

Lower Murray Water Urban – Outcomes – 2023-2028

In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2024-25 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	23-24	24-25	25-26	26-27	27-28	Overall for the period to date
1. Provide customers value for money.	Green	Yellow	Grey	Grey	Grey	Yellow
2. Provide customers with reliable and safe drinking water.	Yellow	Yellow	Grey	Grey	Grey	Yellow
3. Provide customers with reliable sewerage services.	Green	Green	Grey	Grey	Grey	Green
4. Provide customer service avenues that are responsive to resolve requests/enquiries.	Green	Green	Grey	Grey	Grey	Green
5. Service our communities in a socially responsible and environmentally sustainable manner.	Yellow	Green	Grey	Grey	Grey	Yellow
Overall, for reporting year	Yellow	Yellow	Grey	Grey	Grey	Yellow

Business comments

For the second year under the new Water Plan (WP5) our performance against our targets for the Urban Outcomes report has again seen a consistent performance across all outcome areas resulting in a self-assessment rating of amber.

Due to the drier weather conditions experienced across our region, our water treatment plants processed and supplied a record volume of water to our urban residential customers. This equated to approximately 564 kilolitres per person, an increase of ten (10) percent compared to previous year.

LMW's 2023-24 Urban Customer Satisfaction Survey achieved exceptional participation with 916 responses, representing the highest engagement level in two decades. The results demonstrate generally strong customer satisfaction across all service areas, with most metrics remaining stable or showing only minor variations. While there has been a modest decline in value for money perceptions, particularly among younger customers, LMW continues to maintain high performance standards across water quality (88%) and sewerage services (92%). The organisation has identified specific areas for improvement and is implementing targeted strategies, including enhanced consultation with under-45 customers and infrastructure upgrades in Red Cliffs to address localised service issues.

Outcome 1: Provide customers with value for money.

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A: Customer Satisfaction of overall services <i>value for money</i> . Measured by respondents who select a rating of satisfied, very satisfied, and extremely satisfied in an annual survey	% of respondents	Target	TBA	=/>22/23	=/>23/24	=/>24/25	=/>25/26	=/>26/27
		Actual	81%	79%	76%			
B: Total controllable opex expenditure within 10% of LMW forecasted PS5 benchmark opex over regulatory period. (Plus annual CPI adjustments)	\$ under or over benchmark*	Target	N/A	+/- 2.89M	+/- 3.01M	+/- 3.10M	+/- 3.23M	+/- 3.24M
		Actual		+0.73M	+3.27M			
C: Delivery of top 10 'Urban' capital projects on time and budget. (Budget within 10% of forecast set by annual corporate plan, timing set by regulatory period)	Project status	Target	Complete 2028	On Track	On Track	On Track	On Track	Complete
		Actual	Complete 2028	On Track	Delayed			

* Benchmark and 10% target have been adjusted by CPI

How is LMW tracking for outcome 1 in the regulatory period so far?

Business comment

Outcome 1A: Customer satisfaction with overall value for money experienced a 3% decline to 76%, primarily driven by reduced satisfaction among the under-45 age demographic. LMW is actively engaging with this cohort through enhanced consultation processes to understand

underlying concerns and develop appropriate responses. This targeted approach is particularly important given LMW's position as one of Victoria's most cost-effective urban water authorities, indicating a need to better communicate value proposition to younger customers.

Outcome 1B: 2024-25 controllable opex costs exceed the 10% tolerance, with the draft actual result being \$3.27 million (11%) above the benchmark. The unfavourable variance is largely due to additional pumping, filtration and treatment activities (including materially higher electricity and chemical costs), with treated water flows this financial year being above well average. Administration costs are also higher than benchmark, partly due to additional employees required to deliver services to our customers. Total controllable opex for the regulatory period to date is \$4.0m (6.8%) higher than the benchmark.

