

Customer Outcomes Performance Report

2023–24



'We Will Walk Country Together' Artist: Gerard Black ©2023

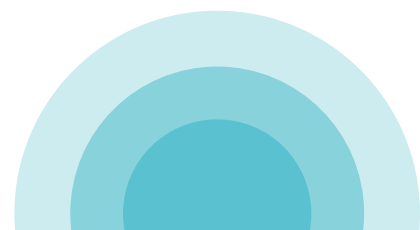
Aboriginal Acknowledgement

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 peoples as the Traditional Owners and custodians of the land and water on which we rely and operate. We pay our deepest respects to their Elders past, present and emerging.

We recognise and respect the continued cultural and spiritual connections that Aboriginal and Torres Strait Islander peoples have with the land and water they have cared for and protected for thousands of generations.

We demonstrate our ongoing commitment to reconciliation through our partnerships with Traditional Owners and the broader Aboriginal and Torres Strait Islander communities, as we work together to manage land and water now and into the future, while maintaining and respecting cultural and spiritual connections.



Contents

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Summary

Melbourne Water plays key roles in planning for and managing water services across the region it operates. Including:

- providing bulk drinking water to retail and urban water corporations
- receiving bulk sewage from retail water corporations and treating it so we can recover and re-use our valued resources
- planning to prevent flooding across metropolitan Melbourne
- keeping all 25,000 km of Melbourne's rivers, creeks and catchments healthy.

Every five years, Melbourne Water develops a Price Submission that sets out our customer commitments across four services: bulk water, bulk sewerage, waterways and drainage. Our 2021 Price Submission outlines the cost of delivering our services, the investments we plan to make, and the prices we intend to charge customers over the five-year price determination period 2021-2026.

In 2023-24, the third year of delivering our price determination period, we continued to deliver on our commitments to our customers.

In 2023-24, we have assessed our overall performance against our customer outcomes as substantially met.

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



Access to safe and reliable water and sewerage services



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



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



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



Easy, respectful, responsive and transparent customer service



Bills kept as low as possible

These commitments, and the associated targets were approved by the Essential Services Commission (ESC) in its 2021 Melbourne Water Price Determination as part of its review process.

In 2023-24, the performance and progress made towards achieving our customer outcome commitments was consistent with what we achieved in 2022-23. We recognise there are still some areas where improvements need to be made. As a business, we are working to address these areas of underperformance and will consult with customers to ensure we are addressing them in ways they expect.




Our commitments at a glance

2021 – 2026 Price determination period

OUTCOME



Access to safe and reliable water and sewerage services



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



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

2023-24 TARGET

Number of Safe Drinking Water Act non-compliances (water sampling and audit)

⊕ Nil

Percentage of time compliant with retail water company pressure requirements (cumulative across the year)

⊕ 99.9%

Number of sewerage transfer system spills due to system failure

⊕ Nil

Maintain river health (% of 10 target sites at high-value rating)

⊕ 100%

Non-compliance with ETP and WTP license conditions

⊕ Nil

Reuse (annual) biosolids produced at WTP

⊕ At least 40%

Keep emissions below our target of 204,380 tonnes CO₂-e in 2024–25

⊕ On track

Flood risks reduced for customers most at risk (risk is quantified as a modelled value of average annual damage in dollars)

⊕ \$63m (cumulative to 2023-24)

Demonstrate community benefit for projects where land or assets are activated

⊕ 100% of projects

Other targets and performance reporting

- Waterways and Drainage Operational Expenditure Uplift (this report)
- Waterways and Drainage Investment Plan (see WDIP Report)
- Guaranteed Service Levels (this report)

OUTCOME



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



Easy, respectful, responsive and transparent customer service



Bills kept as low as possible

2023-24 TARGET

Increase the proportion of the community with a moderate (or better) level of water literacy

🎯 **≥75%**

Number of successful grant applications within the waterways and drainage incentive programs

🎯 **830**

Number of projects funded within the waterways and drainage incentives program

🎯 **1000**

Customers surveyed are satisfied with Melbourne Water's water service

🎯 **Score of 8.1**

Customers surveyed are satisfied with Melbourne Water's sewerage service

🎯 **Score of 8.1**

Customers surveyed are satisfied with Melbourne Water's waterways service

🎯 **Score of 7.2**

Customers surveyed are satisfied with Melbourne Water's drainage service

🎯 **Score of 6.6**

New net OPEX benefits of identified and committed each year

🎯 **At least \$500,000**

OPEX aligned to determination (%)

🎯 **<±5%**

CAPEX aligned to determination (%)

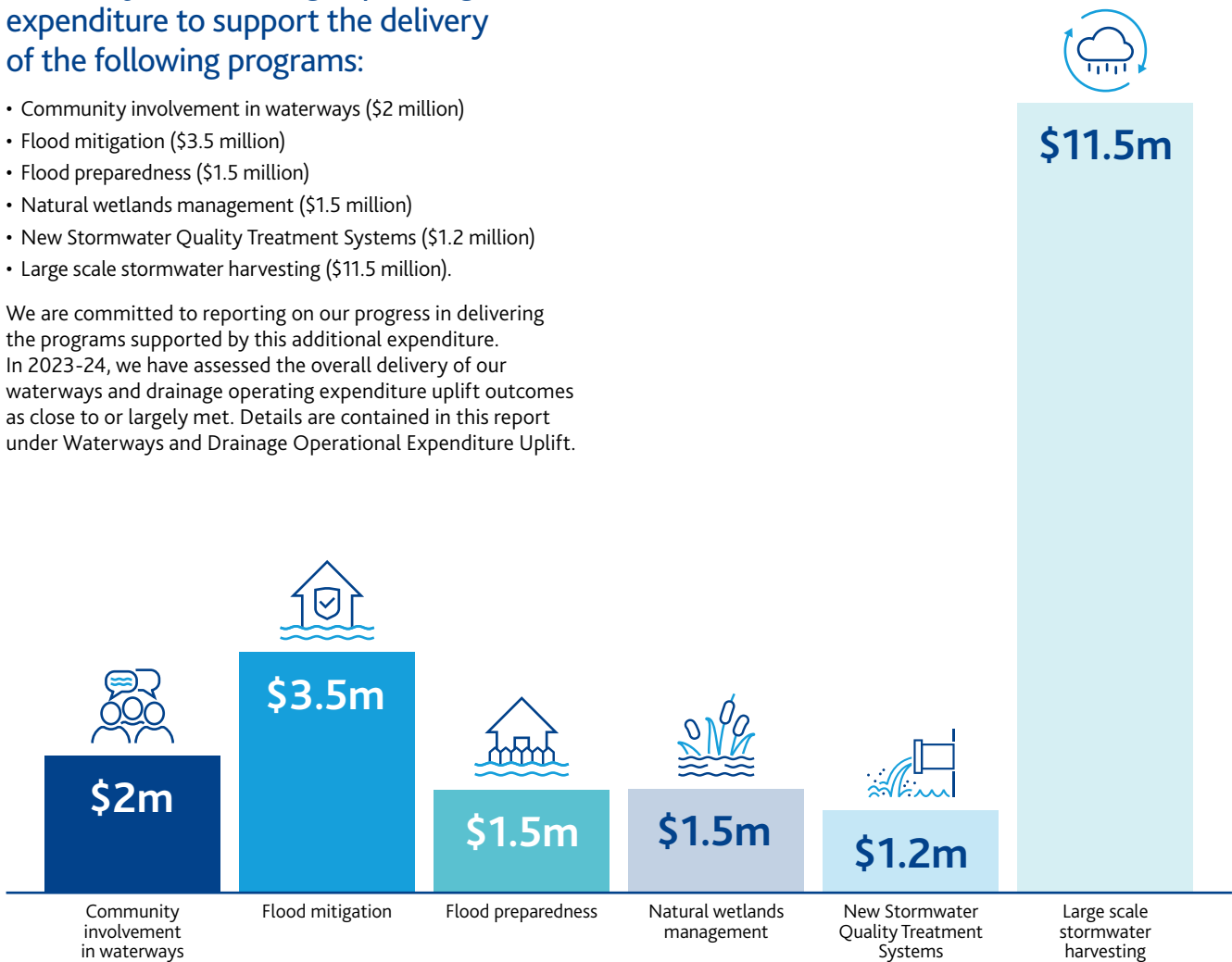
🎯 **<±2%**

Waterways and Drainage Operational Expenditure Uplift

As part of the 2021-2026 Price Submission, we proposed \$21.2 million in additional waterways and drainage operating expenditure to support the delivery of the following programs:

- Community involvement in waterways (\$2 million)
- Flood mitigation (\$3.5 million)
- Flood preparedness (\$1.5 million)
- Natural wetlands management (\$1.5 million)
- New Stormwater Quality Treatment Systems (\$1.2 million)
- Large scale stormwater harvesting (\$11.5 million).

