



ruralOUTCOMES
2018 - 2023



**LOWER MURRAY
WATER**

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Cover image: Red Cliffs Water Treatment Plant

Acknowledgement of Country

Lower Murray Water acknowledges the Traditional Owners of the land on which we work and reside. We recognise their continuing connection to land, waterways and community. We pay our respects to Elders past, present and future.

The Traditional Owner groups within Lower Murray Water's service region lie within the traditional lands of First Nations Peoples, from upstream at Koondrook moving downstream along the Murray River (Mil) through to the western edge of our region at the South Australian border.

They are the Barapa Barapa Peoples, Wamba Wamba Peoples, Wadi Wadi Peoples, Tatti Tatti Peoples, Latji Latji Peoples, Nyeri Nyeri Peoples, Ngintait Peoples and the Wergaia Peoples.

The First Nation Peoples' connection to land and water is the living cultural knowledge that is passed down from generation to generation. The stories that connected the ancestors to their culture still live through the First Nations Peoples of today.

- Acknowledgement of Country written by Stephanie Sloane.



Stephanie works at Lower Murray Water as a People and Safety Trainee. She is a proud Ngayampaa woman and has a strong connection to her culture, history and the land. Stephanie has brought not only her experience and passion for people to this role but also a commitment to inspire and mentor others wishing to pursue a career at Lower Murray Water.



This artwork has been provided by local girl Bella Sloane from the Ngayampaa tribe. Her painting represents family titled, 'The Connection to Family'.

OUR PURPOSE

To support our region to prosper by successfully delivering vital water services.

OUR VISION

A healthy, sustainable water future underpinned by an LMW culture of performance excellence, built in partnership with our staff, customers and communities.

OUR STRATEGY 2021-2025

Building a healthy and sustainable future through our strategic priorities



Service Delivery

Achieve high quality outcomes for our customers

- Identify, define, and deliver agreed customer service levels
- Improve our responsiveness to customer issues by obtaining better service delivery insights

Engagement

Effective engagement with our stakeholders

- Embed authentic customer engagement across the business
- Enhance stakeholder relationships to build confidence in and generate future opportunities for LMW and our region

Environment

Better the environment in our region

- Deliver the Victorian Murray Floodplain Restoration Project to the agreed objectives
- Achieve our CO₂ emissions reduction target
- Explore enhanced integrated water management that best works for our region



Building a dynamic culture of performance excellence through our strategic foundations

People and Safety

Enhance our people and safety and leverage innovation to be more efficient and effective

- Put 'Safety First' through communication, consistency, clarity & commitment
- Embed #1MW by fostering a high-performing culture by attracting, retaining, and developing our people
- Achieve greater equality, diversity, and inclusion
- Adopt improved ways of working through our Business Transformation Program

Infrastructure

Ensure our assets and infrastructure meet current and future needs

- Optimise our infrastructure through improved life cycle management
- Deliver our Water Plan capital expenditure (capex) on time, on quality and within budget

Finance and Governance

Secure our long-term financial success and upgrade our governance, systems and processes

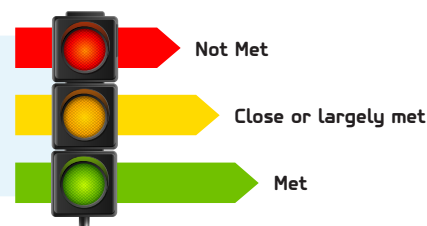
- Achieve year-on-year improvement in our frameworks, policies and performance to meet our risk management and compliance obligations
- Deliver on our Water Plans' revenue and operational expenditure (opex) targets
- Optimise business efficiencies through sustainable pricing, resourcing and procurement

Summary | 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 2022-23 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.

Rating

The business has given itself a “traffic light” rating for its performance on each measure, outcome and an overall rating.



