



# Outcomes Report 2023-24

Performance of Victoria's water businesses against their own commitments to customers

29 October 2024



## Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

### An appropriate citation for this paper is:

Essential Services Commission 2024, *Outcomes Report 2023-24: Performance of Victoria's water businesses against their own commitments to customers*, 29 October



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## Overview

### Outcomes reporting

Our annual outcomes reporting provides an overview of Victorian water businesses' self-assessments and self-reporting of their performance against their outcome commitments to customers.

During a price review, a water business must establish a set of outcome commitments that represent the value its customers will receive in the next regulatory pricing period (usually a five-year period). A business must also set output measures with associated annual targets that represent delivery of these outcome commitments, that it will monitor and report on throughout the period to demonstrate achievement of these commitments.

Outcome commitments are a key part of our PREMO water pricing approach.<sup>1</sup> Progress against outcomes can indicate whether customers are getting what they pay for.

This report summarises each water business's self-assessment and self-reporting of its 2023-24 performance and marks the first year in most businesses' current regulatory period.

Links to the full self-assessment documents are available in this report and on our website.<sup>2</sup>

### **Most businesses reported they 'almost' or 'mostly' delivered on their outcome commitments this year**

Just over half of all water businesses reported they 'almost' or 'mostly' delivered on their outcome commitments to customers in 2023-24, indicating there is room for improvement in their performance. The remaining businesses reported they had overall met their outcome commitments.

### **At a time when many Victorians are struggling with cost-of-living pressures, a number of water businesses delivered enhanced support**

A number of businesses (notably Coliban Water, GWMWater and Westernport Water) demonstrated they had delivered strong support for customers struggling with current cost-of-living

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<sup>1</sup> See our website for more information on our PREMO pricing framework <https://www.esc.vic.gov.au/premo-water-pricing-framework>.

<sup>2</sup> [www.esc.vic.gov.au/water-outcomes-reporting](https://www.esc.vic.gov.au/water-outcomes-reporting).

pressures. They outperformed their targets for customer support related outcomes and in some cases almost doubling the financial assistance provided to customers compared to the previous year.

Some businesses, servicing customers in Melbourne's eastern and southern suburbs and in the wider Gippsland region, reported large storms and power outages in early 2024 had affected performance against some measures. This included the number and volume of sewage spills, response times to sewer spills and blockages, and keeping within operation cost benchmarks.

## **A high number of capital works projects are deferred or delayed**

Fifty-one major projects (28 per cent) are reported as being deferred or delayed – a high number considering for most businesses this is only the first year of their regulatory period. The high number of deferred and delayed projects suggests many businesses did not adequately forecast their capital expenditure having regard to current market circumstances. We expect businesses to proactively manage these changes to ensure customers continue to receive value for money and timely service delivery.

Only two businesses (Central Highlands Water and Gippsland Water) have reported all their projects for the current regulatory period as running to schedule. All other businesses reported at least one project as either deferred or delayed.

The most common reasons given for deferred or delayed projects included:

- changes in the scope of the project
- further planning and design work being required before projects could commence
- planning and pre-construction approvals taking longer than anticipated
- tender processes taking longer than anticipated
- projects being re-prioritised over others.

Our major projects supplement includes a summary of each project's status and the businesses' explanations for schedule changes.<sup>3</sup>

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<sup>3</sup> Essential Services Commission 2024, Status of major projects supplement: Outcomes report 2023-24, October.

## What businesses reported in 2023-24

We received a summary outcomes report from each business. Each used a commission template to ensure consistent presentation across all businesses.

Businesses are asked to grade their performance using a simple traffic light rating system:

- Green = met – actual performance met or exceeded the target or due date
- Amber = came close, objectives mostly met
- Red = not met – actual performance fell short of the target

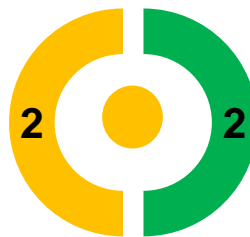
The following charts summarise each water business's 2023-24 outcomes performance based on its own self-assessment. The charts indicate relative proportions of outcomes: achieved (green), almost achieved (amber) and not achieved (red). The middle circle shows the overall self-assessment rating. For example, Central Highlands Water achieved two of its outcome commitments, almost achieved two and considered overall it almost met its outcome commitments to customers for the year.

Of note this year were Barwon Water, Coliban Water and Southern Rural Water which all reported meeting their outcome commitments in full.

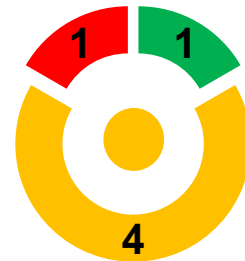
**Barwon Water**



**Central Highlands Water**



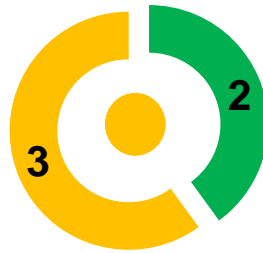
**Greater Western Water (City West Water area)**



