

Lower Murray Water - Urban - Outcomes - 2018-2023

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2021--22 reporting year. The business has given itself a “traffic light” rating (green = met, red = not met, yellow = close or largely met) for its performance on each measure, outcome and an overall rating. The business has provided its own comments about its performance on each outcome and overall.

Summary table

Outcome	18-19	19-20	20-21	21-22	22-23
1. Keep my costs to a minimum	Yellow	Red	Yellow	Green	Grey
2. Be easy to contact and quick to respond	Green	Green	Green	Yellow	Grey
3. Provide me with consistent, safe, clean drinking water	Green	Yellow	Green	Yellow	Grey
4. Provide me with reliable sewerage services	Green	Green	Green	Green	Grey
5. Be present and active in the community	Green	Green	Green	Green	Grey
6. Be mindful of our environment	Red	Yellow	Yellow	Yellow	Grey
7. Comply with other government obligations	Green	Green	Green	Green	Grey
Overall	Green	Yellow	Green	Green	Grey

Business comments

This marks the fourth year of outcomes reporting for the *2018-23 Water Plan 4* and builds upon the successful delivery of services in years 1-3. Based on the key deliverables promised to our customers, Lower Murray Water (LMW) has rated its overall 2020-21 performance as green.


LMW is committed to providing its customers with high quality safe drinking water and sewerage services, and to this end has invested heavily in major urban projects such as Ultra-Violet (UV) treatment installations across its service delivery area, with four sites fully operational and the remainder due for completion in year 5 of *Water Plan 4*. Additional projects include water and recycled water storages and ongoing sewer rehabilitation program. In 2021-22 LMW achieved 182% of planned urban internal capital investment, totalling \$20.45m, increasing LMW's ability to achieve 2022-23 budget expenditure.

LMW's post-interaction surveys capture customers' sentiment on the time taken to address their query, success of query resolution and satisfaction with the service they were provided. Survey numbers have improved on the previous year but remain below our target. There is a reluctance in customers to undertake these surveys, however, satisfaction ratings remain high at 97%. Customer satisfaction on drinking water and sewerage services both remain well above target at 96% and 94% respectively.

LMW remains committed to managing and monitoring our performance and resources to constantly improve our services to customers and is committed to authentic engagement with our customers and other stakeholders as a priority. To achieve this, LMW has increased its presence in public spaces such as shopping centres as well as targeted community events to engage with our customers regarding issues that affect their water and sewerage services.

Outcome 1: Keep my costs to a minimum

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual tariffs follow the proposed structures within the ESC's published pricing determination	Pass/Fail	Target	NA	NA	Pass	Pass	Pass	Pass	Pass
		Actual	NA	NA	Pass	Pass	Pass	Pass	
b Deliver 1% per year efficiency improvement on controllable costs from 2016-17, measured net of growth, new obligations and abnormal events	Pass/Fail	Target	NA	NA	On track	On track	On track	Fail	Pass
		Actual	NA	NA	On Track	Fail	Fail	Fail	
c Deliver major Capital Works projects >\$1m value within budget and within the regulatory period	Percentage of budget spent	Target	NA	NA	>95%	>95%	>95%	>95%	>95%
		Actual	NA	NA	32.2%	53.7%	60.5%	98.2%	

Overall Outcome 1 performance for the regulatory period so far: 

Business comment

The tariffs for urban services have continued to follow the agreed pricing path as determined for the pricing submission period, resulting in a reduction of 0.35% in real terms. The LMW electricity collar price adjustment mechanism has not been triggered as electricity costs and price have been contained within agreed limits.

Controllable costs for 2021-22 are not within the 1% efficiency benchmark of the pricing submission with accumulative costs for the period of 2019-2022 now exceeding benchmark by \$3.85M. LMW’s pricing submission 2018-2023 was structured such that LMW would knowingly fail the benchmark for the first two years with efficiencies gained in the final three years.

