

Response to **Community Panel** Recommendations June 2022

How do we prepare for tomorrow while
being fair to customers today?



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Traditional owner acknowledgement

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

To our Community Panel members



On behalf of the team at Coliban Water, we extend our thanks and appreciation to Community Panel members.

Together you have generously represented your community, contributing your time, experience and energy to the Panel process.

We are grateful for your input as we tackle our region's big water challenges. Your feedback is guiding our decision making and will assist us to deliver our essential service in a way, and at a price, that is equitable for everyone.

During the Panel process you provided us with some great ideas about what we should deliver for our region in the next five years.

We recognise the value in these ideas and accept each of the Community Panel's nine recommendations.

Your recommendations have helped inform our Pricing Submission to the Victorian Essential Services Commission for the period 2023 to 2028, and will form part of our ongoing plans.

This document sets out our understanding of each recommendation and how we plan to respond.

Several of your recommendations can be delivered from Coliban Water's current day-to-day operating budget, while funding for others will come, in part, from a proposed annual price increase during the period 2023-2028.

This proposed increase will ensure our plans, particularly the investment in critical infrastructure, can be funded to contribute to the security of our region's water future.

We will share details of the proposed price increase with you at the final Community Panel session on 18 June. This will allow you to understand the proposed change for customers year-on-year and further test your comfort with what we are proposing.

We will then use two new Regional Advisory Groups (representing the north and south of the Coliban Water region) to provide further representation and guide implementation.

Once again, we wish to thank you for your time and commitment, and acknowledge the valuable role you have played in shaping the water future for our region.

Bob Cameron
Chairperson

Damian Wells
Managing Director



Background



As part of the consultation process, Community Panel members were asked:

How do we prepare for tomorrow, while being fair to customers today?

You then applied your own knowledge and experience and the additional information provided during the Panel process (including the items below), to inform nine recommendations.

SOME OF THE CONTEXT PROVIDED

Coliban Water is 100% customer funded and highly regulated to ensure we deliver water and sewage services our customers can trust and rely on.

Revenue from customer bills is invested back into the business and spent on services supplied to customers, building and renewing plant and equipment, paying for any water sourced and delivered, and the cost of running our business.

The population of the Coliban Water region is expected to grow by 35% by 2040.

Historically a reliable water source, the Coliban catchment is now one of the most unreliable due to climate change.

Our built structures, some dating back to the goldrush, are aging – and important assets need to be replaced and upgraded to meet service expectations and compliance measures.

Compared to 2014, most customer bills were reduced in real terms, even taking into account the cost of inflation (CPI). This means the amount most customers paid for water in 2022, was less than they paid in 2014 for the same amount.



Your nine recommendations



During the three-month Community Panel process you considered information about Coliban Water, current challenges facing our region’s water infrastructure and security, details about our catchment area and changing environment, demographics, and our customer care and service – and **together you made nine recommendations**.

These recommendations recognise our region is at a critical point in its water supply and demand, and that intergenerational investment is required now to prepare for our changing future.

Each recommendation **has been adopted by Coliban Water** and a proposed budget determined for each.

In the following pages you’ll find our response, including our understanding and plans over the next five years to add value and bring the recommendations to life.

Several recommendations can be delivered from Coliban Water’s current day-to-day operating budget, while funding for others will rely on the following proposed price increase.

Recommendation number	Proposed % increase (over five years)	\$ increase by 2027/28 (excluding inflation, average household)
1, 2, 3, 4, 5	12.2% over five years	\$166 per annum
6, 7, 8, 9	0%	Within existing budget

WHAT’S NEXT?

Panel members have been invited to a Recall Day on Saturday 18 June, during which you will be asked to:

Consider the proposed price increase.	We will share further details about our proposed pricing increase, including: - A breakdown for each recommendation. - An overview of how these figures were determined.
Share level of comfort.	Does this Response to Community Panel Recommendations match the recommendations you made? Are you comfortable with the response and is there anything else we should keep in mind?

THINGS TO NOTE



Your recommendations complete an important stage in our planning and community consultation cycle.
Your participation in the process ensures our technical understanding, regulatory requirements, and community values and expectations align.



We’re working now on the recommendations, working through detail, barriers, costings and implementation.
This will ensure we are well informed and able to make the best decisions for the future at the right time.