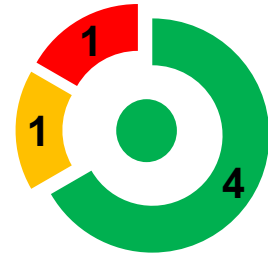
Coliban Water



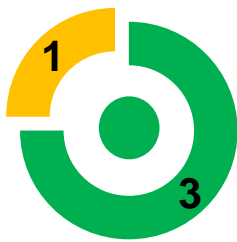
East Gippsland Water



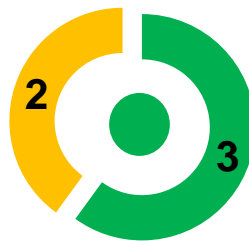
Gippsland Water



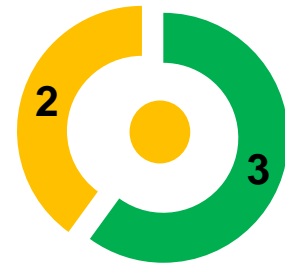
Goulburn Valley Water



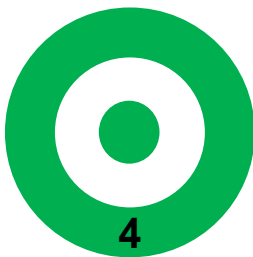
GWMWater



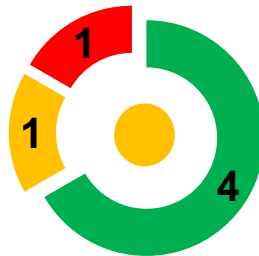
Lower Murray Water –  
Urban



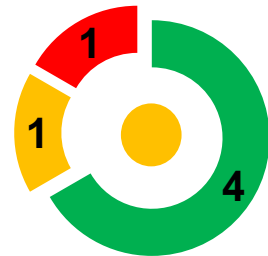
Lower Murray Water –  
Rural



Melbourne Water



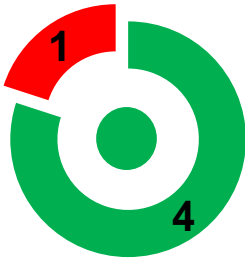
North East Water



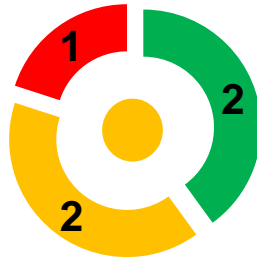


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**South East Water**



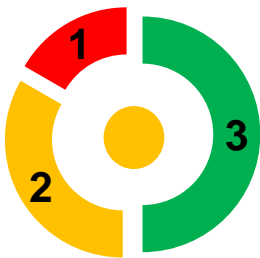
**South Gippsland Water**



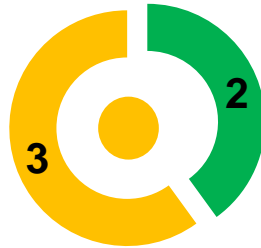
**Southern Rural Water**



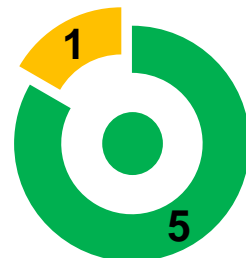
**Wannon Water**



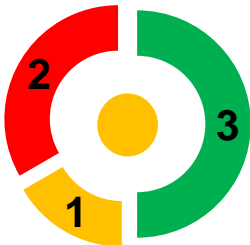
**Greater Western Water  
(Western Water area)**



**Westernport Water**



**Yarra Valley Water**





## Businesses' overall self-assessments compared with their PREMO and customer satisfaction ratings

Table 1 provides a comparison of each water business's overall self-assessment of its 2023-24 performance. It also includes its overall PREMO rating and latest rating for overall satisfaction from our customer perception survey for the period November 2023 to August 2024.

**Table 1: Summary of businesses' 2023-24 self-assessments, PREMO rating and customer satisfaction rating**

Water business	Businesses' 2023-24 self-assessment	Overall PREMO rating	Customer satisfaction rating, Nov. 2023 to Aug. 2024
Barwon Water	Overall green rating	Advanced	7.0 out of 10
Central Highlands Water	Overall amber rating	Standard	6.0 out of 10
Coliban Water	Overall green rating	Standard	6.0 out of 10
East Gippsland Water	Overall amber rating	Standard	6.4 out of 10
Gippsland Water	Overall green rating	Advanced	6.3 out of 10
Goulburn Valley Water	Overall green rating	Standard	6.8 out of 10
Greater Western Water (previously City West Water area)	Overall amber rating	Advanced	6.0 out of 10
Greater Western Water (previously Western Water area)	Overall amber rating	Not rated	6.0 out of 10
GWMWater	Overall green rating	Advanced	6.0 out of 10
Lower Murray Water – Rural	Overall green rating	Standard	N/A
Lower Murray Water – Urban	Overall amber rating	Standard	6.0 out of 10

What businesses reported in 2023-24

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Water business	Businesses' 2023-24 self-assessment	Overall PREMO rating	Customer satisfaction rating, Nov. 2023 to Aug. 2024
Melbourne Water	Overall amber rating	Standard	N/A
North East Water	Overall amber rating	Advanced	6.5 out of 10
South East Water	Overall green rating	Advanced	6.4 out of 10
South Gippsland Water	Overall amber rating	Standard	6.5 out of 10
Southern Rural Water	Overall green rating	Standard	N/A
Wannon Water	Overall amber rating	Standard	6.3 out of 10
Westernport Water	Overall green rating	Standard	7.2 out of 10
Yarra Valley Water	Overall amber rating	Advanced	6.6 out of 10

What businesses reported in 2023-24

## What we found in 2023-24

This chapter provides our general observations on:

- businesses' performance against their outcome commitments according to the businesses' self-reporting
- businesses' self-assessment and self-reporting approaches
- how businesses are tracking against their major capital project delivery schedules.

### Performance

For the 2023-24 reporting year, 10 businesses gave themselves an amber overall rating, indicating they almost or mostly met their outcome commitments. The remaining 9 businesses reported they had, overall, delivered on their outcome commitments, rating themselves green.

Of note this year were Barwon Water, Coliban Water and Southern Rural Water which all reported meeting their outcome commitments in full.

### Cost-of-living impacts

Gippsland Water and Greater Western Water both commented that current cost-of-living pressures negatively impacted some of their customer satisfaction survey results and customer perceptions of value for money. Meanwhile, many other businesses outperformed their targets for customer support related outcomes, demonstrating their ability to adapt to current economic conditions and provide support to customers when they most need it. For example:

- Coliban Water's performance against all measures under its outcome 'we will support customers' far exceeded its targets, with the business almost doubling the financial assistance it provided to customers compared to 2022-23.
- GWMWater far exceeded its targets for providing hardship grants to customers and the total value of hardship grants provided.
- Westernport Water far exceeded its targets for providing hardship grants and also the number of its customers receiving the State Government's Utility Relief Grant Scheme payments.
- South East Water also reported the level of payment assistance and other financial supports it provides to customers had reached record highs.

### Weather impacts

Some water businesses reported that extreme weather events, such as storms, had affected their performance. In particular, the severe storms that occurred in early 2024 impacted businesses who primarily service customers in Melbourne's eastern and southern suburbs and the wider Gippsland region. For instance:

- Yarra Valley Water cited large storms in early 2024 as the cause of a significant increase in sewage spills and for not meeting one of its performance targets.
- South East Water reported higher than anticipated sewer spills this year that in part occurred due to network power outages caused by extreme weather in early 2024.
- East Gippsland Water reported the increases to its operational costs were in part due to widespread power outages in February 2024.
- South Gippsland Water commented that the resilience of its systems was tested during a February storm event. The resulting extended power outage had negatively impacted its response times to sewer spills and blockages.
- Meanwhile Gippsland Water reported improved customer satisfaction that it attributed to its focus on being present in its community and making a positive impact. This included supporting customers during the February 2024 storms and other emergencies.

### **Comparison to 2022–23 reported outcomes and output measures**

The percentage of overall outcomes assessed as ‘met’, ‘almost met’, and ‘not met’ was slightly different to last year. There was a:

- 4 percentage point decrease in outcomes ‘met’
- 5 percentage point increase in outcomes ‘almost met’
- 1 percentage point decrease in outcomes ‘not met’.

There were also slight differences in the percentage of individual output measures assessed as ‘met’, ‘almost met’ and ‘not met’ compared to last year. There was a:

- 4 percentage point increase in individual measures ‘met’
- 9 percentage point decrease in individual measures ‘almost met’
- 5 percentage point increase in individual measures ‘not met’.

