

**Barwon Water Price  
Submission**  
Community Panel  
Report

5 August 2017

# A message from the community panel representatives

The community panel consisted of a variety of community members representing differing demographics, points of view and consumer experiences.

Barwon Water provided a considerable breadth of information to assist the panel in their considerations.

It was a collaborative approach that arrived at a consensus on a series of outcomes which we believe to be robust in their recommendations and where possible have supported these outcomes by providing details of our preferences. We have also provided evidence and background on our decision making process.

We have also provided some minority reports within the document for your consideration.

The panel would like to thank Barwon Water and MosaicLab for offering us the opportunity to contribute.

## *Final statement on the process by the panel...*

As members of the Community representation panel, we provide you with the report from our final day of deliberations, in response to the Barwon Water community consultation (Our proposed services and prices for 2018-2023). This is a culmination of a series of workshops, over a series of days, to prepare for this final report.

We have had the opportunity to review all of the Barwon Water background information, original panel work, online discussions, and the EY Sweeney report on the community consultation research. We also received submissions from Barwon Water explaining the process undertaken in preparation and implementation of the survey, and an extrapolation of the results. We can provide assurances that as a panel, we have been supported by the facilitators in reaching conclusions that we believe are representative of our collective views. The net result is that we support the context of the proposed price submission as put forward by Barwon Water, as it also supports our views, and where necessary we have provided supportive commentary for our recommendations.

We commend the report to the Essential Services Commission, for their approval.

# OUTCOMES

## Outcome No. 1

*A short heading:*

Use of Innovation & Technology

*A description of the intent for this outcome*

1. Working in partnership with customers to use innovation to encourage water efficiency.
2. Stay at the forefront of technological advances to maintain and improve existing systems and infrastructure

*A list of the primary reasons/rationale why this outcome is important*

To use resources in the most efficient way through support of technology  
P 62 Community Consultation 60% of customers are willing to pay more to take up new technologies for water efficiency programs eg smart metering.  
Modern tools for sustainability into the long term future due to uncertainty of climate change effects  
Attract talent and investment for forward thinking innovative projects  
Reduction in cost of services and help with maintenance  
Improve efficiency in the close monitoring of delivery of services and usage  
Relating directly to customers water usage creating greater awareness  
Create partnerships with world leaders in innovation  
Creates growth  
Helps customers feel good and promotes positive culture with the corporation

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with BW report

*Our rationale for this is...*

BW report page 12 and 34  
EY Sweeney Research Report - 90% level of comfort (survey respondents) for this outcome (page 7)

## Outcome No. 2

*A short heading:*

Affordability of services

*A description of the intent for this outcome*

Implement a fair and equitable pricing structure that takes into account different circumstances i.e smaller households, lower socioeconomic groups and future developments that Barwon Water is undertaking within the region and the needs of commercial customers

*A list of the primary reasons/rationale why this outcome is important*

- Water is a basic human need/expectation and an essential service that must be provided to everyone regardless of circumstance
- Assisting vulnerable groups within the community - surveys conducted on current Barwon Water customers showed that 64% of customers would be willing to pay extra on their bills to help vulnerable customers
- Maintain and improve customer satisfaction - in the Community Consultation Report the most common suggestion for improving services was to lower fees or offer discounts/rebates

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

The community angst is understandable, but we maintain our original outcome and agree with the Barwon Water proposal.

*Our rationale for this is...*

As shown on page 17, 18, and 19 of the research - as a whole, there is broad community support for outcome 2, however, the individual effect has less support (particularly for 1&2 people households in year 18/19)

Question whether the survey sample represents the community given the number of responses in each section with low numbers of respondents has a significant effect on percentage outcomes.

## Outcome No. 3

*A short heading:*

Environmentally sustainable services

*A description of the intent for this outcome*

Barwon Water (BW) to deliver their services of water supply and all water treatment in an environmentally and financially sustainable manner, meeting the community needs towards 2025 and over the next 50 years.

*A list of the primary reasons/rationale why this outcome is important*

“The water sector is responsible for the largest proportion of carbon emissions generated by the Victorian Government, contributing almost 25% of emissions in 2014-2015”.  
(Snapshot pp 20)

Water treatment and transport uses energy, water has its own potential energy. The goal is to capture this untapped energy and include it in the renewable energy targets that align with government objectives by at least 25% by 2020 and 40% by 2025 (snapshot pp 20)

Climate change will affect the natural resources. (pp 15 on the snapshot of BW) BW can target the capital expenditure to meet their reductions of emissions sooner than 2025.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We support the target of zero net emissions output as proposed by Barwon Water.

