

# Appendix B: Service performance in the current pricing period

## Asset and customer performance - National Performance Report

Our performance against some of the key asset and customer indicators in the NPR, shown in Figure 1, demonstrates the challenges we face with an ageing, and geographically dispersed, network of water and wastewater assets.<sup>1</sup>

There are no regulatory requirements to achieve a given level of performance against NPR indicators – it may not be prudent or efficient for a utility to invest and perform well across all, or any, indicators. Despite our asset performance relative to other utilities generally being below median, in the following sections we demonstrate we are still meeting our compliance obligations and providing good service to customers.

The key insights are:

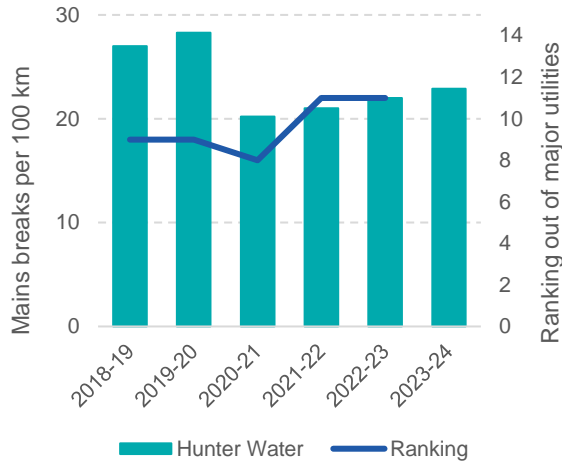
- We have more than the median number of **water main breaks, bursts and leaks** each year. Variations in annual performance is heavily influenced by weather conditions. These water main breaks result in us having one of the highest rates of **unplanned water interruptions** per property. We still comply with our Operating Licence requirements for water continuity, but it demonstrates the need for ongoing renewals to replace deteriorating assets across our water network.
- Relative to other major utilities, the **average duration of a water interruption** is improving – when customers do lose access to their water supply, we try to get their service reinstated as quickly as possible. Customers understand that service issues will arise, but expect we resolve them promptly.
- Not wasting water is crucial to improving water security in the Lower Hunter. We had steadily been reducing our water leakage over time, however, our **real losses** performance deteriorated in 2022-23. We are now heading in the right direction again and have the support of our community to invest more to reduce leaks in the upcoming pricing period, and eventually become leaders in this area.
- The number of **sewer main breaks and chokes** have been steadily declining year on year due to preventative maintenance activities including jetting and use of CCTV. Extreme wet weather in 2023-24 was a contributing factor to the observed increase.

---

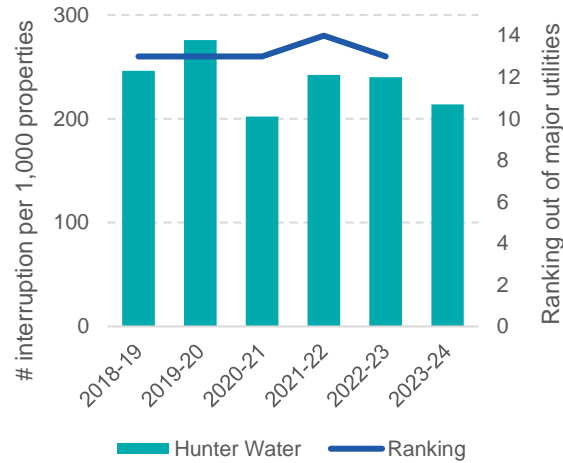
<sup>1</sup> The latest published dataset is 2022-23. We also show Hunter Water's data for 2023-24, but no ranking is available.

