



Customer Outcomes Performance Report

2021-22

Aboriginal Acknowledgement

Melbourne Water respectfully acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners and custodians of the land and water on which all Australians rely. We pay our respects to Bunurong, Gunaikurnai, Taungurung, Wadawurrung and Wurundjeri Woi-wurrung, their Elders past, present and future.

We acknowledge and respect the continued cultural, social, economic and spiritual connections of all Aboriginal Victorians. We also acknowledge the broader Aboriginal and Torres Strait Islander community and their connections with lands and waters, and recognise and value their inherent responsibility to care for and protect them for thousands of generations.

Melbourne Water acknowledges Aboriginal Victorians as Traditional Owners and, in the spirit of reconciliation, we remain committed to developing partnerships with Traditional Owners to ensure meaningful, ongoing contributions to the future of land and water management.

Contents

Summary	02
Our performance	04
Customer Outcome 1 – Access to safe and reliable water and sewerage services	06
Customer Outcome 2 – Melbourne's environment, rivers, creeks and bays are protected and Melbourne Water's greenhouse gas emissions are minimised	08
Customer Outcome 3 – Melbourne remains liveable as it deals with the impacts of climate change and population growth	10
Customer Outcome 4 – Melburnians are empowered to support the design and delivery of service outcomes	12
Customer Outcome 5 – Easy, respectful, responsive and transparent customer service	14
Customer Outcome 6 – Bills are kept as low and possible	16

Summary

Every five years, Melbourne Water develops a Price Submission which is submitted to the Essential Services Commission for approval. Our 2021 Price Submission details our proposed services in water, sewerage, waterways and drainage for the period 2021–2026, the cost of delivering these and the prices we intend to charge customers.



In 2021–22 we have assessed our overall performance against our customer outcomes as close to or largely met.

Our 2021 Price Submission is underpinned by six customer outcomes which were defined in collaboration with our customers and community:

1. **Access to safe and reliable water and sewerage services**
2. **Melbourne’s environment, rivers, creeks and bays are protected and Melbourne Water’s greenhouse gas emissions are minimised**
3. **Melbourne remains liveable as it deals with the impacts of climate change and population growth**
4. **Melburnians are empowered to support the design and delivery of service outcomes**
5. **Easy, respectful, responsive and transparent customer service**
6. **Bills kept as low as possible**

Each outcome is accompanied by the key actions we will take to achieve it. In 2021–22 we began our work towards delivery of the six customer outcomes. A summary of our self-assessment is provided in Table 1. Evaluating our performance against these measures each year is how we hold ourselves accountable for fulfilling our commitments to customers.

In addition to these customer outcomes, Melbourne Water worked collaboratively with its Customer Delivery Partners, Melbourne’s retail water companies, to develop guaranteed service levels (GSLs) for wholesale water and sewerage which were introduced for the first time in 2021–22.

In 2021–22, we reported nine GSL events, with only one event meeting the threshold for compensation. This related to pressure and dirty water issues during the repair of a burst water main which resulted in Yarra Valley Water reporting 48 customer complaints, at a rate of more than 10 per hour. Melbourne Water compensated Yarra Valley Water \$5,000 for the additional number of customer calls/complaints received as a result of the event.