*Our rationale for this is...*

Even though this is not evidently fully supported by the community, we think this outcome needs additional data from Barwon Water to the ESC in order for this to be approved.

77% of customers surveyed were happy to work towards zero net emissions (EY Sweeney Report - page 7)

## Outcome No. 4

*A short heading:*

Community resources, knowledge and education

*A description of the intent for this outcome*

Whole community is more informed and educated on:

- the complexities of harvesting and processing water
- different ways to save and use water efficiently and effectively
- new water technologies that are available to them

*A list of the primary reasons/rationale why this outcome is important*

- To conserve a valuable and potential finite resource
- To keep water affordable for future generations
- Measurable water savings education to the whole community is conducive to long-term water sustainability

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We support the Barwon Water proposal.

*Our rationale for this is...*

EY Sweeney Report supports this (page 12) - 81% support  
Page 15 Barwon Water Proposal

## Outcome No. 5

*A short heading:*

Reliable Supply of Water for the Future

*A description of the intent for this outcome*

Provide Technologically Up-to-Date Water and Sewerage Services  
Reliable - both now and into the Long Term Future (e.g 50 years)

*A list of the primary reasons/rationale why this outcome is important*

- Water is an Essential Service for All Life...food, drink, garden, agriculture,etc. (The Victorian Water Act 1989, Barwon Water 2017 Urban Water Planning Strategy)
- Increased Long Term Planning and Investment in Modern Infrastructure is Necessary to Keep Up with Urbanisation and Growth
- Improves Customer Satisfaction and Interactivity and also Company Image and Public Approval
- Investing now in Infrastructure is Both Cheaper and More Sustainable in the Long Term

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

This Outcome has strong community support.

*Our rationale for this is...*

A level of comfort among survey respondents of 93%...according to "Barwon Water Proposed Prices and Services Research" report from E.Y. Sweeney - July 2017 (page 7).

# RECOMMENDATIONS

## 1. HELPING CUSTOMERS TO SAVE WATER AND PAY BILLS

**Recommended level/type of service change (delete as needed);**

**Same**

Currently Barwon Water provides a substantial amount of assistance to help customers save water and pay bills. However, additional support information could be included on customers' bills, such as:

- Options available for assistance with paying bills; and
- Water saving tips and helping people understand their water use.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with Barwon Water.

*Our rationale for this is...*

Barwon Water report page 28 and 29 preference 2 covers water saving etc.

## 2. SUPPORTING THE COMMUNITY

### Recommended level/type of service change (delete as needed);

#### More

- Barwon Water customers indicated they would like increased education around water saving (Community Consultation Report 2017 p.81)
- Barwon Water's proposed education programs costing approximately \$500,000 per year (as outlined in the Additional Information for Community Panel paper) supports the feedback provided by customers for the need to increase water saving education.
- An estimated additional \$2.50 per year (per household bill) would cover this cost.
- This ongoing spending on education could lead to reduction in usage costs to customers.
- Both items above support Outcomes 1 and 4.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with Barwon Water's proposal to increase water education.

*Our rationale for this is...*

Customers surveyed are in support (81%) of increased education. (pg.12 E.Y.Sweeney).

### 3. RECOGNISING ABORIGINAL VALUES OF WATER

<b>Recommended level/type of service change (delete as needed); Same</b>
The panel supports the current level as Barwon Water expenditure is adequate but needs to be redirected into specific local collaborative projects with Aboriginal representatives such as the Painkalac Reservoir project at Aireys Inlet.
<i>Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...</i>  Barwon Water's proposals are on target.
<i>Our rationale for this is...</i>  Local collaborative projects with Aboriginal representatives is a good approach.

#### 4. CREATING LIVABLE COMMUNITY

<b>Recommended level/type of service change (delete as needed); Same</b>
<p>A liveable community is a community that waters recreational spaces with recycled water, uses stormwater, creates community projects to improve public spaces, thus creating a desirable place to live.</p> <p>Barwon Water's role in this is to engage and deliver healthy urban landscapes and places, effective wastewater management and healthy and valued waterways.</p> <p>The intent is to continue to support liveable communities through existing projects and strengthened relations with current stakeholders with the same current financial contributions from Barwon Water. The funding to support these projects is a shared responsibility, between Barwon Water, local and state government.</p>
<p><i>Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...</i></p> <p>That there is strong support for this proposal.</p>
<p><i>Our rationale for this is...</i></p> <p>There is 88% community support. EY Sweeney report pp. 7 and pp. 11</p>

## 5. PROVIDING RECREATIONAL OPPORTUNITIES

### **Recommended level/type of service change; Same**

Recreational Opportunities are a range of recreational activities that include waterways, some reservoirs and landholdings that include fishing, bushwalking, bird-watching, bike riding and sightseeing.