**Figure I: Hunter Water's performance in select National Performance Report indicators**

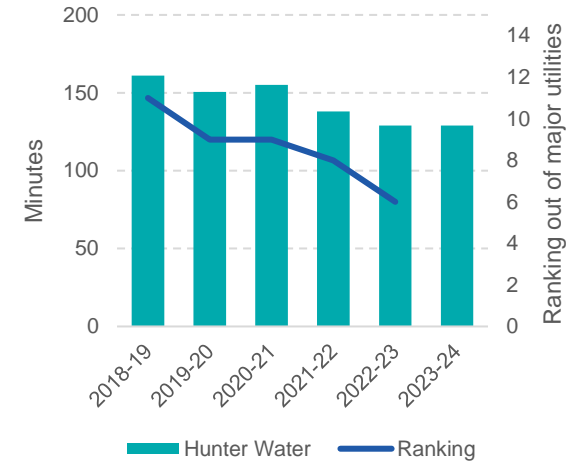
**Water main breaks, bursts and leaks**



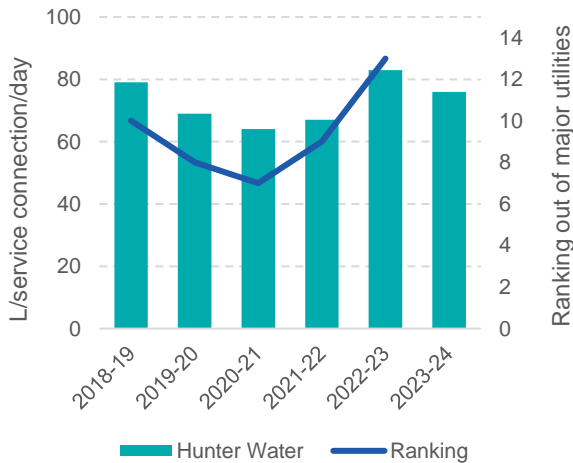
**Unplanned water interruptions**



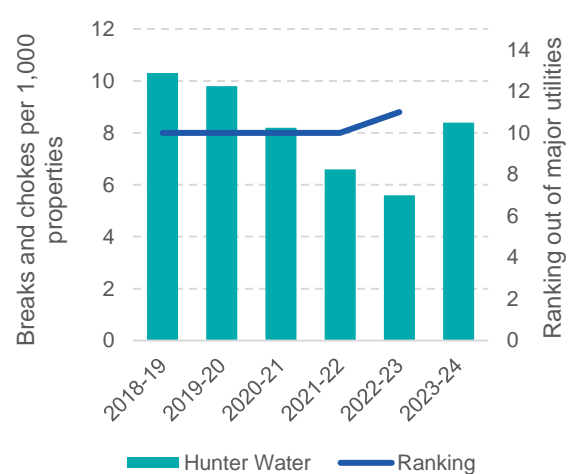
**Average duration of an interruption**



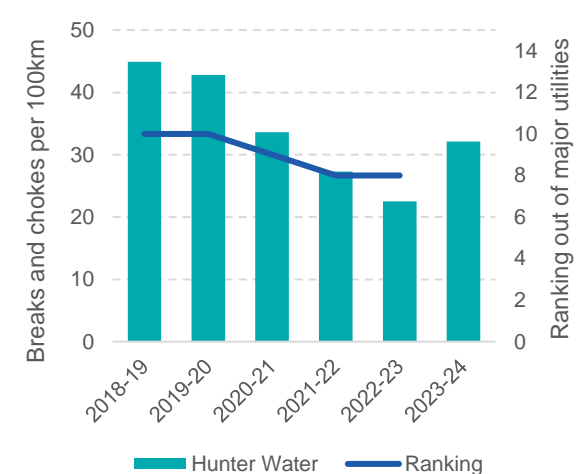
**Real water losses**



**Sewer main breaks - per property**



**Sewer main breaks - per km**



## High quality water and wastewater services

### Operating Licence system performance standards

We have met our Operating Licence minimum system performance standards for water continuity, water pressure and wastewater overflows on private property throughout the current pricing period. These standards set a maximum number of customers that can be affected by these service failures each year.