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This has not occurred with key drivers for increase in expenditure due to costs associated with increase in labour force required to deliver outcomes and uplift in ICT expenditure, with the majority due to an increase in software licence renewals. Additionally, water treatment and filtration costs have also increased due to continual poor raw river water quality and additional chemical costs required to adhere to strict water quality standards.

2021-22 has seen continued challenges associated with COVID-19 and adhering to safe working practices and staff working arrangements to comply with Victorian Government directions. LMW, through its workforce, has met these challenges and continued to deliver reliable, safe water and wastewater services to the communities we serve.

LMW's urban capital investment is above the target of 95% for work projects greater than \$1 million for 2018-19, 2019-20, 2020-21 and 2021-22. For the 2018-19, 2019-20, 2020-21 and 2021-22 years, there were seven individual urban projects that were budgeted greater than \$1 million totalling \$27.85 million where \$27.35 million was delivered (98.2%).

Project/Program	18-19 Budget	19-20 Budget	20-21 Budget	21-22 Budget	18- 21 Actual Investment	Comments
	(\$'m)	(\$'m)	(\$'m)	(\$'m)	(\$'m)	
Purchase of Water Entitlement	\$1.10	\$1.11	\$1.13	\$1.15	\$5.66	Completed. Procurement of Zone 7 Vic High Reliability water entitlements equivalent to the indexed WP4 budget is complete. Settlement of purchasing contracts is in progress.

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Project/Program	18-19 Budget	19-20 Budget	20-21 Budget	21-22 Budget	18- 21 Actual Investment	Comments
Ultra-Violet (UV) Treatment Installation	\$3.46	\$ -	\$ -	\$3.50	\$7.73	<p>UV treatment - Four sites operational. Stage 2 sites well advanced with commissioning of Kerang WTP to commence shortly. Early works commenced at Swan Hill and 7th Street WTPs. Construction contract for Stage 3 sites awarded with construction commenced at SH WTP. Program on schedule to be completed within WP4.</p> <p>MDA WTP Power Supply Upgrade - Works 95% complete, on schedule to be completed within WP4.</p>
Sewer Rehabilitation Program	\$0.97	\$1.03	\$1.11	\$1.17	\$3.39	Ongoing program that continues over the 5-year pricing submission.

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Project/Program	18-19 Budget	19-20 Budget	20-21 Budget	21-22 Budget	18- 21 Actual Investment	Comments
Swan Hill - Replace Wastewater Treatment Plant (WWTP)	\$1.83	\$ -	\$ -	\$ -	\$1.21	Work scope completed below budget
SH North WTP 6 ML Ground Level Storage	\$ -	\$ -	3.27	\$ -	\$3.18	Tank is online and being utilised. Project completed June 2022. Options assessment concluded that additional storage can be constructed within the reticulation reducing the need for a new re lift pump station and interconnecting main.
Koorlong - WWTP 400ML Wet Weather Recycled Water Storage	\$2.04	\$2.58	\$ -	\$ -	\$4.34	Project Completed in 20/21 and is now operational
Urban Plant/Vehicle	\$0.55	\$0.93	\$0.49	\$0.43	\$1.83	Critical operational vehicle and plant change overs are progressing at required rate. Vehicle availability delayed purchase

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Project/Program	18-19 Budget	19-20 Budget	20-21 Budget	21-22 Budget	18- 21 Actual Investment	Comments
						program along with a review of vehicle requirements.
Total	\$9.95	\$5.65	\$6.00	\$6.25	\$27.35	
Budget Total Major Projects first 4 years WP			\$27.85			
Percentage Actual/Budget first 4 years WP					98.2%	
Exclude Purchase of water			\$23.36			
Percentage Actual/Budget first 4 years WP exclude Water purchase					92.8%	

The cumulative urban major projects actual spend for the first four years of WP4 is \$27.35m or 98.2% of the budget of \$27.85m, this is an improvement on previous years of cumulative spend of 60%. The combined total urban actual internal infrastructure capital investment for pricing submission to 2021-22 is \$52.98 million being 95.2% of the planned capital investment of \$55.66 million.

