.0%
2019-20	0.10	↓	2019-20	0.09	↓	2019-20	0.15	↓
2018-19	0.20		2018-19	0.16		2018-19	0.32	

Key observations

- In total, 2,665 residential customers had their water supply restricted for non-payment of water bills in 2019–20, almost half the number in 2018–19 where 5,148 customers had their water supply restricted.
- Most businesses reported a decrease in the rate of customer water supply restrictions, with all businesses temporarily pausing restriction activities from about March 2020 in light of the impacts of the coronavirus pandemic.
- Central Highlands Water reported the largest decrease in its restriction rate, decreasing from 1.32 residential customers having their water supply restricted per 100 customers in 2018–19 to 0.35 in 2019–20
- Western Water and East Gippsland Water both reported the lowest restriction rates with no residential customers having their water supply restricted this year.

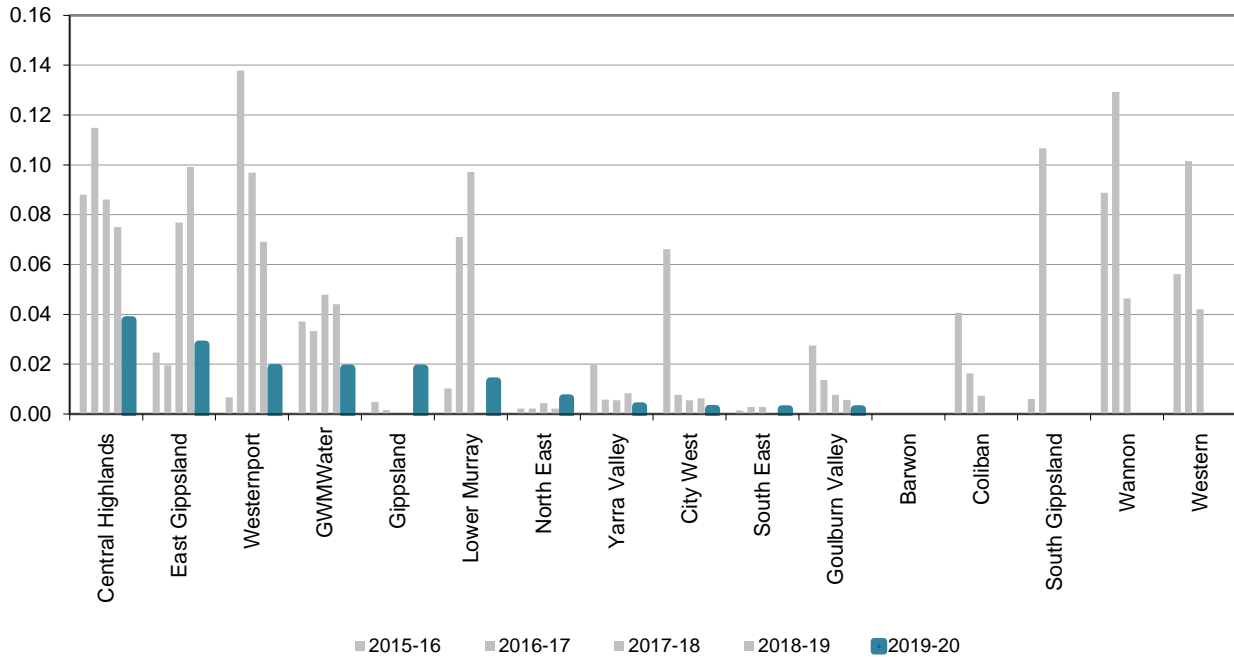
How much households use and pay for water

Water supply restrictions for non-payment of bills



Both regional and metropolitan businesses reported sharp declines in water supply restriction rates this year, reflecting the sector's move to cease restrictions during the coronavirus pandemic since at least late April 2020. This significant decrease brings the rate down to levels last seen in 2011-12 and 2013-14 and follows five years of historically high levels.

Figure 7: Legal actions for non-payment of bills per 100 residential customers



Snapshot (residential legal actions, per 100 customers)

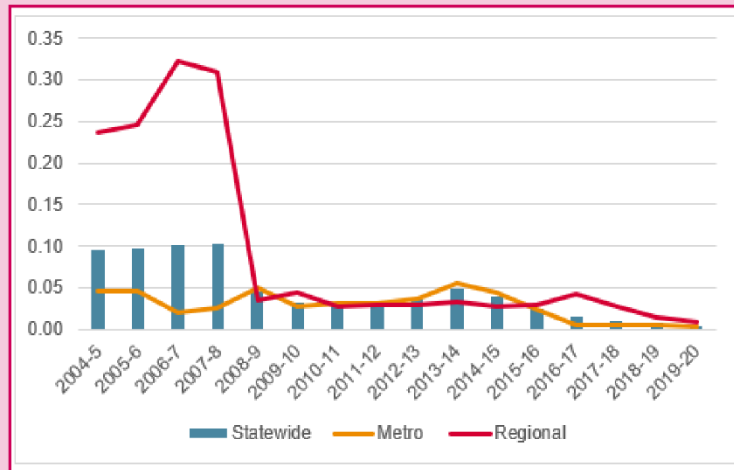
State-wide average		-37.9%	Metro average		-39.0%	Regional average		-36.6%
2019-20	0.005	↓	2019-20	0.003	↓	2019-20	0.009	↓
2018-19	0.008		2018-19	0.006		2018-19	0.014	

Key observations

- A total of 106 residential customers out of 2.6 million faced legal action for unpaid debt across the state in 2019–20, down from 188 in 2018–19, continuing a consecutive downward trend and reflecting measures water businesses voluntarily introduced due to the coronavirus to pause legal action from about March 2020.
- Statewide, this is a decrease of 38 per cent – in metropolitan Melbourne there was a decrease of 39 per cent and in regional Victoria a decrease of 37 per cent compared to 2018–19.
- Barwon Water, Coliban Water, South Gippsland Water, Wannon Water and Western Water all reported no legal action was taken against residential customers in 2019–20.



Legal actions for non-payment of bills



Statewide the rate of customers facing legal action for non-payment of bills has trended downward. This year marks a historical low at 0.004 customers facing legal action per 100 customers statewide, with both regional and metropolitan rates tailing off towards zero. While already trending downward this historical low comes after all businesses ceased legal action for non-payment of bills since at least late April 2020 due to the coronavirus pandemic.

2. How water businesses respond to their customers

This chapter explores how water businesses manage enquiries to their call centres. We also examine the most common areas for complaints made to water businesses and when customers take their complaints to the ombudsman.

Our Customer Service Code places obligations on businesses for responding to enquiries or complaints and providing appropriate service. These obligations include having policies, practices and procedures for handling customers' complaints and disputes, and providing certain information to customers on request. Specific details can be found in each water business's Customer Charter, which is available on its website.

2.1. 2019–20 at a glance

Our customer perception survey results for 2020 show customer ratings of their water business improved compared to 2019.

The customer service standards of water business call centres improved overall.

The number of complaints made to water businesses declined across the state, with the largest proportion of complaints relating to water quality.

Complaints about water quality decreased compared to the previous year.

2.2. How customers rate their water business

We survey 1,450 water customers every quarter (5,800 customers a year) across the 16 urban and regional water businesses on how they think their water business rates across four key areas: value for money, reputation in the community, level of trust and overall satisfaction.

Our customer perception survey results for 2020 show customer ratings of their water business have improved from 2019's results in all four areas. For more information about our customer surveys and to view the trend over a longer period, see <https://www.esc.vic.gov.au/how-customers-rate-their-water-business>.

Figures 8 to 11 below show the scores out of 10 that customers gave their water business for each of these four key areas for each quarterly survey round and the overall average for 2020. Businesses are ranked according to the average score for the year, as shown by the blue bar.

Figure 8: How customers rated their water business for value for money

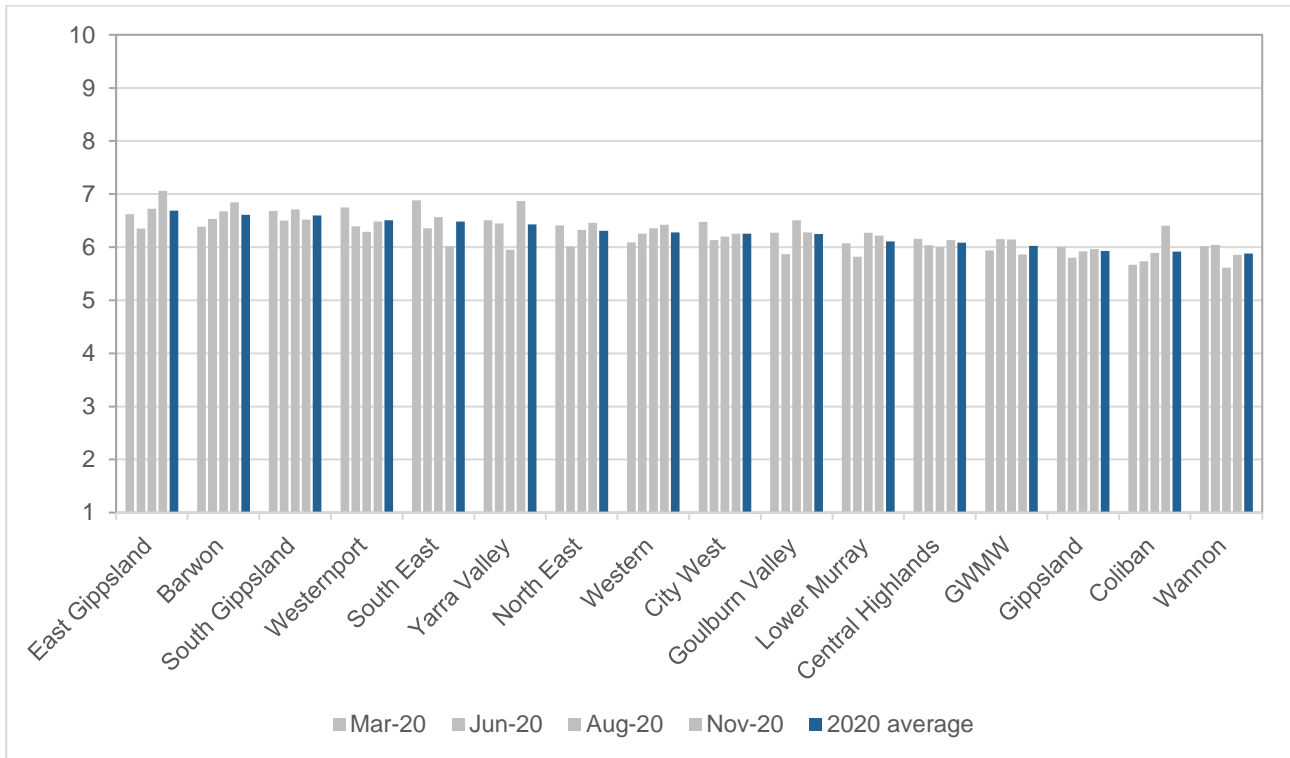


Figure 9: How customers rated their water business for reputation in the community

