

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 2020--21 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	Grey	Grey
2. Be easy to contact and quick to respond	Green	Green	Green	Grey	Grey
3. Provide me with consistent, safe, clean drinking water	Green	Yellow	Green	Grey	Grey
4. Provide me with reliable sewerage services	Green	Green	Green	Grey	Grey
5. Be present and active in the community	Green	Green	Green	Grey	Grey
6. Be mindful of our environment	Red	Yellow	Yellow	Grey	Grey
7. Comply with other government obligations	Green	Green	Green	Grey	Grey
Overall	Green	Yellow	Green	Grey	Grey

Business comments

This is the third year of outcomes reporting, whereby LMW understands we have areas where continual improvement is required. Based on the key deliverables promised to our customers, LMW has rated its overall 2020-21 performance as green.


Lower Murray Water (LMW) experienced a challenging 2020-21 with Coronavirus Pandemic events creating testing and abnormal operating conditions where we responded by positively demonstrating service delivery resilience.

The 2020-21 year has seen the hot and dry conditions breaking with good winter and spring 2020 rainfall events across the LMW service regions. This has enabled the lifting of Stage 1 water restrictions for urban customers although LMW experienced poor raw water quality throughout the year requiring additional water treatment, increasing expenses to ensure we provided safe drinking water. Throughout the year blue-green algae (BGA) had a continued presence in the Murray River where LMW play a major role in the monitoring and BGA alert level reporting within our region. Although these raw water events and the operational impacts of the coronavirus pandemic are challenging, our staff responded positively and continued to deliver services with minimal disruption to our customers.

Communicating and engaging with our customers and other stakeholders continues to be a priority as we adapt in these uncertain and challenging times. Whilst our established engaging methods have been challenged and our engagement practices are evolving, LMW is committed to managing and monitoring our performance and resources to constantly improve our services to customers.

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		
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	On track	Pass
		Actual	NA	NA	On Track	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%		

Overall Outcome 1 performance for the regulatory period so far: 

Business comment

The tariffs for urban services have followed the price path developed in consultation with our customers during the development of the pricing submission and approved by the ESC, in real terms being a reduction of 0.35% with the LMW electricity collar price adjustment mechanism not being triggered as electricity costs have been contained within agreed limits.

Controllable costs for the 2020-21 controllable exceed the forecast 1% efficiency benchmark of the pricing submission however LMW's pricing submission 2018-2023 was structured such that LMW would knowingly fail the benchmark hurdle in the first two years due to cyclic maintenance programs. LMW's controllable cost nonetheless was forecast to achieve the 1% efficiency over the 5-year period. With this in mind, the comparison of the accumulative current year to date against its planned costs reflects how LMW are tracking with this outcome.

The accumulative result for the period of 2019-2021 has seen the actual costs exceed the planned pricing submission year to date costs by \$1.26M. The accumulative actual costs total over the same period are exceeding the 1% efficiency benchmark by \$1.92M, an increased result in the planned benchmark exceedance which was forecast to be \$666K at this point of the pricing submission.

2020-21 has provided challenges with the Coronavirus Pandemic - the major challenge is adjusting our operations implementing, practicing safe working practices and staff working arrangements to comply with State Premier 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 below the target of 95% for work projects greater than \$1 million for 2018-19, 2019-20 and 2020-21. For 2018-19, 2019-20 and 2020-21 years there were seven individual urban projects that were budgeted greater than \$1 million totalling \$21.60 million where \$13.07 million was delivered (60.5%).

Project/Program	18-19 Budget	19-20 Budget	20-21 Budget	18- 21 Actual Investment	Comments
	(\$'m)	(\$'m)	(\$'m)	(\$'m)	
Purchase of Water Entitlement	\$1.10	\$1.11	\$1.13	\$ -	Analysis of which water entitlement product offered best value resulted in a decision to purchase additional Victoria Murray Zone 7 high reliability water shares. Purchasing program in line with WP4 budget has commenced.

