

## Melbourne Water – Outcomes – 2021–2026

*In this document, the water business provides a summary report of its actual performance against each of its outcome commitments for the 2023--24 reporting year. The business has given itself a “traffic light” rating (green = met target, red = not met, yellow = close or largely met) for its performance on each measure, outcome and an overall rating. The business has provided its own comments about its performance on each outcome and overall.*

### Summary table

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

## Business comments


Similar to 2022-23, we consider that our overall performance in 2023-24 has been close to or largely met, on the following basis:

1. All measures relating to day-to-day provision of essential services across Outcomes 1-3 were met and/or exceeded our target performance
2. However, in relation to Outcome 5: Easy, respectful, responsive and transparent customer service, we recognise that our target customer satisfaction levels were again not achieved and in fact declined. We remain focussed on improving the experiences our customers and partners have with us and are actively planning for improved experiences.
3. For Outcome 6: Bills kept as low as possible, we met targets relating to cost efficiencies and operating expenditures. However, cumulative (progressive) capital expenditure is still behind target but is improving year on year. We remain confident of meeting the target over the regulatory reporting period.

The relevant Outcome sections of this report provide more detail on our results and what are we doing to improve performance in 2024-25 and beyond.

**Outcome 1: Access to safe and reliable water and sewerage services**

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Number of Safe Drinking Water Act non-compliances (water sampling and audit)	No.	Target	-	-	0	0	0	0	0
		Actual	0	0	0	0	0		
b Percentage of time compliant with retail water company pressure requirements (cumulative across the year)	Percentage	Target	-	-	99.9%	99.9%	99.9%	99.9%	99.9%
		Actual	99.9%	99.9%	100.0%	99.9%	100.0%		
c Number of sewerage transfer system spills due to system failure	No.	Target	-	-	0	0	0	0	0
		Actual	1	0	0	0	0		

Overall performance for the regulatory period so far:  On Track

**Business comment**

We consider that our performance target for this overall outcome in 2023-24 has been met.

- a. Target met. There have been no exceedances of the Safe Drinking Water Act water quality parameters for 2023-24.
- b. Target met. Compliance achieved with the retail water businesses pressure requirements across 2023-24. Throughout 2023-24, we have had 4 minutes of pressure requirement breach in April 2024 and 15 minutes in June 2024, resulting in a 99.9964% result for the year.
- c. Target met. No sewerage system spills occurred in 2023-24 due to system failures.

**Outcome 2: Melbourne’s environment, rivers, creeks and bays are protected and Melbourne Water’s greenhouse gas emissions are minimised**

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Percentage of 10 specified river sites rated as high or very high (as indicated by the macroinvertebrate health index (LUMaR) for each site)	Percentage	Target	–	–	100%	100%	100%	100%	100%
		Actual	100%	100%	100%	100%	100%		
b Number of non-compliances with EPA Licence conditions for the Western and Eastern Treatment Plants	No.	Target	–	–	0	0	0	0	0
		Actual	0	0	0	0	0		
c Percentage of biosolids (dry tonnes) from the Western Treatment Plant beneficially reused	Percentage	Target	–	–	≥40%	≥40%	≥40%	≥40%	≥40%
		Actual	44.3%	61.3%	350.7%	179%	140%		
d Net amount of greenhouse gas emissions (CO <sub>2</sub> e) produced	Met / not met Kilotonne of CO <sub>2</sub> e	Target	–	–	On track	On track	On track	<204.38	<204.38
		Actual	514	495	On track	On track	On track		

Overall performance for the regulatory period so far:  On Track

**Business comment**

We consider that our performance target for this overall outcome in 2023-24 has been met.

- a. Target met. The targeted rivers sites were assessed and rated on average as very high river health condition.
- b. Target met. Both Eastern Treatment Plant (ETP) and Western Treatment Plant (WTP) achieved compliance with Environmental Protection Agency (EPA) discharge licence within the agreed treatable parameters for 2023-24. The treatable parameters included for this KPI are ammonia, suspended solids (SS) and biochemical oxygen demand (BOD).

Outside of the agreed treatable parameters, WTP had 1 non-compliance against the General Environmental Duty (GED). Although this is not an EPA license requirements, Total Nitrogen limits are part of Environmental Reference Standards (ERS) and Port Philip Bay Environmental Management Plan (PPBEMP).