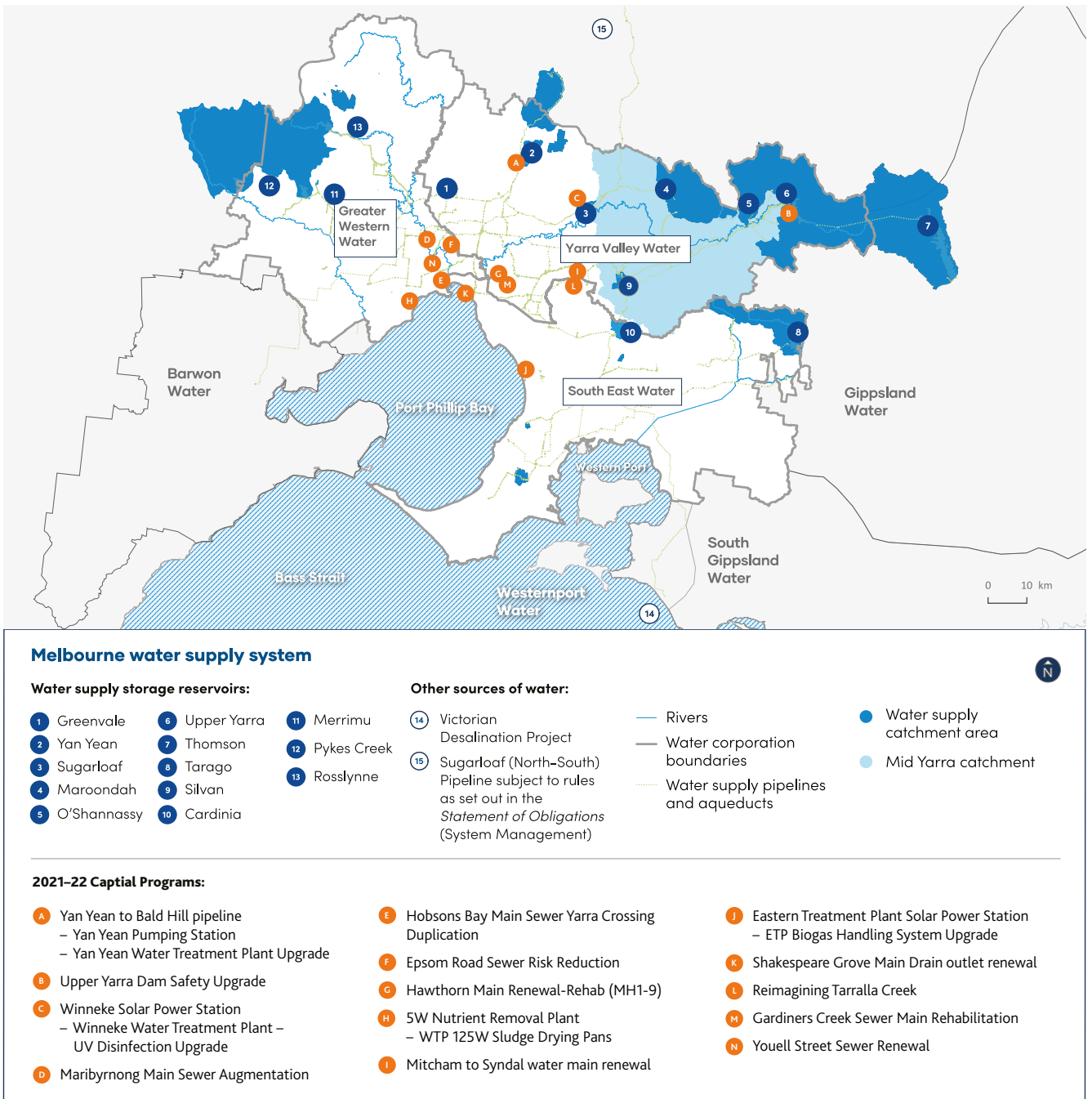
Always improving

We know transparency and accountability are critical to delivering against the commitments in our Price Submission. This is the first year we have undertaken customer satisfaction reporting to measure our performance and we know we can do better.

We are stepping up collaboration with our Customer Delivery Partners in recognition that the shared challenges the sector is facing can only be tackled as an industry. These challenges include protecting Melbourne’s long-term water security, reducing our carbon emissions and playing a greater role in



2021–22 Major Capital Programs



Map of greater urban Melbourne's water supply system with additional storage reservoirs not managed by Melbourne Water.








the circular economy. Our work together to develop the Greater Melbourne Urban Water System Strategy – Water for Life exemplifies this approach. Where there had previously been separate strategies to plan, develop and manage our water network, there will now be one region-wide approach founded on what is good for the whole system.

We are also taking immediate action to address our performance through an enterprise-wide customer reset that aims to embed better service whenever we interact with our customers.

But we know we still have some work to do in our evolution towards becoming a truly customer-centric organisation.