Future uncertainty, including strong population growth, climate change, and the challenges of aging infrastructure, may have a significant impact on our service delivery and water future.
An adaptive and flexible approach to planning and implementation will be required.

1. Intergenerational debt



What you said:	We support an equitable increase to billing for both today's community and future generations.
What we understand:	The Community Panel recognised our region is at a critical point in its water supply and demand, and that significant intergenerational investment is required now to prepare for our changing future. Panel members understood the compounding nature of debt and agree it is fair that costs are shared by customers today, and in the future, to ensure future financial sustainability and the continued delivery of safe, clean and trusted water services resilient to the impacts of climate change and a growing population.
How we plan to respond:	Coliban Water is proposing a program of transformational capital investment in the pricing period 2023 to 2028. This broad program of work, to renew aging assets and ensure we are prepared to service a growing population living in a drier climate, can be grouped as follows: ▪ Securing our region's water supply (eg the purchase of water entitlements, improvements to our water treatment plants, supply pipelines, tanks, pumps, and bores). ▪ Improving how we treat and reuse sewage (eg improvements to water reclamation plants, sludge handling processes, and our recycled water production and management). ▪ New sewage infrastructure (eg sewer pipe and pump station replacements and compliance works to meet growing community demand, reduce odour, and limit the incidence of wet weather spills). ▪ A range of initiatives to help us grow our renewable energy portfolio and target net zero emissions by 2030. ▪ Innovation, monitoring and compliance projects to ensure our services meet all health and regulatory requirements. Business cases and investigations are underway, and the cost of this program will be balanced through regulatory depreciation and shared by customers today, and in years to come.

2. Community contribution



What you said:	Coliban Water to take a larger or leading role in community contribution and collaboration.
What we understand:	Through the considerations and insights explored and considered, the Panel sees the value in extending community programs and resources to educate customers about the water cycle and sustainable water use.
How we plan to respond:	Expand how we collaborate with local councils and other groups to promote awareness of integrated water management and play a leading role in the Victorian Water industry's Integrated Water Management Forum. Develop new online and face-to-face programs, or add to existing initiatives, to raise awareness among customers and community groups of: ▪ The urban and rural water cycle. ▪ Benefits and cost-savings to be gained from water saving appliances. ▪ Water smart home design, landscaping and plant selection. Continued roll-out of digital metering for customers and a new 'leak alert' program to better identify leaks and unusual usage patterns. Strengthen relationships with local councils, community groups and other stakeholders to increase awareness of the importance of sustainable water management and investment for the liveability of our region. Expand our school and kindergarten education to create awareness and build advocacy among our youngest customers. Establish two Regional Advisory Groups to: ▪ Represent the voice of customers from the north and south of our region. ▪ Ensure future decision making represents community values and expectations. Review our program of consultation and customer contact to measure customer satisfaction with our community contributions, community resources, liveability, and support for customers experiencing vulnerability.

3. Community contribution

PROVISION OF WATER FOR COMMUNITY BENEFIT



What you said:	Coliban Water to be a leader in the provision of water for community benefit.
What we understand:	To fulfil its responsibility as a community organisation, the Panel recommends an expanded program of contributions to support the liveability of communities across the region alongside other agencies and groups.
How we plan to respond:	Invest in additional water stations to provide better access to fresh water in parks, gardens and other community locations.
	Expand our water refiller and water trailer fleet for use at local community events.
	Grow our Community Rebate Program to include more green open spaces and investment in efficient water infrastructure.
	Identify opportunities to promote water sensitive urban design and planning with government organisations, local businesses and developers.
	Invest in additional programs and initiatives that allow us to support the greening of local parks and gardens.
	Add to wildlife corridors along our channels and support birdlife and birdwatching at the Bendigo Water Reclamation Plant.
	Contribute funding or in-kind support to projects promoting integrated water management, water recycling and the reuse of stormwater.