Water pressure performance was well within the standard throughout the current pricing period, as shown in Figure 2, primarily due to lower observed peak day water demands than expected.

Despite a relatively high rate of water main breaks, water continuity performance is within the standard. Performance can be heavily impacted by large trunk main failures that are difficult to predict and potentially affect thousands of customers – we have not experienced many of these events in recent years.

**Figure 2: Operating Licence standards: Water pressure and water continuity**

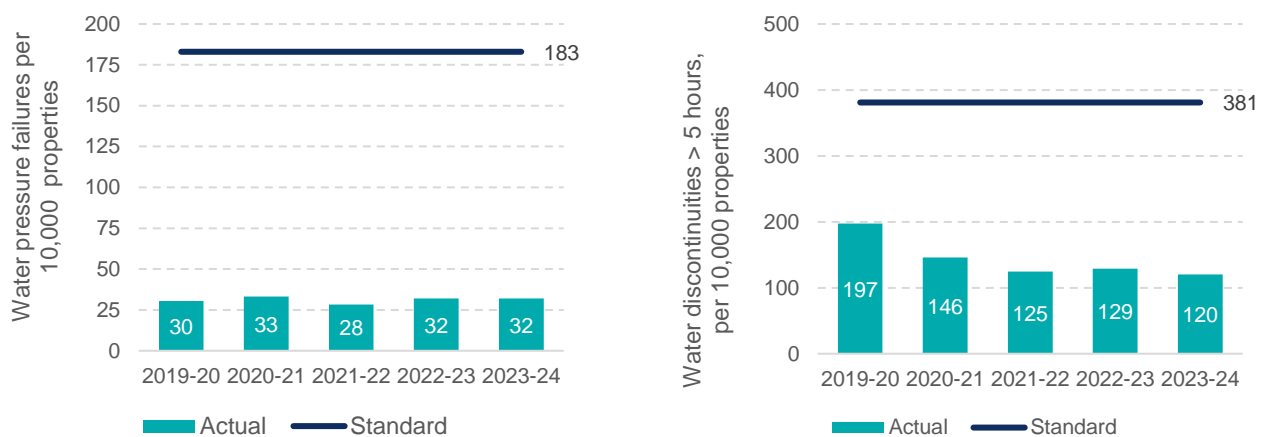
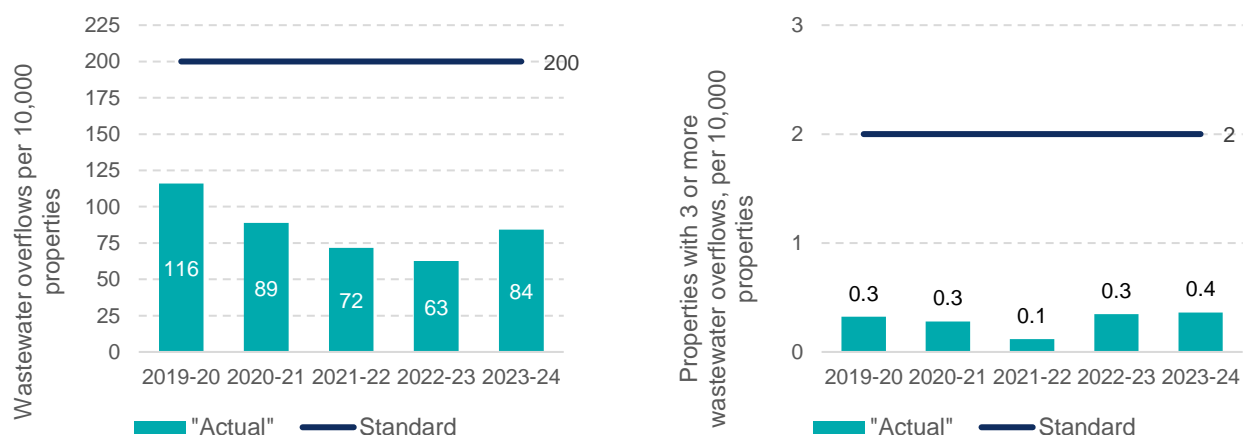


Figure 3 demonstrates our strong performance against the wastewater overflow standards (single and multiple events). Most of the investment we propose in the upcoming pricing period to reduce wastewater overflows is required to protect the environment by meeting environmental regulatory requirements and to resolve issues for customers who receive a repeatedly sub-standard service during wet weather.