### **Accountability for performance**

We saw clear accountability in most of the summary outcome reports we received. Businesses generally explained the cause for a shortfall in performance against their commitment, and set out how this would be addressed, or why they were anticipating a better result in future years. We expect businesses will continue to follow-up on identified shortfalls in subsequent years, effectively closing the reporting loop with their customers.

Yarra Valley Water goes beyond its peers by committing to pay its customers a rebate for each outcome it does not achieve (capped at \$10.5 million for each year), truly holding itself accountable for its performance and compensating customers for value they did not fully receive.

## Businesses' self-assessments

Using the traffic light grading system (green = met, amber = close or mostly met, red = fell short), businesses are required to rate their actual performance:

- against targets for each individual output measure
- at the aggregate outcome level
- overall for the year.

We did not provide strict guidance on how a business should self-assess its performance, instead allowing businesses to use their own discretion and ratings processes. This also reveals a little about each business, and its willingness – or unwillingness – to acknowledge and address performance shortfalls.

### Assessment variation

Given the self-directed ratings, assessment approaches vary across businesses. For example, Central Highlands Water graded its overall performance as amber, despite meeting 85 percent (17 out of 20) of its output measure targets. This means that even just one amber or red graded measure led to an amber rating for a given outcome.

In contrast, Goulburn Valley Water graded its overall performance as green despite only meeting 57 percent (8 out of 14) of its output measure targets. As part of its self-assessment process, Goulburn Valley Water considers feedback from its Customer Accountability Panel which it commented is more discretionary than Goulburn Valley Water's own view. Goulburn Valley Water also commented that its management team is involved in the compilation and scrutiny of the prepared data sets on its performance and consideration is made from a balanced perspective.

### Engagement with customer groups

Barwon Water, Coliban Water, Gippsland Water, Goulburn Valley Water, Westernport Water and Yarra Valley Water told us they have worked with their respective customer groups to receive feedback on their performance and affirm their self-assessments. In particular, Gippsland Water worked with its Customer Reference Group to develop an 'Outcomes Rating Matrix', which sets the tolerance levels and traffic light ratings for performance against its output measures. We commend this approach where businesses have gone beyond our minimum requirements to consider its customers' views on the value they received, as truly reflecting PREMO's customer-centric focus.

## Self-reporting to customers

The self-reporting aspect of PREMO requires water businesses to report directly to their customers on their outcomes performance at least annually.

Businesses that promptly and prominently self-report their performance show they are taking ownership over their performance results and delivery of their outcome commitments.

All businesses have published their 2023-24 performance on their websites and many have prominent announcements on their homepage linking to their performance results.

Central Highlands Water, East Gippsland Water, Gippsland Water, Greater Western Water, North East Water, South East Water, South Gippsland Water, Wannon Water, Westernport Water, and Yarra Valley Water all have prominent announcements on their homepage. This demonstrates transparency to customers, indicating that they are accountable for their yearly performance.

Coliban Water will present its final business performance and answer questions with its customer advisory groups as part of closing the loop on its performance for 2023-24. This example shows where a business has gone beyond our minimum requirements and displayed dedication to keeping customers informed about the outcomes that matter most to them.

However, many businesses did not promptly post their outcomes performance on their websites or provide announcements or direct links to their results on their websites' homepages. Some businesses said they were waiting on our approval before reporting their performance to customers. This is not a requirement, and we expect businesses to take ownership of their performance and report to customers promptly and proactively.

Businesses should now be familiar with our self-reporting expectations under PREMO. Without a prominent announcement and link on a business's homepage, it is difficult for customers to know where to find information on their water business's performance results. If a water business is truly focused on delivering outcomes for its customers, it should be keen to engage with its customers and keep them informed on its progress through prompt and accessible self-reporting.

We will continue to emphasise transparent self-reporting with these water businesses and expect to see more prominent announcements for future outcomes reporting.



## Businesses' major capital projects

This section tracks the businesses' reported progress of their top major capital projects against their original project schedules as reflected in their price submissions and our pricing determinations.

The major project status categories are:

- on-schedule – no significant changes to the project start and end dates
- delayed – either the project start was delayed, or completion will be later than scheduled
- deferred – the business rescheduled the entire project, either within the current pricing period or into a future period
- cancelled – the project will not proceed in the foreseeable future
- completed on time – the project was completed in accordance with the original scheduled completion date (includes early completion)
- completed late – the project was completed within the period, but later than the original scheduled completion date.

Fifteen water businesses nominated major projects for completion in the five-year regulatory period from 2023–28, with this reporting year being the first year of their regulatory period.<sup>4</sup> North East Water nominated projects for completion in the eight-year regulatory period from 2018–26. Melbourne Water nominated major projects for completion in its five-year regulatory period from 2021–26. Currently businesses are reporting against 182 major capital projects.

### Tracking major capital projects

Water businesses are required to report how these 182 projects are tracking against the scheduled start and completion dates they committed to in their price submissions. Businesses have provided comments to explain how the projects are progressing and why actual completion dates may differ from those initially expected.

Table 2 provides a summary of the status of the scheduled major projects for each water business at the end of 2023-24.

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<sup>4</sup> The fifteen water businesses with the regulatory period from 2023–28 are Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water, Gippsland Water, Goulburn Valley Water, Greater Western Water, GWMWater, Lower Murray Water, South East Water, South Gippsland Water, Southern Rural Water, Wannon Water, Westernport Water and Yarra Valley Water.

Table 2: Major projects status at 30 June 2024

	No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
Barwon Water	10			8			2
Central Highlands Water	10			10			
Coliban Water	10			9			1
East Gippsland Water	10			8			2
Gippsland Water	10	1		9			
Goulburn Valley Water	10			9			1
Greater Western Water	10		1	6			3
GWMWater	10			7			3
Lower Murray Water – Urban	8			7		1	
Lower Murray Water – Rural	5			3		2	
Melbourne Water	19	2		4	2	1	10
North East Water	10	2	1	2		4	1
South East Water	10			3		2	5
South Gippsland Water	10			8		1	1
Southern Rural Water	10	1		6			3
Wannon Water	10			8			2
Westernport Water	10			6		1	3
Yarra Valley Water	10			8			2
<b>Total</b>	<b>182</b>	<b>6</b>	<b>2</b>	<b>121</b>	<b>2</b>	<b>12</b>	<b>39</b>

Overall, 129 major projects (71 per cent) are currently running to schedule or have been completed. Gippsland Water and Southern Rural Water both completed one project to schedule in this current reporting year.

Only Central Highlands Water and Gippsland Water have all projects in their current regulatory period running to schedule. All other businesses have at least one project either deferred or delayed.