The intent is to continue to provide these opportunities at the current level of development with the same current level of financial commitment.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with the Barwon Water report.

*Our rationale for this is...*

81% agreed but customers were surveyed on questions about "partnerships" not recreational activities EY Sweeney page 7.

## 6. ACTION ON CLIMATE CHANGE

### **Recommended level/type of service change (delete as needed); More**

We support the additional expenditure to deliver the board's goal of 100% renewable energy by 2025.

- This represents a cost of \$2.90 per year per customer in 2018 moving to \$4.70 per customer per year in 2023.
- This results in a projected saving per year per customer of \$0.50 in 2028, \$3.70 in 2033 and \$7.00 in 2038.
- One byproduct of this is that this 100% renewable energy will reduce Class A water by 20% (Currently \$650 / ML, saving \$130 / ML)

### *Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We support Barwon Water's proposed implementation of this outcome, however, the group highlighted confusion around the meaning of 'zero net emissions', and the survey results may be skewed because of this confusion.

Community support should be considered in the wording of this recommendation.

### *Our rationale for this is...*

77% of the community support working towards zero net emissions; however, 15% of people were neither comfortable nor uncomfortable.

Page 11 of EY Sweeney, pg 31 Barwon Water Proposal.

## 7. PROTECTING THE ENVIRONMENT

### **Recommended level/type of service change (delete as needed); More**

Our recommendation is to increase spending on enhancing the natural environment and to “act locally but think globally” in line with increased population growth and subsequent environmental pressures. To place emphasis on local revegetation and weed control programmes on Barwon Water land to help increase wildlife habitat in our region. Our emphasis is local rather than meeting Barwon Water standards of Climate Change objectives.

*Having reviewed Community Feedback and Barwon Water’s Proposed Services and Prices for 2018 - 2023 we think...*

Recommend support of the Barwon Water report.

*Our rationale for this is...*

The results of the community research support this (page 7) and page 31 of Barwon Water’s report suggests partnerships with water catchment authorities.

## 8. SUPPORTING REGIONAL ECONOMIC GROWTH

### **Recommended level/type of service change (delete as needed); - Same**

Currently there are no funds directly allocated to this, however, sourcing of local tradespeople and suppliers indirectly benefits the local economy, which is in line with the current Barwon Water policy (70% of Infrastructure using local trades).

Any new initiatives presented to Barwon Water would be supported on merit.

We support Barwon Water's current policy commitments and recommend it stays the same while:

- Sourcing local tradespeople and suppliers where possible
- Partnering proactively with emerging and established businesses in the region
- Supporting programs which tackles joblessness

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with Barwon Water proposal.

*Our rationale for this is...*

Barwon Water Proposal page 32 and page 12 of the EY Sweeney report gives an example of Barwon Water contribution to economic growth.

## 9. WATER SECURITY

### **Recommended level/type of service change (delete as needed); Same**

We recommend more stringent permanent water restrictions with economic incentives for efficient use. Other measures may include odd/even days for watering, hand held watering and time parameters during daylight savings.

We would like Barwon Water to encourage the use of water saving and harvesting devices, such as tanks, timing devices and instant water heating into the future.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We support Barwon Water's proposal

*Our rationale for this is...*

88% of the community responses supported maintaining a secure water supply. EY Sweeney pg 9, Barwon Water Proposed Prices and Services report, page 10

## 10. DURATION AND NUMBER OF WATER SUPPLY INTERRUPTIONS

### **Recommended level/type of service change (delete as needed);**

#### **Unplanned - Same**

Everything to stay the same - Barwon Water customers surveyed for the Community Consultation Report understand how difficult it is to predict the disruption, or reduce the duration of the disruption.

#### **Planned - Less**

A vast majority of customers were unwilling to pay extra on their bills to lower the time spent without water during a planned outage.

Increase the service time to 5.5 hours for a planned outage - less cost - saves min \$1.70

Send people a reminder that the service will be off and will stay off longer a day or 2 in advance.

Guaranteed Service Level payments to remain the same.

Reference for above: Community consultation report page 28, 29.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We agree with Barwon Water on their recommendation.