**Figure 3: Operating Licence standards: Dry weather wastewater overflows**



## Drinking water quality

Providing safe drinking water is our highest priority and an expectation of our community and stakeholders. We supply safe drinking water to around 620,000 people. Our Operating Licence requires we maintain and implement a drinking water quality management system consistent with the Australian Drinking Water Guidelines and to the satisfaction of NSW Health. IPART audits the performance of this management system annually as part of their Operating Licence audit.

Table 1 shows the Operating Licence audit grades for our drinking water quality management system during the current pricing period. We have remained compliant, demonstrating a suitable and well-implemented management system that helps us to protect public health.

**Table 1: Annual Operating Licence audit - compliance with key drinking water management system requirements**

Operating Licence clause	2020-21	2021-22	2022-23
Maintain the management system	Compliant with minor shortcomings	Compliant	Compliant
Implement the management system	Compliant with minor shortcomings	Compliant with minor shortcomings	Compliant with minor shortcomings

We publicly communicate our drinking water quality performance in our Annual Compliance and Performance Report. We report performance at drinking water critical control points, which are essential points in the water treatment and distribution process where control can be applied to prevent, eliminate, or reduce water safety risks to an acceptable level. We also report compliance against performance standards for microbiological detections, and health and aesthetic analytes present in our drinking water.

Table 2 summarises our performance against these requirements during the current pricing period, further demonstrating our strong compliance track record in providing clean, safe water to customers.

**Table 2: Water quality performance measures**

Licence clause	2020-21	2021-22	2022-23	2023-24
Critical Control Points	x <sup>3</sup>	✓	✓	✓
Microbiological (e.coli)	✓	✓	✓	✓
Key health analytes <sup>1</sup>	✓	✓	✓	✓
Key aesthetic analytes <sup>2</sup>	✓	✓	✓	✓

Notes:

1 Including: fluoride, chlorine, copper, lead, manganese, trihalomethanes

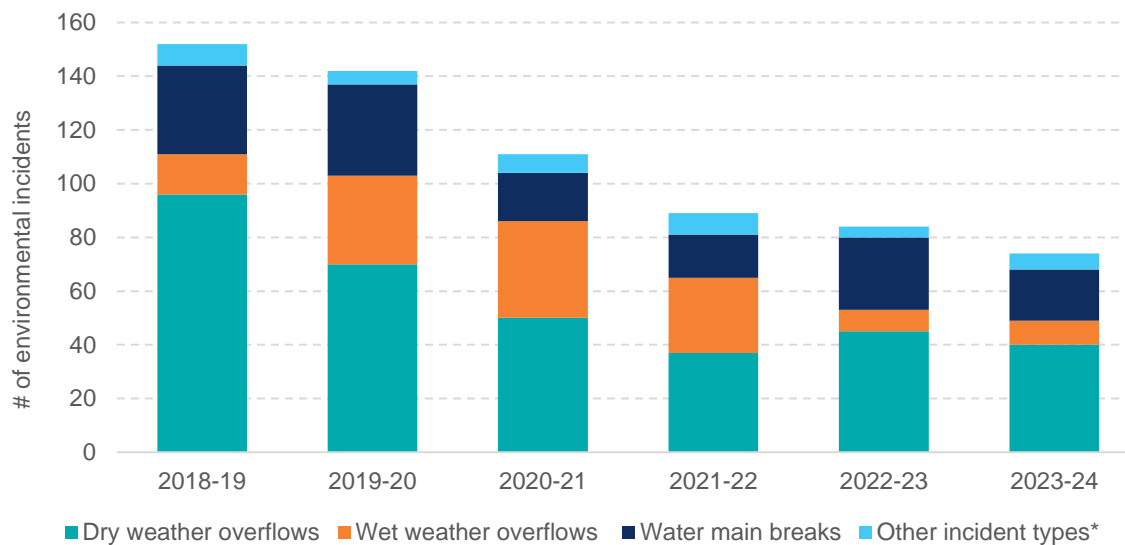
2 Including: iron, aluminium, copper, zinc, turbidity, true colour, pH