### **Deferred or delayed projects**

Fifty-one projects (28 per cent) are either deferred or delayed, a high number considering for most businesses this is the first year of their regulatory period. The high number of deferred and delayed projects suggests many businesses did not adequately forecast their capital expenditure having regard to current market circumstances.

Eleven of these deferred or delayed projects plus an additional 2 cancelled projects are Melbourne Water projects and 5 are North East Water projects, with both these businesses nearing the end of their regulatory periods.

Melbourne Water (after year three of its regulatory period) and South East Water (after the first year of its regulatory period) have about 70 per cent of their projects either deferred or delayed. Most of these projects are only deferred or delayed by a year or two. South East Water commented that for most of its deferred or delayed projects there is no perceived impact on customers, and where there are, it has implemented mitigation activities. It noted these projects will all still commence during the current regulatory period.

### **Reasons for deferred or delayed projects**

Common reasons given for deferred or delayed projects included:

- changes in the scope of the project
- further planning and design work being required before projects could commence
- planning and pre-construction approvals taking longer than anticipated
- tender processes taking longer than anticipated
- projects being re-prioritised over others.

Our major projects supplement includes a summary of each project's status and the businesses' explanations for schedule changes.<sup>5</sup>

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<sup>5</sup> Essential Services Commission 2024, Status of major projects supplement: Outcomes report 2023-24, October.

## Engagement with customers on project delivery

Businesses must continue to engage with their customers on key project delivery and their capital investment program in general, given capital expenditure is a key input into the prices customers pay.

Significant changes to major project schedules can change what customers get for the prices they pay. We understand circumstances and priorities change, however, we expect water businesses to proactively manage the delivery of their major projects to ensure customers continue to receive value for money and timely service delivery.

We will closely monitor the delivery of major projects. A business's performance in this area, and how well it manages and communicates material changes, will factor into its PREMO Performance rating at its next price review.

### Want more information?

Further commentary on the estimated schedule and actual status for each water business's individual projects can be found in the supplementary paper *Status of major projects supplement: Outcomes report 2023-24*.

This supplement can be found at <https://www.esc.vic.gov.au/water/water-sector-performance-and-reporting>.

## Water business summaries

The following business summaries provide a snapshot of each water business's 2023-24 performance, and overall performance for their regulatory period to date, including:

- the business's overall PREMO rating from its last price review where its outcomes were established for the 2023-24 year
- the business's traffic light self-rating for each of its outcomes
- the business's traffic light self-rating for its annual overall achievement against its outcome commitments
- the business's traffic light self-rating for its overall achievement against its outcome commitments for each outcome for its regulatory period to date
- a summary of the reported status of its major capital projects
- our high-level observations on its performance, self-assessment and self-reporting.

Further information on each business's performance, including a breakdown of the rating for each outcome and how the business will address shortfalls in performance, is available from:

- the summary outcome reporting templates published on our website
- the water business itself.

Further details on all the major projects are also available through the supplement document provided on our website: [www.esc.vic.gov.au/water-outcomes-reporting](http://www.esc.vic.gov.au/water-outcomes-reporting).

## Sample business page

**PREMO rating: Standard**

### Sample business's self-assessment

PREMO rating of the water business's price submission at its last water price review

Traffic light of performance for each outcome for 2023-24, self-assessed by the water business

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Customer service	Yellow	Grey	Grey	Grey	Grey	Yellow
2. Drinking water quality	Green	Grey	Grey	Grey	Grey	Green
3. Environmental sustainability	Green	Grey	Grey	Grey	Grey	Green
4. Assisting vulnerable customers	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

Traffic light of overall outcome performance for the business's current regulatory period to date, self-assessed by the water business

### Sample business's major projects status summary

This column shows the water business's total number of major projects for this regulatory period, as set out in its price submission.

This table shows the status of these major projects at the end of 2023-24, as reported by the water business.

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	5	0	3	0	0	2

This table has been introduced to:

- highlight some of our key expectations for businesses’ outcomes reporting
- monitor whether businesses are meeting these expectations.

**Our observations of a business’s outcomes report**

Results prominent on website	Yes/No	Customer satisfaction rating	7.2
Directly engaged customer group	Yes/No	Report addressed performance shortfalls	Yes/No
Dynamic outcome set	Yes/No	Report submitted to the ESC on time	Yes/No

Our high-level observations of a business’s outcomes reporting, including our views on its performance, self-assessment and self-reporting.

Has the business made a prominent announcement linking its performance results on the homepage of its website making it easy for customers to find?

Has the business directly engaged its customer group about its performance and is the business’s self-assessment informed by its customers’ views?

The business’s latest customer rating for overall satisfaction in our quarterly customer perception survey.

Did the business adequately explain performance shortfalls and how it would address them in its outcomes report?

Has the business demonstrated that it tested its outcome commitments with its customers to confirm they are still valued and if its output measures and targets are still relevant, and revised them where appropriate?

This expectation is a new focus that we will track more closely starting in our 2024-25 outcomes report. For most businesses this year, we have not commented if they have met this expectation, leaving this field blank.

## Barwon Water

### PREMO rating: Advanced

#### Barwon Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Safe, secure, sustainable water	Green	Grey	Grey	Grey	Grey	Green
2. Innovative, reliable services	Green	Grey	Grey	Grey	Grey	Green
3. Healthier environment	Green	Grey	Grey	Grey	Grey	Green
4. Trust, affordability and value	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

#### Barwon Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	8	0	0	2

#### Our assessment of Barwon Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	7.0
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Barwon Water’s has continued to perform well in the new regulatory period, meeting 39 out of its 42 targets. Its self-assessment was supported by its customer committee, and it explained shortfalls in its performance and how it will address them. It reported its outcomes performance prominently on the homepage of its website, demonstrating ownership of this year’s results.



# Central Highlands Water

**PREMO rating: Standard**

## Central Highlands Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Customer care	Amber	Grey	Grey	Grey	Grey	Amber
2. Equity	Green	Grey	Grey	Grey	Grey	Green
3. Sustainability	Green	Grey	Grey	Grey	Grey	Green
4. Reliable water and wastewater services	Amber	Grey	Grey	Grey	Grey	Amber
<b>Overall</b>	Amber	Grey	Grey	Grey	Grey	Amber

## Central Highlands Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	10	0	0	0

## Our observations of Central Highlands Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.0
Directly engaged customer group	No	Report addressed performance shortfalls	No
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Central Highlands Water performed well in the first year of its new regulatory period, meeting 17 out of its 20 targets. Despite meeting almost all its targets, it rated its overall performance as amber, indicating that it is a relatively harder marker and sets a high standard for its performance. While it held itself accountable to its customers through its traffic light ratings, we would like to see it provide more detail about how it will address shortfalls in performance in future outcomes reporting. It is tracking well against its top major capital projects delivery schedule, with all projects on schedule.