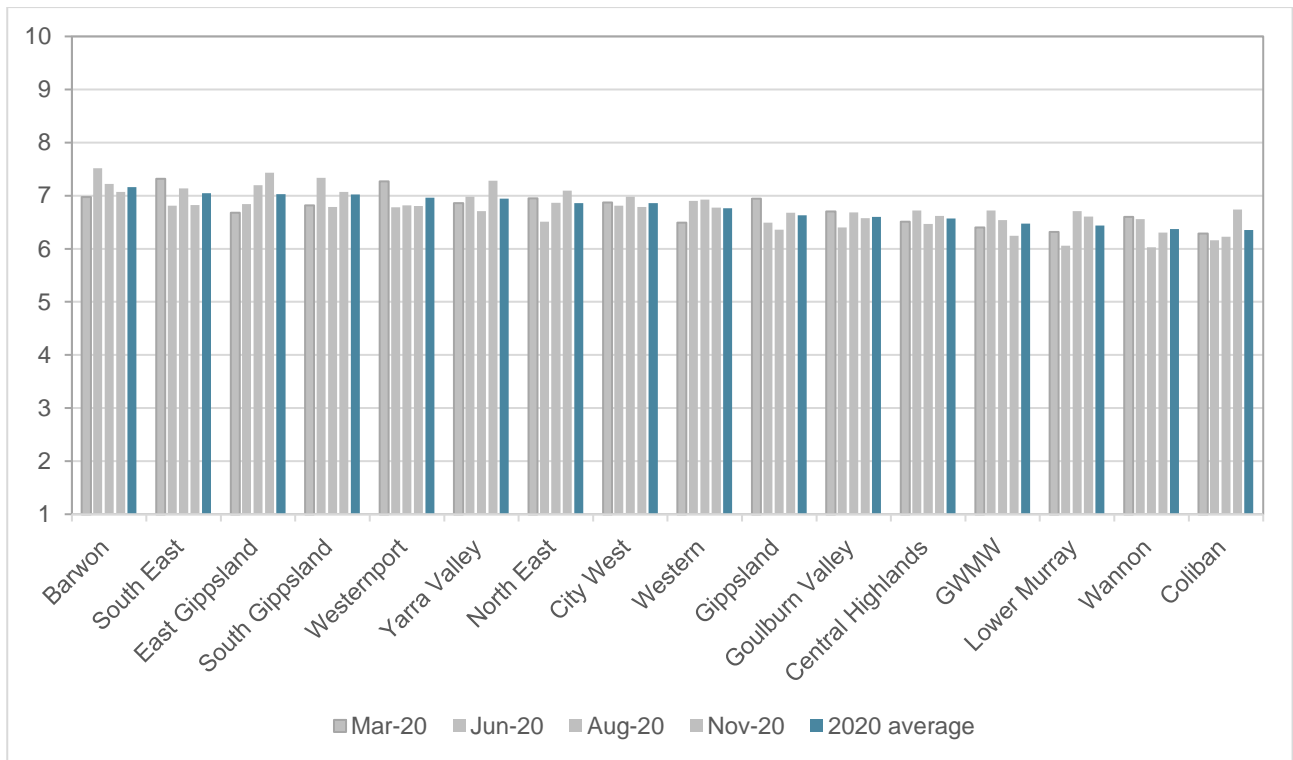
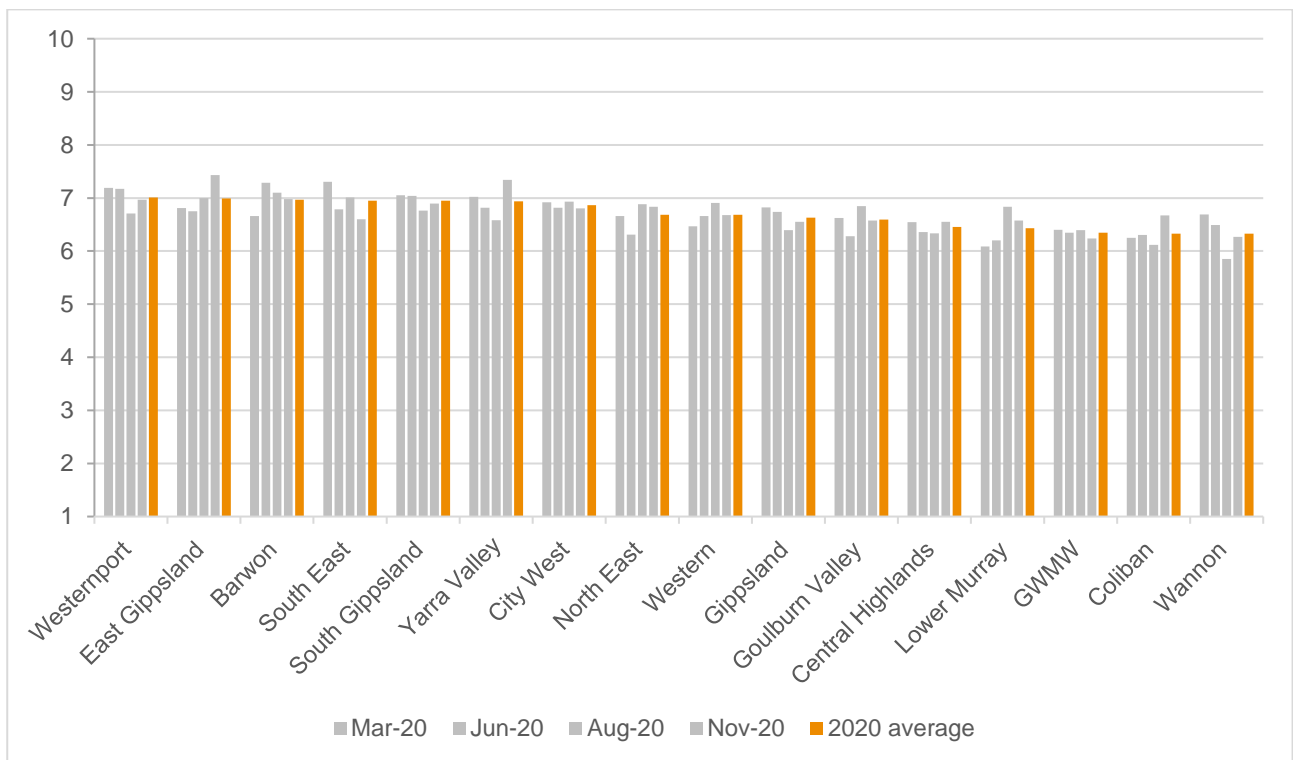
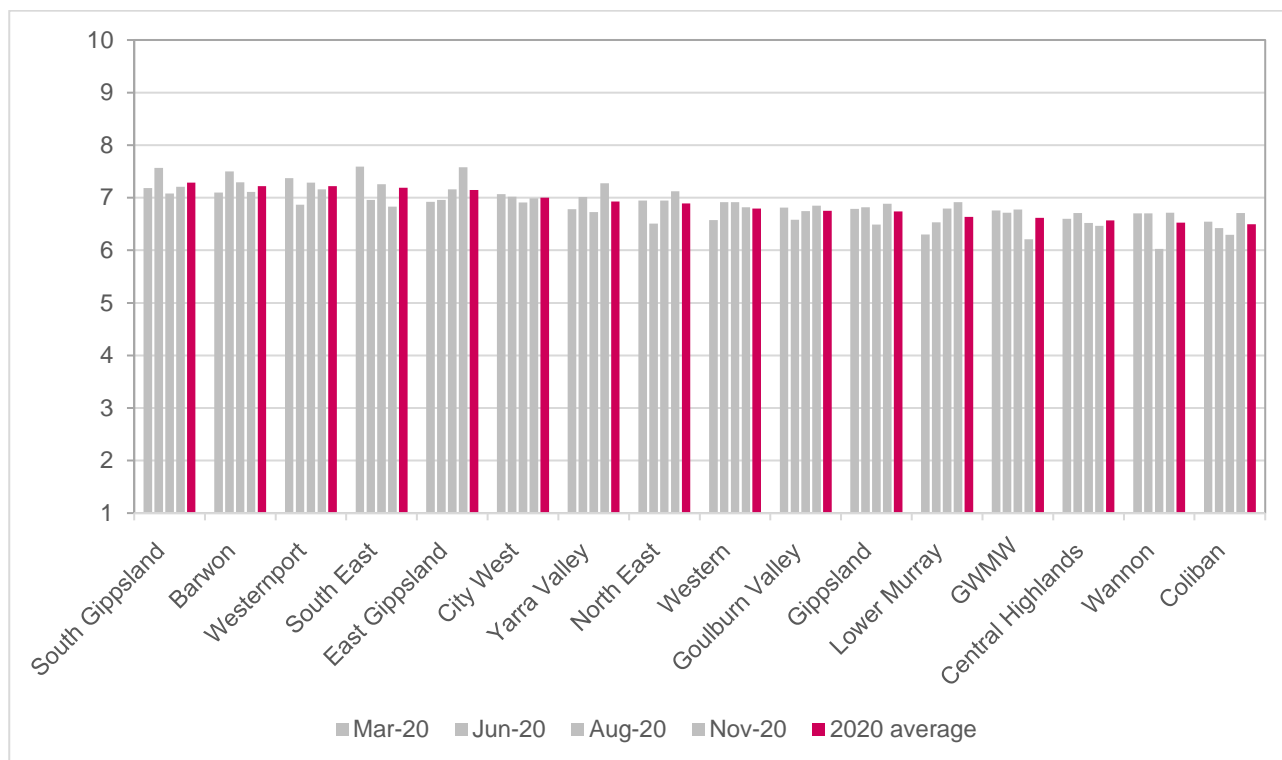


Figure 10: How customers rated their water business for level of trust



How water businesses respond to their customers

Figure 11 How customers rated their water business for overall satisfaction



Key observations

- For each area surveyed the difference between the highest score and the lowest score is less than one point.
- Customers generally gave higher ratings for overall satisfaction (averaging at 6.9 out of 10) than for value for money (averaging at 6.2 out of 10).
- East Gippsland Water was rated highest for value for money but did not have the lowest typical bill, while Wannon Water was rated the lowest but did not have the highest typical bill. This indicates customers don't focus on price alone when considering the value their water business provides.
- Barwon Water stands out as one of the highest rated businesses, placing either first, second or third for its 2020 average score for all four areas.
- Coliban Water and Wannon Water placed last or second last for their 2020 average score for all four areas.