3 We had one critical limit exceedance for free chlorine residual at a water network chlorinator. The incident was managed in accordance with protocols and no customer impacts were identified.

## Environmentally sustainable

We are vigilant in minimising environmental impacts associated with our operations. During the current pricing period, we have steadily improved our environmental performance, experiencing fewer reportable environmental incidents, as shown in Figure 4.

**Figure 4: Reportable environmental incidents**



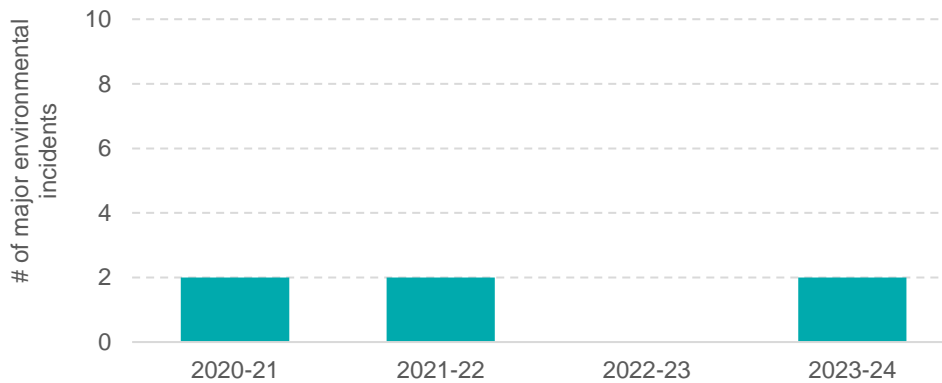
## The biggest change is fewer dry weather overflow incidents in the environment. In Figure 1: Hunter Water’s performance in select National Performance Report indicators

(above) we showed the declining number of sewer main breaks and chokes in recent, and in Figure 3 (above), we showed how this has benefited customers through fewer overflows on private property.

We have very few major environmental incidents, as shown in Figure 5.

We promptly address environmental incidents in accordance with our internal procedures and the guidelines provided by the Environmental Protection Authority (EPA). We proactively manage incidents, including thorough investigations, corrective actions, and preventive measures to mitigate future occurrences. We have, and continue to, invest in infrastructure upgrades and renewals to reduce environmental risks and harm relating to wastewater overflows and water main breaks.