Outcome	18-19	19-20	20-21	21-22	22-23
1. Supply me with water when I need it					
2. Keep my costs to a minimum					
3. Be easy to contact and quick to respond					
4. Comply with other government obligations					
Overall					

Business comments

Over the current price period 2018 to 2023 (PS4), LMW's rural business has so far comprehensively met its commitments to customers across the four dimensions of customer outcomes, prices, operating expenditure, and capital expenditure:

Outcome 1: Supply me with water when I need it

LMW has consistently met, and surpassed, its targets for this outcome throughout PS4. Commencing in the first year with the introduction of an enhanced website and customer user interface for the planning and managing of water ordering, and followed by ongoing programs of targeted, risk-based mains replacement, channel relining and optimised maintenance, LMW has increased reliability of water delivery, reduced water losses and minimised supply interruptions. Capital program delivery has also improved on a sustained basis since the beginning of PS4 and remains strong.

Outcome 2: Keep my costs to a minimum

LMW has met, or closely met, its targets for this key outcome consistently across the period with only one minor departure with respect to billing complaints in 2020-21, reflecting the challenging times and cost pressures rural customers have experienced during the second half of PS4. The LMW Customer Service Team and Irrigation Operations Team have worked closely with customers to minimise the risk of complaints occurring wherever possible and this has been reflected in the reduction in complaints in the most recent year of the period. Tariffs for rural services have followed or remained under the price path of the PS4 price determination consistently since commencement of the period.

2022-23 Rating

Overall, LMW has rated its overall 2022-23 performance as **green - met target**, despite the incredibly challenging seasonal conditions experienced.



Charges were kept at approved price path levels for all irrigation districts in the first 2 years of the price period, with reductions in charges occurring for most districts in years 2020-21 and 2021-22 due to SMP2 rebates and adjustments. For 2022-23, LMW followed the approved price path however districts with a price path increase were capped at 5.09% in line with CPI.

Total prescribed operating expenditure at \$118.2m (including the interim 2022-23 operational expenditure) was higher than the approved budget of \$110.4m by \$7.8m or 7% for the PS4 period*. The additional operational expenditure was primarily driven by labour costs required to maintain service delivery and meet compliance requirements, emergency flood mitigation costs in 2022-23, higher software costs from increased digitisation and the move to Software-as-a-Service (SaaS), and pandemic-related impacts and measures. Against this, electricity costs reduced due to a decrease in volumetric usage demand for irrigation.

Outcome 3: Be easy to contact and quick to respond

LMW has performed well overall throughout PS4 on the substantive measures of this outcome. LMW's responsiveness to operations room calls, post-interaction and annual survey results indicate that customers clearly perceive LMW to be meeting or exceeding their expectations for quality of service and role in the community.

LMW has not met the post-interaction volume target of surveys undertaken in any but the second year of the period. The pandemic made it difficult to undertake post-interaction surveys and impacted the mobility of both customers and staff, and this coincided with an observed reduction in willingness from customers to undertake these surveys. The Energy and Water Ombudsman Victoria (EWOV) lodged complaints target was not achieved in the first nor last years of the period, with complaints mainly relating to raw water quality issues of Blue Green Algae in the Murray River and Plumatella growth in some LMW pipelines. LMW has since taken concrete steps with customers to investigate and seek solutions to these naturally occurring issues.

Outcome 4: Comply with other government obligations

LMW has met, or largely met, its compliance obligations throughout the PS4 period. The one 'largely met' rating in 2020-21 was due to a delay in publishing one of eight compliance reports, to the ACCC, due to one-off factors.

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%	99.76%	99.90%	99.1%
b. Channel / pipe bursts and leaks (whole of rural business)	Per 100km	Target	70	70	<64	<63	<62	<61	<60
		Actual	59.5	62	61.6	46.8	42.8	35.4%	33.9
c. Deliver major Capital Works projects >\$1 million value within budget and within the regulatory period	Percentage of budget spent	Target	N/A	N/A	>95%	>95%	>95%	>95%	>95%
		Actual	N/A	N/A	87.2%	101.1%	97.1%	101.8%	106%

Business comments

LMW has continued a pleasing downward trend overall in the number of Channel/ pipe bursts and leaks across the districts. Mildura experienced an increase of 10.6 per 100 km from 76.7 in 2021-22 compared to 87.3 in 2022-23 it is deemed that due to a wetter year we experienced this increase. Merbein saw a significant decrease from 93.1 in 2021-22 to 62.1 per 100 km and this can be attributed to the forecast replacement of four (4) pipelines that had passed their useful life. The continual improvement of our network performance has a direct impact on boosting our customer supply reliability and the volume of water orders delivered on time.