*Our rationale for this is...*

Pages 33 and 11 of the Barwon Water proposal

## 11. NUMBER OF SEWER SPILLS

### **Recommended level/type of service change (delete as needed); More**

The panel believes that money could be better spent on other programs rather than focussing on reducing the number of people impacted by sewerage spills from 150 to 1 per year. However, each customer affected should be compensated for every type of spill that is the fault of Barwon Water (reimbursement amount should vary according to type of failure).

One third of all customers consider sewerage spills the most important aspect of Barwon Water's services - Community consultation report, pg 27.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree with Barwon Water Report

*Our rationale for this is...*

EY Sweeney Report (page 9) - 88% agree with wastewater treatment

## 12. CUSTOMER SERVICE

### **Recommended level/type of service change (delete as needed); Same**

Recommended Level of Customer Service Charge or Expenditure is to remain the SAME (i.e \$ neutral)

The panel believes there is a need for more/new effort and initiative toward Customer Service overall with a view to encouraging and rewarding customers who join the digital economy and participate in the digital platform/social media via BW's website, mobile apps, e-mail account statements and social media pages

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

We support Barwon Water's proposal.

*Our rationale for this is...*

Barwon Water proposal page 34.

### 13. INCREASE THE WATER VOLUME CHARGE AND DECREASE WATER SERVICE (FIXED) CHARGE

#### **Recommended level/type of service change (delete as needed); More**

Increase of 10% to \$2.4819 p/kl on water volume, and decrease in fixed service charge to \$135 this leads to:

- save \$11 pa for average small households (110 kl/pa)
- none on average households (160 kl/pa)
- and \$33 pa for average larger households (310 kl/pa)

Outcome 2 speaks of reduced average cost to households using lower volume of water.

Even though this calls for 10% increase on volume charge the end result is cost neutral to Barwon Water

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

The Barwon Water proposal is equitable for residential customers.

*Our rationale for this is...*

Barwon Water proposal pp25 and EY Sweeney report pp16.

## 14. CLASS A RECYCLED WATER CHARGE

### **Recommended level/type of service change (delete as needed); More**

Investment in recycled water encourages increased use, and reduction of demand on potable water.

Focus on investing in the process of optimising the recycling of water to reduce the future cost and improve effectiveness of distribution for a positive impact on water resources.

Invest money into education to change community perceptions around using recycled water for various purposes (including drinking).

Increasing the discount for customers using recycled water from 20% to 30% would cost the average customer \$1 per annum.

Reference: BW Strategic Intent pg. 11  
Community Consultation report pg. 60, 61.

*Having reviewed Community Feedback and Barwon Water's Proposed Services and Prices for 2018 - 2023 we think...*

Agree and support Barwon Water's proposal.

*Our rationale for this is...*

There is community support of 87% for Barwon Water to encourage a greater use of recycled water and to partner with industry to find more productive uses for recycled water across the region (EY Sweeney report pg.9)

## 15. SEWERAGE CHARGES

<b>Recommended level/type of service change (delete as needed); Same</b>
Recommended level of charge to remain the “same and fixed for residential customers” and remain the “same and variable for commercial customers” To accommodate new technologies and innovation (as mentioned in the 2013 to 2018 water plan page 4) as available and costed by Barwon Water in accordance with the positive response to sewerage services via the customer satisfaction survey at 92% on page 79 on the EY Sweeny community consultation report 2017
<i>Having reviewed Community Feedback and Barwon Water’s Proposed Services and Prices for 2018 - 2023 we think...</i>  Accept the Barwon Water report recommendations.
<i>Our rationale for this is...</i>  Refer page 35 Barwon Water pricing submission.

# Minority Reports

In considering our group deliberations some suggestion were raised that did not meet an 80% majority level of support.

## Minority Report No. 1

### *A short heading:*

Water quality is mandated by Government authorities we have no issue with quality. The water supply should also be of acceptable taste, appearance and smell to each community.

### *A description of the intent for this outcome*

The intention of this outcome is for Barwon Water to supply water to all end users in their region with acceptable taste, smell and appearance.

### *A list of the primary reasons/rationale why this outcome is important*

Deakin University childhood obesity researchers in their recent report have stated increased water consumption and decrease in sugar will help in prevention of obesity, diabetes and other detrimental health outcomes. If children are not drinking mains water supply they are missing fluoride for preventive dental treatment.

## Minority Report No. 2

### *A short heading:*

Assistance with costs associated with fault finding.

### *A description of the intent for this preference*

To assist customers who incur out of pocket expenses for fault finding, and it is determined to be Barwon Water's issue.

### *A list of the primary reasons/rationale why this is important*

Currently there is no assistance for investigative expenses a customer incurs. We would like it on record that we think Barwon Water should consider providing assistance in the future.