Outcome 1C: The purchase of additional water to secure urban water entitlements was accelerated upon evaluating the current market conditions and forecasting a likely increase of future costs. The project to improving level of service (Pressure) in Red Cliffs Water Distribution commenced in FY25 with the concept design, planning and approvals complete. The Design and Construct tender is scheduled to be awarded Q1 of FY26, with construction forecast for completion Q2 FY27. All remaining projects remain on schedule, except those which have been deferred due to reassessment of benefits and or financial efficiencies as reported in the Major Projects Summary Report.

Outcome 2: Provide customers with reliable and safe drinking water.

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A: Number of Safe Drinking Water Act reportable non-compliances	Number of reportable incidents	Target	0	0	0	0	0	0
		Actual	0	0	1			
B: Customer satisfaction of water <i>service</i> . Measured by respondents who select a rating of satisfied, very satisfied, and extremely satisfied in an annual survey	% of respondents	Target	2022/23 Result	=/>22/23	=/>23/24	=/>24/25	=/>25/26	=/>26/27
		Actual	91%	90%	89%			
C: Customer satisfaction of water <i>quality</i> . Measured by respondents who select a rating of satisfied, very satisfied, and extremely satisfied in an annual survey	% of respondents	Target	2022/23 Result	=/>22/23	=/>23/24	=/>24/25	=/>25/26	=/>26/27
		Actual	90%	88%	88%			
D: Water <i>taste and odour</i> complaints	Total per annum	Target	=<25	=<25	=<25	=<25	=<25	=<25
		Actual	19	49	26	0	0	0
E: Boil water notices issued	Total per annum	Target	0	0	0	0	0	0
		Actual	0	0	0			

How is LMW tracking for outcome 2 in the regulatory period so far?

Business comment

Outcome 2A: A routine sample collected from the Nyah Water Sampling Locality detected *Escherichia coli* (*E. coli*) at 1 CFU/100 mL. As *E. coli* is a regulated parameter under the *Safe Drinking Water Regulations 2015*, a Section 18 notification was submitted to the Department of Health in accordance with the reporting requirements outlined in the *Safe Drinking Water Act 2003*

Outcome 2B: Water service satisfaction remained relatively stable with only a 1% decline year-on-year. Performance variations were geographically concentrated, with Red Cliffs recording the lowest satisfaction levels due to pressure issues associated with ageing infrastructure. LMW has scheduled system pressurisation works for the Red Cliffs system in 2025/26, which are expected to deliver immediate improvements in customer satisfaction ratings for this locality.

Outcome 2C: Water system quality satisfaction maintained strong performance at 88%, demonstrating consistent delivery of high-quality water services. This stable result reflects LMW's ongoing commitment to maintaining robust water treatment and distribution systems that meet customer expectations and regulatory standards.

Outcome 2D A reduction in taste and odour complaints was attributed to no adverse river conditions occurring. All complaints were investigated by our Water Quality team and resolved by mains flushing and increasing our poly activated carbon treatment process.

Outcome 2E No boil water notices were issued.

Outcome 3: Provide customers with reliable sewerage services

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A: Unplanned sewerage supply interruptions	No per 1,000 customers. LMW main	Target	=<5	=<5	=<5	=<5	=<5	=<5
		Actual	2.95	3.03	0			
B: Customer satisfaction of <i>sewerage service</i> . Measured by respondents who select a rating of satisfied, very satisfied, and extremely satisfied in an annual survey	% of respondents	Target	2022/23 Result	=/>22/23	=/>23/24	=/>24/25	=/>25/26	=/>26/27
		Actual	94%	94%	92%			
C: <i>Odour</i> complaints (including sewerage systems and treatment plants)	Total per annum	Target	=<10	=<10	=<10	=<10	=<10	=<10
		Actual	1	4	7			
D: Number of sewer spills in houses caused by LMW assets failure	Total per annum	Target	=<3	=<3	=<3	=<3	=<3	=<3
		Actual	0	0	0			
E: Number of customers receiving more than 3 sewer blockages in the year	Total per annum	Target	0	0	0	0	0	0
		Actual	0	0	0			

How is LMW tracking for outcome 3 in the regulatory period so far?