Our new water saving project Sunraysia Water Efficiency Project has commenced construction and this will modernise and remove outdated water infrastructure such as removing or upgrading Dethridge meters and Stock and Domestic meters. Modernising irrigation channels through the installation of channel liners and buried pipeline in our Mildura, Red Cliffs and Merbein Irrigation Districts. The project will generate water savings by minimising channel leakage and seepage along with more accurately measuring water used.

LMW's rural capital investment is above the target of 95% for work projects greater than \$1 million for 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23. For all five years, rural projects that were budgeted greater than \$1 million totalling \$12.26 million where \$12.99 million was delivered (106%). The combined total rural actual internal infrastructure capital investment for the entire pricing submission 2018-19 to 2022-23 is \$44.38 million being 105% of the planned capital investment of \$42.12 million.













Outcome 1 Rating

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



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	 5	 2	 3
b. Annual tariffs follow the proposed structures within the ESC's published pricing determination	Pass/Fail	Target	N/A	N/A	Pass	Pass	Pass	Pass	Pass
		Actual	N/A	N/A	 Pass	 Pass	 Pass	 Pass	 Pass

Business comments

LMW recorded three (3) billing complaints from our customers which comprised of two (2) high bill/consumption and one Works Licence Renewal (five yearly) charge. These complaints were fully investigated by our Customer Team and customer interaction ensured the complaints were resolved to their satisfaction. During the past five years on average LMW have received two (2) billing complaints from our customer base which is less than the targets set across this period.

Consistent with our 2018-2023 pricing submission (PS4) we have kept costs to a minimum. LMW's form of price control for PS4 Rural pricing is via a revenue cap method with CPI and LMW price path movement in real terms. During the PS4 period, additional revenue has been generated through charges associated with the Sunraysia Modernisation Project 2 (SMP2) and resulting customers, allowing LMW to decrease expected price movements for 2021-22 and 2022-23. For 2022-23, LMW chose not to implement CPI and price path movement, with prices capped at 5.09%, in line with CPI.

Outcome 2 Rating

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



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	N/A	N/A	150	150	150	150	150
		Actual	N/A	N/A	100	279	47	69	65
b. Post interaction satisfaction survey: Customers satisfied (rating of satisfied, very satisfied and extremely satisfied)	Percentage of customers surveyed	Target	N/A	N/A	>80%	>80%	>80%	>80%	>80%
		Actual	N/A	N/A	84%	96%	94%	96%	97%
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	N/A	N/A	>78%	>79%	>80%	>81%	>82%
		Actual	81%	83%	90%	84%	87%	82%	73%
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	6	7	6
e. Calls answered within 60 seconds (operations room)	Percentage	Target	80%	80%	>85%	>85%	>85%	>85%	>85%
		Actual	91%	80%	99%	96%	97%	97%	97%

Business comments

The number of post interaction surveys received has declined significantly over the 5-year reporting period, which is symptomatic of survey fatigue or avoidance which has become more prevalent since COVID19. Despite this, the overall satisfaction rating has continued to rise throughout the 5-year period and sits well above target at 97%.

Annual survey results show a decline, below target, in customer satisfaction with LMW's role in the community. Whilst disappointing, survey comments indicate the decline in satisfaction has been heavily influenced by increasing water supply charges due to a higher-than-expected CPI.

LMW has seen a slight decrease in customer complaints to the Energy and Water Ombudsman Victoria (EWOV) in 2022-23, and remains under target. EWOV complaints in 2022-23 related to property damage, privacy, and regulatory fees. All complaints were resolved at the end of June 2023.

The rural operations room has continued to exceed targets for calls answered within 60 seconds, and currently sits at 97% achievement in this area.

Outcome 3 Rating

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



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 of time	Target	N/A	N/A	100%	100%	100%	100%	100%
		Actual	N/A	N/A	100%	100%	88%	100%	100%

Business comments

The majority of the regulatory reports are subject to audit requirements which occur after the end of the current financial year. As a result, the 2021-22 results are reported in the 2022-23 financial year. Over the Water Plan period LMW has complied with reporting obligations and deadlines. Any recommendations for improvement are identified through the audit process and implemented where possible.



Outcome 4 Rating

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