In 2022–23, we will act on our commitment to engage more deeply with representatives from our diverse customer groups to maintain an ongoing conversation about our performance, priorities, and key considerations for our next price submission.

Our performance

Outcome	Self Assessment	Summary
Access to safe and reliable water and sewerage services		3/3 target measures met
Melbourne's environment, rivers, creeks and bays are protected and Melbourne Water's greenhouse gas emissions are minimised		4/4 target measures met Targeted reuse of biosolids from the Western Treatment Plant far exceeded
Melbourne remains liveable as it deals with the impacts of climate change and population growth		2/2 target measures met
Melburnians are empowered to support the design and delivery of service outcomes		1/3 target measures met 2/3 target measures within tolerance
Easy, respectful, responsive and transparent customer service		3/4 target measures not met One target measure within tolerance
Bills kept as low as possible		2/3 target measures met One target measure within tolerance
OVERALL		14/17 target measures met or within tolerance We have assessed our overall performance in 2021–22 as close to or largely met





Customer Outcome 1

Access to safe and reliable water and sewerage services

Our customers told us they prioritise ongoing access to safe and reliable water and sewerage services above all else.

In 2021–22, we continued to deliver high-quality services while making significant investments to maintain those standards.

Over the past year, we've invested more than \$127 million in critical water infrastructure upgrades. This includes more than \$38 million to build the new Yan Yean to Bald Hills pipeline to meet growing demand in Melbourne's northern and western suburbs, and \$28 million to replace three ageing sections of the M22 and M46 water mains between Mitcham and Syndal.

We also invested \$251 million to safely manage the sewage generated by our growing city. This included starting construction of the \$200 million duplication of the Hobsons Bay Main Sewer Yarra River Crossing. This project is due for completion in 2029.

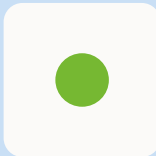
We contributed to the State Government's Central and Gippsland Regional Sustainable Water Strategy (Sustainable Water Strategy) and the Greater Melbourne Urban Water and System Strategy – Water for Life, which is a collaboration between Melbourne Water and its Customer Delivery Partners. These strategies consider water efficiency, integrated water management and manufactured water (including recycled water) to shore up our long-term water needs.

Our performance against our agreed target



We also invested \$251 million to safely manage the sewage generated by our growing city.

Self assessment



We met or exceeded performance targets for all indicators set for this outcome.

	Output	2021–22 Target	2021–22 Result	Commentary
A	Number of <i>Safe Drinking Water Act</i> non-compliances (water sampling and audit)	0	0	We complied with our obligations under the <i>Safe Drinking Water Act 2003</i> (Vic) and the <i>Safe Drinking Water Regulations 2015</i> .
B	Percentage of time compliant with retail water company pressure requirements (cumulative across the year)	99.9%	99.9%	There were minor low pressures reported during peak periods at Somerville Road pump station, however, these did not impact South East Water's overall 2021–22 pressure requirement target. Melbourne Water is actively working with South East Water to manage this recurring issue.
C	Number of sewerage transfer system spills due to system failure	0	0	Performance measurement excludes the Ringwood Sewer, where the Enhancing Our Dandenong Creek program is delivering a risk-based approach to planned wet weather sewer spill management.

Figures reflect spending in 2021–22



HOBSONS BAY MAIN SEWER

The Hobsons Bay Main Sewer is a critical part of Melbourne's sewer network, transferring around 30 per cent of Melbourne's wastewater to the Western Treatment Plant. The existing sewer was first constructed in the 1960s and needs rehabilitation to extend its service life.

Due to the volume of sewage carried by the Hobsons Bay Main Sewer, a second sewer will be built under the Yarra River and connected to the existing sewer at Scienceworks in Newport. This will enable sewage flows to be diverted so rehabilitation works can be undertaken on the existing sewer. Once completed, both sewers will operate together, building resilience in this critical part of our sewage transfer network.

Melbourne Water has collaborated with Scienceworks to install more than 200 metres of vinyl banners on the project hoardings to educate Scienceworks visitors on water literacy. Nine windows also allow visitors to view the construction site. These critical works form part of a broader Melbourne Water renewal program on several ageing sewers around the city, including Stage Two works to upgrade the Hawthorn Main Sewer.