2.3. Water business customer service

We asked Customer Service Benchmarking Australia (CSBA) to independently benchmark the call centre performance of Victorian water businesses. Posing as genuine customers with general enquiries, trained CSBA mystery shoppers contacted each of the water businesses' call centre agents on 60 occasions via the account line (as opposed to the fault line) and scored each interaction.

CSBA uses a proprietary approach called SenseCX for scoring the key aspects of the customer experience during a telephone call.

The key aspects are described as: **engage, introduce, clarify, resolve** and **close**. The scoring approach measures performance in these key aspects across the following three pillars:

- **Ease** – the effort the customer must expend to accomplish their goals. The interaction must be easy. The agent should actively guide the customer through a clear process towards resolution.
- **Sentiment** – how the experience and interaction make the customer feel. Customers want to be treated as an individual, not just another transaction in the agent's day.
- **Success** – the degree to which the customer is able to accomplish their goals. Customers want to get what they came for and move on. They need to be understood and provided with a no-fuss resolution.

The SenseCX approach provides a benchmark comparative score, and helps businesses identify specific areas where they can improve the customer experience. Points are allocated for meeting specific criteria across the three pillars. The score is simply the percentage of total points achieved out of the total points available for each pillar. Overall, the Victorian water sector achieved a score of 57 per cent, up two percentage points from the previous year.

Since 2017–18, CSBA has applied its SenseCX approach to score the water sector and compare it with other industry sectors' scores. Table 4 outlines the median scores for each of the sectors in 2019–20, which all fall within a narrow 5 percentage point range. The median scores of the metropolitan and regional Victorian water sectors are comparable to the median scores of utilities and other Australian sectors measured by CSBA.

Table 5 provides the overall average score for each water business, along with average scores for each of the three pillars: ease, sentiment and success.

Table 4: Victorian metropolitan and regional water sectors compared to other Australian sectors in 2019–20 (median score under SenseCX)

Sector	Median score (per cent)
Education	59
Commercial	58
Automotive	56
Victorian Regional Water Sector	56
Australian Water Sector	55
Victorian Metropolitan Water Sector	55
All Utilities	55
Financial Services	54
Government	54

Source: CSBA

Table 5: Water businesses overall benchmark scores and scores for each pillar under SenseCX (per cent)

Water business	Score	Ease	Sentiment	Success
Barwon	70	60	75	75
Coliban	61	38	70	72
South Gippsland	58	34	65	73
Wannon	57	32	64	71
Western	57	36	62	70
Westernport	57	32	70	69
City West	56	34	62	69
North East	56	30	61	73
East Gippsland	55	35	61	68
Gippsland	55	32	63	67
GWMW	55	32	62	69
Lower Murray	55	33	63	67
South East	55	35	63	66
Goulburn Valley	54	29	60	70
Yarra Valley	54	33	63	65
Central Highlands	52	30	61	64
Victorian Water Sector (average)	57	35	64	69

Source: CSBA

Key observations

- Victorian urban water businesses improved on both the sentiment and success pillars, with sector average scores of 64 and 69 per cent respectively, an increase from 63 and 65 per cent in 2018–19.
- Water businesses regressed in the third pillar – ease – with an average score of 35 per cent, down 1 percentage point compared to the previous year. The majority of businesses still have some way to catch up to the sentiment and success pillars scores.
- Most businesses improved their overall score compared to the previous year. Barwon Water was again the best performing business despite its overall score regressing slightly by 1 percentage point.

How water businesses respond to their customers

- Scores show that business call centres are skilled in resolving everyday general enquiries. However, making sure processes are clear to customers and guiding them through to a resolution continues to be the area that most water businesses need to improve, with only Barwon Water scoring above 50 per cent for the ease pillar.

Want more information?

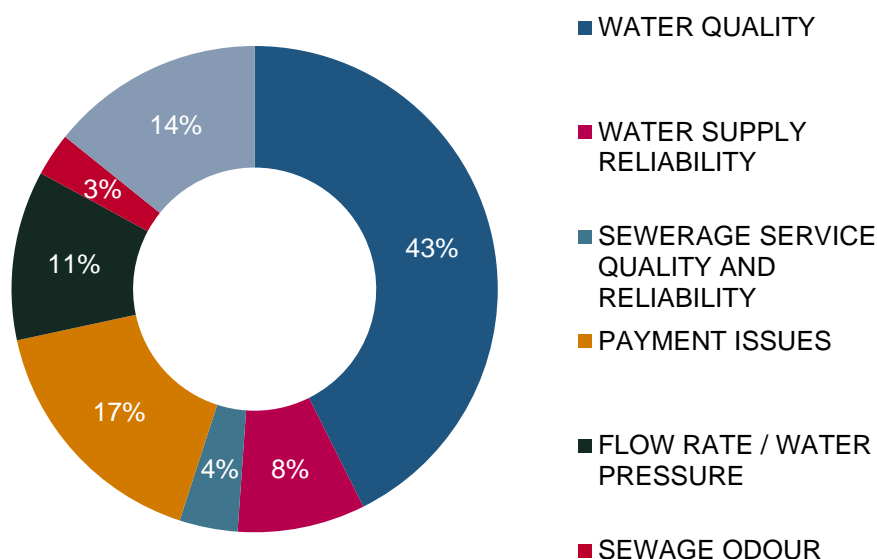
For more information, see our data summary which contains the data that forms the basis for our tables and charts available at <https://www.esc.vic.gov.au/water/water-sector-performance-and-reporting/water-performance-reports>

2.4. Complaints made to water businesses

Customer complaints can indicate dissatisfaction with the services provided by water businesses.⁸ If a business cannot resolve a complaint directly with the customer, the customer may refer the matter to the Energy and Water Ombudsman (Victoria) for further investigation. Figure 12 breaks up the total complaints made to water businesses in 2019–20 according to several categories and sizes each category according to its relative share of complaints.

⁸ A complaint is recorded if a customer registers dissatisfaction in a complaint category. Australian Standards define a complaint as an “expression of dissatisfaction made to or about an organisation, related to its products, services, staff or handling of a complaint where a response is implicitly expected or legally required.” (AS/NZS 10002:2014) Under our reporting definitions, any customer query related to water quality must be recorded as a water quality complaint.

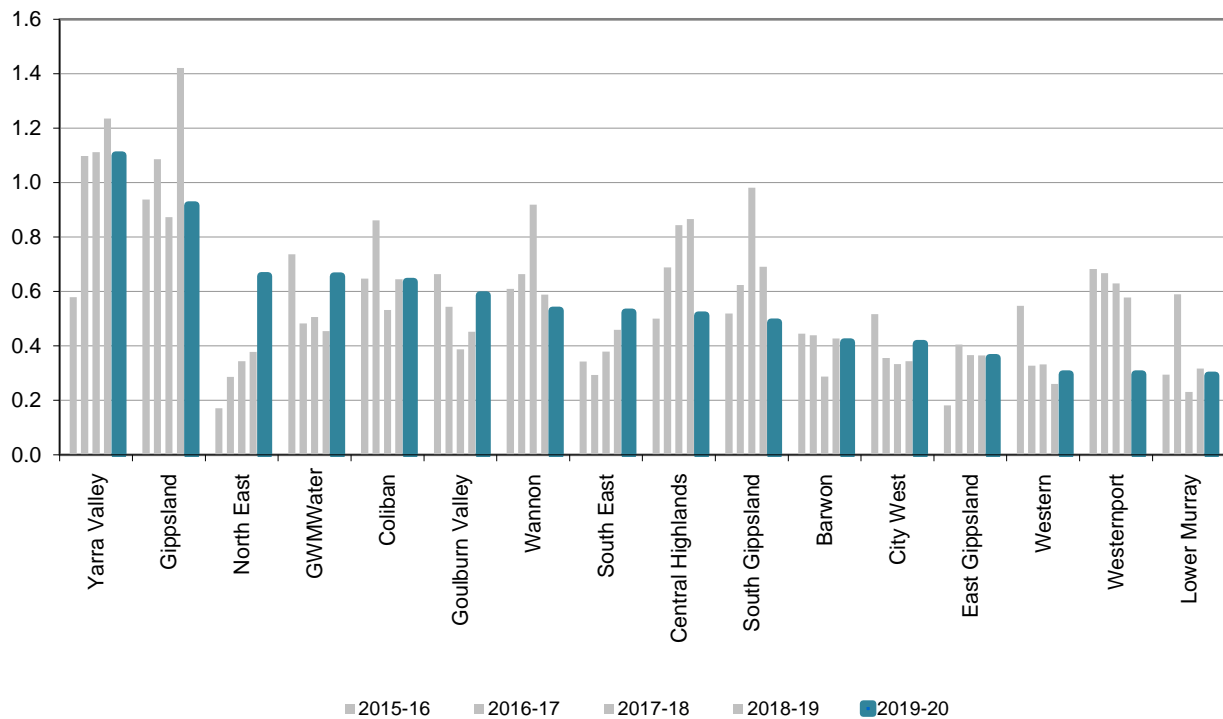
Figure 12: Complaints by category in 2019–20 (total complaints made to water businesses)



In 2019–20, a total of 19,275 complaints were made to water businesses across Victoria, a small decrease of 2 per cent from 19,633 total complaints in 2018–19. Water quality complaints represented 43 per cent of the total statewide complaints which is 1 percentage point higher than in 2018–19.