We are committed to reporting on our progress in delivering the programs supported by this additional expenditure. In 2023-24, we have assessed the overall delivery of our waterways and drainage operating expenditure uplift outcomes as close to or largely met. Details are contained in this report under Waterways and Drainage Operational Expenditure Uplift.



Delivering our services

Guaranteed Service Levels

Our Guaranteed Service Levels (GSLs) for bulk water and sewerage services ensure we minimise impacts on customers and return money to households, businesses and water companies if we fail to live up to the service standards we've set.

In 2023-24, we reported five GSL events, two of which met the threshold for compensation. Several water main bursts occurred in late September and early October 2023 when the network was being changed for the Olinda Mitcham renewal project. Melbourne Water paid Yarra Valley Water \$10,000 in compensation for two separate instances of increased call centre costs and \$280,000 for costs associated with burst main

Developing our 2026-2031 Price Submission

This report relates to customer commitments developed for our 2021-2026 Price Submission period. Commitments for the 2026-2031 period are under development as part of our 2026 Price Submission. More information about our current and upcoming commitments can be found on our website: melbournewater.com.au/services/prices-and-charges/price-submission.

Relationship to the Waterways and Drainage Investment Plan and performance reporting

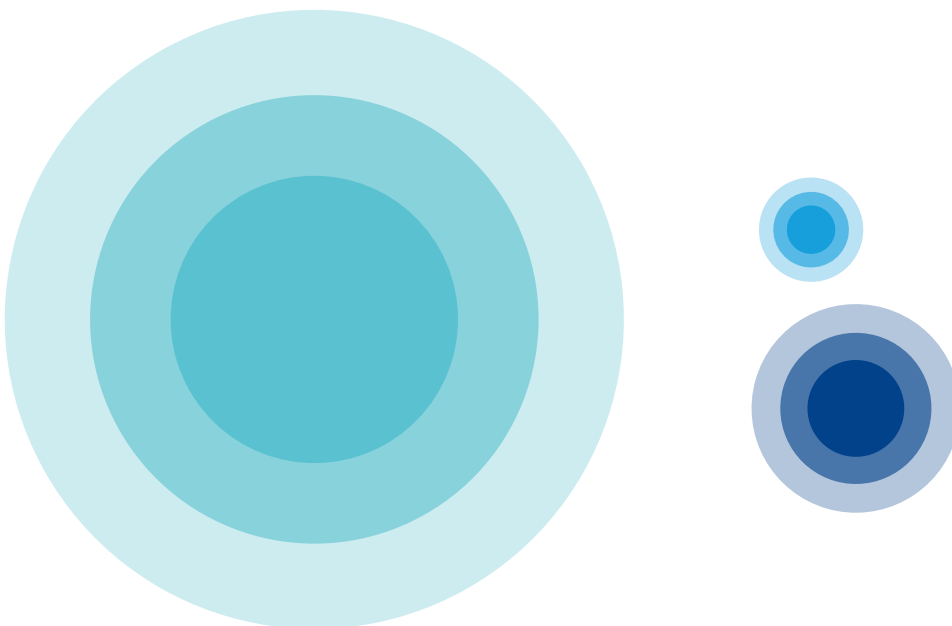
The 2021 Waterways and Drainage Investment Plan (WDIP) was developed to meet a key requirement of Melbourne Water's Statement of Obligations, which are issued in accordance with the Water Industry Act 1994.

It also supports our 2021 Price Submission by defining our responsibilities, goals, levels of service and programs of work for waterway management, flood management and drainage services for the period 2021-22 to 2025-26.

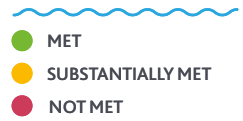
The WDIP sets out 19 Key Performance Indicators (KPIs) which are monitored, measured and reported each year in the annual Waterways and Drainage Customer Performance Report.

This report is published on our website. This report is a companion document to the Price Submission Customer Outcomes Performance Report and supports the performance of the six customer outcomes.

In 2023-24, our performance against 16 of 19 of KPIs was assessed as 'met' or 'substantially met'.



Our Outcomes performance



Five-year target	Year 1 (2021-22)	Year 2 (2022-23)	Year 3 (2023-24)	Year 4 (2024-25)	Year 5 (2025-26)		
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	
Melbourne remains liveable as it deals with the impacts of climate change and population growth						1/ 2 target measures met One target is not reportable in 2023-24.	
Melburnians are empowered to support the design and delivery of service outcomes						3/3 target measures met	
Easy, respectful, responsive and transparent customer service						3/4 target measures not met	
Bills kept as low as possible						2/3 target measures met	
Overall						14/19 9 target measures met or within tolerance We have assessed our overall performance in 2022-23 as close to or largely met.	



14/19 target measures met or within tolerance



Customer Outcome 1

Access to safe and reliable water and sewerage services

In developing the 2021-2026 Price Submission, our customers told us they prioritise ongoing access to safe and reliable water and sewerage services above all else.

Our measures for this outcome relate to the performance of:

- i) (i) our bulk water supply infrastructure in delivering water at the quality and pressure levels expected by our retail and urban water corporation customers, and
- ii) our bulk sewerage networks to contain and transfer sewage to our treatment facilities.

In 2023-24 we continued to provide reliable services and met all performance targets for all indicators set for this outcome.

To meet customer demand, Melbourne Water supplied 471 billion litres of water in 2023-24, which is four per cent more than the previous year.

471 BILLION LITRES
DELIVERED 

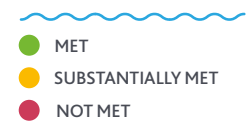
In 2023-24, we invested \$231.1 million to safely manage the water production and supply for Greater Melbourne. Significant investments included the ongoing construction of a \$140 million project to bring water to the growing north and north-west suburbs and a \$161 million renewal of ageing water mains between Mitcham and Glen Waverley.

Despite high rainfall, permanent water saving rules still apply across Victoria to ensure we use water wisely. Melbourne's residential water use in 2023-24 was 162 litres per person per day, which is 12 litres more than the Victorian Government's new target of 150 litres.

Across our sewerage network, we invested \$397.4 million to safely manage the sewage generated in Greater Melbourne. Significant investments included the ongoing duplication of the Hobsons Bay Main Sewer Yarra River crossing and upgrading treatment capacity at the Western Treatment Plant.

This year, we continued implementing our Drinking Water Quality Strategy. This strategy outlines an approach that maintains and builds on the achievements and legacy assets of the past, while planning approaches and solutions suitable for the future.

In addition, Melbourne Water continues to work in collaboration with the Department of Health, Department of Energy, Environment and Climate Action and water corporations to enable a sector-wide approach to drinking water quality and emergency management improvements to ensure public health is protected.