# Coliban Water

## PREMO rating: Standard

### Coliban Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. We will supply high quality water you can trust	Green	Grey	Grey	Grey	Grey	Green
2. We will provide services to meet the needs of our customers now and into the future	Green	Grey	Grey	Grey	Grey	Green
3. We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations	Green	Grey	Grey	Grey	Grey	Green
4. Our investment will support the economic prosperity of our region	Green	Grey	Grey	Grey	Grey	Green
5. We will support customers in need	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

### Coliban Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	9	0	0	1

### Our observations of Coliban Water’s outcomes report

Results prominent on website	No	Customer satisfaction rating	6.0
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Coliban Water’s self-assessment is reasonable, and it set mostly high-performance targets that are increasing over the new regulatory period. It seeks out its customers’ views on its performance to inform its self-assessment, which is commendable. It is also transparent in its outcomes reporting

by providing the customer views for its performance against each measure and closing the loop with its customers who provided their feedback as part of its self-assessment.

# East Gippsland Water

## PREMO rating: Standard

### East Gippsland Water's self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Reliable services, done well	Green	Grey	Grey	Grey	Grey	Green
2. Fair prices for all	Yellow	Grey	Grey	Grey	Grey	Yellow
3. Improved environmental outcomes	Yellow	Grey	Grey	Grey	Grey	Yellow
4. Prepare for population growth and a changing climate	Yellow	Grey	Grey	Grey	Grey	Yellow
5. Contributing to community	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Yellow	Grey	Grey	Grey	Grey	Yellow

### East Gippsland Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	8	0	0	2

### Our observations of East Gippsland Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.4
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

East Gippsland Water's self-assessment is reasonable. It confirmed both tolerance bands for its targets and final traffic light scores for each outcome with its Customer Advisory Committee. It has also addressed shortfalls in performance and the steps it will take to address them. Its performance results are featured on the homepage of its website, showing ownership of its outcome commitments and accountability for its performance.

## Gippsland Water

### PREMO rating: Advanced

#### Gippsland Water's self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Be affordable and fair	Green	Grey	Grey	Grey	Grey	Green
2. Do your job well	Green	Grey	Grey	Grey	Grey	Green
3. Be easy to deal with	Green	Grey	Grey	Grey	Grey	Green
4. Be environmentally responsible	Yellow	Grey	Grey	Grey	Grey	Yellow
5. Be involved in the community	Green	Grey	Grey	Grey	Grey	Green
6. Plan for the future	Red	Grey	Grey	Grey	Grey	Red
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

#### Gippsland Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	1	0	9	0	0	0

#### Our observations of Gippsland Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.3
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Gippsland Water's self-assessment is reasonable and its performance this year was strong, achieving 14 out of 18 of its targets. It worked with its Customer Reference Group to provide guidance on its self-assessment, including an 'Outcomes Rating Matrix' which sets tolerance levels and traffic light ratings for performance. It took ownership of its shortfalls in performance and

detailed the steps it will take to address them. It reported this year’s performance to customers through its 2024 community report, which is featured prominently on the homepage of its website. It is tracking well against its top major capital projects delivery schedule, with all projects running to schedule and one project completed this year.

# Goulburn Valley Water

**PREMO rating: Standard**

## Goulburn Valley Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. We will provide reliable water and wastewater services customers can trust	Green	Grey	Grey	Grey	Grey	Green
2. We will lead action and partner with our communities to grow the region	Yellow	Grey	Grey	Grey	Grey	Yellow
3. We will care for the environment and adapt to a future impacted by climate variability	Green	Grey	Grey	Grey	Grey	Green
4. We will deliver respectful and responsive customer service, balancing affordability, value for money and fairness	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

## Goulburn Valley Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	9	0	0	1

## Our observations of Goulburn Valley Water’s outcomes report

Results prominent on website	No	Customer satisfaction rating	6.8
Directly engaged with customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Goulburn Valley Water’s self-assessment of its 2023-24 performance was informed by its Customer Accountability Panel (with 70 customer representatives). We consider its inclusion of its customers in its self-assessment process demonstrates accountability for its performance. It self-rated its performance as green overall (indicating outcome commitments were met), while only achieving 57 per cent of output measure targets. Relative to other businesses, its self-assessment is more discretionary which Goulburn Valley Water stated is in part due to incorporating the feedback it received on its performance from its customer panel.

Water business summaries

# Greater Western Water (previously City West Water area)

**PREMO rating: Advanced**

## Greater Western Water’s (previously City West Water area) self-assessment<sup>6</sup>

Outcome	18-19	19-20	20-21	21-22	22-23	23-24	Overall
1. Services to my home and business are safe, reliable and efficiently managed	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
2. Customer service is accessible and my enquiries are resolved promptly	Green	Green	Green	Green	Yellow	Yellow	Green
3. Billing and payment options are efficient and convenient	Green	Green	Yellow	Red	Red	Red	Red
4. Customers in hardship are supported	Green	Yellow	Green	Green	Yellow	Yellow	Yellow
5. The whole of the water cycle is managed in an environmentally sustainable way	Green	Green	Green	Green	Green	Green	Green
6. CWW is a valued partner in servicing a growing Melbourne	Yellow	Yellow	Yellow	Green	Green	Yellow	Yellow
<b>Overall</b>	Green	Yellow	Yellow	Yellow	Yellow	Yellow	

## Greater Western Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	1	6	0	0	3

<sup>6</sup> City West Water merged with Western Water on 1 July 2021 to become Greater Western Water. This report still covers City West Water’s outcomes performance as Greater Western Water (previously City West Water area). Greater Western Water’s 2018–23 regulatory period was extended by one year to address the business merge – accordingly it extended its outcome commitments for the previously City West Water area by one year to cover 2023-24.



## Our observations of Greater Western Water's (previously City West Water area) outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.0
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

Greater Western Water's (previously City West Water area) self-assessment is reasonable. Its report explains its performance in 2023-24, including explanations for performance shortfalls. It reported it did not meet its outcome 3 commitment 'billing and payment options are efficient and convenient' for the last three years and overall for the regulatory period, and did not meet its targets for its 'number of payment issue complaints' measure and its 'percentage of estimated meter reads used for billing' measure. Greater Western Water has faced technical issues implementing its new billing system, which caused billing delays for many of its customers across both its former City West Water and Western Water areas. Greater Western Water stated that performance against this outcome 'has been significantly impacted by increasing cost-of-living pressures'. Its performance results are featured on the homepage of its website, showing ownership of its outcome commitments and accountability for its performance.