Ultra-Violet (UV) Treatment Installation	\$3.46	\$ -	\$ -	\$3.47	UV disinfection providing secondary water quality barriers is operational at the Red Cliffs, Piangil, Murrabit and Koondrook Water Treatment Plants (WTPs). Installation of UV disinfection at the Kerang, Robinvale and Mildura West WTP's will commence in 2021/22.
Sewer Rehabilitation Program	\$0.97	\$1.03	\$1.11	\$2.43	Ongoing program that continues over the 5-year pricing submission.
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	\$0.21	Contract awarded for construction of 5ML concrete tank at existing reticulation storage site allowing additional storage objective for Swan Hill region to be achieved below budget.
Koorlong - WWTP 400ML Wet Weather Recycled Water Storage	\$2.04	\$2.58	\$ -	\$4.32	Project Completed in 20/21 and is now operational

Urban Plant/Vehicle	\$0.55	\$0.93	0.49	\$1.31	Critical operational vehicle and plant change overs are progressing at required rate. Vehicle availability delayed purchase program along with a review of vehicle requirements.
Total	\$9.95	\$5.65	\$6.00	\$12.95	
Budget Total Major Projects first 3 years WP			\$21.60		
Percentage Actual/Budget first 3 years WP				60%	
Exclude Purchase of water			\$18.26		
Percentage Actual/Budget first 3 years WP exclude Water purchase				71%	

The cumulative Urban major projects actual spend for the first three years of WP4 is \$12.95m or 60% of the budget of \$21.60m, this is an improvement on previous years of cumulative spend of 53.7%

The combined total urban actual internal infrastructure capital investment for pricing submission to 2020-21 is \$32.5 million being 75.2% of the planned capital investment of \$44.4 million.

In 2020/21, actual urban internal capital investment of \$9.80 million being 69.0% of the planned \$14.22 million was achieved. Award of a three year works package for sewer renewals, contract award for the Swan Hill North additional storage and finalisation of the decision on which water product to purchase will increase LMW's ability to achieve 2021/22 budget expenditure.

Overall, we rate our performance for Outcome 1 as amber close or largely met targets.

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		
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%		
c Net promoter score (measure of customer experience)	Percentage	Target	NA	NA	26%	27%	28%	29%	30%
		Actual	26%	26%	28%	40%	34%		
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		

Overall Outcome 2 performance for the regulatory period so far: 

Business comment

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

The Coronavirus Pandemic made it more challenging for LWM to undertake post interaction surveys resulting in these targets not being met during the 2020/21 year. A review of current systems to support staff to engage our customers in post interactions surveys both when working remotely or from the office is underway and LMW will endeavour to complete additional post interaction surveys in 2021/22 to address the shortfall from this performance year.


Instantaneous feedback via post-interaction surveys captures customers' sentiment on time taken to address their query, success of query resolution and satisfaction with the service they were provided. The satisfaction result has again exceeded the target with a pleasing 98%.

Our 'Net Promoter Score' exceeded our target and represents a customer's willingness to speak favourably about LMW's service.

The urban customer complaints to EWOV (cases) saw a reduction in 2020-21 with LMW again achieving the target. LMW investigates and responds to all cases that are referred for investigation. Of the six cases referred to LMW, all cases were resolved internally between LMW and the customer without escalation to arbitration with EWOV. All cases were resolved as at 30 June 2021. LMW continues to strive for improvement in our communication with customers to understand where enhancements to service can be made to minimise the assistance of EWOV.

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		
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%		
c Water quality complaints	Number	Target	25	36	< 25	< 25	< 25	< 25	< 25
		Actual	129	34	56	35	28		
d Boil Water Notices issued	Number	Target	0	0	0	0	0	0	0
		Actual	0	0	0	1	0		
e Customers experiencing > 5 unplanned water supply interruptions	Number	Target	15	15	0	0	0	0	0
		Actual	0	0	46	0	0		
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		

Overall Outcome 3 performance for the regulatory period so far: 

Business comment

LMW performed favourably overall with five of the six output targets being met or exceeded.