Our performance against our agreed targets

Self assessment

2021-22 2022-23 2023-24

We continued to meet performance targets for all indicators set for this outcome.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Number of Safe Drinking Water Act non-compliances (water sampling and audit)	Nil	Nil	Nil	Nil	We continued to comply with our obligations under the Safe Drinking Water Act 2003 (Vic) and the Safe Drinking Water Regulations 2015.
B Percentage of time compliant with retail water company pressure requirements (cumulative across the year)	99.9%	99.9%	100.0%	99.9%	Across the entire year, pressure requirements were only breached for four minutes in April 2024 and 15 minutes in June 2024.
C Number of sewerage transfer system spills due to system failure	Nil	Nil	Nil	Nil	This performance measure 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 2023-24

Customer Outcome 2

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

Melbourne Water's activities can have impacts on the region's, land, air and waterways. In developing the 2021-2026 Price Submission, our customers told us they want Melbourne Water to protect the environment and be proactive in managing the impacts of climate change on Melbourne's environmental assets.

Our measures for this outcome focus on waterways – maintaining river health and compliance with treatment plant licenses as well as reducing greenhouse gas emissions and reusing biosolids produced at our treatment plants.

We continued to meet performance targets for all indicators set for this outcome. Selected highlights for the year follow.

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.

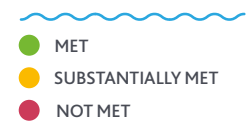
In 2023-24, we invested \$33.4 million to repair and protect our waterways from a variety of threats. Of this, \$6.4 million was spent on improving stormwater quality through renewing and revegetating wetlands (such as Lilydale Lake Wetland, Laverton Mount St Joseph Wetland and Hallam Valley Wetland) and \$26.5 million on improving waterway conditions.

\$33.4 MILLION INVESTED
TO REPAIR AND PROTECT OUR
WATERWAYS 

This year we also announced Melbourne Water's Resource Recovery and Re-use Complex (RRRC), which aims to improve the resilience of the Western Treatment Plant as Greater Melbourne's population grows. The RRRC also aims to reduce greenhouse gas emissions from our treatment processes.

The RRRC will include:

- New preliminary and primary treatment processes to divert raw sewage away from the heavily loaded anaerobic lagoons, reducing the frequency of odour intensive maintenance works.
- Improved solids handling and anaerobic digestion processes to divert sludge away from the heavily loaded aerated ponds, capturing carbon and improving safety.
- A new receiving facility to receive and treat tankered waste from customers to manage environmental risk and fulfil Melbourne Water's obligations under the Environmental Protection Act 2017 (Vic).
- A new liquid food waste facility to receive waste from industrial customers for co-digestion, which will generate renewable energy.



Our performance against our agreed targets

Self assessment

2021-22 2022-23 2023-24



We continued to meet or exceed performance targets for all indicators set for this outcome.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Maintain river health (% of 10 target sites at high-value rating)	100% 	100% 	100% 	100%	The targeted river sites were assessed and rated, on average, as very high river health condition.
B Non-compliance with Eastern Treatment Plant (ETP) and Western Treatment Plant (WTP) license conditions	Nil 	Nil 	Nil 	Nil	The ETP and WTP ¹ have met the Environment Protection Authority Victoria discharge requirements.
C Reuse (annual) biosolids produced at WTP	350.7% 	179% 	140% 	≥40%	Melbourne Water worked with LOOP Organics and its partner, Mahonys Transport, to deliver 22,935 tonnes of biosolids to eight farms from January to March 2024.
D Keep emissions below our target of 204,380 tonnes CO ₂ -e in 2024-25	On track 	On track 	On track 	On track	We are on track to keep emissions below 204,380 tonnes CO ₂ -e by 1 July 2025.

Figures reflect spending in 2023-24

¹While not part of the EPA discharge license, WTP exceeded the maximum total nitrogen (TN) discharge target in the Environment Reference Standard and Port Phillip Bay Environmental Management Plan (3,448 tonnes against a target of 3,100 tonnes as a three-year rolling average). However, in 2023-24, WTP discharged 3,065 tonnes of TN into Port Phillip Bay. This is the first individual year since 2015-16 where the TN discharge was below the 3,100 tonne limit. Nitrogen discharge levels are a known issue that will be improved with the commissioning of the Five West Nitrogen Reduction Plant at WTP, which is currently under development.

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 to people and the environment and help to create outstanding community spaces.

Our measures for this outcome reflect this, quantifying by how much we have reduced flood risk and understanding community sentiment for projects where Melbourne water has made land more accessible.

We continued to meet performance targets for indicators set for this outcome. Selected highlights for the year follow.

As part of Melbourne Water's vision to enhance life and liveability, we are exploring ways Yan Yean Reservoir can offer enhanced recreational and open space opportunities for the community.

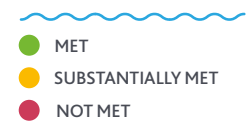
Following intensive engagement with residents and locals, and completion of a Cultural Values Assessment, we are continuing to work with project partners (Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation, Parks Victoria and City of Whittlesea) to develop a Future Directions Plan (FDP). The FDP will consolidate our collective vision for the site, identify potential issues and opportunities, and help inform future recreational opportunities in keeping with the site's important water supply function and inherent environmental and cultural values.

This year, we continued our five-year target to update flood maps and models for every catchment in Greater Melbourne. Scheduled for completion in 2026, the fast-tracked program aims to provide updated flood information to inform new housing and infrastructure to be more flood ready over the next 70 years. The program includes climate change estimates to 2100.

In April 2024, Melbourne Water released a new [Maribyrnong River Flood Model](https://letstalk.melbournewater.com.au/maribyrnong-river-flood-model)² to better understand current and future flood information in the Maribyrnong River region, including 2024 and projected 2100 flood extent scenarios.

This new model incorporates the most up-to-date data about the Maribyrnong River, including contemporary rainfall and run-off data and detailed physical features of the floodplain. The model is also calibrated to the most recent flood event of October 2022 and climate change projections through to 2100.

² <https://letstalk.melbournewater.com.au/maribyrnong-river-flood-model>



Our performance against our agreed targets

Self assessment

2021-22 2022-23 2023-24

We continued to meet performance targets for all indicators set for this outcome.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Flood risks reduced for customers most at risk (risk is quantified as a modelled value of average annual damage in dollars)	\$22.7M 	\$148.9M 	\$249.4M 	\$63M (cumulative to 2023-24)	We continued to meet our target to reduce risk through land use planning programs and educational awareness programs.
B Demonstrate community benefit for projects where land or assets are activated	N/A 	N/A 	N/A 	100% of projects	Community benefit was not able to be measured within the reporting period. This KPI relies on the results of post project surveys. While one project was completed in 2022-23 (Werribee multi-use Platform), a post project survey could not be completed due to bridge access to the platform being closed because of flood damage. Rectification works are now expected to take place in mid-2025.

Figures reflect spending in 2023-24

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.

Our measures for this outcome focus on community engagement with the water cycle, including measures of community 'water literacy' and grant applications for waterways and drainage programs. While we continued to meet performance targets for all indicators set for this outcome we recognise that more effort is required to maintain water literacy. Selected highlights for the year follow.

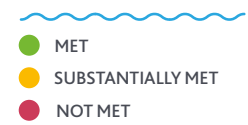
In 2023-24, we continued our journey with Traditional Owners towards formal partnership agreements, working with both Gunaikurnai Land and Waters Aboriginal Corporation and Wadawurrung Traditional Owner Aboriginal Corporation to implement our commitments. These agreements are bespoke to the relationship and designed to clearly articulate our roles, agreed priority outcomes and activities to enable Traditional Owners to achieve self-determined outcomes.

We are committed to formalising a partnership with Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation in 2024-25 and will progress discussions towards a formal agreement.

This year, our Water Literacy Program engaged with over 11,000 people through a range of in-person tours and education programs delivered to a wide range of audiences, including school groups and Culturally and Linguistically Diverse (CALD) community audiences. The recent series of wetter-than-average years has led to reduced community focus on water issues and has contributed to a small reduction in water literacy levels. This will be a continued focus for us over the remainder of the period.

11,000 PEOPLE REACHED THROUGH OUR WATER LITERACY PROGRAM

Throughout the year, WaterWatch volunteers actively participated in litter clean-ups, educational initiatives, tree planting, webinars and citizen science programs, including the Frog Census, water quality monitoring, EstuaryWatch and PlatypusSpot programs. The efforts of these dedicated volunteers have led to increased knowledge of waterway management, a greater understanding of species diversity and abundance, and on-ground action resulting in improved habitat for waterways and biodiversity.