Accordingly, the number of water quality complaints outnumbered all other complaints for all water businesses except Central Highlands Water, Gippsland Water and Westernport Water. Central Highlands Water and Westernport Water received more complaints about water pressure than water quality. Gippsland Water, which had the second highest complaint rate this year, received more complaints about payment issues. Figure 13 shows the complaint rate for each water business per 100 customers.

Figure 13: Complaints made to water businesses (per 100 customers)



Snapshot (total complaints, per 100 customers)

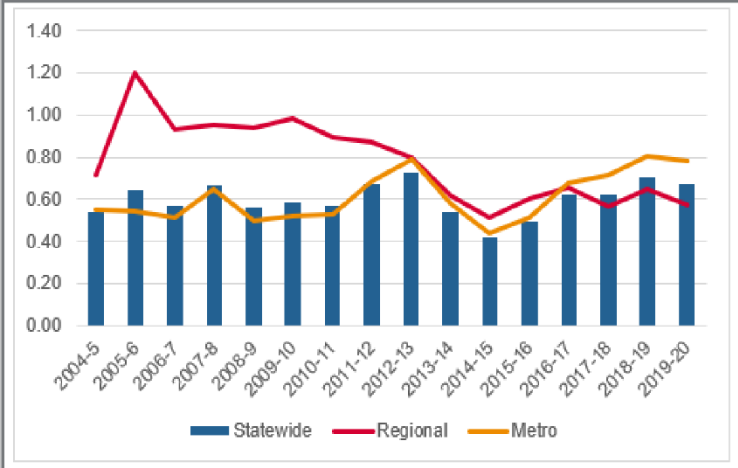
State-wide average		-4.0%	Metro average		-2.1%	Regional average		-10.8%
2019-20	0.67	↓	2019-20	0.73	↓	2019-20	0.52	↓
2018-19	0.70		2018-19	0.74		2018-19	0.59	

Key observations

- The average customer complaint rate in 2019–20 was 0.67 complaints per 100 customers, down 4 per cent from a complaint rate of 0.70 in 2018–19.
- The complaint rate decreased for both metropolitan and regional urban water businesses by 2 per cent and 11 per cent respectively.
- Yarra Valley Water reported the highest complaint rate with about one complaint made per 100 customers. The largest proportion of these complaints were related to water quality.
- North East Water’s large increase this year was due to water quality complaints, as described in the next section.
- Lower Murray Water, Western Water and Westernport Water reported the lowest rates of about 0.3 complaints per 100 customers.



Complaints made to water businesses

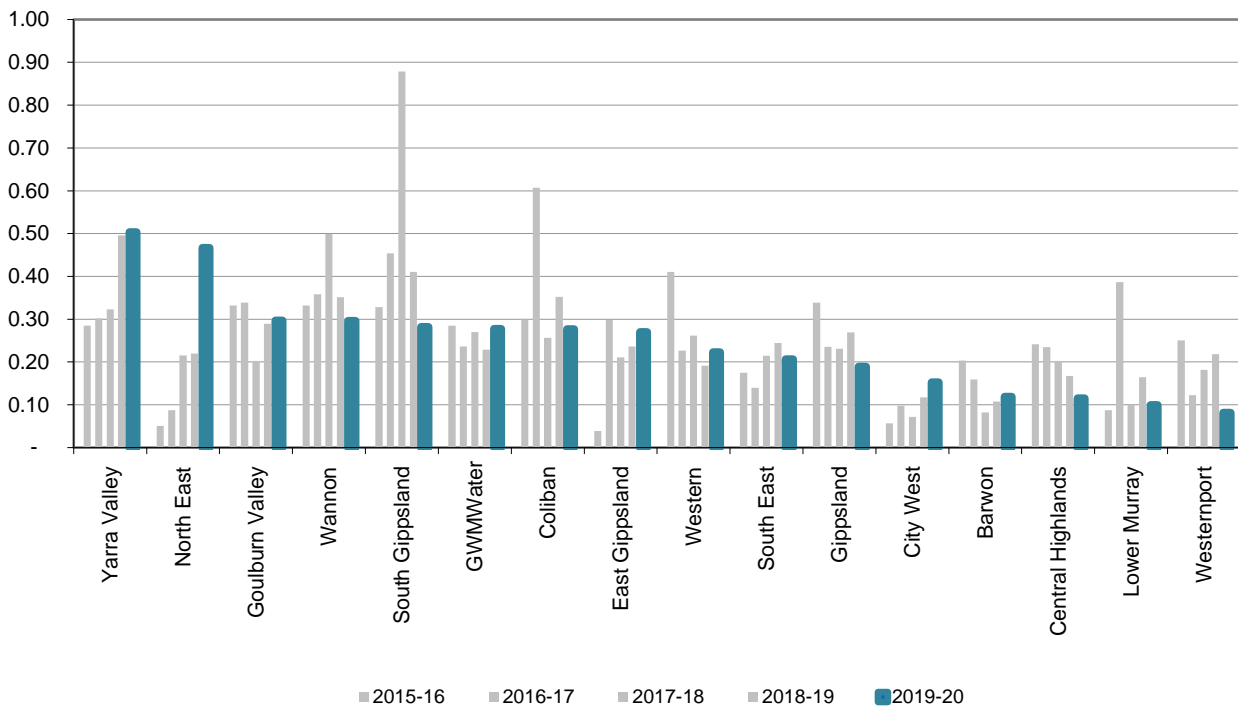


The rate of complaints made to water businesses has varied year by year in Victoria. In regional Victoria the complaint rate has come down from a peak in 2005-6 to below the metropolitan rate. In recent years the metropolitan rate has trended upward despite a small decrease this year.

2.5. Water quality complaints made to water businesses

The number of water quality complaints is a measure of customer satisfaction with the colour, taste and odour of water supplied. Figure 14 shows the number of water quality complaints received by each water business per 100 customers across five years

Figure 14: Water quality complaints made to water businesses (per 100 customers)



Snapshot (water quality complaints, per 100 customers)

State-wide average		-1.5%	Metro average		-1.0%	Regional average		-3.3%
2019-20	0.287	↓	2019-20	0.312	↓	2019-20	0.216	↓
2018-19	0.291		2018-19	0.315		2018-19	0.223	

Key observations

- A total of 8,215 water quality complaints were made to water businesses across the state. This equates to 0.287 complaints made per 100 customers and is slightly below last year's complaint rate of 0.291.
- In Melbourne, complaints per 100 customers decreased slightly by 1 per cent. South East Water reported a 16 per cent decline in its complaint rate while City West Water reported a 30 per cent increase. Yarra Valley Water's complaint rate increased slightly by 2 per cent.

How water businesses respond to their customers

- In regional Victoria there was a 3 per cent decline in complaints per 100 customers with most businesses reporting a decrease.
- Across the state Westernport Water reported the largest decline in its complaint rate, which fell from 0.22 complaints per 100 customers in 2018–19 to 0.08 complaints in 2019–20, and had the lowest complaint rate this year.
 - Westernport Water attributed this reduction in its water quality complaint rate to ongoing supply system improvements to improve water taste.
- North East Water more than doubled its 2018–19 water quality complaint rate, reporting the second highest rate with 0.47 complaints per 100 customers, after Yarra Valley Water with 0.50 complaints per 100 customers.
 - North East Water stated that this large increase in water quality complaints was due to an increase in the naturally occurring compound geosmin (that produces an earthy smell and taste to drinking water) at Lake Mulwala in January and February 2020.

3. Water and sewer network reliability

This chapter looks at reliability of the water and sewer networks, by exploring how often customers are without a water supply and how often sewer blockages and spills impact customers. Our measures only consider the pipe network and pumps under the control of the water businesses and exclude the private property connections managed by customers.

3.1. 2019–20 at a glance

Water networks were reliable with a reduction in average customer minutes off supply.

Sewer service reliability declined across the state, with an increase in sewer blockages and spills. Sewer blockages and spills are more common when a wet period follows a prolonged dry period such as experienced this year. This is because, under drier conditions tree roots often enter sewer pipes in search of water causing blockages. The wetter period puts further pressure on the blocked pipes and can lead to spills.

Melbourne boil water notice in late August 2020

In late August 2020, a power outage at Melbourne Water's Silvan Reservoir resulted in undisinfected water entering the metropolitan supply system. This led to customers across 98 Melbourne suburbs being issued with a precautionary boil water notice that spanned three days.

We are working with the relevant water businesses and the Department of Health and Human Services to understand the customer impacts of this event. We expect any consequences on performance indicators will be reflected in next year's annual performance report covering 2020–21. We also expect Yarra Valley Water and South East Water to report on how they responded to the event in their self-assessments for outcomes reporting in 2020–21.

3.2. Water service – minutes off supply

Minutes off supply is a measure of how many minutes on average a customer for each water business was without their water supply during a year. This measure only looks at interruptions to water mains and excludes smaller ancillary pipelines or private connections.