Business comment

Outcome 3A LMW recorded no unplanned sewer supply interruptions during the year.

Outcome 3B: Sewerage system satisfaction recorded a minor 2% decline to 92%, which continues to represent strong performance in this service area.

Outcome 3C LMW recorded an increase in odour complaints attributed to odours emitting from our Wastewater Treatment Plant, these were investigated however we were unable to detect any odours directly, loggers are being installed on customers properties to monitor any emissions.

Outcome 3D LMW recorded no sewer spills in houses.

Outcome 3E No customers received more than three (3) sewer blockages in one year.

Outcome 4: Provide customer service avenues that are responsive to resolve requests/enquiries

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A: Customer requests/enquiries resolved within the defined response time (Mean Time to Resolve)	%	Target	N/A	N/A	≥60%	≥65%	≥70%	≥75%
		Actual	N/A	N/A	85%			
B: Resolve customer requests/enquiries 'First Time Right' (requests not reopened or recurring from same customer)	%	Target	N/A	N/A	≥60%	≥65%	≥70%	≥75%
		Actual	N/A	N/A	N/A			
C: Customers registered for self-service portal	% of total customers	Target	N/A	N/A	20%	30%	40%	50%
		Actual	N/A	N/A	N/A			
D: Customer satisfaction of <i>responsiveness to enquiries/requests</i> . Measured by respondents who select a rating of satisfied, very satisfied, and extremely satisfied in an annual survey	% of respondents	Target	2022/23	=/>23/24	=/>24/25	=/>25/26	=/>26/27	=/>27/28
		Actual	78%	79%	80%			

How is LMW tracking for outcome 4 in the regulatory period so far?

Business comment

Outcome 4A Our Rural and Urban customer teams responded to five thousand and seventy-eight (5078) requests/ enquiries relating to a variety of services for which fifteen (15) percent were not processed within our benchmark standard. In addition, our annual survey result for customer satisfaction of “responsiveness” to enquires/ requests supported the response results.

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Outcome 4B an C The implementation of our new Customer Relationship Management System including e-billing portal and online applications was paused in 2023 to commence a replan. Program is expected for completion by June 2026.

Outcome 4D Customer satisfaction with enquiry responsiveness has improved steadily over the past three years, demonstrating the effectiveness of targeted service enhancement initiatives. This upward trend reflects our commitment to addressing customer needs more efficiently and validates our strategic focus on improving response times and service quality.

Outcome 5: Service our communities in a socially responsible and environmentally sustainable manner.

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
A: Number of EPA reportable sewage spills per annum	Total per annum	Target	=<2	=<2	=<2	=<2	=<2	=<2
		Actual	0	1	4			
B: Compliance of Wastewater Treatment Plants EPA license conditions – Number of reportable incidents	Number	Target	0	0	0	0	0	0
		Actual	0	1	0			
C: Percentage of electrical energy from renewable sources – 26/27 & 27/28 years should be 100%	%	Target	100% by 2025	N/A	N/A	100%	100%	100%
		Actual		N/A	N/A			
D: Percentage of wastewater received at treatment plants that is recycled	%	Target	60%	60%	60%	60%	60%	60%
		Actual	47.37	58.82	68.64			

How is LMW tracking for outcome 5 in the regulatory period so far?

Business comment

Outcome 5A Two sewer spills each were reported for both Mildura and Swan Hill which triggered the notification requirement to the EPA.

Outcome 5B There were no reportable incidents for EPA license conditions.

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Outcome 5D: The above target result for the recycled water is a result of an increase in reuse water primarily driven by below-average winter rainfall, coupled with winter cropping activities undertaken by a third-party reuse customer.