In 2021-22, actual urban internal capital investment of \$20.45 million being 182% of the planned \$11.24 million was achieved. Award of a three (3) year works package for sewer renewals, completion of the Swan Hill North additional storage, finalisation of the water purchase and significant investment in Ultra-Violet (UV) Treatment at the Water Treatment Plants will increase LMW's ability to achieve 2022/23 budget expenditure.

Outcome 2: Be easy to contact and quick to respond

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Post interaction satisfaction survey (phone, face-to-face, online): Number of completed surveys	Number	Target	NA	NA	>150	150	150	150	150
		Actual	NA	NA	447	222	67	98	
b Post interaction satisfaction survey: Customers satisfied (rating of satisfied, very satisfied and extremely satisfied)	Percentage of customers surveyed	Target	NA	NA	> 80%	> 80%	> 80%	> 80%	> 80%
		Actual	NA	NA	81%	97%	98%	97%	
c Net promoter score (measure of customer experience)	Percentage	Target	NA	NA	26%	27%	28%	29%	30%
		Actual	26%	26%	28%	40%	34%	29%	
d Urban customer complaints to Energy and Water Ombudsman Victoria (EWOV)	Number	Target	NA	NA	< 10	< 10	< 10	< 10	< 10
		Actual	11	15	12	8	6	13	

Overall Outcome 2 performance for the regulatory period so far: 

Business comment

LMW performed favourably with two of the four output targets being met or exceeded. Post-interaction surveys have again proven difficult during the reporting period, with a modest increase on the 2022-21 results. COVID-19 has continued to create challenges in this area particularly with staff working remotely coupled with a general reluctance by customers to undertake the process. LMW will continue to encourage customers in an attempt to drive up the number received through the Business Transformation Program and expanding the post interaction feedback methods for digital channels.


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LMW's post-interaction surveys capture customers' sentiment on the time taken to address their query, success of query resolution and satisfaction with the service they were provided. The overall result has again exceeded the target with a pleasing 97% satisfaction rating. Our 'Net Promoter Score' achieved our target and represents a customer's willingness to speak favourably about LMW's service.

The urban customer complaints to EWOV (cases) saw a rise in 2021-22 with LMW not achieving the target. LMW investigates and responds to all cases that are referred for investigation. Of the 13 cases referred to LMW, 10 were resolved internally between LMW and the customers and three (3) cases were escalated to arbitration by EWOV. The cases were regarding high consumption, billing, and water quality complaints. Although all cases were resolved as at 30 June 2022, LMW continues to strive for improvement in our communication with customers to understand where enhancements to service can be made to minimise the requirement for EWOV assistance.

Outcome 3: Provide me with consistent, safe, clean drinking water

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Number	Target	0	0	0	0	0	0	0
		Actual	1	1	0	0	0	0	
b Annual survey: Customers satisfied with water quality (rating of satisfied, very satisfied and extremely satisfied)	Percentage of customers surveyed	Target	NA	NA	> 90%	> 91%	> 92%	> 93%	> 94%
		Actual	94%	91%	90%	97%	94%	96%	
c Water quality complaints	Number	Target	25	36	< 25	< 25	< 25	< 25	< 25
		Actual	129	34	56	35	28	27	
d Boil Water Notices issued	Number	Target	0	0	0	0	0	0	0
		Actual	0	0	0	1	0	0	
e Customers experiencing > 5 unplanned water supply interruptions	Number	Target	15	15	0	0	0	0	0
		Actual	0	0	46	0	0	12	
f Unplanned water supply interruptions	Number per 100 km	Target	51.34	51.34	< 25	< 25	< 25	< 25	< 25
		Actual	17.92	16.35	20.39	15.17	15.00	14.90	

Overall Outcome 3 performance for the regulatory period so far: 

Business comment

LMW performed favourably overall with four of the six output targets being met or exceeded. The target for customers satisfied with water quality exceeded the target at 96%, however represents an increase on last year's performance.