Our performance against our agreed targets

Self assessment

2021-22

2022-23

2023-24

We continued to meet performance targets for all indicators set for this outcome.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Increase the proportion of the community with a moderate (or better) level of water literacy	82% 	80% 	75% 	≥75%	We continued to meet our target for improving those with moderate or better level of water literacy.
B Number of successful grant applications within the waterways and drainage incentive programs	768 	877 	942 	830	We improved our performance to exceed our target for the number of successful grant applications submitted within the waterways and drainage incentive programs.
C Number of projects funded within the waterways and drainage incentives program	838 	1,032 	1,057 	1,000	We continued to exceed our target for the number of projects funded within the waterways and drainage incentives program.

Figures reflect spending in 2023-24



Customer Outcome 5

Easy, respectful, responsive and transparent customer service

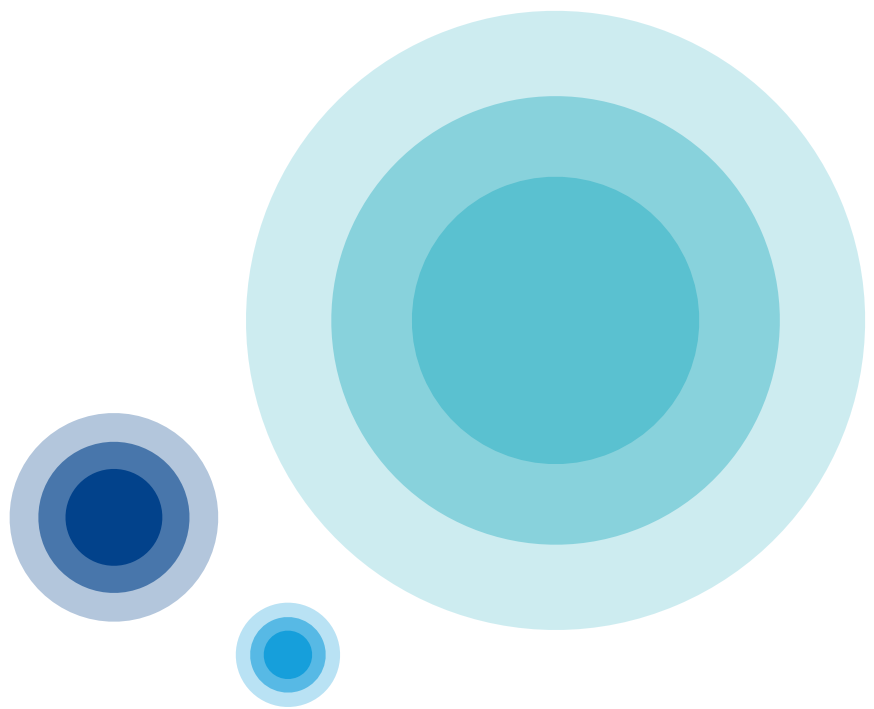
Retail water companies, households, businesses and communities told us they want Melbourne Water to be transparent and easy to deal with. Customers also want to have a positive experience when they have to communicate with Melbourne Water, regardless of the channel they use.

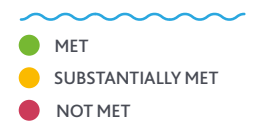
Our measures for this outcome focus on surveyed satisfaction with customers for each of our services: bulk water, bulk sewerage, waterways and drainage. We use survey data to understand how satisfied customer are and to identify opportunities to improve the way we deliver our services.

We set ourselves increasingly ambitious targets over the 2021-2026 Price Submission period. Performance targets were not met across our four services in 2023-24.

We are reviewing our performance, using insights from survey data and a range of other sector collaborations to understand and improve performance. Key feedback received includes that Melbourne Water could be more communicative, proactive, have faster turnaround times and be more collaborative in its planning and interactions. We will work with our customers and communities to ensure we deliver improvements that meet their expectations and needs.

We are committed to continuous engagement with the customers of our four services. In 2023-24 we initiated targeted engagement as part of our preparation for the 2026-2031 Price Submission. This program will ensure we reflect with our customers on current performance and build their diverse voices into our next submission.





Our performance against our agreed targets

Self assessment



This outcome was not met in for the period, with customer satisfaction below target.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Customers surveyed are satisfied with Melbourne Water's water service	7.1 	7.2 	6.9 	8.1	<p>We did not meet our performance target for customer satisfaction for bulk water and sewerage services.</p> <p>The retail water companies are the primary customers accessing our water and sewerage services.</p> <p>We recognise that the priorities for us to address this are collaboration on long-term planning, a focus on end-use customers in Melbourne Water's decision making and being open to and flexible to suggestions.</p>
B Customers surveyed are satisfied with Melbourne Water's sewerage service	7.1 	7.3 	6.8 	8.1	<p>We are actively addressing these through focusing on partnerships, including establishing a Water Corporation Forum to engage on our performance, plans and prices, as well as targeted development of Customer Experience Improvement Plans.</p>
C Customers surveyed are satisfied with Melbourne Water's waterways service	6.6 	6.1 	6.1 	7.2	<p>We maintained a consistent score for customer satisfaction for our waterways services but continued to not meet our performance target.</p> <p>Our customers have identified that Melbourne Water could improve collaboration, take more ownership of issues and communicate in a more timely manner.</p> <p>We have developed a Waterways Customer Experience Improvement Plan which includes initiatives to enhance relationship management as well as streamline and centralise coordination of complex issues.</p>
D Customers surveyed are satisfied with Melbourne Water's drainage service	5.5 	6.1 	6.1 	6.6	<p>We maintained a consistent score for customer satisfaction for our waterways services but continued to not meet our performance target.</p> <p>We deliver drainage services directly to local government, developers and members of our community.</p> <p>Our customers have identified response times, ease of communication and perceived willingness to collaborate as areas for improvement.</p> <p>Our Customer Experience Improvement Programs focus on improving these outcomes through improving communication and making customer contacts more efficient.</p>

Figures reflect spending in 2023-24



Customer Outcome 6 Bills are kept as low and possible

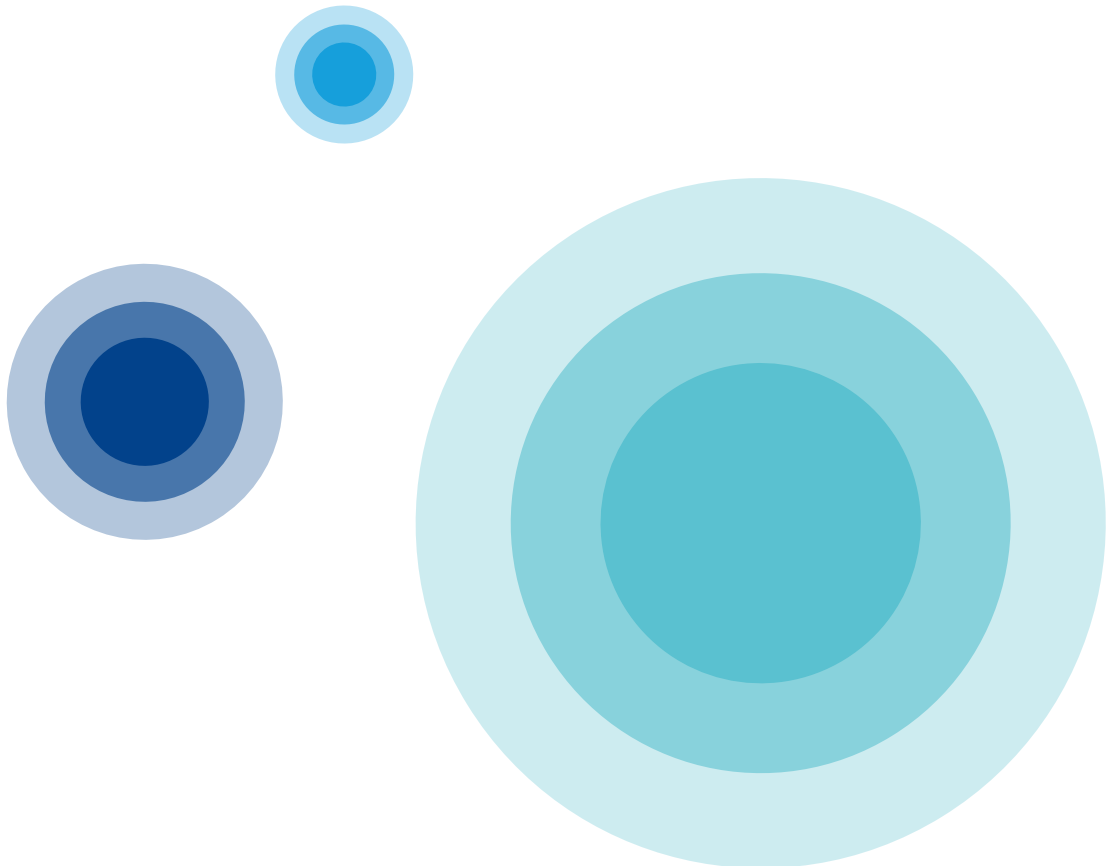
Melbourne Water aims to keep bills as low as possible. We recognise the serious affordability issues impacting communities throughout Greater Melbourne, and understand that pressure on household budgets driven by increased inflation and high interest rates is intensifying the challenge.

