

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

Business comments

The 2018-19 year has again been one of change for Lower Murray Water. The Corporation continues to adapt to the constantly evolving water landscape as we strive to deliver on our commitments to our customers and stakeholder. The year has been very dry with high water demand from our customers.

Customer consultation and engagement has been a focus for the Corporation as we embed the “customer at the centre” approach to continue our improvement in delivering the right services efficiently and effectively.

We rated our overall performance green as we achieved the majority of the outcomes with the exception of the red rating where our generators were not delivered within the year and we did not meet our emission target.

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				
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				
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%				

Overall outcome 1 performance for the regulatory period so far:



Business comment

The tariffs for urban services have followed the pricing path in real terms being a reduction of 0.35%. Controllable costs are “on track” with the 2018-19 controllable forecast of the pricing submission. While LMW’s 2018-19 controllable costs exceed the 2016-17 1% efficiency benchmark, LMW’s pricing submission 2019-2023 was structured such that LMW would fail the benchmark hurdle in the first 2 years due to cyclic maintenance programs however over the 5-year period has forecast to achieve the 1% efficiency.

LMW’s urban capital investment is below the target of 95% for work projects greater than \$1 million for 2018-19. There are 4 individual projects/programs that are budgeted >\$1 million totalling \$8.98 million where \$2.90 million was delivered.

Project/Program	18-19 Budget	Actual Investment	Comments
Purchase of Water Entitlement	\$1.10	\$ -	Prudent decision that purchase of water not proceed due to current price and availability of supply.

UV Treatment Installation	\$3.46	\$0.64	Work has commenced at smaller sites with 4 installations designed awaiting site construction.
Swan Hill – Replace WWTP	\$1.83	\$1.21	Work scope completed below budget
Koorlong – WWTP 400ML Storage	\$2.04	\$0.64	Decision on storage location, land negotiation and challenge to market pricing has delayed expenditure. Storage to be delivered for Winter 2019-20 in line with EPA requirements.
Urban Plant/Vehicle	\$0.55	\$0.41	Prudent delay in expenditure to enable review of vehicle entitlements and policy. Vehicle and plant change overs are progressing at required rate.
Total	\$8.98	\$2.90	

The total urban internal infrastructure capital investment for 2018-19 is \$13.1 million being 68.2% of the planned capital investment of \$19.2 million. In FY19 we have delivered over 25 water mains across the Mildura district, a capacity upgrade to our water treatment plant at Red Cliffs and a new pump station at Kerang. The UV treatment installation program is now well underway to meet our Health Based Targets obligation, where a risk-based approach has prioritised smaller treatment plants so lessons can be incorporated into delivery of UV at our larger sites further into the Water Plan. We made a commercial decision to defer the purchase of water entitlements based on business needs and our current water holdings. The location and design of the storage facility at Koorlong WWTP was optimised and involved extended third party negotiations for property acquisition. The initial market price for these works was also challenged. Seeking the best price for customer we have re-assessed the contract model for Koorlong dividing the design and construction contracts in attempt to reduce cost. The 400ML storage will be delivered by winter 2020 in line with obligation to EPA and our customers.

Overall we consider our performance for outcome 1 amber rather than green, due to not fully meeting the target on c.

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				
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%				
c Net promoter score (measure of customer experience)	Percentage	Target	NA	NA	26%	27%	28%	29%	30%
		Actual	26%	26%	28%				
d Urban customer complaints to Energy and Water Ombudsman Victoria	Number	Target	NA	NA	< 10	< 10	< 10	< 10	< 10
		Actual	11	15	12				

Overall outcome 2 performance for the regulatory period so far:



Business comment

LMW performed favourably overall with 3 of the 4 results exceeding targets. The customer complaints made to EWOV mainly related to account billing complaints after an abnormal meter read occurred during one billing cycle. Other complaints related to LMW debt recovery efforts to reduce outstanding arrears. LMW has introduced a new Hardship Program that recognises that from time to time customers may experience payment difficulties or financial hardship and may need additional assistance and flexibility to manage their water costs and usage. It is anticipated that this program will assist in reducing the number of complaints to EWOV in the future.

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 with the first-time results and will continue to reach out to our customers for ongoing feedback.

Overall we determine our performance for outcome 2 green even though we exceeded our target on d.

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

Overall outcome 3 performance for the regulatory period so far:



Business comment

LMW performed favourably overall with 4 of the 6 targets being met or exceeded.

LMW experienced a significant increase in water quality complaints this year mainly relating to colour. Some of these were attributed to our water main replacement program others were investigated through house visits by our Water Quality team and found no specific causes. All were resolved by flushing the mains to restore water quality.

