

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 2019-20 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. Supply me with water when I need it	Green	Green	Grey	Grey	Grey
2. Keep my costs to a minimum	Green	Green	Grey	Grey	Grey
3. Be easy to contact and quick to respond	Yellow	Green	Grey	Grey	Grey
4. Comply with other government obligations	Green	Green	Grey	Grey	Grey
Overall	Green	Green	Grey	Grey	Grey

Business comments

This is the second year of outcomes reporting after successfully delivering overall in year 1.

The 2019-20 year has been another challenging year for Lower Murray Water (LMW) and its rural customers.

The hot and dry conditions continued into this irrigation season which produced high water demand especially within the peak of summer. With little rain over winter and spring generating low inflows into the Murray catchment dams, the Resource Manager for northern Victoria’s final

seasonal determination only provided 66% of water allocation for holders of Murray River High Reliability Water Shares (HRWS). This made irrigation water limited, an environment where many irrigators were required to purchase allocation water on the open market which peaked at over \$900/ML.

LMW focussed its compliance activities on managing 'unauthorised take', the use of water without it being in an irrigators' Allocation Account (ABA). This focus required considerable resources to manage irrigators' licence conditions and simultaneously educate customers to ensure they maintained a positive ABA balance.

The impacts of the coronavirus pandemic presented challenges to both our rural customers and LMW however service levels were sustained throughout this to our customers whilst maintaining existing infrastructure and renewing ageing tight and leaking spur lines. Our customer engagement was proactive throughout the 2019-20 irrigation season, collaborating to find solutions to challenges associated with blue-green algae, Plumatella and unauthorised take.

A highly successful Growers' Conference was held in October 2019, attracting over 220 registered irrigator attendees and associated water industry partners, and bringing speakers to our region from state and federal agencies responsible for water management. The rural customer representative Strategic Advisory Committee and the six Customer Service Advisory Committees were integral in the composition and delivery of this conference, with the Chairs of each Committee presenting and sharing their Committee's work and achievements with the irrigation communities they represent.

Overall, we rated our 2019-20 performance outcome as green - met target, despite the incredibly challenging seasonal conditions experienced.

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%	99.71%			
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	46.8			
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%	101.1%			

Overall Outcome 1 performance for the regulatory period so far:



Business comment


LMW has maintained the delivery of services on demand and with minimal interruption to our customers.

LMW experienced a favourable result with decreases in irrigation channel and pipe bursts across all irrigation districts, largely attributed to our irrigation mains replacement program targeting the replacement of aged pipelines based on priorities and risk. Our channel relining program refurbished some channels with new liners, safety escapes and fencing; this method is a cost-effective alternative to replacing channels and contributes significantly to reductions in water loss through aged infrastructure.

Overall, we rated our performance for Outcome 1 as green - target met.

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	1			
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	Pass			

Overall Outcome 2 performance for the regulatory period so far: 

Business comment

LMW received one complaint which related to the affordability of the advertised 2020-21 price tariff increase.

We are committed to keeping costs to a minimum as outlined in our 2018-2023 pricing submission.

The tariffs for rural services have followed the pricing path of the pricing determination in real terms and adjusted for CPI. LMW has an electricity collar price adjustment mechanism which was not triggered in 2019-20 as electricity costs were contained within agreed limits.

LMW accepted significant risk on electricity pricing when developing its price path for rural services and introduced a pricing adjustment mechanism which was supported with a new electricity purchasing strategy. Electricity represents approximately 30% of LMW's rural operating expense. 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.

LMW completed the Sunraysia Modernisation Project 2 (SMP2) in November 2019. This project will deliver benefits to existing customers through better utilisation of our assets and new customers through extension of services, as well as providing wider economic benefits to the region.

Overall, we rated our performance for Outcome 2 as green - target met.

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	279			
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%	96%			
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%	84%			
d Rural customer complaints to Energy and Water Ombudsman Victoria (EWOV)	Number	Target	7	9	< 7	< 7	< 7	< 7	< 7
		Actual	2	6	15	2			
e Calls answered within 60 seconds (operations room)	Percentage	Target	80%	80%	> 85%	> 85%	> 85%	> 85%	> 85%
		Actual	91%	80%	99%	96%			

Overall Outcome 3 performance for the regulatory period so far: 

Business comment

LMW performed well overall exceeding all targets for Outcome 3.

To further enhance our rural customer engagement, LMW introduced a new post-interaction survey for customers that has enabled our business to obtain real-time information on customer service and potential issues as they occur. This feedback captures customer sentiment on time taken to address queries, successful resolution of queries and satisfaction levels with the service customers received. It is pleasing to see our post-interaction satisfaction result improving.

Our annual survey results continue to exceed the target, largely attributable to our dedicated engagement with our customer representative committees that provide strategic and operational advice to LMW and address topics of concern raised by our customers. LMW continues to maintain a fully staffed irrigation operations control room that ensures that the human interaction critical to service delivery is maintained and quick response times to customer enquiries are achieved.

LMW has seen a reduction in customer complaints to the Energy and Water Ombudsman Victoria (EWOV) in 2019-20. The EWOV complaints in 2018-19 mainly related to raw water quality issues related to blue-green algae in the Murray River and Plumatella growth in some pipelines. In 2018-19, LMW established a Plumatella Working Group and sought customer input to investigate and seek solutions to this naturally occurring contaminant. Working with customers has provided LMW with a better understanding of customer impact and potential management actions and has resulted in a reduction of EWOV complaints on this issue.

Overall, we rated our performance for Outcome 3 as green - target met.

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%	100%			

Overall Outcome 4 performance for the regulatory period so far: 

Business comment

LMW's customers expect us to comply with Government and legislative 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 majority of the regulatory reports are subject to audit requirements and these occur after the end of the current financial year. As a result, the 2018-19 results are reported in the 2019-20 financial year where appropriate.

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

Overall, we rated our performance for Outcome 4 as green - target met.