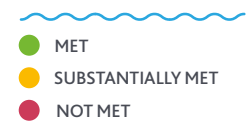
We have kept prices steady for the past seven years. As our city grows, our challenge will be to maintain the downward pressure on prices, while continuing to deliver safe, reliable and resilient services to our customers, now and for future generations.

Our measures for this outcome relate to our expenditures; making sure that we are good managers of capital and operating expenditures and that we proactively seek out cost efficiencies.

In 2023-24, our operating expenditures were within target, and we delivered a \$1.76 million saving in our operating costs through negotiated savings from the procurement of an IT Managed Services agreement and cloud-based services.

While our delivery of capital expenditure was below target this year, we have a high level of confidence that the cumulative target will be met by the end of the price determination period due to significant construction activity being planned in the coming years. We are continuing to actively manage our capital program to deliver on our commitments whilst minimising spend above the plan by the final year of our price determination period.





Our performance against our agreed targets

Self assessment

2021-22

2022-23

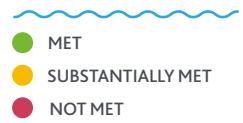
2023-24

This outcome has been close to or largely met this period.

Measure	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A New net OPEX benefits of identified and committed each year	\$0.7M 	\$1.62M 	\$1.76M 	>\$0.5M	We have continued to exceed our target by delivering a saving of \$1.76 million in 2023-24.
B OPEX aligned to determination (%)	+0.4% 	+0.8% 	+1.8% 	<±5%	Operating expenditures continue to be within target range.
C CAPEX aligned to determination (%)	-25.5% 	-27.3% 	-11.3% 	<±2%	By the end of the period, spending was 11.3% less than the cumulative planned budget. This reflects delays across a small number of large investments within our water and sewerage programs.

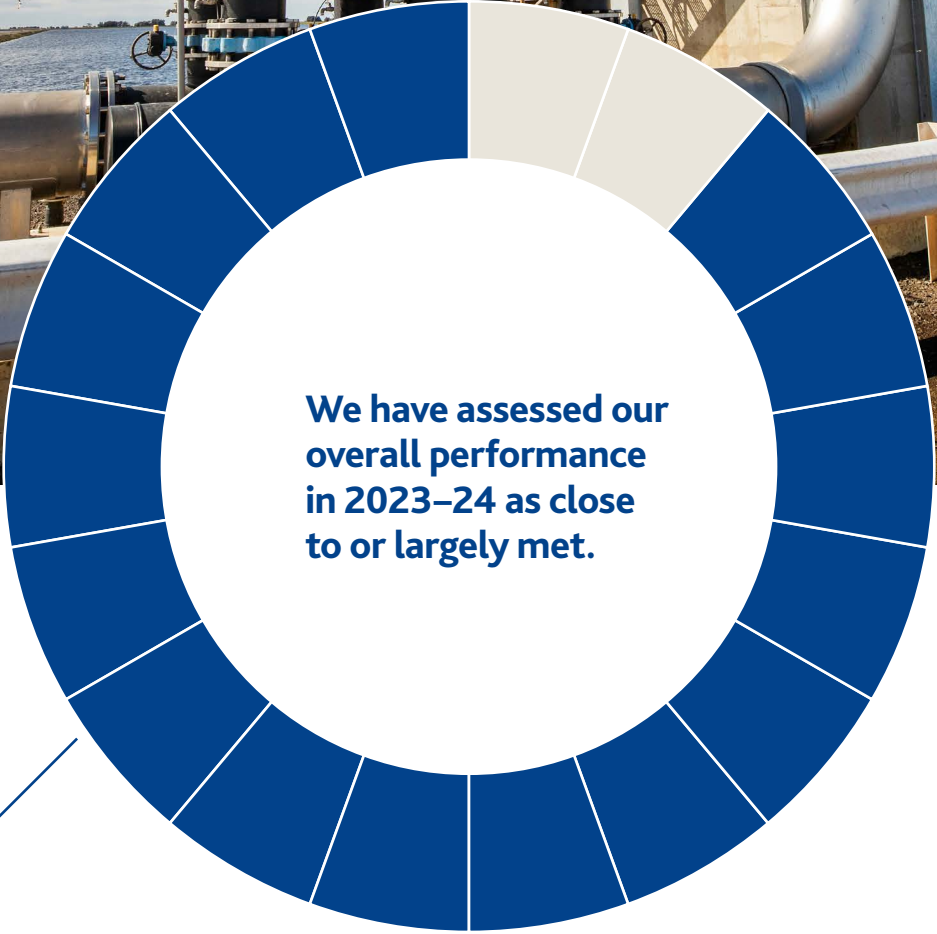
Figures reflect spending in 2023-24

Our Waterways and Drainage Operational Expenditure Uplift performance



Program	Year 1 and 2 (2021-23)	Year 3 (2023-24)	Year 4 (2024-25)	Year 5 (2025-26)	Summary	Visual Summary
Community involvement in waterways					3/5 target measures met	
Flood mitigation					3/3 target measures met	
Flood preparedness					4/4 target measures met	
Natural wetlands management					2/3 target measures substantially met	
New Stormwater Quality Treatment Systems program					1/2 target measures met	
Large scale stormwater harvesting					1 target measure substantially met	

In our 2021-2026 Price Submission we identified a number of areas where additional spending on our waterways and drainage services was warranted and supported by community. We continue to track and report both this uplift in expenditure and what it is delivering for customers and communities.



16/18 target measures met or substantially met





Community involvement in waterways program

Through education and citizen science programs, Melbourne Water provides opportunities for community members to connect with their local environment and learn about the importance of these environments and their values.

Our measures for this program relate to our level of expenditure and the number of engagements we have with community as measured by a selection of channels.

Experience has shown that as the community engages with and has opportunities to learn about waterways, appreciation and connection to nature increases making people more likely to participate in activities that achieve positive waterways outcomes such as litter clean ups, collecting citizen science data or planting trees.