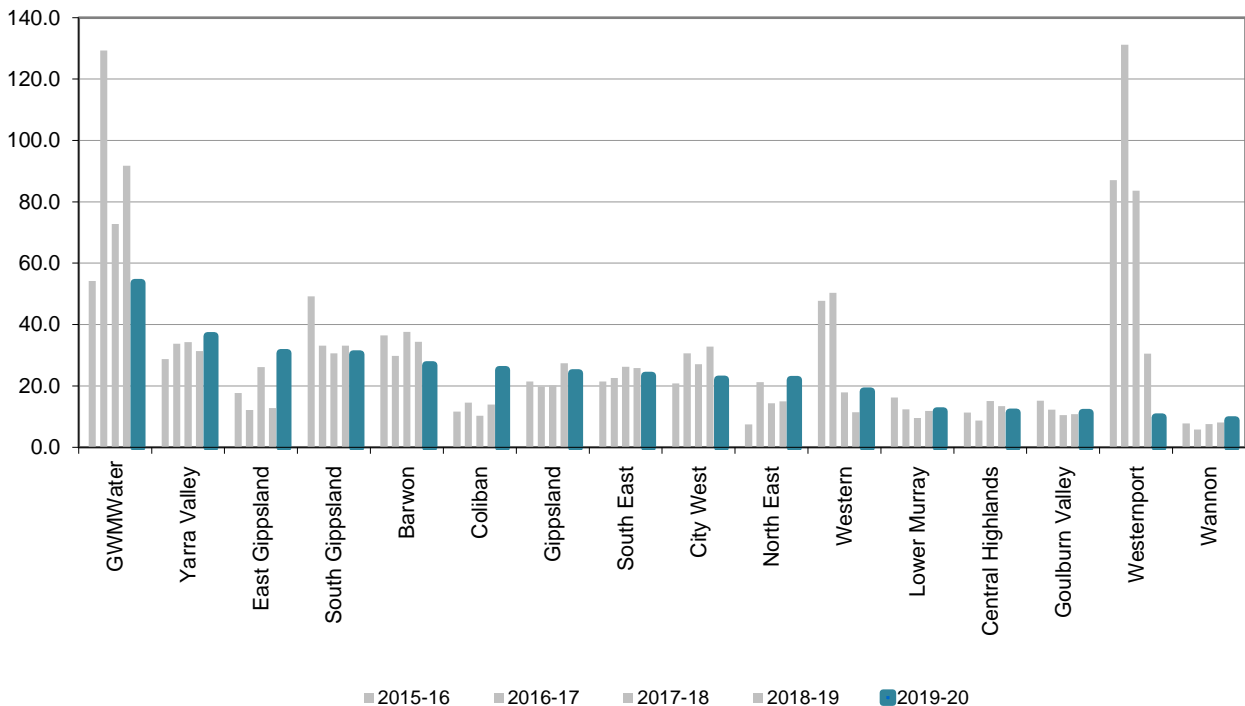
Various factors affect average minutes off supply, including the number of interruptions, the duration of each interruption and the number of customers affected by each interruption. Whether interruptions are planned or unplanned also gives insight into the stability and reliability of the network. Figure 15 shows the average time in minutes a customer had their water supply interrupted for each water business across the last five years.

Types of interruptions – planned and unplanned

A planned interruption occurs when a customer has received at least two days' notice of an interruption to their water service. An unplanned interruption occurs when this notice was not given, or the duration of a planned interruption exceeded the time estimated.

The duration of supply interruptions can be greatly affected by factors including the size and location of the pipeline, access to the worksite, the availability of work crews to attend, and the nature of the repair required.

Figure 15: Average minutes off water supply per customer



Snapshot (average customer minutes off supply)

State-wide average		-5.3%	Metro average		-5.0%	Regional average		-6.4%
2019-20	26	↓	2019-20	28	↓	2019-20	22	↓
2018-19	28		2018-19	30		2018-19	23	

Key observations

- Across Victoria, the average customer minutes off supply decreased by 5 per cent from 28 minutes in 2018–19 to 26 minutes in 2019–20.
- In Melbourne, the average minutes off supply decreased by 5 per cent from 30 minutes to 28 minutes. Regional Victoria saw a 6 per cent decrease, from 23 minutes to 22 minutes.
- Westernport Water reported the greatest decrease from 31 minutes off supply in 2018–19 down to 10 minutes off supply in 2019–20, and is second only to Wannon Water for the business with lowest average customer minutes off supply.
 - Westernport Water explained this was largely due to its pause on non-essential planned shutdowns from March to June 2020 during the first wave of the coronavirus pandemic. Additionally, a commitment to maintaining a temporary water supply during planned and unplanned water interruptions, new techniques for repairing water mains while maintaining supply, and a more reactive and targeted mains flushing program, have contributed to the large reductions in average minutes off supply over recent years.
- Wannon Water has had the lowest minutes off supply for the last four years in a row despite reporting a slight increase this year.
- GWMWater reported the highest minutes off supply at 54 minutes, a decrease of 38 minutes compared to the previous year with 92 minutes off supply.

3.3. Sewerage service – sewer blockages

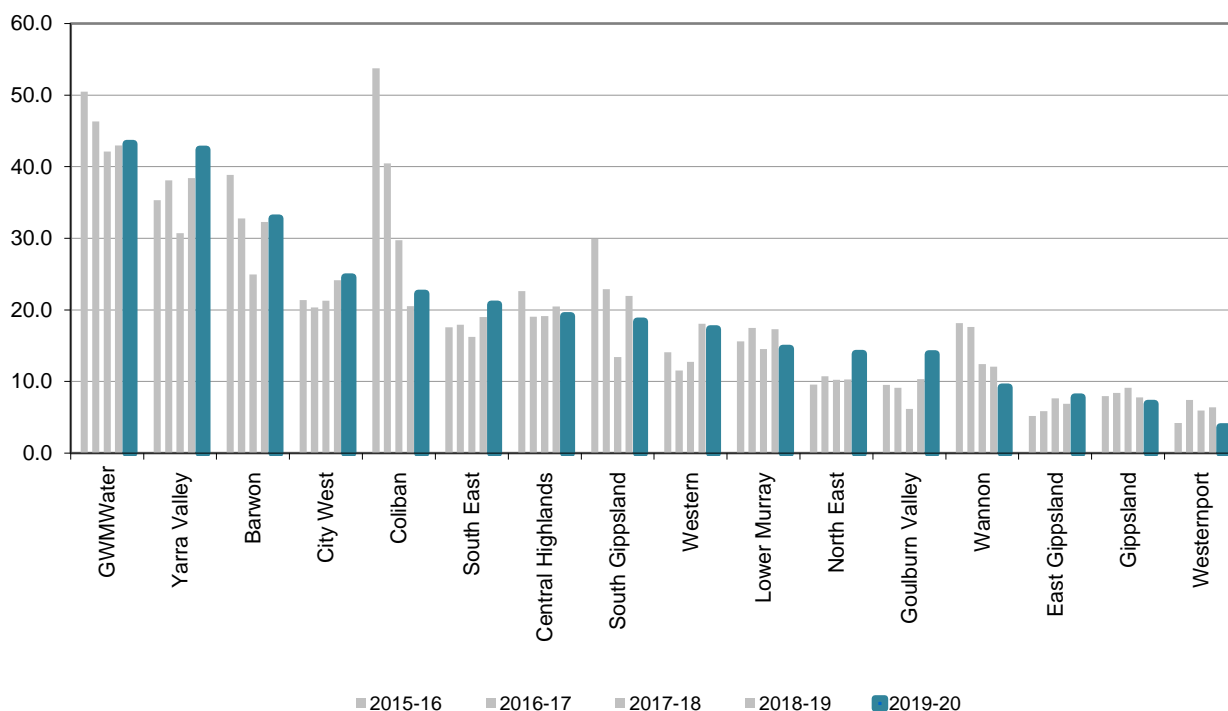
Sewer networks consist of:

- trunk and reticulation mains (core infrastructure involving large pipes and pumps to transfer sewage to treatment facilities)
- house connection branches and property drains (ancillary smaller infrastructure that transfers sewage from customers to the sewer mains)
- private connections from customers to connection branches or property drains (faults in these are the responsibility of customers).

Figure 16 shows the number of sewer blockages reported per 100 kilometres of sewer main for each water business across the last five years.

A sewer blockage is a partial or total obstruction of a sewer main that impedes sewage flow and does not include blockages in the ancillary infrastructure or private connections.

Figure 16: Sewer blockages per 100 kilometres of sewer main



Snapshot (Sewer blockages per 100 kilometres of sewer main)

State-wide average		6.2%	Metro average		8.7%	Regional average		0.8%
2019-20	25.8	↑	2019-20	30.3	↑	2019-20	18.8	↔
2018-19	24.2		2018-19	27.9		2018-19	18.7	

Key observations

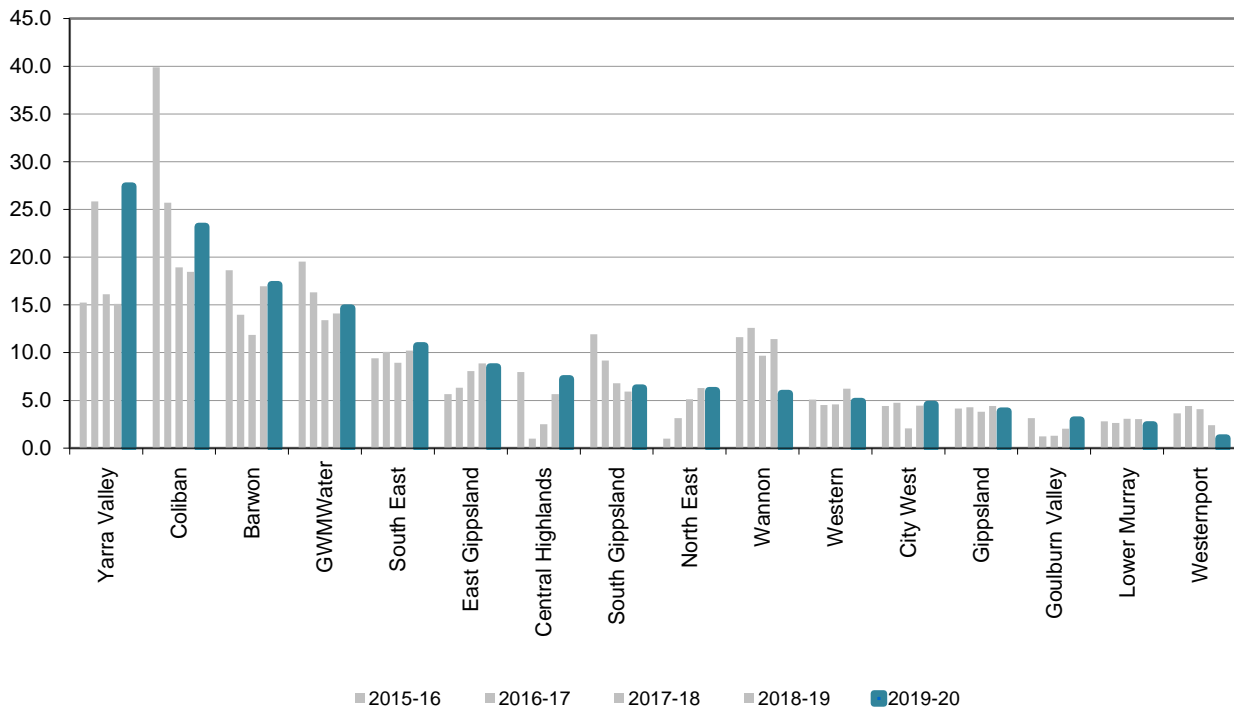
- Statewide, the rate of sewer blockages increased by 6 per cent, following a 16 per cent increase in 2018–19. After a prolonged drier period as experienced in recent years, tree roots often dig deeper into the ground in search of water and can enter sewer pipes causing blockages.
- In Melbourne, there was a 9 per cent increase, with a five-year high rate of 30 blockages per 100 kilometres. Correspondingly, all three metropolitan businesses reported higher sewer blockage rates compared to 2018–19.
- In regional Victoria the sewerage blockage rate remained steady at about 19 blockages per 100 kilometres of sewer mains.