**Western Treatment Plant (WTP) – 1 non-compliance**

In 2023-24, Melbourne Water notified the EPA to advise that WTP had exceeded the 3-year rolling average for Total Nitrogen (TN) discharge to Port Philip Bay (approximately 3,448 tonnes of nitrogen against limit of 3,100 tonnes). In 2023-24, WTP discharged 3,065 tonnes of TN into Port Phillip Bay and 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 5 West Nitrogen Reduction Plant at WTP, which is currently under development.


- c. Target met. For the third year running, the result in 2023-24 significantly outperformed the target with 140% or 22,935 dry tonnes (against a target of 16,400 dry tonnes) reused from current and previous year's stockpile. Achieving greater than 100% reuse of annual biosolids production enabled Melbourne Water to reduce the stockpiled biosolids generated in previous years. This outcome was achieved through high customer demand and dry weather maximising biosolids transported to reuse farms.

- d. Target met (on track).

Melbourne Water is required to examine a pathway to net zero emissions by 2030 and an interim reduction target of 50% by 2025. In line with this pledge, our current target is 204,380 tonnes CO<sub>2</sub>-e by 1 July 2025, and the business sets annual targets as part of the Corporate Plan. In 2023-24 we met our Corporate Plan target of 480,000 tonnes.

**Outcome 3: Melbourne remains liveable as it deals with the impacts of climate change and population growth**

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Average estimated flood damages reduced as a result of Melbourne Water's: <ul style="list-style-type: none"> <li>capital solutions program</li> <li>flood planning overlay introduction program</li> <li>education and awareness program</li> </ul>	Million \$2021(real) cumulative	Target	-	-	\$21	\$42	\$63	\$109	\$155
		Actual	NA	NA	\$22.7	\$148.9 <sup>1</sup>	\$249.9		
b Percentage of projects (from specified programs) completed that customers believe delivered a benefit to the community (as indicated by post project surveys where at least two thirds of respondents agreed a benefit was delivered)	Percentage	Target	-	-	100%	100%	100%	100%	100%
		Actual	NA	NA	N/A <sup>2</sup>	N/A	N/A		

Overall performance for the regulatory period so far:  On Track

**Business comment**

We consider that our performance target for this overall outcome in 2023-24 has been met.

- a. Target met. We have exceeded the target in 2023-24 due to the large volume of planning referrals through the eligible land use planning referral programs. Our 2023-24 achievements can be summarised as follows:
  - Land use planning advice: 738 building and planning permits for development cases responded to, exceeding the annual target of 150 permits
  - Flood Mitigation Works: This part of the KPI does not contribute until FY24/25
    - Education and awareness program: The number of households that have received the flood education program are counted as "effective engagements" from the annual report produced by Melbourne University. This has changed compared to FY22/23 where "total reach engagements" were reported instead. We believe that the number of effective engagements is what really provides

benefits and therefore, this figure has been updated accordingly for FY23/24. The number of effective engagements for this FY23/24 is 1,898.

<sup>1</sup> Result for 2022-23 has been restated from \$125.2M (single year) as reported last year to \$148.9M (cumulative) as per the cumulative targets.

- b. Notwithstanding our desire to survey customers post-project, we consider this KPI is not reportable in 2023-24. The KPI relies on the results of post project surveys. A post project survey was not conducted for the single project completed in 2022-23 (Werribee multi-use Platform) due to the bridge access route to the platform being closed by Vic Parks due to flood damage. Rectification Works are now expected to take place in mid-2025.

There were 4 projects due to be completed in 2023-24, however, due to the reasons listed below, these were delayed.