Water Quality complaints reported to our Customer Service Team were slightly above our target. These were investigated on site by our Water Quality Officer who arranged testing and mains flushing which resolved most of these complaints. There were no abnormal river events such as Blue Green Algae or Blackwater during the year that resulted in extra treatment plant processes to maintain water quality.

No precautionary Boil Water Notices were issued during the 2021-2022 financial year.

LMW had twelve (12) customers who experienced unplanned interruptions due to a faulty water main installation. The water main was scheduled for replacement in 2020-21 however no faults were recorded during that year, so LMW postponed the project pending previous repairs resolving the issues. Unfortunately, the repairs did not rectify the issue and as such the water main is now considered for the replacement program in 2022-23.

LMW is pleased that our unplanned water interruptions are continuing to trend downwards of our target, and our renewals program and ongoing preventative maintenance programs minimise the risk of disruption to our customers.

Outcome 4: Provide me with reliable sewerage services

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Sewerage blockages	Number per 100 km	Target	22.6	22.6	< 20	< 20	< 20	< 20	< 20
		Actual	17.47	14.55	17.38	14.79	17.3	17.0	
b Customers receiving more than 3 sewer blockages	Number	Target	0	0	0	0	0	0	0
		Actual	0	0	0	0	0	0	
c Spills in houses caused by LMW assets	Number	Target	3	3	≤2	≤2	≤2	≤2	≤2
		Actual	3	0	0	0	1	1	
d Annual survey: Customers satisfied with sewerage service (rating of satisfied, very satisfied and extremely satisfied)	Percentage of customers surveyed	Target	NA	NA	> 90%	> 90%	> 90%	> 90%	> 91%
		Actual	94%	93%	90%	98%	88%	94%	
e Odour complaints (includes sewerage systems and treatment plants)	Number	Target	6	5	< 10	< 10	< 10	< 10	< 10
		Actual	9	3	4	10	12	4	

Overall Outcome 4 performance for the regulatory period so far:



Business comment

LMW performed favourably overall with all of the five (5) targets being met or exceeded.


Sewer blockages per 100km was slightly less than the previous year, however due to increased rain events we experienced a consistent number of root intrusions within the pipes. LMW awarded no Guaranteed Service Level payments this year as no customer experienced more than 3 sewer blockages. One customer experienced a minor spill due to a root blockage in a sewerage pipe, this in turn inadvertently caused an overflow in the bathroom that was attributed to internal plumbing issues.

LMW experienced a 6% increase in customers satisfied with sewerage services in 2021-22.

LMW experienced a significant reduction in sewer odour complaints which is attributed to undertaking specific maintenance at known sites.

Outcome 5: Be present and active in the community

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Annual survey: Customers satisfied with LMW's role in the community (rating of satisfied, very satisfied and extremely satisfied)	Percentage of customers surveyed	Target	NA	NA	> 92%	> 93%	> 94%	> 95%	> 95%
		Actual	96%	91%	95%	95%	94%	93%	
b LMW and local engagement groups to meet formally annually	Number of meetings	Target	NA	NA	1	1	1	1	1
		Actual	NA	NA	1	1	1	1	
c 'Pop up kiosks' in major shopping centres and at community events	Number of events	Target	NA	NA	1	1	1	1	1
		Actual	NA	NA	3	3	0	7	
d Publish monthly LMW newsletter 'Inflow' on website & email informing community on activities	Number	Target	NA	NA	12	12	12	12	12
		Actual	NA	NA	12	12	4	1	
e Open days at LMW's key local infrastructure sites	Number	Target	NA	NA	1	1	1	1	1
		Actual	NA	NA	9	2	2	1	
f Develop and deliver an Aboriginal Reconciliation Action Plan and Diversity and Inclusion Strategy	Pass/Fail	Target	NA	NA	On track	On track	On track	On track	Pass
		Actual	NA	NA	On track	On track	On track	On Track	

Overall Outcome 5 performance for the regulatory period so far: 

Business comment

LMW performed favourably overall meeting five of the six targets.