## Greater Western Water (previously Western Water area)

**PREMO rating: Not rated**

### Greater Western Water’s (previously Western Water area) self-assessment<sup>7</sup>

Outcome	18-19	19-20	20-21	21-22	22-23	23-24	Overall
1. Fair and affordable charges for all customers	Green	Green	Green	Green	Green	Yellow	Green
2. Reliable, safe services to existing and new customers	Green	Green	Green	Green	Green	Green	Green
3. Innovative approaches to addressing customer needs	Green	Green	Green	Green	Green	Green	Green
4. Care of the environment	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Yellow
5. Sustainable contribution to the community and regional livability	Green	Yellow	Green	Green	Yellow	Yellow	Yellow
<b>Overall</b>	Green	Green	Green	Green	Green	Yellow	

### Greater Western Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	1	6	0	0	3

<sup>7</sup> Western Water merged with City West Water on 1 July 2021 to become Greater Western Water. This report still covers Western Water’s outcomes performance as Greater Western Water (previously Western Water area). Greater Western Water’s 2018–23 regulatory period was extended by one year to address the business merge – accordingly it extended its outcome commitments for the previously Western Water area by one year to cover 2023-24.

## Our observations of Greater Western Water's (previously Western Water area) outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.03
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

Greater Western Water's (previously Western Water area) self-assessment is reasonable. Its report explains its performance in 2023-24, including explanations for performance shortfalls. Its report is featured on the homepage of its website, showing ownership of its outcome commitments and accountability for its performance.

# GWMWater

## PREMO rating: Advanced

### GWMWater’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Safe drinking water	Green	Grey	Grey	Grey	Grey	Green
2. Clean, non-drinking water – urban	Yellow	Grey	Grey	Grey	Grey	Yellow
3. Clean, non-drinking water – rural pipeline	Green	Grey	Grey	Grey	Grey	Green
4. Reliable and affordable services	Green	Grey	Grey	Grey	Grey	Green
5. Healthy and liveable region	Yellow	Grey	Grey	Grey	Grey	Yellow
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

### GWMWater’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	7	0	0	3

### Our observations of GWMWater’s outcomes report

Results prominent on website	No	Customer satisfaction rating	6.0
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Outcome set is dynamic	—	Report submitted to the ESC on time	No

GWMWater’s self-assessment of its performance for 2023-24 is reasonable. It continues to engage with its customers on its outcome commitments, discussing this year’s performance at a customer and stakeholder workshop held in September 2024.

GWMWater was over a month late submitting its outcomes report and major projects update to us, and it was not easy for us to find its outcomes performance results on its website. Despite a good performance this year, the business can improve its reporting processes next year.

## Lower Murray Water – Rural

**PREMO rating: Standard**

### Lower Murray Water – Rural’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Provide customers with value for money	Green	Grey	Grey	Grey	Grey	Green
2. Provide customers with water when they need it	Green	Grey	Grey	Grey	Grey	Green
3. Provide customer service channels that are responsive to resolve requests and enquires	Green	Grey	Grey	Grey	Grey	Green
4. Service our communities in a socially responsible and environmentally sustainable manner	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

### Lower Murray Water – Rural’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
5	0	0	3	0	2	0

### Our observations of Lower Murray Water – Rural’s outcomes report

Results prominent on website	No	Customer satisfaction rating	N/A
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Lower Murray Water – Rural reported it had overall met its outcome commitments to customers in 2023-24, meeting 6 of its 8 output measure targets, and falling just short of the remaining two targets. Its self-assessment is reasonable and it provided clear explanations of its performance in its report.

Lower Murray Water’s rural business is not part of our quarterly customer satisfaction survey.

## Lower Murray Water – Urban

### PREMO rating: Standard

#### Lower Murray Water – Urban’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Provide customers value for money	Green	Grey	Grey	Grey	Grey	Green
2. Provide customers with reliable and safe drinking water	Yellow	Grey	Grey	Grey	Grey	Yellow
3. Provide customers with reliable sewerage services	Green	Grey	Grey	Grey	Grey	Green
4. Provide customer service avenues that are responsive to resolve requests/enquiries	Green	Grey	Grey	Grey	Grey	Green
5. Service our communities in a socially responsible and environmentally sustainable manner	Yellow	Grey	Grey	Grey	Grey	Yellow
<b>Overall</b>	Yellow	Grey	Grey	Grey	Grey	Yellow

#### Lower Murray Water – Urban’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
8	0	0	7	0	1	0

#### Our observations of Lower Murray Water – Urban’s outcomes report

Results prominent on website	No	Customer satisfaction rating	6.0
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Lower Murray Water – Urban’s self-assessment of its 2023-24 performance against outcome commitments is reasonable. It provided clear explanations for performance shortfalls and its plans to address them in its report.

# Melbourne Water

**PREMO rating: Standard**

## Melbourne Water’s self-assessment

Outcome	21-22	22-23	23-24	24-25	25-26	Overall
1. Access to safe and reliable water and sewerage services	Green	Green	Green	Grey	Grey	Green
2. Melbourne’s environment, rivers, creeks and bays are protected and Melbourne Water’s greenhouse gas emissions are minimised	Green	Green	Green	Grey	Grey	Green
3. Melbourne remains liveable as it deals with the impacts of climate change and population growth	Green	Green	Green	Grey	Grey	Green
4. Melburnians are empowered to support the design and delivery of service outcomes	Yellow	Green	Green	Grey	Grey	Green
5. Easy, respectful, responsive and transparent customer service	Red	Red	Red	Grey	Grey	Red
6. Bills kept as low as possible	Yellow	Yellow	Yellow	Grey	Grey	Yellow
<b>Overall</b>	Yellow	Yellow	Yellow	Grey	Grey	Yellow

## Melbourne Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
19	2	0	4	2	1	10

## Our observations of Melbourne Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	N/A
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

Melbourne Water's self-assessment is reasonable, and its performance was solid, meeting 13 of its 18 output measure targets. While many of its measures are more technical than that of other businesses, it has used the commentary sections well to explain its performance. Melbourne Water reported it has not yet met its outcome 5 commitment 'easy, respectful, responsive and transparent customer service'. Its output measures under this outcome are customer satisfaction survey ratings for each of its major service areas, with targets that are increasing over the period. While it has fallen short of its targets, it has engaged with its customers and identified opportunities to improve its customer services and customer satisfaction in the future. As a bulk service provider, Melbourne Water is not part of our quarterly customer satisfaction survey.



# North East Water

**PREMO rating: Advanced**

## North East Water’s self-assessment

Outcome	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	Overall
1. Affordable prices	Green	Green	Green	Green	Green	Green	Grey	Grey	Green
2. Reliable services	Green	Yellow	Green	Green	Green	Green	Grey	Grey	Green
3. Responsive services	Green	Green	Green	Green	Green	Green	Grey	Grey	Green
4. Efficient systems	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Yellow
5. Local focus	Yellow	Yellow	Yellow	Green	Green	Green	Grey	Grey	Green
6. Sustainable region	Yellow	Yellow	Yellow	Red	Red	Red	Grey	Grey	Red
<b>Overall</b>	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Yellow

## North East Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	2	1	2	0	4	1

## Our observations of North East Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.5
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Reported submitted to the ESC on time	Yes

North East Water’s self-assessment is reasonable and its performance was solid this year, meeting 8 of its 13 output measure targets. It has some stretch targets which it aims to achieve by the end of its unique 8-year regulatory period. Its outcomes report clearly explained performance shortfalls and how they will be addressed. North East Water reports on its outcomes performance to its customers twice yearly which is above our minimum self-reporting requirements.