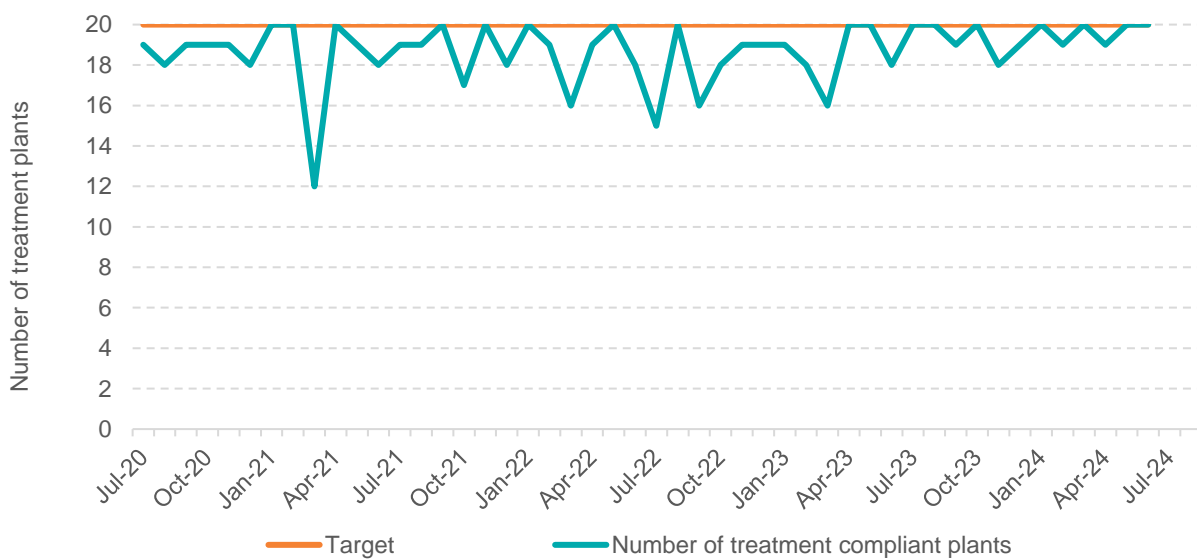
**Figure 5: Major environmental incidents**



Our wastewater treatment plants are essential to environment protection – converting raw wastewater to treated effluent at a level suitable to either reuse, or discharge back into waterways, in accordance with our Environment Protection Licence (EPL) requirements. The EPL’s contain a range of regulatory conditions that we must comply with. Figure 6 shows the number of treatment plants that complied with EPLs in each month of the current pricing period.<sup>1</sup>

It demonstrates a high level of ongoing compliance, noting this view doesn’t indicate the number of non-compliances at a given treatment plant, or the varying environmental impact of non-compliance with different EPL conditions. We have upgraded several wastewater treatment plants in the current pricing period to ensure compliance. In chapter 4, we highlight proposed wastewater treatment upgrades for the upcoming pricing period.

**Figure 6: Treatment plant compliance with EPL requirements**



<sup>1</sup> This includes all 19 of our wastewater treatment plants, and our Dungog WTP that is covered by an EPL.