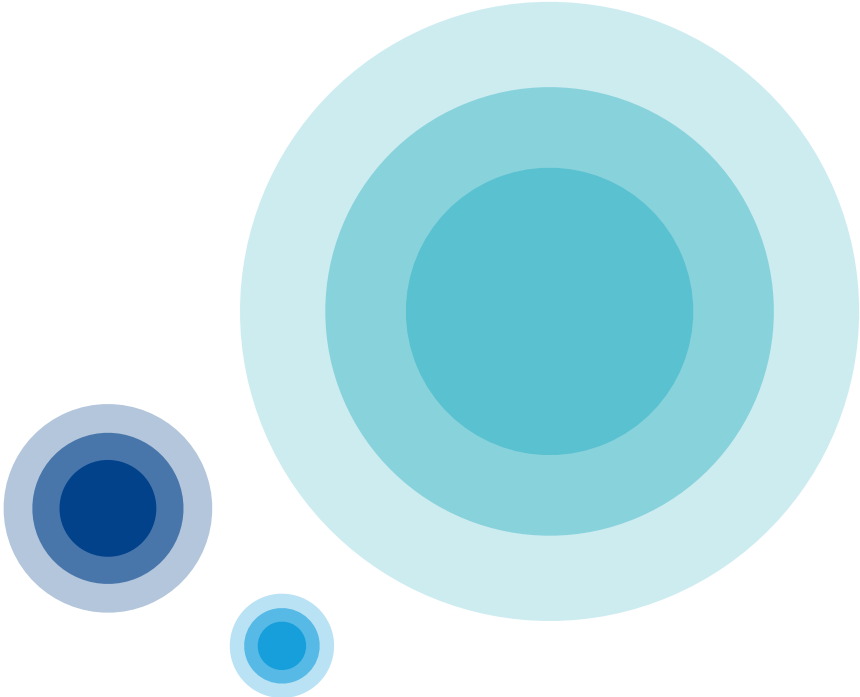
Community volunteers are central to the collection of data in citizen science projects, which assist in waterway management and the protection of species like platypus, fish and frogs.

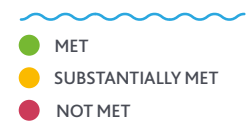
Over the first three years, the program has:

- Delivered a number of community events
- Leveraged the incentives program to provide funding to partners and community groups
- Created digital content supporting virtual tours of wetland areas at the Werribee Treatment Plant
- Co-funded the interactive Werribee River Guide
- Completed behavioural research related to waterway actions which informed a behaviour change-focused litter education project that commenced in 2023-24.

We have continued to work with community groups and partners to support local events and activities involving community. With the support of partnership grants, in 2023-24 the Yarra Riverkeeper Association and Maribyrnong River and Waterways Association delivered four targeted educational campaigns and 22 events and activities. In total, 487 people were engaged in workshops and learning events and 4,321 people were involved in initiatives to raise awareness of and connection to waterways.

We also continued partnership grants and for community events and activities led by the Werribee River Association, Merri Creek Management Committee and Port Phillip EcoCentre.





Our performance against our agreed targets

Self assessment

2021-23



2023-24



Overall, the program is slightly off-track, being below target on the projected spend and in the delivery of targeted education campaigns including social media.

Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$2M	\$0.21M 	\$0.18M 	\$0.21M 	\$0.4M	We increased our spending during this period compared to last year to better align with the allocation target. We have cumulatively spent \$0.6 million in the three-year period against a total five-year target spend of \$2 million.
B Number of community events held	25	2 	14 	27 	5	We continued to exceed our annual target for community events and have already surpassed the total five-year target.
C Development of web based interactive digital media content	10	6 	1 	1 	2	An update was made to the Frog Census app to continue providing this interactive digital tool for the community to support citizen science data collection that is used to inform management actions.
D Delivery of targeted education campaigns including social media	25	0 	0 	5 	5	We met our performance target for the period through our continued support of the Yarra Riverkeeper Association, Maribyrnong River and Waterways Association and the Chain of Ponds Collaboration to deliver education campaigns during the period.
E Waterway informational signage and infographics	5	1 	1 	6 	1	Six educational waterway decals were created by the Chain of Ponds litter project and installed in multiple locations during the year, supporting their localised litter-reduction education campaign.

Figures reflect spending in 2023-24



Flood mitigation program

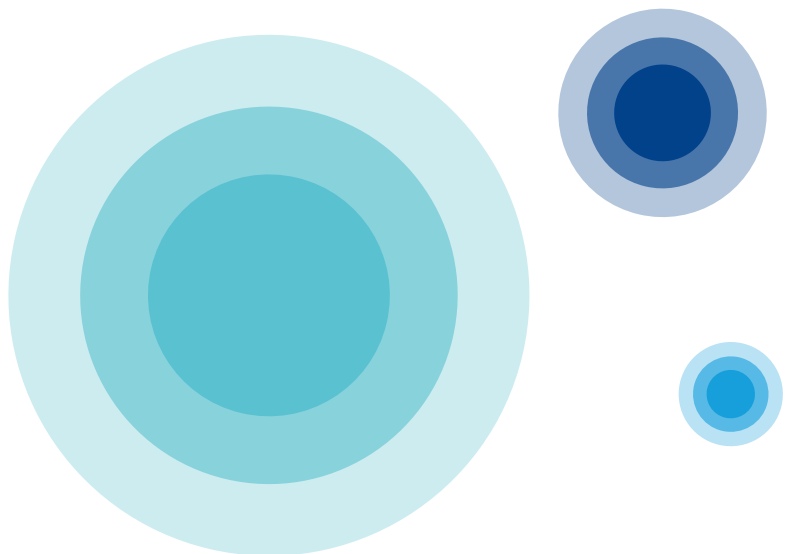
The development of policies and delivery of investigations to address the complexities of flood mitigation in a highly urbanised environment is a key priority for Melbourne Water.

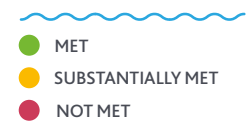
Our measures relate to our level of expenditure on the program and investigations we have undertaken into innovative solutions to address flood challenges across our region.

Melbourne Water aims to reduce flood risks by building infrastructure like pipes and retarding basins to control the flow of flood waters. Given the cost and complexity of large-scale infrastructure works, we are also pursuing a range of innovative, lower cost place-based solutions.

In 2023-24, we partnered with a number of local councils to pilot permeable paving and deliver a capacity building session. The tool for permeable paving investment consideration, which was developed as part of this pilot, will be shared with other councils across the region for their use and included in future capacity building sessions.

We also developed a screening and evaluation method which is designed to identify potential barriers to delivering innovative solutions and reduce the risk of investing in solutions that may not be feasible in practice. The development and trialling of the evaluation method over the first two years of this price period will better inform how we refine and apply it going forward.





Our performance against our agreed targets

Self assessment

2021-23

2023-24

We continued to meet performance targets for all indicators set for this program.

Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$3.5M	 \$1.14M	 \$0.69M	 \$0.68M	\$0.7M	We continued to meet our annual target spending for delivering this program and have cumulatively spent \$2.51 million in the three-year period against a total five-year target spend of \$3.5 million.
B Innovative solutions tested and adopted		 On-track	 On-track	 On-track	On-track	In 2023-24, we completed an update to the depth damage functions used for estimating flood damage cost. This represents a refinement of the flood mitigation prioritisation process and tool.
C Investigations supported by delivery innovation		 On-track	 On-track	 On-track	On-track	In 2023-24, we completed technical investigations to assess and short list the viability of flood mitigation options for prioritised flooding issue locations.

Figures reflect spending in 2023-24

Flood preparedness program

Traditional approaches to flood risk management are not always feasible or cost effective and we need to expand and diversify our flood awareness and education capabilities to ensure we have an informed and prepared community.

Our measures relate to our level of expenditure on the program, our capability to reach affected community and the reach of community education on flood preparedness.

Being aware of and prepared for flooding enables property owners to take action to reduce the impacts of flood events. This includes avoiding placing possessions in low lying areas, considering flow paths when landscaping and fencing, ensuring reliable access to flood warning systems and pre-planning responses such as sandbagging and 'stay or go' actions in the event of flood warnings.

The Community Engagement Disaster Risk Reduction (CEDRR) program, run through the University of Melbourne, achieved 1898 effective engagements against an annual target of 900. Participants reported a 63% increase in their awareness of risk and most followed through with preparedness activities around their home. That outcome is a significant increase in the level of awareness and follow through compared to past engagement approaches.