# South East Water

**PREMO rating: Advanced**

## South East Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Get the basics right, always	Green	Grey	Grey	Grey	Grey	Green
2. Warn me, inform me	Green	Grey	Grey	Grey	Grey	Green
3. Fair and affordable for all	Red	Grey	Grey	Grey	Grey	Red
4. Make my experience better	Green	Grey	Grey	Grey	Grey	Green
5. Support my community, protect my environment	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

## South East Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	3	0	2	5

## Our observations of South East Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.4
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Reported submitted to the ESC on time	Yes

South East Water’s self-assessment is reasonable and it has provided clear explanations where it has underperformed. It showed ownership for its outcome commitments by publishing this year’s performance results prominently on its website. However, major project delivery has fallen behind schedule after the first year of the regulatory period, with 7 of 10 projects already deferred or delayed.

# South Gippsland Water

## PREMO rating: Standard

### South Gippsland Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Reliability – Plan for the future, be reliable and minimise unplanned interruptions to services	Yellow	Grey	Grey	Grey	Grey	Yellow
2. Water – Provide safe, clean drinking water	Red	Grey	Grey	Grey	Grey	Red
3. Wastewater – Safe wastewater service that contributes to the liveability of our communities	Yellow	Grey	Grey	Grey	Grey	Yellow
4. Environment – Be environmentally sustainable and adapt to a future impacted by climate variability	Green	Grey	Grey	Grey	Grey	Green
5. Integrity – We will act with honesty, respect and strive to balance affordability, value for money and fairness	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Yellow	Grey	Grey	Grey	Grey	Yellow

### South Gippsland Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	8	0	1	1

### Our observations of South Gippsland Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.5
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Reported submitted to the ESC on time	Yes

South Gippsland Water rated six of its eleven output measures as met. Its report clearly explained shortfalls in performance and how it would address them in future years. This included comments about the extreme weather events and resulting power outages in early 2024 that had tested its systems and had negatively impacted its performance against a number of its output measures. It

showed ownership for its outcome commitments and accountability of its performance by publishing this year’s performance results prominently on its website.

# Southern Rural Water

**PREMO rating: Standard**

## Southern Rural Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Reliable water	Green	Grey	Grey	Grey	Grey	Green
2. Sustainable water	Green	Grey	Grey	Grey	Grey	Green
3. Great service	Green	Grey	Grey	Grey	Grey	Green
4. Value community member	Green	Grey	Grey	Grey	Grey	Green
5. Fair and reasonable prices (operating and capital expenditure)	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

## Southern Rural Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	1	0	6	0	0	3

## Our observations of Southern Rural Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	N/A
Directly engaged customer group	No	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Southern Rural Water’s self-assessment is reasonable, and it has clearly explained shortfalls in its performance. It showed ownership for its outcome commitments by publishing this year’s performance results prominently on its website.

As a rural water business, Southern Rural Water is not part of our quarterly customer satisfaction survey.

## Wannon Water

### PREMO rating: Standard

#### Wannon Water's self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Ongoing reliability of water and sewerage services	Green	Grey	Grey	Grey	Grey	Green
2. Ongoing protection of the environment through action and education, prioritising Country and our communities	Green	Grey	Grey	Grey	Grey	Green
3. Fair and reasonable bills for all	Yellow	Grey	Grey	Grey	Grey	Yellow
4. Improved water quality in identified communities	Yellow	Grey	Grey	Grey	Grey	Yellow
5. Improved customer experience of our products and services	Red	Grey	Grey	Grey	Grey	Red
6. Active partnerships for healthy and resilient communities	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Yellow	Grey	Grey	Grey	Grey	Yellow

#### Wannon Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	8	0	0	2

#### Our observations of Wannon Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.3
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Wannon Water's self-assessment is reasonable. While it met only 13 of its 23 targets this year, it took ownership of its shortfalls in performance and explained how it would address them. It also showed ownership for its outcome commitments and accountability for its performance by publishing this year's performance results prominently on its website.

# Westernport Water

**PREMO rating: Standard**

## Westernport Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Provide me with high quality drinking water	Green	Grey	Grey	Grey	Grey	Green
2. Reduce your environmental impact and adapt to climate change	Green	Grey	Grey	Grey	Grey	Green
3. Resolve sewer blockages quickly	Green	Grey	Grey	Grey	Grey	Green
4. Keep water interruptions to a minimum	Yellow	Grey	Grey	Grey	Grey	Yellow
5. Be there when I need you	Green	Grey	Grey	Grey	Grey	Green
6. Keep my essential services affordable	Green	Grey	Grey	Grey	Grey	Green
<b>Overall</b>	Green	Grey	Grey	Grey	Grey	Green

## Westernport Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	6	0	1	3

## Our observations of Westernport Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	7.2
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Westernport Water performed strongly this year, meeting 17 of its 20 output measure targets. Its self-assessment was reasonable, and it addressed shortfalls in performance and identified areas for improvement. Its self-reporting is commendable, sending out its performance results to each of its customers as a bill insert, and providing a link to its results prominently on the homepage of its website. Westernport Water also had the highest customer rating of all businesses in our customer perception survey for overall satisfaction.

Water business summaries

# Yarra Valley Water

**PREMO rating: Advanced**

## Yarra Valley Water’s self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Safe and pleasant drinking water	Yellow	Grey	Grey	Grey	Grey	Yellow
2. Reliable water and sewerage services	Green	Grey	Grey	Grey	Grey	Green
3. Timely response and repair	Green	Grey	Grey	Grey	Grey	Green
4. Service that meets everyone’s needs	Green	Grey	Grey	Grey	Grey	Green
5. Saving water for the future	Red	Grey	Grey	Grey	Grey	Red
6. Looking after our natural environment	Red	Grey	Grey	Grey	Grey	Red
<b>Overall</b>	Yellow	Grey	Grey	Grey	Grey	Yellow

## Yarra Valley Water’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	8	0	0	2

## Our observations of Yarra Valley Water’s outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.6
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Yarra Valley Water’s self-assessment is reasonable, and it performed strongly, meeting 13 of its 17 targets. It worked with its customers through an established community panel to help inform its self-assessment. It stands out from other businesses in the way it demonstrates ownership of its outcome commitments to customers and accountability for its performance, committing to pay customers \$1.8 million for each outcome it does not achieve. Based on its community panel’s



recommendation, it will rebate \$3.39 million to its customers through their bills for outcomes not fully achieved this year. A link to this year’s performance results is featured prominently on its website, further demonstrating ownership of its outcomes and accountability for its performance.



