

Lower Murray Water – Rural – 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 2018-19 reporting year. The business has given itself a “traffic light” rating (green = met target, 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. Supply me with water when I need it	Green				
2. Keep my costs to a minimum	Green				
3. Be easy to contact and quick to respond	Yellow				
4. Comply with other government obligations	Green				
Overall	Green				

Business comments

The 2018-19 year has been a challenging year for LMW and its rural customers with very dry conditions and water quality issues with Blue Green Algae (BGA) and Plumatella. The dry conditions place greater reliance on LMW’s service to deliver water to irrigators as their crops are developing and maturing to harvest. LMW has delivered over 113 GL within the pumped irrigation districts and the Private Diverters have extracted over 460 GL.

LMW has sustained service levels to its customers whilst maintaining its infrastructure and renewing aging tight and leaking spur lines. Our customer engagement has been proactive throughout the irrigation season and we worked through the issues with Blue Green Algae (BGA) and Plumatella. We also facilitated a successful Grower Conference in October 2018 that attracted over 125 irrigators and associated water industry partners. We continued to work closely with our customer committees on a range of strategic and operational matters and the Chairs of the committees presented at the grower's conference.

Outcome 1: Supply me with water when I need it

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Water orders delivered on time (whole of rural business)	Percentage	Target	95%	95%	> 98%	> 98%	> 98%	> 98%	> 98%
		Actual	99.88%	95%	99.85%				
b Channel / pipe bursts and leaks (whole of rural business)	Per 100 km	Target	70	70	< 64	< 63	< 62	< 61	< 60
		Actual	59.5	62	61.6				
c Deliver major Capital Works projects >\$1 million value within budget and within the regulatory period	Percentage of budget spent	Target	NA	NA	>95%	>95%	>95%	>95%	>95%
		Actual	NA	NA	87.2%				

Overall outcome 1 performance for the regulatory period so far:



Business comment

LMW's operational favourable result demonstrates the commitment to ensuring our customers receive services on demand and with minimal interruption. Our new redesigned website, which is now accessible on mobile devices, allows our customers to manage water ordering more effectively. The new website features enhancements such as up to date interruption and restriction communications providing the customer with greater information to manage and plan water ordering requirements. Private Diverters customers can now view their extraction share to monitor daily or weekly extraction rates and are able to monitor their usage online with the investment in telemetry systems.

LMW's investment in the rural projects >\$1 million is below the target spend. The major project Mildura Central Pump Station replacement of the rising main is proceeding well with LMW delaying the investment to better align with the irrigators water demand and minimise disruption with the construction works in the low demand winter months. The investment has been \$3.2M to date and is on budget. The other major project is the Mildura main replacements which has seen 8 main replacement works occurring with an investment of \$1.7M to maintain reliability of our network and service to customers.

The Sunraysia Modernisation Project 2 (SMP2) also commenced construction and is on track to deliver water to customers in 2019. SMP2 was not included in the pricing submission as it was not finalised at the time of the submission. SMP2 is fully funded by Government and investors and will deliver on-going cost benefits to all existing customers.

Overall we consider our performance for outcome 1 green even though we did not meet target c.

Outcome 2: Keep my costs to a minimum

Output	Unit		16-17	17-18	18-19	19-20	20-21	21-22	22-23
a Billing complaints	Number	Target	12	5	< 4	< 4	< 4	< 4	< 4
		Actual	2	0	0				
b 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				

Overall outcome 2 performance for the regulatory period so far:



Business comment

LMW received no billing complaints during the year which demonstrates our commitment to supporting customers that from time to time may experience payment difficulties or financial hardship and may need additional assistance and flexibility, LMW has a new Hardship Program in place that assists vulnerable customers to manage their water costs and usage.

The tariffs for rural services have followed the pricing path in real terms. LMW accepted significant risk on electricity pricing when developing its pricing path for rural services and introduced a pricing adjustment mechanism which was supported with a new electricity purchasing strategy. Electricity is approximately 30% of LMW's rural operating expense with 2018-19 the first year of a new LMW electricity purchasing strategy. The price of electricity for our large electricity sites was below budget for 2018-19. The development of the price adjustment mechanism and successful implementation of progressively wholesale market purchasing strategy enabled LMW to set lower prices for its customers.

Outcome 3: 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	100				
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	84%				
c 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	> 78%	> 79%	> 80%	> 81%	> 82%
		Actual	81%	83%	90%				
d Rural customer complaints to Energy and Water Ombudsman Victoria	Number	Target	7	9	< 7	< 7	< 7	< 7	< 7
		Actual	2	6	15				
e Calls answered within 60 seconds (operations room)	Percentage	Target	80%	80%	> 85%	> 85%	> 85%	> 85%	> 85%
		Actual	91%	80%	99%				

Overall outcome 3 performance for the regulatory period so far:



Business comment

LMW performed well overall with 3 of the 5 results better than outcome targets. LMW's responsiveness to operations room calls, post interaction and annual survey results indicate that customer's perception is LMW is meeting or exceeding their expectations for service.

LMW did not meet the post interaction volume target of survey's undertaken and the Energy and Water Ombudsman Victoria lodged complaints and Customer Post Interaction Satisfaction Survey. The EWOV complaints mainly relate to raw water quality issues related to Blue Green Algae in the Murray River and Plumatella growth in some of LMW pipelines. LMW established a Plumatella Action Group which includes customer involvement to investigate and seek solutions to this naturally occurring issue.

To further enhance our customer engagement LMW introduced a new Post Interaction Survey for customers that has enabled our business to see real time information on customer service and potential issues as they occur. This feedback captures customers response on if they felt the time taken to address their query was appropriate, if their query or issue was resolved and how satisfied they were with the service they received.

LMW is pleased to report that our annual survey results continue to improve as a result of our engagement with our advisory committees and focus groups that address topics of concern as raised by our customers. LMW continue to maintain a fully staffed irrigation operations control room that ensures that the human interaction critical to service delivery is maintained and our quick response to calls answered.

Overall we consider our performance for outcome 3 amber rather than green, due to the high number of complaints to EWOV and the results of our new post interaction survey.

Outcome 4: 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%				

Overall outcome 4 performance for the regulatory period so far:



Business comment

LMW's customers expect that the Corporation comply with Government and legislation requirements providing our stakeholders and customers insight on LMW's service and financial performance in a timely manner. LMW has fulfilled the timely completion and lodgement of major rural reporting and attestation requirements. The 2017-18 results are reported in the 2018-19 financial year.

LMW have many other minor reporting requirements and provide information on the majority within the Annual Report, Corporate Plan, Rural Customer Charter and the Lower Murray Water website.