- GWMWater reported the highest rate of sewer blockages with 43 blockages per 100 kilometres of sewer mains, and has had the highest rate since 2016–17.
- Westernport Water reported the lowest sewerage blockage rate and was the most improved business, with 4 blockages per 100 kilometres of sewer main compared to 6 blockages per 100 kilometre in 2018–19.

3.4. Sewerage service – containment of sewer spills

Spills are a failure to contain sewage within the core sewer infrastructure. Figure 17 shows the number of sewer spills reported per 100 kilometres of sewer main for each water business across five years.

Figure 17: Sewer spills per 100 kilometres of sewer main



Snapshot (Sewer spills per 100 kilometres of sewer main)

State-wide average		31.0%	Metro average		47.0%	Regional average		2.5%
2019-20	13.8	↑	2019-20	16.4	↑	2019-20	9.8	↑
2018-19	10.5		2018-19	11.1		2018-19	9.5	

Key observations

- The statewide sewer spill rate increased by 31 per cent, from 11 sewer spills per 100 kilometres of sewer main in 2018–19 to 14 sewer spills per 100 kilometres in 2019–20.

- Just over half of all businesses reported higher sewer spill rates compared to the previous year.
- Yarra Valley Water reported the highest rate increase and the highest sewer spill rate with 27 sewer spills per 100 kilometres of sewer main this year compared to 15 in 2018–19.
 - Yarra Valley Water stated that its increased sewer spill rate was mainly due to tree roots infiltrating sewer mains and higher than average rainfall adding further pressure to the sewer system.
- Westernport Water had the lowest sewer spill rate and also the most improved rate with 1 sewer spill per 100 kilometres of sewer main compared to 2.4 spills last year.

Containing spills within five hours

- Seven businesses – City West Water, East Gippsland Water, Gippsland Water, Lower Murray Water, North East Water, Wannon Water and Westernport Water – contained 100 per cent of sewer spills within five hours in 2019–20. This is down from 8 businesses in the previous year.
- Five businesses – Barwon Water, Coliban Water, GWMWater, South East Water and Yarra Valley Water – maintained close to 100 per cent of spills within five hours, containing 99 per cent or higher.
- The percentage of spills contained within five hours for the remaining four businesses were:
 - Central Highlands Water — 97.2 per cent, up from 93.9 per cent in 2018–19
 - Goulburn Valley Water — 97.4 per cent, down from 100 per cent in 2018–19
 - South Gippsland Water — 93.8 per cent, down from 100 per cent in 2018–19
 - Western Water — 98.6, up from 97.7 per cent in 2018–19.

4. How much water is recycled

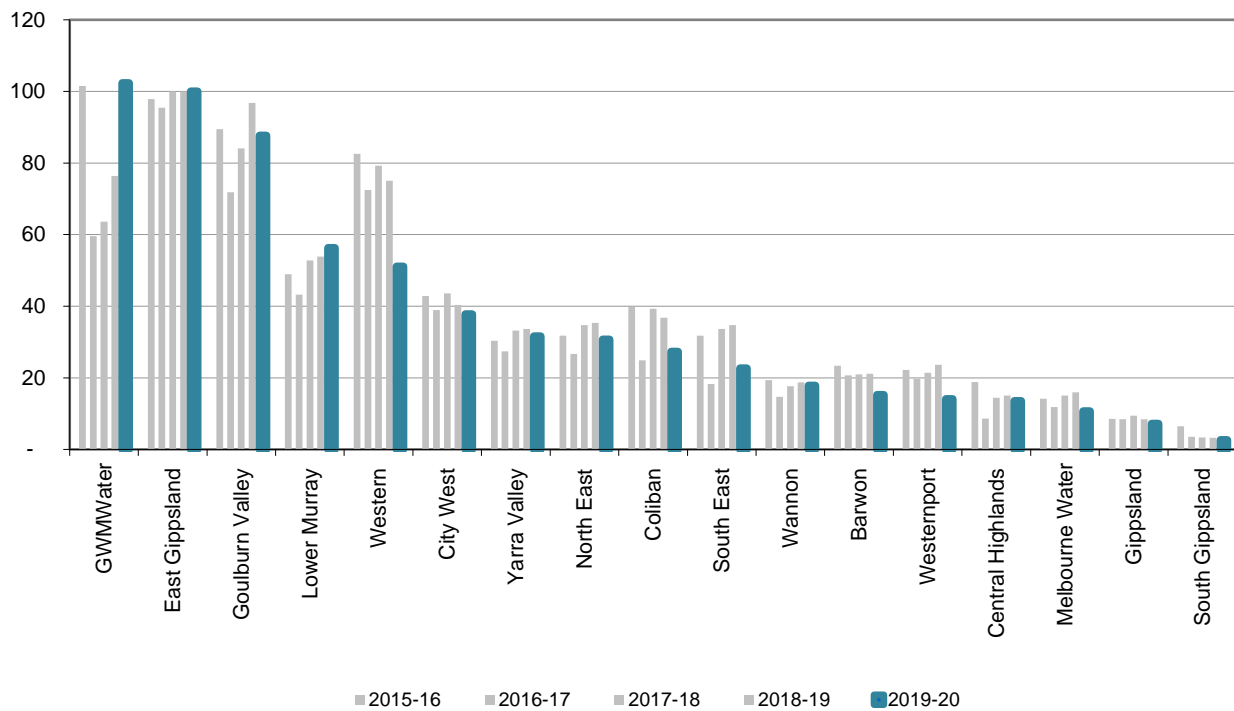
4.1. Recycled water – effluent treatment and reuse

Wastewater consists of residential and non-residential sewage, trade waste from commercial and industrial customers, and stormwater that reaches the sewer network. The wastewater treatment plants produce an effluent stream that, if unused or not recycled, is normally discharged to the environment.




Recycled water is generally used on turf farms, dairy farms, recreational lands (such as parks and golf courses) and is used in some industrial processes and for irrigation. Some businesses operate ‘third pipe’ recycled water supply systems to their customers, for non-potable uses such as watering the garden and flushing the toilet. Recycled water can also be used for beneficial environmental outcomes, such as maintaining wetlands.

Figure 18 shows the proportion of water recycled as a percentage of the volume of effluent produced by each water business across the last five years.

Figure 18: Recycled water used as a percentage of effluent volume produced



Snapshot (recycled water, percentage of effluent produced)

State Average		-26.5%	Metro Average		-31.1%	Regional Average		-17.8%
2019-20	16		2019-20	12		2019-20	27	
2018-19	22		2018-19	18		2018-19	33	

Key observations

- This year there was an increase in effluent production and lower demand for recycled water. This is consistent with the higher than average rainfall experienced this year, with more stormwater entering into sewer systems and lower recycled water demand for irrigation and gardening activities.
- Across the state, total effluent production increased by 47,368 megalitres from 460,923 megalitres in 2018–19 to 508,291 megalitres in 2019–20. This is a 10 per cent increase and follows two years of decreased production.
- Sixteen per cent of effluent produced was reused as recycled water across the state. This is down from 22 per cent in 2018–19, with the total volume reused down by 19,019 megalitres to 81,317 megalitres.
- There was a decrease in the proportion of effluent reused in both Melbourne and regional Victoria.
 - In Melbourne the proportion of effluent reused decreased from 18 per cent in 2018–19 to 12 per cent in 2019–20.
 - In regional Victoria the proportion of effluent reused decreased from 33 per cent in 2018–19 to 27 per cent in 2019–20.
- GWMWater reused over 100 per cent of the effluent it produced due to effluent carried over from last year.
- East Gippsland Water reused 100 per cent of the effluent it produced, as it did for the last two years, delivering 2,438 megalitres of recycled water to its customers.
- Goulburn Valley Water, which delivered the largest amount of recycled water in regional Victoria (7,401 megalitres), reused 88 per cent of the effluent it produced compared to 97 per cent in 2018–19.
- South Gippsland Water continues to report the lowest proportion of recycled water usage. This year it only reused 3 per cent of effluent produced and delivered the lowest volume (122 megalitres) of recycled water to its customers.