63%

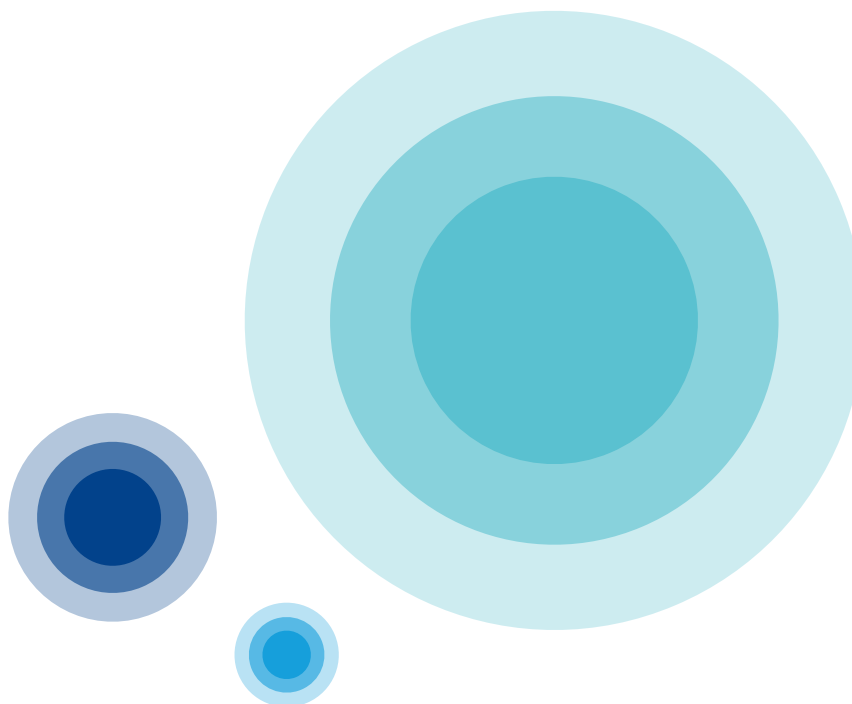
INCREASE IN AWARENESS OF FLOOD RISK FOR PARTICIPANTS IN THE CEDRR PROGRAM



Through this, we have exceeded the target for the five-year price determination period almost two-fold. Nonetheless, another phase of the program is planned in the Mornington Peninsula area in 2024-2025.

Digital flood awareness work in 2023-2024 has included a broad social media campaign across the entire Greater Melbourne region, and more targeted social media engagement in at-risk communities.

We continued to develop flash flood alert capability in locations where flash flooding is a significant risk. We will continue to work with State Emergency Service (SES) and Emergency Management Victoria (EMV) to enable alerts to be shared with the broader community (either through a dedicated app or through enhancements to the existing EMV app).



Our performance against our agreed targets

Self assessment

2021-23



2023-24



We continued to meet performance targets for majority of indicators set for this program.



Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$1.5M	\$0.38M 	\$0.18M 	\$0.29M 	\$0.3M	We improved our performance this year to meet our annual target spending target. We have cumulatively spent \$0.85 million in the three-year period against a total five-year target of \$1.5 million.
B Properties engaged through the CEDRR program	4,500	6,703 		1,898 	2,000	The CEDRR program, run through the University of Melbourne, achieved 1898 effective engagements, with participants reporting a 63% increase in their awareness of risk and most following through on preparedness activities around their home.
C Targeted social media	10	2 	2 	- 	-	Through continued review of our approaches to community education and awareness we have changed the nature of this target to better reflect our performance in this area. ³
Percentage of targeted social media campaigns delivered to flood-risk hotspots	100%	- 	- 	13% 	100%	This year we did not meet our target of reaching 100% of flood-risk hotspot suburbs through targeted social media campaigns. Our efforts were focused on the Maribyrnong community due to the most recent flood event and to support the Maribyrnong River Flood Review, including the release of updated modelling in April 2024. The focus for future years is to broaden the program to align with the Greater Melbourne modelling program which will be an important way of raising community awareness of flood risk based on new modelling.
D Improved flash flood warning capability	10	1 	2 	3 	3	Flash flood alert capability has been added to three further locations where flash flooding is a significant risk across Melbourne Water's operating area. We are continuing to work with the SES and EMV to negotiate governance to enable alerts to be shared with the broader community.

Figures reflect spending in 2023-24

³ The targets for this metric were set at the time of our 2021-2026 Price Submission and were based off a static list of high-risk flood areas that represented the best information available to us at the time. During the price period and after the 2022 flooding event in Maribyrnong, we have continued to update our flood models and knowledge of flood-prone areas. As modelling evolves, and through input from the SES, we continue to update the list of known hotspots that we target flooding education and awareness campaigns towards. This updated approach is reflected in the new target through our aim to target a percentage of areas rather than a fixed number. The original KPI also included a component that measured the re-engagement of flood-risk hotspot areas that had previously been subject to social media campaigns. However, during this price determination period, insights from research undertaken through the CEDRR program showed that re-engagement through the provision of information was not an effective method of increasing flood awareness. This research has then informed how we best engage with communities around flood risk and has changed the way we have subsequently engaged. Our targets have therefore been adjusted to reflect the way that we are now engaging with flood-risk hotspot areas and how we intend to do so for the remainder of the price determination period.



Natural wetlands management program

Wetlands are significant biodiversity assets facing region wide decline in condition and number due to pressures from urbanisation and climate change. Natural wetland management activities are key to improving wetland environmental condition and supporting the environmental values they provide.

Our measures relate to our level of expenditure on the program and the number of wetlands and associated area of vegetation we maintain.

Guided by the Healthy Waterways Strategy, Melbourne Water currently plays a role in the protection and management of a number of priority wetlands on public land.

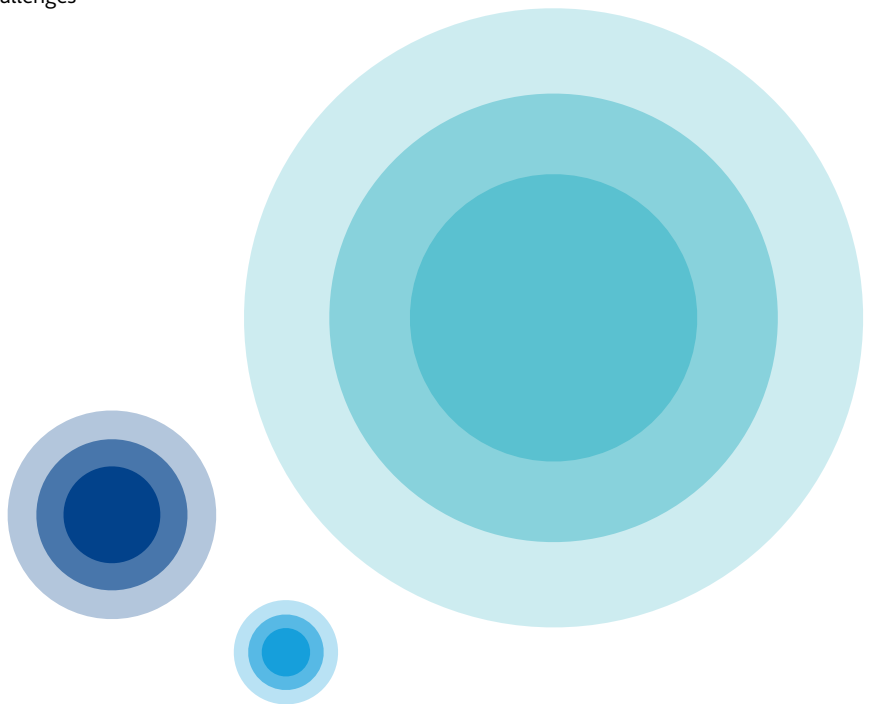
Melbourne Water is undergoing a shift from ad-hoc and reactive investment to a planned approach to protecting and managing these priority wetlands. This is beneficial as many of these natural wetlands face common challenges from climate change and urban development.