30%

... transferring around 30 per cent of Melbourne's wastewater to the Western Treatment Plant.



... part of a broader Melbourne Water renewal program on several ageing sewers around the city ...

Customer Outcome 2

Melbourne's environment, rivers, creeks and bays are protected and Melbourne Water's greenhouse gas emissions are minimised

Melburnians value our work to protect the environment and want us to be proactive in managing the impacts of climate change on Melbourne's environmental assets.

Melbourne Water monitors and provides targeted maintenance and improvement works for 25,000 kilometres of rivers and creeks, 33 estuaries and wetlands, and more than 1000 stormwater treatment systems, including constructed wetlands.

We are committed to capturing and reusing 80 GL of stormwater from entering waterways through the Healthy Waterways Strategy. In 2020–21, the flagship regional-scale Sunbury Stormwater

Harvesting (SWH) Scheme was underway, with scope to prevent 3.8 billion litres of excess stormwater from entering the local waterways of Emu and Jacksons Creek every year. The Sunbury community has been engaged in ways to maximise the reuse of this water.


In 2021–22, we continued to protect our bays by developing a 3D model to understand the impact of nitrogen inputs on marine ecosystems in Port Phillip Bay and launched a new buoy to capture live water quality data off Gunnamatta Beach.





We have begun the process of creating pilot-scale biodiverse carbon forests on Melbourne Water land, and we're continuing our program to build new solar farms and mini hydropower stations.



We have begun the process of creating pilot-scale biodiverse carbon forests on Melbourne Water land ...

Our performance against our agreed target

Self assessment  **We met or exceeded performance targets for all indicators set for this outcome.**

	Output	2021–22 Target	2021–22 Result	Commentary
A	Maintain river health (% of 10 target sites at high-value rating)	100%	100% 	We measure the health of ten targeted river sites through the abundance of diversity of macro-invertebrates (waterbugs). In 2021–22 these sites were rated on average as very high river health condition.
B	Maintain ETP and WTP discharge compliance	0	0 	The Eastern Treatment Plant (ETP) and Western Treatment Plant (WTP) have met the Environment Protection Authority Victoria discharge requirements. ¹
C	Reuse (annual) biosolids produced at WTP	≥40%	350.7% 	We significantly outperformed this target, with 350.7%, or 45,751 dry tonnes of biosolids, reused on farms as soil improvers for broad-acre cropping and pasture operations. This included biosolids stockpiled from previous years.
D	Keep emissions below our target of 204.38 kt CO ₂ -e in 2024–25	On track	On track 	Our current target is 204,380 tonnes CO ₂ -e by 1 July 2025.

Figures reflect spending in 2021–22

¹ While not part of the EPA discharge licence, WTP exceeded the maximum total nitrogen discharge limit in the Environment Reference Standard and Port Phillip Bay Environmental Management Plan (3,100 tonnes as a three-year moving average). In 2021–22, approximately 3,439 tonnes of nitrogen (three-year rolling average) was discharged from WTP as a result of higher than forecast nitrogen loads entering WTP, insufficient treatment capacity and above average rainfall, which impacts nitrogen removal performance. Works are underway to support reducing nitrogen loads discharged from WTP.

 ● NOT MET ● CLOSE TO/LARGELY MET ● MET

NEW SOLAR FARMS

Solar is an exciting opportunity to expand Melbourne Water's portfolio of renewable energy generation.

In 2021–22 we started construction of a new solar farm at the Eastern Treatment Plant. Partial activation of the solar farm will take place in late 2022, with full activation expected by 2023. The plant already includes a biogas facility that generates approximately 30 per cent of the electricity required each year to run the plant. The proposed solar farm will produce another 22 per cent, increasing onsite generation to 52 per cent.

Solar projects like this will increase our portfolio of renewable energy generation by an expected 30,000 megawatt hours of power per year, lowering our carbon emissions while enhancing affordability for our customers and the community.