- Moonee Ponds Creek (Strathmore) 400m (4Ha) - Number of delays due to wet weather and re-designs to accommodate the preferred approach of not removing trees. The project has been slightly delayed and is now scheduled to be completed Nov 2024. Once completed, we will undertake post construction social and ecological surveys
- Candlebark park on-water access canoe stairs - A revised concept plan has been developed after advice and approval from CHMP process. Concept design completed in July 2024, detailed design completion aimed by end of 2024 (~December). Target completion date is May 2025 (pending council approvals). Once completed, we will undertake visitation surveys.
- Werribee River Riverbend historic Park Paddling Pontoon - Floating pontoon design completed however flood impacts assessment deemed that structure is only built to a 1:75 year standard and not 1:100 year. Melbourne Water is working with council to determine structural risk associated with current design. Target completion date is June 2025. Once completed, we will undertake visitation surveys.
- Greening the Pipeline: Activation of MOS Reserve between Skelton Creek and Lawrie Emmins Reserve (approx 3.7km) - The Zone 5 West Project has had a number of delays due to further structural assessments of the Main Outfall Sewer and re-scoping of the masterplan due to cost over-runs. The project is scheduled to be complete September 2024. Once complete, we will undertake post construction social and ecological surveys. The timeframe for Zone 5 East is uncertain due to Council cost over runs on Zone 5 West. Best estimate is for tendering to be initiated May 2025 and completed by end of 2026.

The 2024-25 land activation program currently outlines 13 projects focusing on access for water recreation and open green spaces. Community benefit will be measured as these projects are completed and are made available for public access.

<sup>2</sup> Result for 2021-22 has been restated from 100% to N/A for consistency.

**Outcome 4: Melburnians are empowered to support the design and delivery of service outcomes**

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Percentage of the community surveyed with a moderate or better level of water literacy (as indicated by scoring 5 or above out of 11 in the annual Water Issues Survey)	Percentage of survey respondents	Target	-	-	≥75%	≥75%	≥75%	≥75%	≥75%
		Actual	69%	70%	82%	80%	75%		
b Number of successful grant applications within the waterways and drainage incentives program	No.	Target	-	-	830	830	830	830	830
		Actual	830	830	768	877	942		
c Number of projects funded within the waterways and drainage incentives program	No.	Target	-	-	1,000	1,000	1,000	1,000	1,000
		Actual	1,000	1,000	838	1032	1057		

Overall performance for the regulatory period so far:  On Track

**Business comment**

We consider that our performance target for this overall outcome in 2022-23 has been met.


- Target met. The Water Literacy score for community averaged out across the year was 75%, meeting 2023-24 target. Insights continue to show the importance of educating community about the work we do. Awareness of our role in waterway management was 22% higher with high water literacy respondents. Our seasonal communications plan focusses on highlighting all aspects of our services. Most recently, our focus on pathways to Net Zero and our Sewerage services has resulted in +10% year on year increase in awareness of sewerage services.
- Targets met. We have achieved our incentive target for applications in 2023-24.



- Targets met. We have achieved our incentive target for projects in 2023-24.

**Outcome 5: Easy, respectful, responsive and transparent customer service**

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Customers surveyed as satisfied with Melbourne Water's water service	Average score out of 0 to 10	Target	–	–	7.9	8.0	8.1	8.2	8.3
		Actual	7.7	7.7	7.1	7.2	6.9		
b Customers surveyed as satisfied with Melbourne Water's sewerage service	Average score out of 0 to 10	Target	–	–	7.9	8.0	8.1	8.2	8.3
		Actual	7.7	7.9	7.1	7.3	6.8		
c Customers surveyed as satisfied with Melbourne Water's waterways service	Average score out of 0 to 10	Target	–	–	6.8	7.0	7.2	7.4	7.5
		Actual	6.4	6.6	6.6	6.1	6.1		
d Customers surveyed as satisfied with Melbourne Water's drainage service	Average score out of 0 to 10	Target	–	–	6.5	6.6	6.6	6.7	6.8
		Actual	6.2	6.4	5.5	6.1	6.1		

Overall performance for the regulatory period so far:  Off Track

**Business comment**

Our performance target for this outcome in 2022-24 has not been met. We use data from our reputation surveys combined with that captured in our Customer Satisfaction by Service surveys to ensure that there is a clear path to address customer pain points and opportunities to improve the way we deliver these services. Collaboration and responsiveness are key areas of focus for improving Reputation, which also mirrors our satisfaction insights. In line with what we are hearing from our customers, we are continuing to focus on customer experience, as well as customer Outcomes across all four services we provide.