The target for customers satisfied with water quality exceeded target at 94%, however represents a small decrease on last year's performance.


LMW experienced a decrease in water quality complaints in 2020-21 from the previous year however did not meet the target LMW has set.

The decrease in the number of water quality complaints compared to previous years may be attributed to the fact that most water quality complaints from 2019/20 were related to the Blue Green Algae (BGA), and its impact on water quality, as it resulted in issuing a precautionary Boil Water Advisory to one of LMW's localities (Red Cliffs). This year, whilst BGA blooms continued to occur during 2020/21 they've had lesser impact on the water treatment process, and consequently water quality. Whilst the number of water quality complaints has reduced by 21% compared to the previous year, BGA blooms and poor water quality events continue to occur resulting in taste and odour complaints. In addition, water quality complaints can occur as a result of maintenance and flushing programs undertaken to maintain infrastructure, and/or due to mains replacement and upgrade programs

No precautionary Boil Water Notices were issued during the 2020/2021 financial year

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		
b Customers receiving more than 3 sewer blockages	Number	Target	0	0	0	0	0	0	0
		Actual	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		
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%		
e Odour complaints (includes sewerage systems and treatment plants)	Number	Target	6	5	< 10	< 10	< 10	< 10	< 10
		Actual	9	3	4	10	12		

Overall Outcome 4 performance for the regulatory period so far: 

Business comment

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


Sewer blockages per 100km was slightly up from the previous year these can be attributed to wetter conditions which encourage more root intrusions within the pipes. Pleasingly no LMW customers experienced more than 3 sewer blockages which resulted in no Guaranteed Service Level payments being awarded. One customer experienced a minor spill as a result of our root foaming program which was investigated.

LMW experienced a 10% decrease in customers satisfied with sewerage services in 2020/21. While further investigation is underway to understand this better it is thought this could be due to changes to our customer survey methods in this performance period. With the inclusion of online surveys as well as phone and paper methods to complete the survey LMW has increased the coverage and demographic participation.

LMW encountered an increase in sewer odour complaints which exceeded the 2020-21 target. Of these complaints four were attributed to one site where LMW were undertaking recirculation works to aerate the lagoon. Other complaints related to various sewer pump stations which were investigated by staff and minor works undertaken to eliminate the odours.

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%		
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		
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		
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		
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		
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		

Overall Outcome 5 performance for the regulatory period so far: 

Business comment

LMW performed favourably overall meeting four of the six targets, despite engagement activities being impacted by state-wide coronavirus restrictions.

LMW continues to maintain a presence within the urban community through participating in the Education Task Group led by Mildura Rural City Council and includes others such as Parks Victoria, Mallee CMA, and the Loddon Mallee Waste Recovery Resource Group.


LMW continues to engage and communicate with our customers regarding issues that affect water supplies such as Blue Green Algae (BGA).

LMW is committed to meeting our obligations under the Gender Equality Act 2020. Part of this Act is to create a Gender Equality Action Plan which will include strategies for achieving workplace gender equality. This Action Plan will also support LMW to develop a Diversity and Inclusion Strategy, this process has started with a staff lead Diversity and Inclusion ACTion Committee being established in the last half of the year.

LMW's RAP is currently being reviewed and renewed as 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	≤2
			Actual	2	1	0	2	0		
b	Number of EPA corporate licence conditions non-compliant	Number	Target	0	0	0	0	0	0	0
			Actual	1	1	0	1	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		
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		

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.

During the 2019-20 financial year LMW commissioned a consultant to model different options for LMW to increase their use of renewable energy. The two options that were explored were, in-house constructions of onsite solar farms and purchasing renewable electricity. LMW will continue to investigate renewable energy options, ensuring that it maintains an affordable high-quality service to its community and meet its 39% reduction target.

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 sewerage 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%		

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 2019-20 completion and lodgement results are reported in the 2020-21 reporting year where appropriate and as such LMW is reporting 100% completion and lodgement rates by due dates.