## Appendix A: PREMO – putting customer outcomes first

Our PREMO water pricing framework puts customers at the centre of the regulatory pricing process.<sup>8</sup> It pivots Victoria’s water businesses to focus on what their customers, rather than the regulator, want and expect from their water and sewerage service provider.

As part of our water price reviews, water businesses establish a set of customer outcomes following extensive engagement with their customers to inform their price submissions. These outcomes, developed with the customers, essentially reflect what customers will receive for the prices they pay.

We work with each business to:

- firm up its outcome commitments, consistent with our PREMO framework requirements
- ensure clear and unambiguous measures and targets that represent successful delivery of each outcome.

This culminates in each business re-affirming its commitment to the final set of outcomes and targets, which we publish on our website.

A business’s performance against these outcomes is critical in establishing its rating for the ‘Performance’ element of PREMO, and therefore its overall PREMO rating, at the next price review.

### What is PREMO?

PREMO is our incentive mechanism whereby Victoria’s water businesses self-assess their pricing proposals against five main elements, which together reflect the level of ambition to deliver better value to customers:

- **Performance** – a backward look at whether the business delivered on its outcome commitments in its previous price review
- **Risk** – the extent to which the business has allocated risk to the party best positioned to manage that risk (such that customers don’t pay more than they need to)
- **Engagement** – the effectiveness of the customer engagement that informed the price submission, in terms of depth, breadth and timing

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<sup>8</sup> Essential Services Commission 2016, Water Pricing Framework and Approach: Implementing PREMO from 2018, October.

- **Management** – the degree of expenditure efficiency improvement and cost control (prudent and efficient expenditure), strength and quality of the price submission
- **Outcomes** – the strength of customer outcomes, as derived through the engagement process, what customers value most.

Businesses rate each element as either Leading, Advanced, Standard or Basic, and provide a corresponding overall PREMO rating. The commission's assessment process confirms each rating, or where necessary proposes a lower rating.

The return on equity earned by a water business is linked to its overall PREMO rating.

### **The Performance element of the PREMO framework**

In the 2023 and 2024 water price reviews we introduced the Performance element of the PREMO framework. How businesses performed against their outcome commitments is a major component in how we assessed businesses under this Performance element.

For each business we reviewed its own self-assessment and self-reporting of its performance to check it was reasonable, that it set itself challenging targets for the regulatory period, it took accountability for shortfalls, and that it took ownership over its outcome commitments.

## Appendix B: What is outcomes reporting?

Each business is required to report at least annually to its customers on:

- its performance against the specified measures and targets for each outcome
- an overall assessment of whether it has delivered on expectations for each outcome, including the business's explanation for any performance shortfalls and how it intends to address them.

Businesses are asked to grade their performance using a simple traffic light rating system:

- Green = met – actual performance met or exceeded the target or due date
- Amber = came close, objectives mostly met
- Red = not met – actual performance fell short of the target

Each business has provided us a summary of its outcomes performance versus target commitments along with some commentary in a standard template. We have published these, together with this report on our website at [www.esc.vic.gov.au/outcomes-reporting](http://www.esc.vic.gov.au/outcomes-reporting).

The templates provide more detailed information than the summaries presented in this report. Apart from some minor clarifications, the templates are published 'as received', and present each water business's own self-assessment, ratings and comments on its performance.

This outcomes report provides a summary of businesses' self-assessments, and our high-level observations on performance against outcome commitments, self-assessments and self-reporting. We also provide commentary on each business, highlighting those that had strong performances, showed accountability for shortfalls and were honest in their self-reporting.

Customers will be the final judge of their water business's performance and its self-assessment ratings. Customers' views will also help shape the outcomes and targets for the next price review.

### **Businesses' self-assessments of their outcomes performance**

Besides requiring businesses to use the traffic light rating system, we do not provide strict guidance on how businesses should self-assess their performance, instead allowing businesses to use their own discretion. This also reveals a little about each business, and its willingness – or unwillingness – to acknowledge and address performance shortfalls.

The traffic light gradings alone do not reflect the strength of a water business's performance relative to other businesses, merely how it went against the commitment it made to customers.

A green traffic light simply means the business met the target – it reveals nothing about the target itself, whether it represented a high or low bar, or an improvement in customer service levels. This was a matter to be established between the water business and its customers as part of:

- the price review process, when the outcomes, measures and targets were agreed and set
- the businesses' engagement processes throughout this regulatory period, where they can discuss and adjust these commitments in accordance with customers' changing priorities.

## **Businesses' self-reporting of their outcomes performance**

Our PREMO framework seeks to establish a much stronger direct relationship between water businesses and their customers.

The purpose of self-reporting annual performance is to drive honest and transparent feedback to customers on what commitments the business has met that year, and progressively across the whole pricing period as it unfolds. It is about what value the customers received for the prices they pay, and what the business has done, or proposes to do, to address any shortfall or change in plan.

## **Our outcomes report complements our other reporting streams**

The outcomes reporting process complements our other water industry reporting on common key performance indicators and customer perceptions. Other reporting includes our annual performance report and customer perception reports. Outcomes reporting considers the performance of Victoria's water businesses against their own commitments, made to their customers as part of the price review process. The set of outcomes, measures and targets are unique to each business, reflecting those performance elements that matter most to its customers, as revealed through the customer engagement process.

Given this, we expect:

- businesses to prioritise outcomes reporting
- outcomes reporting to form the basis for the ongoing performance dialogue with customers.

## **Water performance report**

Our annual water performance report compares the water businesses with each other across a range of common performance measures, including:

- water consumption
- typical bills
- managing payment processes
- customer service
- service reliability.

Appendix B: What is outcomes reporting?

This comparative report allows businesses, customers, and other stakeholders to see how performance varies over time, and how any business measures up against the other Victorian businesses.

Our performance reports are available on our website at [www.esc.vic.gov.au/water-performance-reports](http://www.esc.vic.gov.au/water-performance-reports).

### Customer perception reporting

Our customer perception reporting is based on quarterly customer surveys. Each quarter we survey 1,300 water customers across Victoria, 5,200 customers annually, and ask them to rate their water business out of ten on:

- value for money
- level of trust
- reputation in the community
- overall satisfaction.

This reporting allows businesses to gauge customer sentiment and compare it with their own perception of their performance, a useful tool given the emphasis on the customer under the PREMO framework.

We consider businesses' customer satisfaction ratings and the customer feedback we get through our own customer engagement when assessing performance for this report. Many businesses also have their own customer satisfaction surveys which may also support their price submission at the next price review.

Our customer perception reporting is available on our website at [www.esc.vic.gov.au/how-customers-rate-their-water-business](http://www.esc.vic.gov.au/how-customers-rate-their-water-business).