52%

The proposed solar farm will produce another 22 per cent, increasing onsite generation to 52 per cent.



... enhancing affordability for our customers and the community.

Customer Outcome 3

Melbourne remains liveable as it deals with the impacts of climate change and population growth

Melbourne Water plays a unique role in making Melbourne one of the world’s most liveable cities. The community sees us as a steward of the liveability of our region, and expects us to proactively manage the risk of flooding on people and the environment and help to create outstanding community spaces.

In 2021–22, we allocated \$231 million to renew and enhance our drainage and flood protection assets. This included \$8.5 million (of \$18 million) to renew the Shakespeare Grove main drain beach outlet in St Kilda and \$150 million to create new drainage and stormwater quality assets, like wetlands, to support the development of new land. We also transformed our services to better support developers to proactively manage future flood risks and partnered with the University of Melbourne to equip landowners with information to prepare for flood events.

We are supporting access to open spaces and recreation on our waterways and land by progressing projects, including recreational paddling access, opening up Yan Yean reservoir and water pipe tracks for recreation and greening sewer reserves for public use.

Our performance against our agreed target



We are supporting access to open spaces and recreation on our waterways and land ...

Self assessment



We met or exceeded performance targets for all indicators set for this outcome.

	Output	2021–22 Target	2021–22 Result	Commentary
A	Flood risks reduced for customers most at risk (risk is quantified as a modelled value of average annual damage in dollars)	\$21m	\$23m	In 2021–22 we met our target to reduce risk through land use planning programs such as planning scheme amendments, planning referral advice and permit conditions.
B	Demonstrate community benefit for projects where land or assets are activated	100% of projects	100%	We progressed our program to increase public use of our land as open green space however community benefit was not able to be measured as no projects were completed in 2021–22.

Figures reflect spending in 2021–22



REIMAGINING YOUR CREEK

Reimagining Your Creek is a multi-partner, multi-site program that transforms heavily engineered concrete channels and pipes into natural places the community can enjoy.

This is especially important in suburbs with limited natural or open space for exercise, recreation and relaxation. Reimagining Your Creek uses a co-design approach with local communities to ensure we achieve the best liveability outcomes based on local knowledge, suggestions and values.

In 2021–22 we completed significant works to a 550-metre stretch of the Tarralla creek. The \$9 million project includes a new waterway channel, more than 80,000 new plants, a revitalised wetland, a bird hide, informal creek crossings, gathering spaces, a new bridge and paths and the Wurundjeri Sensory Garden. This work also delivers improved flood mitigation and improved quality of water flowing from our urban areas into Tarralla Creek and Port Phillip Bay. The project was co-funded by Maroondah City Council and Melbourne Water.

80,000

... more than 80,000
new plants ...



This work also delivers improved flood mitigation and improved quality of water flowing from our urban areas into Tarralla Creek and Port Phillip Bay.

Customer Outcome 4

Melburnians are empowered to support the design and delivery of service outcomes

For more than 20 years, Melbourne Water has worked in partnership with its customers and the community to improve the health of our waterways and deliver our vision to enhance life and liveability.

Informed customers are empowered to participate in shaping Melbourne’s water future. In 2021–22 we placed a strong focus on engaging with Culturally and Linguistically Diverse (CALD) communities by creating relatable content using people from diverse backgrounds in multiple languages. We also worked closely with our Customer Delivery Partners to promote efficient water use through public education campaigns, including the Target 155 program that encourages household programs to limit water consumption to 155 litres per person, per day.

In October 2021, we introduced a new, integrated system to support our incentives program, Liveable Communities, Liveable Waterways. The system was developed based on feedback from our stakeholders. The new system brings several successful Melbourne Water grant programs under a single, streamlined application process. It allows customer to apply for funding online at any time and track the progress of their applications. The new program combines several successful Melbourne Water grant programs under a single, streamlined application process. It allows customers to apply for funding online at any time and track the progress of their applications.

Unfortunately, the transition saw a temporary slowing of the assessment process, and we know that users have taken some time to familiarise themselves with the new system, which impacted the number of projects reaching the approval stage. We’ve rolled out significant communications to stakeholders across various platforms promoting the new incentives program. Therefore we are confident that our future targets remain achievable.