LMW continues to engage and communicate with our customers regarding issues that affect water supplies such as Blue Green Algae (BGA) and Blackwater events. It has moved away from the use of the monthly Inflow Newsletter and communicates information via Mailchimp, social media, email and website banners as issues relevant to customers arise.

LMW had a strong presence across its service delivery area with pop-up kiosks at markets across all major townships and through retail centre kiosks in Mildura.


An open day was held at the Red Cliffs Pumping Station and was well attended by members of the public.

LMW is committed to meeting its obligations under the Gender Equality Act 2020. Through the establishment of a staff lead Equality, Diversity and Inclusion Committee, the 2022-2025 Gender Equality Framework and Action Plan was developed. This Action Plan will further support LMW in the development of a Diversity and Inclusion Strategy.

LMW's 2022-23 RAP has been conditionally endorsed by Reconciliation Australia and is a part of our ongoing commitment to having a framework to support our reconciliation movement.

Outcome 6: Be mindful of our environment

Output		Unit	16-17	17-18	18-19	19-20	20-21	21-22	22-23	
a	Number of EPA reportable sewerage spills per annum	Number	Target	NA	NA	≤2	≤2	≤2	≤2	
			Actual	2	1	0	2	0	0	
b	Number of EPA corporate licence conditions non-compliant	Number	Target	0	0	0	0	0	0	
			Actual	1	1	0	1	0	0	
c	Total CO ₂ e emissions from urban operations (inclusive of urban customer growth)	Tonnes CO ₂ e	Target	18,364	15,283	15,544	15,547	15,800	15,779	16,138
			Actual	19,163	21,071	20,207	18,838	17,876	18,401	
d	All key sites (7) have generator availability or capability to maintain services in event of sustained power outage	Percent	Target	NA	NA	Pass	Pass	NA	NA	NA
			Actual	NA	NA	Fail	Pass	Pass	Pass	

Overall Outcome 6 performance for the regulatory period so far: 

Business comment

LMW performed favourably overall with three of the four targets being met or exceeded.


LMW has a pledge to reduce Greenhouse Gas (GHG) emissions by 39% at the end of 2024. While we have seen a drop in our GHG emissions, we have not met the 39% reduction target or our yearly targets, this is due to delays in project implementation. A significant source of our emissions is from purchased electricity, which is produced using nonrenewable energy such as coal. Reducing emissions from electricity is the focus for LMW to achieve our 39% pledge. Specifically, we are exploring projects to reduce electricity use and increase the electricity bought from renewable sources.

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Adapting to climate change is a priority for LMW, we want to ensure that our customers can continue to have safe and reliable access to water and sewerage services. Escalating extreme weather driven by climate change has been identified as one of the largest long-term risks to energy delivery. To address this risk, LMW have purchased and maintained generators at seven key water and sewage locations, which help to safeguard against electricity blackouts and strengthen LMW's adaptation to climate change.

Outcome 7: Comply with other government obligations

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Compliance with government reporting policy requirements - timely completion and lodgement of 8 major reports	Percentage on time	Target	NA	NA	100%	100%	100%	100%	100%
		Actual	NA	NA	100%	100%	100%	100%	

Overall Outcome 7 performance for the regulatory period so far: 

Business comment

LMW is obligated to comply with government mandated timelines to meet Ministerial and financial directions. All our regulatory reports are subject to audit requirements, and these occur after the end of the current financial year. Our 2020-21 completion and lodgement results are reported in the 2021-22 reporting year where appropriate and as such LMW is reporting 100% completion and lodgement rates by due dates.