4. Drought protection



What you said:	Coliban Water to ensure adequate expenditure to secure water supply during periods of drought.
What we understand:	The Panel considers water security, particularly during times of drought, an essential consideration. Members agree we have a responsibility to communicate transparently with customers on this issue and to raise awareness of infrastructure in place to deliver a reliable water supply.
How we plan to respond:	Implement new programs to promote our <i>Urban Water Strategy</i> and raise awareness of the urban water supply, infrastructure and the costs involved in delivering regional water security. Measure community education activities for their contribution to: ▪ Reduction in per capita water usage over time. ▪ The sense of community responsibility to contribute to water security. ▪ Implementation of water saving practices in local homes and businesses. Investigate and roll-out initiatives to secure water supply for all communities in the region, through: ▪ Groundwater investigations in Trentham, Kyneton, Goornong and Elmore. ▪ The purchase of water shares from the water market. ▪ Additional water resources for Castlemaine. ▪ Town water storages in Mitiamo and Laanecoorie. ▪ Managed aquifer recharge in the Lower Campaspe Valley. ▪ Investigation of further modernisations of the rural channel network to reduce water losses through leakage and evaporation. Improve community access to recycled water via: • Increased production in both capacity and reliability of recycled water in Bendigo. • Greater availability of recycled water from the Kyneton Water Reclamation Plant.



5. Customers experiencing vulnerability



COLIBAN WATER'S CONTRIBUTION

What you said:	Coliban Water to increase financial support programs for customers experiencing hardship.
What we understand:	People's circumstances can change and so can their financial position. Compounded by the effects of COVID-19, the Panel has recommended an increase to the financial support provided by Coliban Water for customers experiencing short or long-term vulnerability. With proposed prices set to rise to meet community demand and renew aging infrastructure, the Panel believes the support already provided by Coliban Water should be doubled, in addition to available government funded rebates, concession, grants, and programs to safeguard vulnerable customers.
How we plan to respond:	Double the budget available and increase awareness of the Coliban Assist Program and hardship support.. Complete a full review of programs and payment incentives and remove any barriers that may prevent customers experiencing vulnerability from seeking support. Bring forward the timing of Debt Waivers from 24 months of consistent payment history, to 12 months from 2022/2023. Full review our <i>customer payment journey</i> to allow us to proactively identify opportunities to provide support. Continue to work proactively with financial counsellors, including those with an Authority to Act on behalf of customers experiencing vulnerability.



6. Customers experiencing vulnerability

VOLUNTARY CUSTOMER CONTRIBUTIONS

What you said:	Coliban Water to introduce a voluntary contribution option to support customers experiencing vulnerability.
What we understand:	Members of the Panel acknowledged many in the Coliban Water region are in a position to contribute financially to support customers experiencing vulnerability, particularly following natural disaster or as a result of COVID-19, domestic violence, or a similar unplanned event. The Panel recommends we build in mechanisms to support voluntary financial contributions from customers in a position to show their support. The Panel suggests this may take the form of bill-rounding or donations, that could be used by Coliban Water to increase the level of financial support available.
How we plan to respond:	Undertake work that will allow us to implement changes in our billing system to support bill-rounding and other contribution types. Perform an assessment to understand how to distribute funds contributed in a tax effective way.

7. Customers experiencing vulnerability



PROMOTE SUPPORT PROGRAMS

What the Panel said:	Increase education about Coliban Water services for customers experiencing vulnerability.
What we understand:	Following the recommendation to Coliban Water to increase its financial support for customers experiencing vulnerability or finding it difficult to pay their water bill, members of the Panel recommended a boost to education programs to raise awareness of the support available. The Panel agreed there should be broad awareness and understanding of the flexible, confident and respectful approach to customer support offered by Coliban Water.
How we plan to respond:	Raise the profile of the Coliban Assist Program with specific external support agencies and the community more broadly. Review our current education activities and the Coliban Assist Program to ensure we are targeting all customers experiencing vulnerability, rather than limited demographic groups within our customer base. Improve the accessibility of bills and online communication and provision in languages other than English. Use billing data to identify regions or customers for tailored, proactive customer support. Develop 'Explain my bill' sessions for identified community groups and seek opportunities to connect 'in place' with support agencies.



8. Education about Coliban Water

What the Panel said:	Coliban Water to expand and refocus its education programs.
What we understand:	The Panel recommends Coliban Water expand and refocus its education programs to better inform customers where the money from their water bills is spent to benefit them and their community. Panel members believe this will lift customer confidence and trust, and create understanding of the challenges Coliban Water faces in responding to growing customer demand and the impacts of climate change.
How we plan to respond:	Develop and implement a campaign focussed on the Coliban Water infrastructure that is generally 'unseen' by customers. Develop new online and face-to-face programs, or add to existing initiatives, to raise awareness of the urban and rural water cycle and water literacy. Investigate the addition of QR codes to Coliban Water assets, providing information and virtual tours to better inform customers. Expand our school and kindergarten programs to build advocacy. Expand community education content on topics including water literacy, drought preparation, community contributions, infrastructure upgrades.