Despite this, we awarded \$9.9 million across 838 projects in 2021–22. While we did not meet our targets for the number of grants awarded, we did distribute 99% of the funding available for the year.

Our performance against our agreed target

Self assessment  **This outcome has been close to or largely met and we have confidence that the program can catch up to meet the target over the remainder of the regulatory period.**



In October 2021, we introduced a new incentives program, Liveable Communities, Liveable Waterways ...

	Output	2021–22 Target	2021–22 Result	Commentary
A	Increase the proportion of the community with a moderate (or better) level of water literacy	≥75%	82% 	In 2021–22 we exceeded our target of improving those with a moderate or better level of water literacy.
B	Number of successful grant applications within the waterways and drainage incentive programs	830	768 	The extended COVID lockdown and the introduction of our new incentives system had an impact on grant applications and funding distributed.
C	Number of projects funded within the waterways and drainage incentives program	1000	838 	

Figures reflect spending in 2021–22

  NOT MET  CLOSE TO/LARGELY MET  MET

FORMING TRUSTED PARTNERSHIPS WITH TRADITIONAL OWNERS

This year, we continued our journey with Traditional Owners towards formal partnership agreements, which are designed to clearly articulate our roles and agreed priority outcomes and activities to enable Traditional Owners to achieve self-determined outcomes.

We have developed strong partnerships with Traditional Owners – Wadawurrung, Wurundjeri Woi wurrung and Bunurong - who represent most of the land within our operating area. We also work with Taungurung and Gunaikurnai as significant partners, although they have much smaller area of land within our operating area.

We facilitated Traditional Owner involvement and contribution to key strategies during the year, including the Yarra Strategic Plan (Burndap Birrarung burndap unmarkoo), Healthy Waterways Strategy and Waterways of the West.

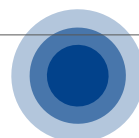
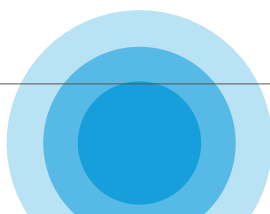
In a significant step forward, Executive staff from Melbourne Water completed a walk on Country with leaders from the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). This important event underpinned our shared commitment to our partnership, and supported final approval of Melbourne Water's first formal Partnership Agreement with a Traditional Owner in July 2022. This Agreement was co-designed between Melbourne Water and GLaWAC Elders, leaders and community over 2021–22 and forms a commitment to GLaWAC to work together and support their rights to water.



... supported final approval of Melbourne Water's first formal Partnership Agreement with a Traditional Owner in July 2022.



We have developed strong partnerships with Traditional Owners – Wadawurrung, Wurundjeri Woi wurrung and Bunurong



Customer Outcome 5

Easy, respectful, responsive and transparent customer service

Our Customer Delivery Partners, households and businesses want us to be transparent and easy to deal with, and they want a positive experience regardless of the channel they use to communicate with us.

This is the first year we have undertaken customer satisfaction reporting to measure our performance. While the results are disappointing, we have heard you and value your honest feedback to help us improve.

We are taking immediate action to address our performance through an enterprise-wide customer reset that aims to embed better service whenever we interact with our customers. The first step will be to develop a more mature understanding of our customers so that we can better anticipate their problems and be proactive about solving them. We'll then move to capability and culture to ensure our people consistently demonstrate customer-focused behaviours in their decision-making and planning.

The retail water companies – our Customer Delivery Partners – are the primary customers for bulk water and sewerage services. We recognise that collaboration with our Customer Delivery Partners is critical. The shared challenges the sector is facing can't be tackled alone, and we have to work with a shared purpose to continue delivering for the community. Over the past year, increasing collaboration between our leaders has seen the development of regular strategic forums. To date, three forums have been held, with another planned before the end of 2022. The forums are an opportunity to bring shared issues to the table and work towards solutions together.

