

Southern Rural Water – 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. Reliable water	Green	Green	Grey	Grey	Grey	Grey
2. Sustainable water	Green	Green	Grey	Grey	Grey	Grey
3. Great service	Green	Green	Grey	Grey	Grey	Grey
4. Value community member	Green	Green	Grey	Grey	Grey	Grey
5. Fair and reasonable prices (Operating and capital expenditure)	Green	Green	Grey	Grey	Grey	Grey
Overall, for reporting year	Green	Green	Grey	Grey	Grey	Grey

Business comments

Southern Rural Water met its performance objectives, despite the drier season and high demands compared to previous seasons. While our capital spend and efficiency savings are slightly behind targets we expect these to balance out over the pricing period. The capital program was somewhat front ended but has been smoothed out in response to market conditions and resourcing.

Outcome 1: Reliable water

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a) Percentage of all orders from district customers delivered on day that was confirmed	%	Target		95	95	95	95	95
		Actual		95	95.4			
MID: Total number of unplanned disruptions of more than 10 days	Number	Target		1	0	0	0	0
		Actual		0	0			
b) WID Water quality: Events where recycled water cannot be supplied for 5 consecutive days due to high salinity ($\geq 1,800 \mu\text{S}/\text{cm}$) or blue green algae	Number	Target		2	2	2	2	2
		Actual		1	1*			
c) WID: Number of unplanned disruptions of 3+ days.	Number	Target		1	1	1	0	0
		Actual		0	0			
d) BMID: Number of unplanned disruptions of 3+ days.	Number	Target		1	1	1	0	0
		Actual		0	1			
e) BE customers: Bulk Entitlement orders delivered on time.	%	Target		95	95	95	95	95
		Actual		100	100			

Business comment

Southern Rural Water met its performance objectives, despite the drier season and high demands compared to previous seasons.

*The Werribee Irrigation District experienced one prolonged recycled water outage event (1 February to 7 May 2025) resulting from an outbreak of Blue Green Algae at Melbourne Water's Western Treatment Plant. Southern Rural Water and Melbourne Water are working closely on research trials to manage future Blue Green Algal blooms. Melbourne Water and Southern Rural Water are also in discussions on a potential rebate on 2025 recycled water contract payments given the prolonged period of outage. Any rebate will be passed through in full to Werribee Recycled water customers by Southern Rural Water.

Five customers in Bacchus Marsh Irrigation District experienced an unplanned disruption for four days in June, associated with a leak repair. This disruption did not impact on customer irrigation activities.

Outcome 2: Sustainable water

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a) All incidents of unauthorised use investigated within 1 week of being reported/suspected.	%	Target		100	100	100	100	100
		Actual		100	100			
b) MID: permanent water entitlements offered for sale.	Megalitres	Target		1000	1000	1000	1000	1000
		Actual		1000	1000			
c) MID: Percentage of water released that is delivered to MID customers	%	Target		85	85	85	90	90
		Actual		85	86			
d) BMID: Percentage of water released that is delivered to BMID customers	%	Target		80	80	85	85	85
		Actual		89	87			
e) WID: Percentage of water released that is delivered to WID customers	%	Target		80	80	85	85	85
		Actual		74	83			

Business comment

Southern Rural Water met its performance objectives

The sale of 1,000 ML of high reliability water shares were offered for sale in the Macalister Irrigation District in April. Delivery efficiencies across irrigation districts were achieved, supported by modernisation investments.

Outcome 3: Great service

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
Customer formal (i.e. written) complaints	Number of complaints per 1,000 customers.	Target		<2	<2	<2	<1	<1
		Actual		0.09	0.45			
a) All formal complaints responded to within 10 business days.	%	Target		90	90	95	95	95
		Actual		94	100			
b) G&R: Applications that do not require public notification completed within set timeframes	% of applications completed	Target		90	90	90	90	90
		Actual		97	94			
c) MID: Drainage - rainfall events (up to 84mm in 24hrs) resulting in complaints of water being on grazing properties for more than 4 days	Number	Target		5	4	3	2	1
		Actual		0	0			
d) WID: Drainage - rainfall events (up to 75mm in 6hrs) resulting in complaints of water being on properties for more than 24 hours	Number	Target		5	4	3	2	1
		Actual		0	0			

Business comment

Southern Rural Water met its performance objectives

The majority of complaints received related to our licensing function (incl the cost of our fees, potential groundwater interference and staff entering properties for meter reading and regulatory purposes) or to allied activities such as submerged vehicles in storages.

Outcome 4: Community value

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
a) CO2 emissions.	Net tonnes	Target		800	600	0	0	0
		Actual		561	0			
b) Environmental flows are released in accordance with the order	% of releases delivered.	Target		100	100	100	100	100
		Actual		100	100			

Business comment

Southern Rural Water met its performance objectives

We achieved net zero emissions through using 100% renewable energy, behind the meter solar projects, efficiency upgrades, and the rollout of zero-emission vehicles. Our remaining emissions have been offset with certified carbon credits attained through an Australian Carbon Credit Unit (ACCU) trade agreement with Wannon Water.

Outcome 5: Fair and reasonable prices

Output	Unit		22-23	23-24	24-25	25-26	26-27	27-28
Controllable operating costs (+/- 5% of determination benchmark)	\$m 22-23	Target		\$24.7	\$24.5	\$24.2	\$24.0	\$23.7
		Actual		\$24.8	\$24.6			
a) Capital expenditure (cumulative)	\$m 22-23	Target		\$48	\$74	\$91	\$110	\$125
		Actual		\$36.5	\$58			
b) Efficiency improvements	\$k of savings	Target		0	\$550	\$950	\$1200	\$1400
		Actual		0	\$450			

Business comment

Southern Rural Water largely met its performance objectives.

Our operating costs were within target.

The cumulative capital expenditure is \$16m lower than the target. Contributing factors were \$5.8m in capital expenditure brought forward 2022-23, combined with project timing impacts that led to actual expenditure being below target in 2023-24 and 2024-25. Delayed investment in 2023-24 due to challenging weather conditions and accessibility issues led to delays in the planning and procurement of other major asset renewal programs (planned for 2024-25). The construction sector has experienced significant pressure driven by State investment in major infrastructure projects. This resulted in high construction cost escalation and put project budgets under pressure. The rate of cost escalation has eased, and we are now achieving improved procurement outcomes for the deferred projects and programs of work. The capital program has been reprofiled, resulting in a flattening of expenditure across the regulatory period. The cumulative forecast expenditure remains consistent with the \$125m target.

This year saw the realisation of our first round of efficiency savings, with reduced staffing in our irrigation districts, along with reforms to our licensing business and fleet. Further efficiencies are envisaged and will be able to be quantified once our capital projects are closed out.