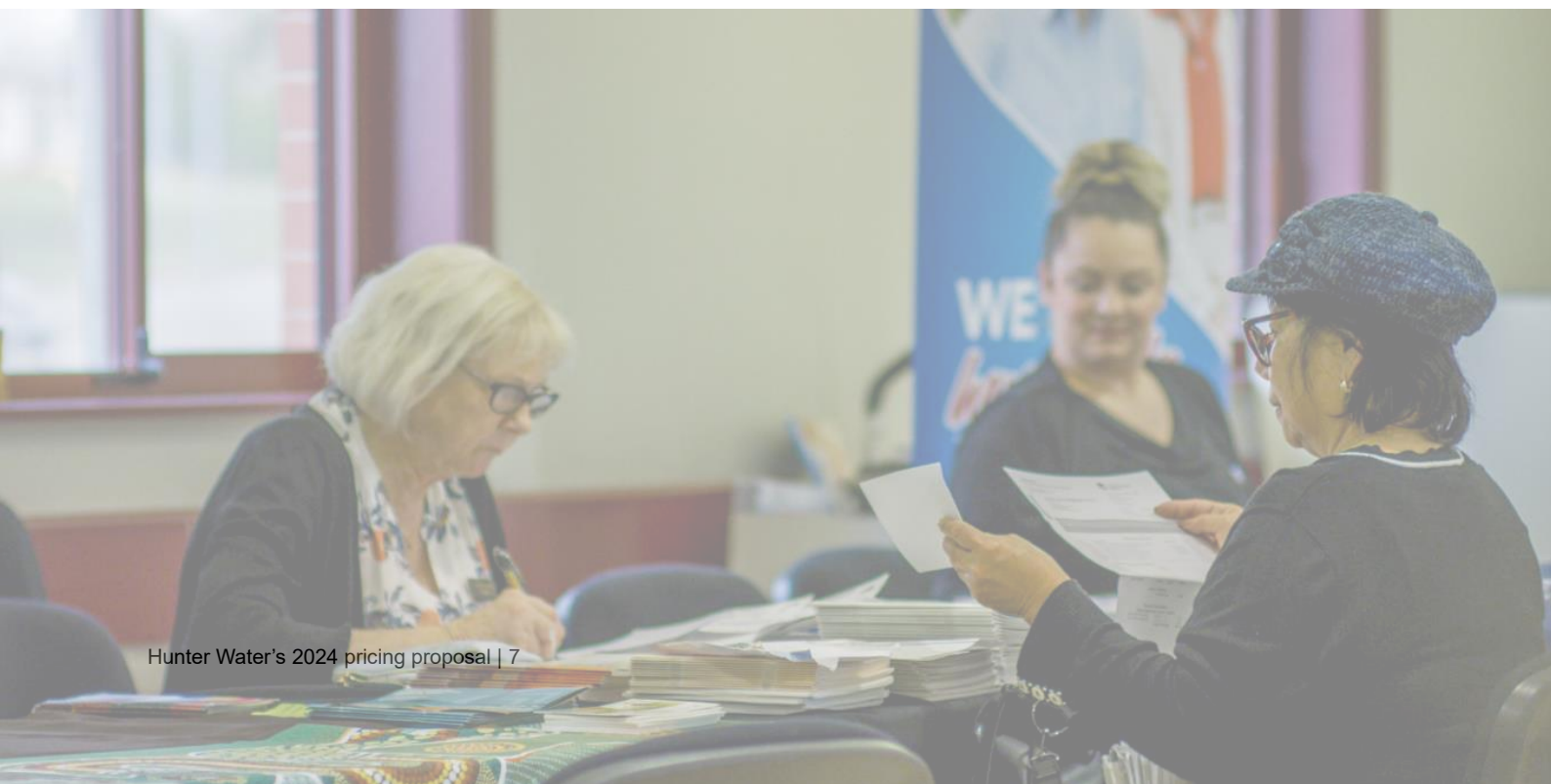
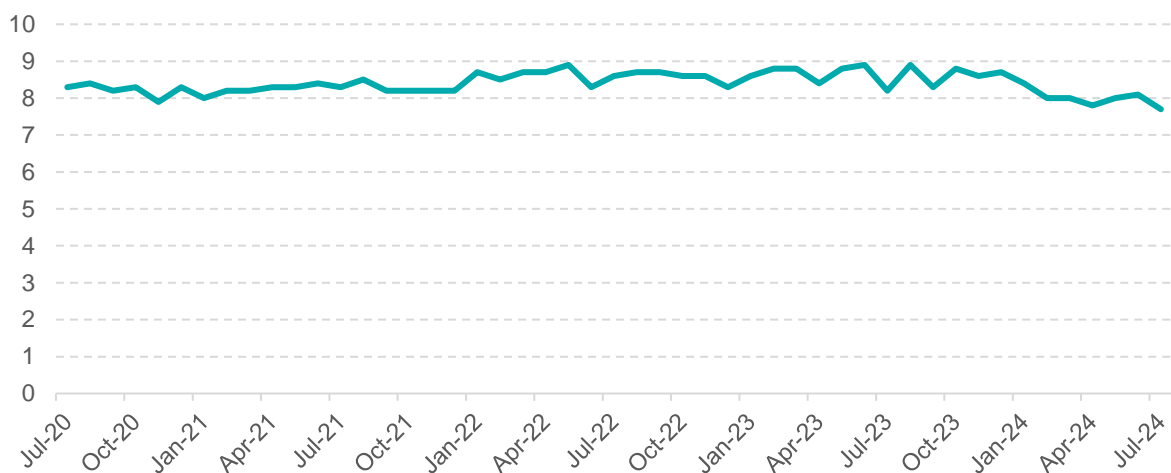
## Great customer service