In the last quarter of the year, Managing Directors from across the metropolitan water corporations and Barwon Water have been working to build a shared vision for the sector and principles to govern how we work together on difficult issues. This will form the basis of a reset of some key instruments that define how our sector collaborates, including Bulk Supply Agreements.

The development of Water For Life is also a significant step forward in collaboration for the water sector. Whereas there had previously been separate strategies to plan, develop and manage our water network, the region now has a shared approach based on what is good for the whole system.

We deliver waterways services to local government, engaged community groups and members of our community. To improve communication, we are expanding our digital products and services. Our customers have told us they want to share information, access tools, communicate and self-serve their basic needs through a secure digital platform. These elements have shaped the design for the next phase of our enhanced customer portal.

Drainage services are provided to local government, developers and members of our community. To improve satisfaction in this area, we have increased resourcing in Development Services and realigned service offerings to manage demand driven by unprecedented development. We have also implemented dedicated performance indicators in this area to measure our impact more regularly.

We believe the ongoing Melbourne Urban Stormwater Institutional Arrangements (MUSIA) project and implementation of the new Flood Strategy will resolve long-standing issues that are important to our customers around roles and responsibilities and provide greater transparency in the services we deliver.

Our performance against our agreed target

Self assessment



This outcome was not met in 2021–22, with customer satisfaction below target.



We are taking immediate action to address our performance through an enterprise-wide customer reset ...

	Output	2021–22 Target	2021–22 Result		Commentary
A	Customer satisfaction (CSAT)- bulk water services	7.9	7.1		The retail water companies – our Customer Delivery Partners – are the primary customers accessing our water and sewerage services. Key areas for improvement include working in true partnership, addressing challenges as a sector and understanding impacts on end-use customers.
B	CSAT- bulk sewerage services	7.9	7.1		
C	CSAT- waterways services	6.8	6.6		We deliver waterways services to local government, engaged community groups and members of our community. Key areas for improvement include improved communication, transparency and accountability, in particular taking ownership of issues.
D	CSAT- drainage	6.4	5.5		We deliver drainage services to local government, developers and members of our community. Pain points relate to responsiveness, open communication and willingness to collaborate to deliver outcomes.

Figures reflect spending in 2021-22

Customer Outcome 6

Bills are kept as low and possible

Melbourne Water stands by its commitment to keep bills as low as possible, and recognises customer affordability challenges are very real. Upward pressure on household budgets driven by increasing inflation and interest rates are intensifying the challenge, and we understand our critical role in supporting customer affordability.

We are committed to managing our expenditure carefully. In 2021–22, we delivered an \$700,000 in savings in our operating costs through contract negotiations, process efficiencies and better resourcing decisions. Operating expenditures were within target. However, there were increases in some operating costs related to land taxes and legal costs, and we expect this cost pressure to continue over the remainder of the regulatory period.

Our capital expenditure had a slow start to the regulatory period due to the complexity and size of the projects we have committed to. Nonetheless, these projects remain on schedule for completion this regulatory period, and we have confidence that the overall capital investment program can catch up over the remainder of the period.

We acknowledge that the time required for tender evaluations and permit approvals has been underestimated on a number of our biggest projects. We will apply these learnings to future planning for large and complex projects.



Operating expenditures were within target.

Our performance against our agreed target

Self assessment



This outcome has been close to or largely met and we have confidence that the program can catch up to meet the target over the remainder of the regulatory period.

	Output	2021–22 Target	2021–22 Result	Commentary
A	New net OPEX benefits of identified and committed each year	>\$500k	\$700k	We exceeded our target by delivering an \$700,000 in savings in 2021–22.
B	OPEX aligned to determination (%)	<±5%	+1.2%	Operating expenditures were within target.
C	CAPEX aligned to determination (%)	<±2%	-25.5%	This target was not met in 2021-22. While our performance in relation to capital expenditure is well below target this year, the overarching target is cumulative over the five year period, and we have confidence that the program can catch up by the end of 2025-26. We are still expected to meet our capital investment program within the current regulatory period as outlined in the Price Determination

Figures reflect spending in 2021-22

● NOT MET
 ● CLOSE TO/LARGELY MET
 ● MET