Appendix A: bill component breakdown of typical household owner occupier bills

Figure 19: Typical household bills including inflation, metro owner occupiers

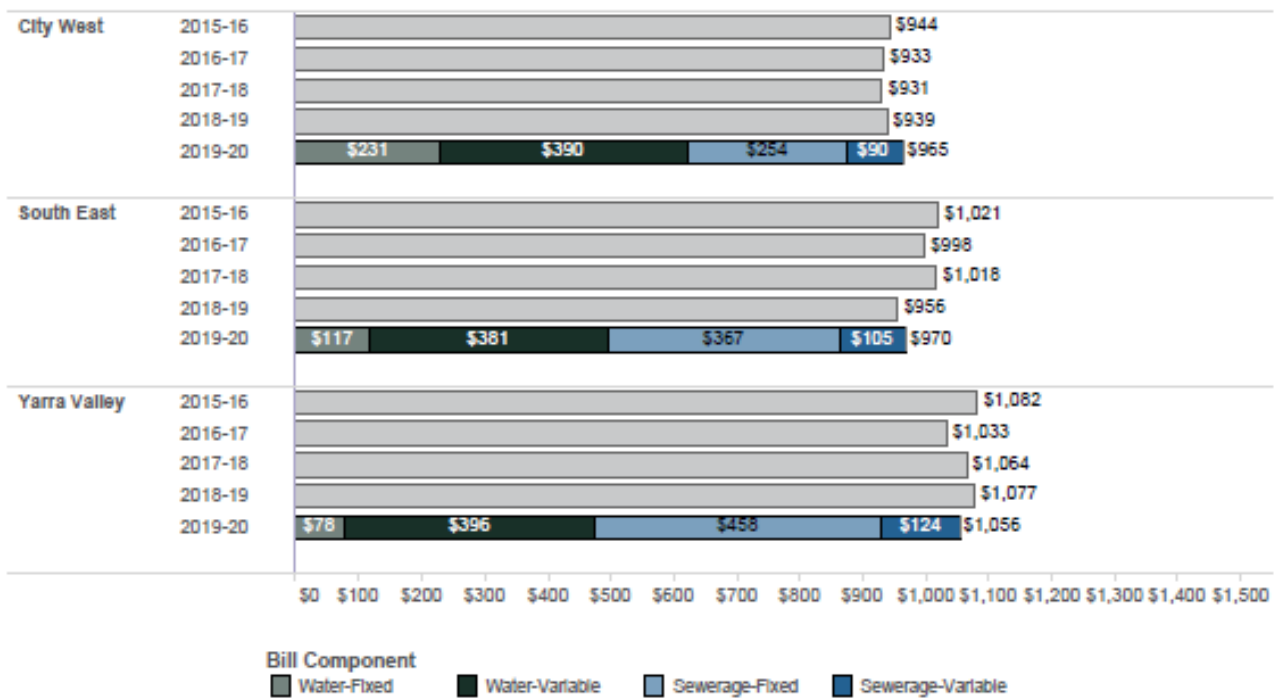


Figure 20: Typical household bills including inflation, regional owner occupiers, part I

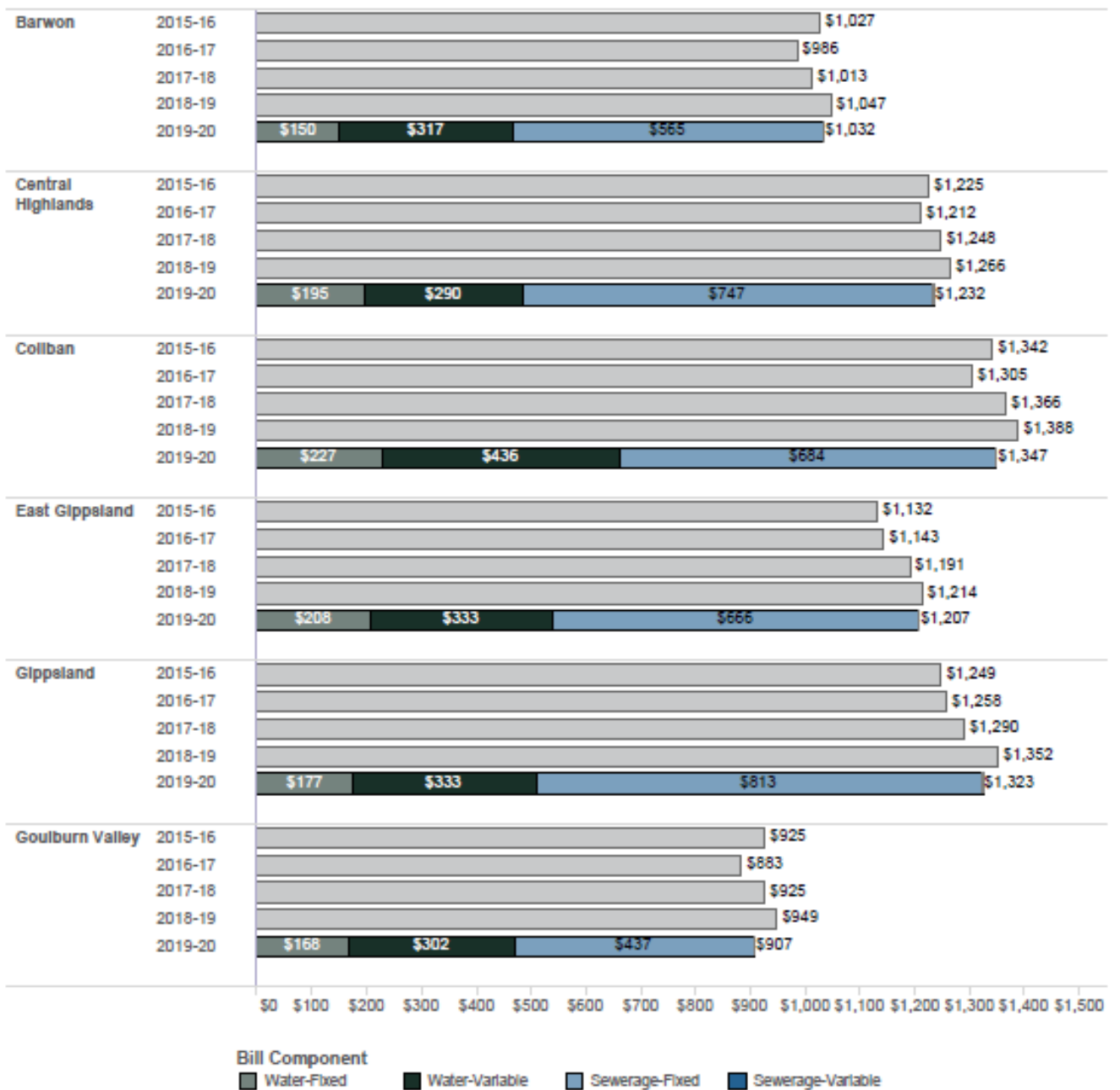
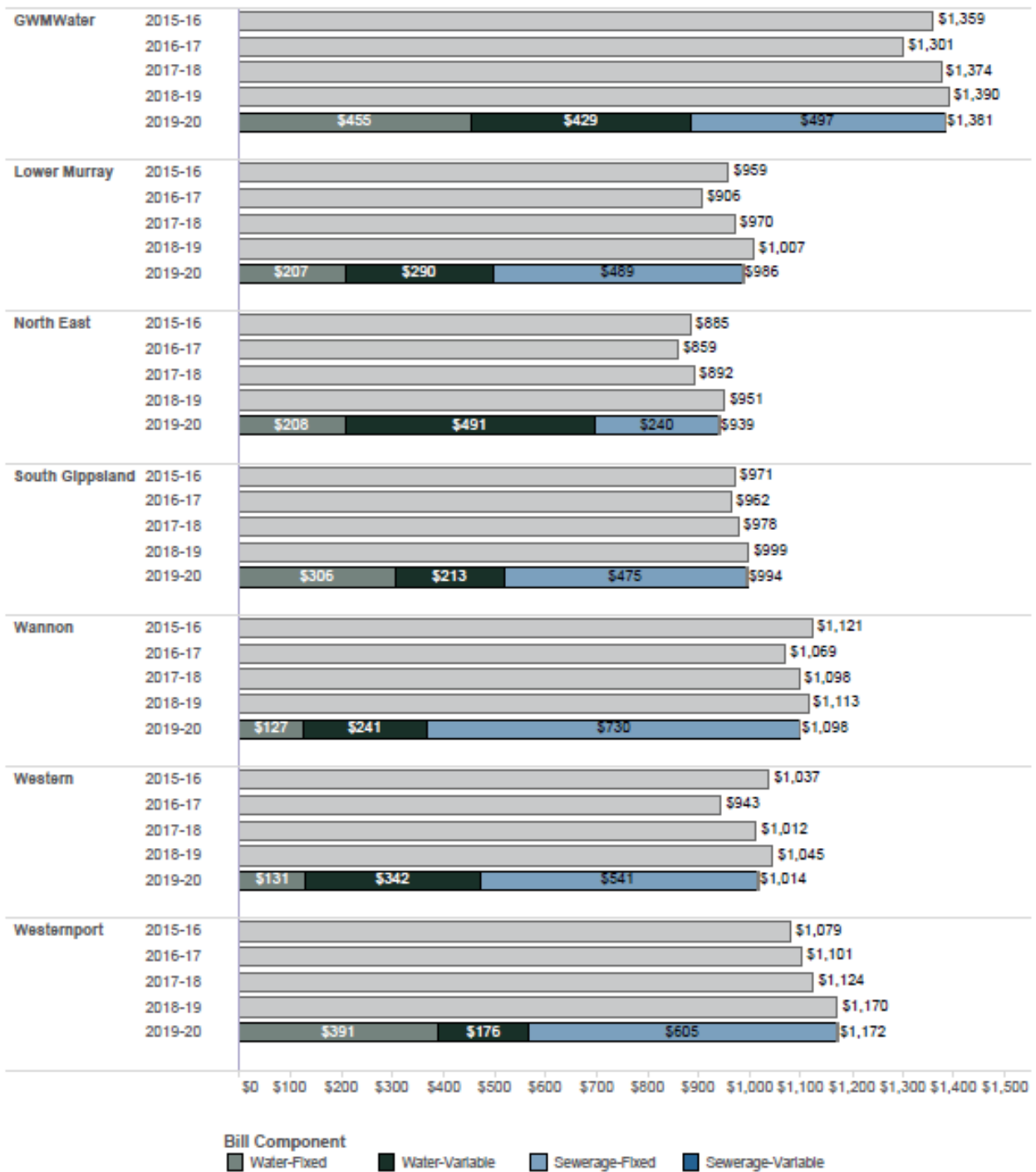


Figure 21: Typical household bills including inflation, regional owner occupiers, part II