Each month we take a pulse check on customer’s experience (CX) with their recent interactions with us across different touchpoints. For example, our frontline contact centre, complaints, service outages, and development processes. Our average CX score over the previous two years is 8.4 out of 10 and has been between 8 and 9 throughout the current pricing period, as shown in Figure 7.

Drivers of satisfaction have remained relatively consistent. These include speed of resolution, keeping customers informed about progress of issues, enquiries and works, and ease of access to consistent and clear information.

While our CX scores are relatively high, performance has declined across the last 6 months. We believe that customer expectations are shifting quickly, and customers expect more for their money in today’s environment with cost-of-living pressures.

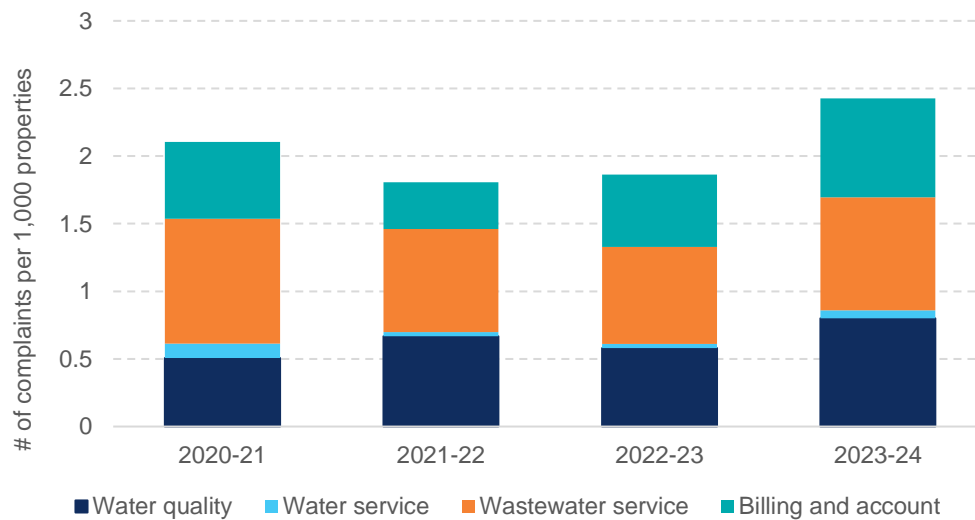
**Figure 7 Customer experience (CX) performance**



## Customer complaints

We publicly report on complaints through the National Performance Report and in our Annual Compliance and Performance Report, as shown in Figure 8.

**Figure 8: Complaints by category - National Performance Report**



Complaints increased substantially in 2023-24. The main drivers include:

- Water quality complaints relating to taste and odour increased in line with detection of certain naturally occurring compounds at our main water treatment plant, and across NSW. The compounds are at acceptable levels in accordance with the ADWG.
- Cost-of-living pressures are influencing billing complaints as customers are becoming increasingly concerned about their water consumption and affordability. We continue to offer support through our vulnerable customer program to better support those customers experiencing vulnerable circumstances via personalised support options including increased payment assistance.

We regularly survey our customers to understand their complaint experience and learn where we can do better. We know that customers value most highly ease of getting information, fixing their issue and speed of resolution as the most influential drivers for complaint satisfaction.

Recently, we have experienced a downward shift in our customer experience score that has historically been quite favourable. This decline has also been seen in complaint satisfaction scores, with an observed increasing complexity in our customer interactions and nature of the complaints. Across the water industry, similar challenges are being observed, which may be attributable to the current macro-economic environment and cost-of-living pressures.