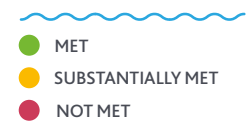
The natural wetlands management program delivers proactive and coordinated management of wetland habitat connectivity and vegetation extent and quality across priority wetlands and will help sustain key aspects of local wetland condition.

While we made significant improvements across 2023-24, this program is slightly off-track due to work required to investigate and document current wetland condition in preparation for undertaking each wetland's specific maintenance regime.

The program's planned works include maintaining native vegetation extent and quality through revegetation, fencing, and controlling pest plants and animals. Works have been steadily increasing over time as the program develops.

We strive to continue the shift to a more planned approach for the remainder of the price determination period by prioritising and re-allocating resources to document current wetland condition and developing work programs. Through these actions we expect activity to return to 'on track' within the period.





Our performance against our agreed targets

Self assessment

2021-23

2023-24

This outcome was not met in for the period, being under on spend and program delivery.

Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$1.5M	\$0.03M 	\$0.01M 	\$0.08M 	\$0.3M	We increased our program spend this year compared to prior periods, however, we did not meet our target annual expenditure of \$300,000. To date, we have cumulatively spent \$120,000 against a total five-year target spend of \$1.5 million.
B Number of priority natural wetland sites maintained by mitigating threats to wetland condition and values	20	4 	7 	13 	20	<p>Whilst we continue to annually increase the number of wetlands that we are committed to maintaining in this program, we are still falling short of our target of maintaining the full 20 throughout the entire price determination period.</p> <p>To rectify this, we are developing a schedule of works to meet our target of maintaining all 20 wetland sites.</p>
C Vegetation extent maintained to the required quality.	300 ha	5 ha 	9 ha 	48 ha 	60 ha	<p>We improved our performance this year and were able to increase the amount of vegetation area maintained, however, we ultimately fell short of our annual target of 60 hectares.</p> <p>We will continue to reprioritise resources and develop work programs with the intent of meeting our five-year target of 300 hectares of vegetation maintained.</p>

Figures reflect spending in 2023-24



New Stormwater Quality Treatment Systems program

Treating stormwater through constructed wetlands and water sensitive urban design allows developers to meet key stormwater management objectives while sustaining important environmental values.

Our measures relate to our level of expenditure on the program and the number of Stormwater Quality Treatment Systems (SWQTS) that we maintain.

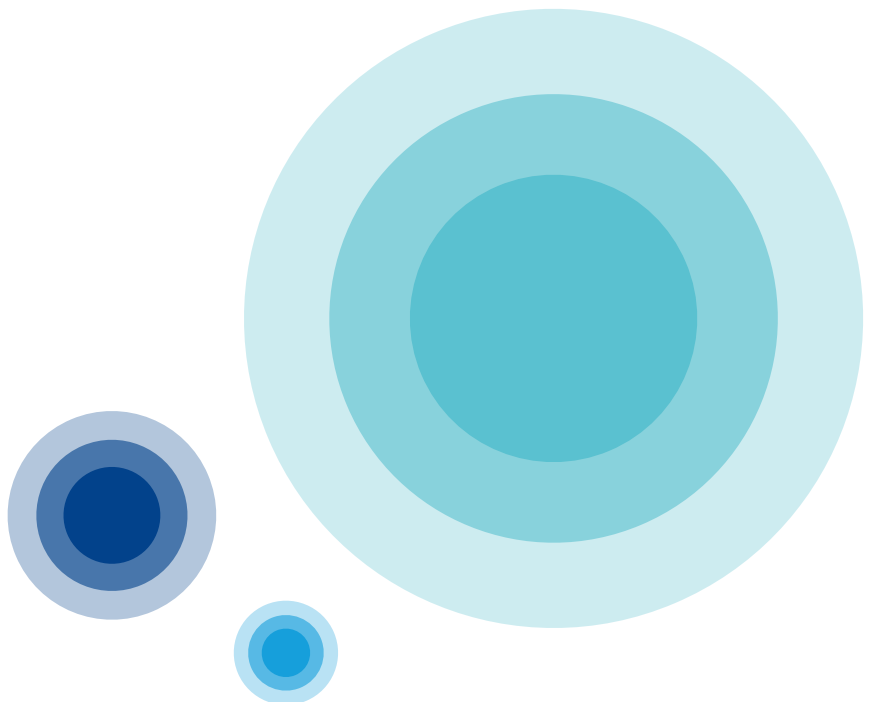
The most efficient and effective approach to reduce pollutants in stormwater runoff is for land developers to build SWQTS. These consist of sediment ponds and vegetated wetland waterbodies. Their benefits include:

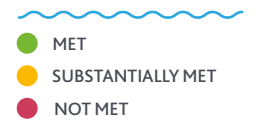
- Removing harmful pollutants from stormwater before it reaches waterways and bays
- Slowing flows and storing water, lessening the impact of wet weather flows on downstream waterways
- Reducing flooding
- Providing local cooling and space for recreational activities like bushwalking and birdwatching
- Providing a water source for irrigation if designed appropriately.

These assets create additional environmental and social values within new developments, benefiting local communities.

In 2023-24, 28 new wetlands were handed over by the development industry and are now being incorporated into the program. This sharp increase in assets was caused by a backlog of handovers in the past two years.

Delays in the construction and practical completion of wetlands delivered by the development industry are out of our control, leading to variation in the number handed over on a year-to-year basis. We expect continued increases in the number of assets handed over in the coming years.





Our performance against our agreed targets

Self assessment

2021-23



2023-24



We have met the performance targets set for this program during this period.

Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$1.2M	\$0.0 	\$0.0 	\$0.21M 	\$0.24M	We increased our program spend this year compared to prior periods, however, still fell short of our target annual expenditure of \$240,000. We have cumulatively spent \$210,000 in the three-year period against a total five-year target spend of \$1.2 million.
B Cumulative additional SWQTS handed over	45	0 	0 	28 	27	We exceeded our target for the number of SWQTS handed over during the period.

Figures reflect spending in 2023-24

Large scale stormwater harvesting program

We are focussed on managing the increasing impacts of stormwater from urbanisation on waterways to maintain and protect overall waterway health for vulnerable species, like the Platypus.

This program aims to reduce stormwater flow through innovative harvesting and infiltration methods, marking a major shift in stormwater management for Melbourne Water and the industry. It aims to deliver infrastructure to manage increasing volumes of stormwater arising from Greater Melbourne's growth and densification.

We measure progress on this program through our targeted spend. However, during the price determination period, projects under the program have faced significant challenges that have caused us to pause and reflect prior to progressing with expenditures. These include:




- Rising project costs
- Need for customised solutions for each sub-catchment
- Lack of demand for stormwater in certain areas
- Absence of clear asset types for delivering infiltration targets.

These challenges have caused project delays and higher costs, making it unlikely we'll meet our five-year spending target.

Despite this, several key projects are progressing. For example, we continue to explore options for the Sunbury Stormwater Harvesting Scheme, which could deliver up to 3.8 gegalitres per year by 2026.

For the rest of the price determination period we will focus on exploring more stormwater harvesting and infiltration opportunities in priority areas and reviewing drainage scheme processes to find ways to integrate assets at the start of a development.

While it is unlikely that we will meet the stormwater harvesting and infiltration targets within this price determination period, the groundwork laid by our strategies and ongoing projects position us for future success. The lessons learned and the progress made provide a strong foundation for achieving our long-term stormwater management goals.

-  MET
-  SUBSTANTIALLY MET
-  NOT MET

Our performance against our agreed targets

Self assessment




2021-23



2023-24



The performance for this program has been close to or largely met this period.

Indicator	Total 5-year target	2021-22 Result	2022-23 Result	2023-24 Result	2023-24 Target	Commentary
A Spend on annual allocation	\$11.5M	\$1.70M 	\$0.76M 	\$1.52M 	\$2.3M	We increased our program spend this year compared to prior periods, however, fell short of our target annual expenditure of \$2.3 million. We have spent \$3.98 million in the three-year period against a total five-year target spend of \$11.5 million.

Figures reflect spending in 2023-24