Appendix B: bill component breakdown of typical household tenant bills

Figure 22: Typical household bill including inflation, metro tenants

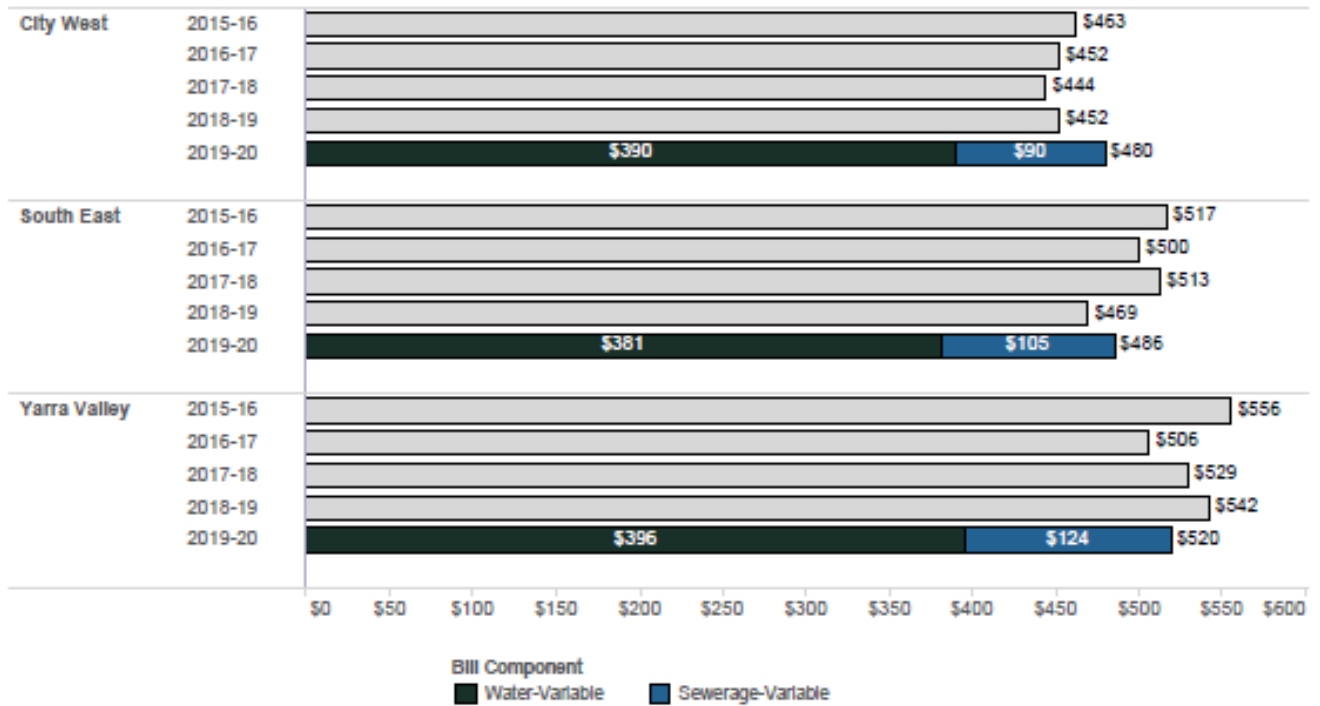


Figure 23: Typical household bill including inflation, regional tenants, part I

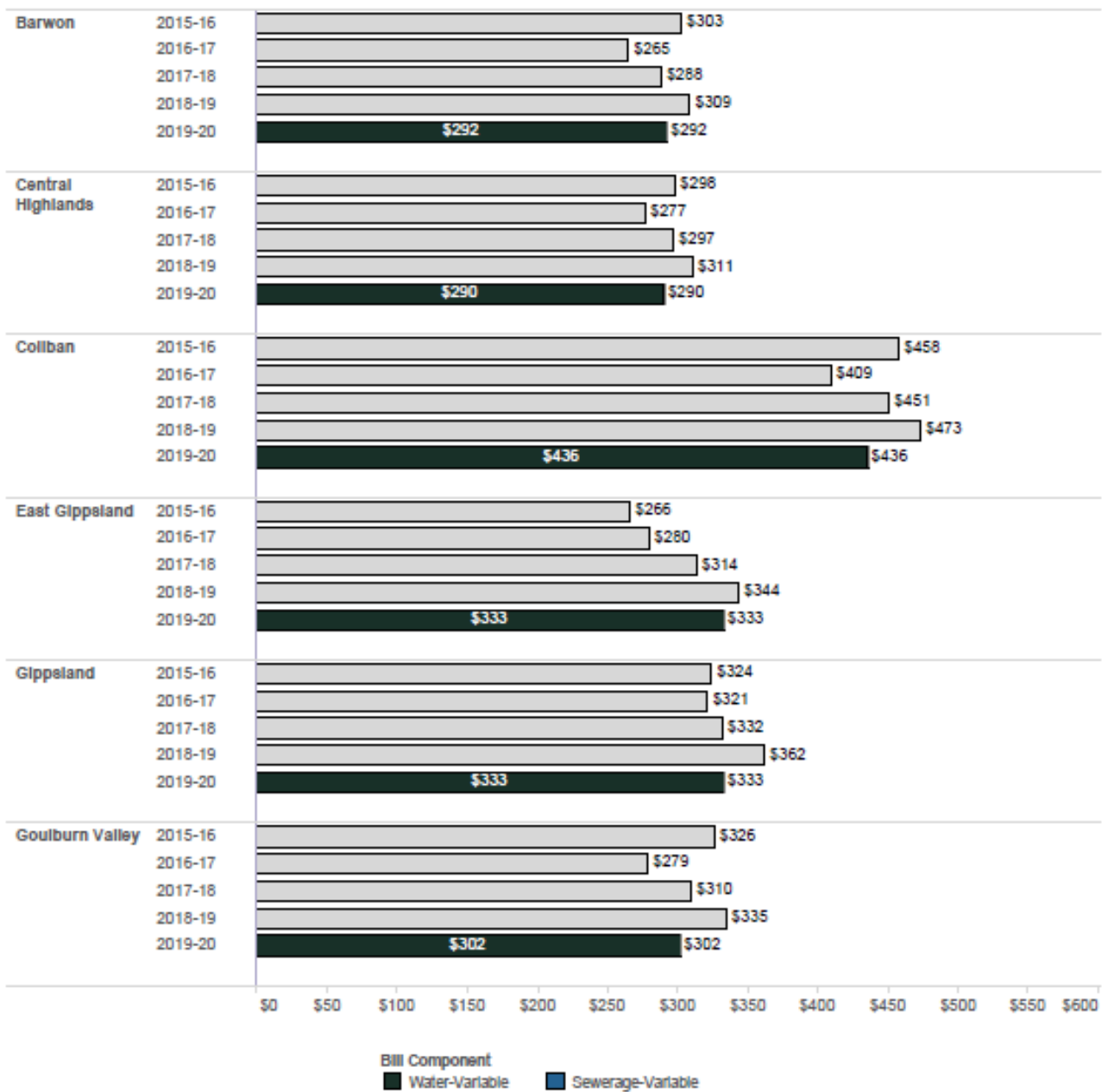
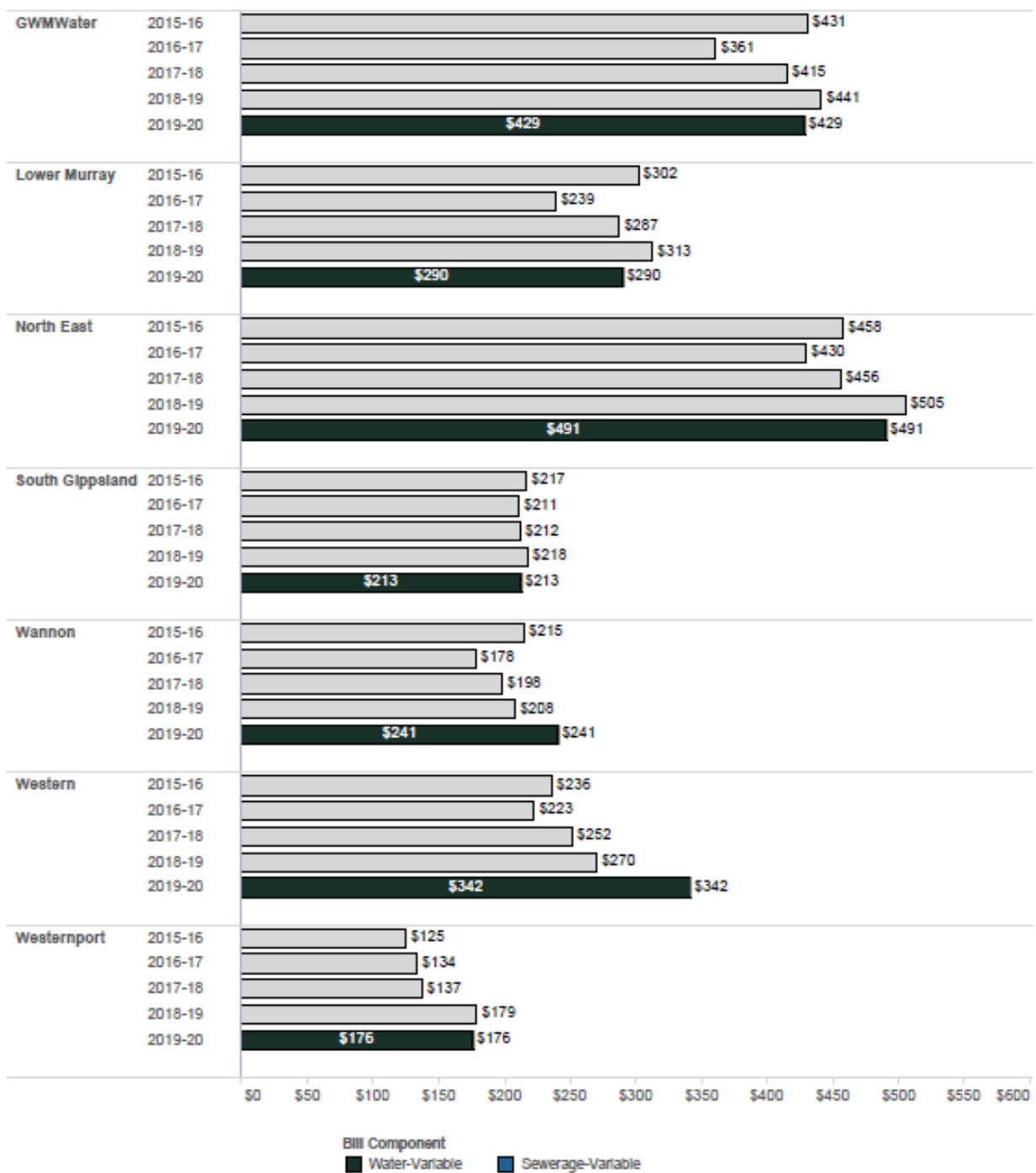


Figure 24: Typical household bills including inflation, regional tenants, part II





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