LMW had 46 customers experience more than 5 unplanned interruptions as a result of a rare event where an AC water main identified in December 2018 for replacement suffered further deterioration and subsequent failures. The water main has been programmed for replacement in the 2019-20 Capital Works program and this will eliminate any further interruptions. Our Urban Customer Charter has an approved Guaranteed Service Level Scheme where certain service level obligations not met attract an approved rebate payment to the customer's account and this was triggered as a result of the interruptions.

LMW produces its annual Drinking Water Quality Report which reports on the quality of drinking water and regulated water supplied by us across our 14 water supply systems. The report is prepared in accordance with the requirements of the Safe Drinking Water Act 2003 and the Safe Drinking Water Regulations 2015. The Safe Drinking Water Act also requires LMW as specified by the Secretary to the Department of Health and Human Services to undertake an audit of its Drinking Water Quality Management Plan and this includes the requirements that water samples are analysed by an approved NATA laboratory. LMW had no non compliances this year.

Overall our we consider our performance for outcome 3 green even though we exceeded the targets of c and e.

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				
b Customers receiving more than 3 sewer blockages	Number	Target	0	0	0	0	0	0	0
		Actual	0	0	0				
c Spills in houses caused by LMW assets	Number	Target	3	3	≤2	≤2	≤2	≤2	≤2
		Actual	3	0	0				
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%				
e Odour complaints (includes sewerage systems and treatment plants)	Number	Target	6	5	< 10	< 10	< 10	< 10	< 10
		Actual	9	3	4				

Overall outcome 4 performance for the regulatory period so far:



Business comment

LMW performed favourably overall with no results outside of the targets. LMW undertakes a scheduled preventative maintenance program that includes activities such as root foaming to minimise blockages along with CCTV inspection of pipelines to analyse condition for renewal programs. Sewer odour complaints regarding various treatment plants were reported and investigated by LMW staff which identified no system faults.

LMW is pleased to report that our Annual Survey indicates that our customer's satisfaction percentage for the sewerage service they received remains at the high level of 90%.

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%				
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				
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				
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				
e Open days at LMW's key local infrastructure sites	Number	Target	NA	NA	1	1	1	1	1
		Actual	NA	NA	9				
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				

Overall outcome 5 performance for the regulatory period so far:



Business comment

LMW performed favourably overall meeting or exceeding 6 targets.

During the past year LMW have been involved in many projects and events throughout the community including open days, school excursions, careers days, farmers markets etc. This has given us the opportunity to speak with our customers and seek feedback on various topics and issues including water conservation and treatment processes, career opportunities, wastewater and flush facts information and environmental issues.

Our other projects within the community have included the development of large-scale art in murals and mosaics which have been installed on various assets such as pumping stations and cluster boxes. These projects create positive and productive relationships with our community while also sharing stories and knowledge.

LMW held a public competition this year to rename and refresh our newsletter 'Inflow', a pleasing response was received and the nomination 'In the pipeline' was the winner. We have also experienced an increase in the number of customers subscribing to the newsletter via email.

Our organisation has continued to progress our relationships with Traditional Owners in our service region and our first ('Reflect') Reconciliation Action Plan will be implemented in the coming year. Our RAP Working Group has been established with several meetings occurring during 2018-19.

As part of our continued commitment to meaningful and effective engagement with Traditional Owners we have developed our Acknowledgement of Country. We recognise that the waterways of the region are highly significant to Aboriginal people and support cultural, economic and environmental values. Knowledge sharing is a key component to a positive and successful relationship. We will continue to ensure Aboriginal values are considered as part of our planning and business operations.

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				
b Number of EPA corporate licence conditions non-compliant	Number	Target	0	0	0	0	0	0	0
		Actual	1	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				
d All key sites (7) have generator availability or capability to maintain services in event of sustained power outage	Percentage	Target	NA	NA	Pass	Pass	NA	NA	NA
		Actual	NA	NA	Fail				

Overall outcome 6 performance for the regulatory period so far:



Business comment

LMW performed favourably and compliant within our Environment Protection Authority licencing conditions. LMW through its Environmental Policy is committed to providing water services and managing our operations responsibly and sustainably especially considering the impacts of climate change and extreme events. LMW had no reportable notifications to the EPA.

Total CO₂ emissions surpassed the target mainly due to the high volume of grid electricity purchased to supply water and sewerage services in the dry conditions during 2018. LMW's roll out of the onsite solar power generation was not fully operational for the complete year but will be fully available in 2019-20.

LMW has purchased fixed and portable generators for all key sites to ensure availability and capability to maintain services in the event of sustained power outages. One generator has been installed prior to Christmas 2018 to reduce risk of loss of supply of power over the summer months with another due for installation in early 2020. Remaining generators were ordered with delivery anticipated in July 2019.

Overall we consider our performance for outcome 6 red rather than green, as we did not meet our targets for c or d.

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%				

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 2017-18 completion and lodgement results are reported in the 2018-19 reporting year and as such LMW are reporting 100% completed and lodged by due date.