9. Innovation



What the Panel said:	Coliban Water to invest in innovations to ensure water availability.
What we understand:	The Community Panel understands water is scarce and that climate change and population growth will continue to present challenges for our region. The Panel expects Coliban Water to invest in new technology and innovative business practices to deliver a high level of water security and quality asset management, that contributes to the greening and liveability of our region.
How we plan to respond:	Deliver innovative projects that contribute to our carbon reduction targets, including the low energy reedbed trial at Castlemaine Water Reclamation Plant. Develop a circular economy strategy and contribute to the delivery of cross-sector initiatives to reduce waste in our capital projects. Use digital technology to improve the delivery of our services. Establish stronger links with industry associations to deliver innovative solutions to industry issues. This will include our association with Water Research Australia, Intelligent Water Networks, VicWater, Water Services Associations of Australia, universities and research centres. Collaborate with relevant organisations to further the effectiveness of leak detection methods and repair. Implement new strategies to manage catchment volume and storage to preserve drinking water resources.



Minority reports



A. GOVERNMENT FUNDING (three Panel members)

Minority recommendation:	100% customer funding in unconscionable. Water is our constitutional right and should not be owned and allocated by foreign interests.
What we understand:	These Panel members would prefer Coliban Water to be directly funded by government, rather than customers.
Our response:	Coliban Water cannot implement this recommendation. The principle of beneficiaries paying for water and sewerage services has long been embedded in government legislation.



B. WATER EQUIVALENT OF GREEN ENERGY (four Panel members)

Minority recommendation:	Investigate an opt-in program similar to Green Energy for Coliban customers.
What we understand:	These Panel members would like Coliban Water to offer a voluntary bill premium to allow us to invest more money in offsetting its environmental footprint. This would be similar to the option offered to customers by energy companies and other energy-intensive industries (eg air travel), to pay more for a carbon neutral service.
Our response:	With Coliban Water on the path to net zero carbon emissions from electricity consumption, we feel this option adds an unnecessary layer for customers. Our <i>Environment & Sustainability Policy</i> is providing a solid foundation for us to become environmental leaders on both carbon and sustainability activities in the region. We plan to explore opportunities for the introduction of an opt-in service to offset environmental impacts during the next pricing period.

C. CHANGE IN APPROACH (three Panel members)

Minority recommendation:	Move from a panel process to a jury process, which is more fit for purpose.
What we understand:	While not disagreeing with the recommendations put forward, these Panel members felt elements of the deliberative panel process used could be improved for a better experience.
Our response:	The deliberative process is well regarded and used by many water corporations, government and private organisations. The process is the same as a citizen's jury, but was branded as a Community Panel at our request to better align it with existing engagement activities that refer to our customers. The deliberative process involved discussing many different issues and scenarios, and we recognise this saw the group move outside scope on occasion. This is not unusual and, in this case, led to an improved knowledge and understanding among Panel members that benefited deliberations. Our follow-up survey and <i>closing circle</i> exercise showed most involved appreciated the process and considered it democratic. We will use this feedback to give a detailed description to future juries, ensuring those involved understand what they are participating in.

Thank you for the value you added



Thank you for your time and commitment to our Community Panel and for your contributions to shaping the water future for our region.

- Your work will ensure the decisions we make for customers today, and in the future, align with community expectations and values.
- While we already work on a range of projects that support your recommendations, you presented valuable new ideas that will create additional value.
- Your feedback and recommendations, along with insights gathered from our broader consultation program, have been incorporated into our Pricing Submission 2023-2028.



Next steps

At the conclusion of the Community Panel process we will:

1. Develop a final version of this **Response to Community Panel Recommendations** document, incorporating final details of the proposed price increase and the results of the survey. This will then be published on www.connect.coliban.com.au.
2. Circulate a **Community Draft** for broad input and feedback from customers in the Coliban Water region.
3. Finalise our **Pricing Submission 2023-2028** and submit this to the Victorian Essential Services Commission.



CONNECT WITH US

You can contact us by telephone, email, mail or in person.

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HAVE YOUR SAY

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