## Water and sewerage

Water corporations are our customers for bulk services and their satisfaction influences our overall satisfaction scores. Satisfaction scores for both bulk water and bulk sewerage services have reduced from 2023-24 (water: 7.2 - 6.9, sewerage: 7.3 - 6.8). We believe the most powerful improvement opportunities are similar: improved collaboration, proactive engagement, alignment of strategic goals, demonstrating progress against our commitments to bulk service customers and demonstrating that we are placing the water corporations' customers – end-use customers – at the forefront of Melbourne Water's decision-making.

- a. **Water:** bulk service customers are slightly less satisfied in FY24 compared to FY23. Areas to further improve relate to collaboration on long term planning, and a perceived lack of focus on end-use customers in Melbourne Water's decision making. Additionally, being open to and flexible to suggestions has become more important this year. We are actively addressing these through focus on partnerships in our corporate strategy, establishment of a Water Corporation Forum engage on our performance, plans and prices for the current and next price period and targeted development of Customer Experience Improvement Plans.
- b. **Sewerage:** Similar to our bulk water service, bulk sewerage customers are slightly less satisfied in FY24 compared to FY23. Areas to improve include collaboration on long term planning, a perceived lack of focus on end customer in decision making and being open and flexible to suggestions. We are actively addressing these through focus on partnerships in our corporate strategy, establishment of a Water Corporation Forum engage on our performance, plans and prices for the current and next price period and targeted development of Customer Experience Improvement Plans.

## Waterways

We deliver our waterways services directly to our local government, engaged community groups and members of our community. Full year performance is similar to 2022-23 but diverging from our targets.

- c. Local Government customers have flagged that Melbourne Water could improve its collaborations, take more ownership of issues and communicate in a more timely manner. Our Waterways Customer Experience Improvement Plan which includes initiatives to enhance relationship management as well as streamline and centralise coordination of complex issues.


## Drainage

We deliver drainage services directly to local government, developers and members of our community.

- d. Our satisfaction score is similar to 2022-23 but below our target. Local Government customers have identified response times and perceived willingness to collaborate as areas for improvement. Developer customers continue to focus on timeliness and ease of communication as areas for improvement. Our Customer Experience Improvement Programs for these customer groups focus on improving these outcomes through improving communication and making customer contacts more efficient.

Outcome 6: Bills are kept as low as possible

Output	Unit		19-20	20-21	21-22	22-23	23-24	24-25	25-26
a Net savings in operating expenditure identified through new efficiency projects	\$2021 (real)	Target	-	-	>\$500k	>\$500k	>\$500k	>\$500k	>\$500k
		Actual	NA	NA	\$700k	\$1,620k	\$1,758k		
b Percentage difference between actual operating expenditure and the operating expenditure allowance as set out in the 2021 price determination (excluding one off or unusual expenditure, new obligations and any changes to uncontrollable operating expenditure)	Percentage	Target	-	-	<±5%	<±5%	<±5%	<±5%	<±5%
		Actual	NA	NA	+0.4% <sup>3</sup>	+0.8% <sup>3</sup>	+1.8%		
c Percentage difference between actual cumulative capital expenditure and the cumulative capital expenditure allowance as set out in the 2021 price determination	Percentage	Target	-	-	<±2%	<±2%	<±2%	<±2%	<±2%
		Actual	NA	NA	-25.5%	-27.3%	-11.3%		

Overall performance for the regulatory period so far:  Slightly Off Track

**Business comment**

- a. Target met. Net savings of \$1,758K have been achieved through negotiated savings from procurement for IT Managed Services agreement and Cloud-based services.
- b. Target met. Operating expenditures for 2023-24 are within target.

<sup>3</sup> An amendment has been made to the 21-22 and 22-23 results previously reported for this KPI from +1.2% to +0.4% and from +1.4% to +0.8%, respectively. This is due to uncontrollable operating expenditure previously being included in the result which should have been excluded.

c. The cumulative spend at the end of FY24 (year 3) was 11.3% below the cumulative Price Determination amount (excluding land development capital as per KPI definition). This outcome reflects a build-up of capital expenditure over the regulatory period, primarily driven by delays across a small number of high-value, high complexity projects within our water and sewerage programs such as:

- WTP Resource Recovery and Re-use Centre (formerly referred to as the WTP Bundle)
- WTP 5 West Nutrient Reduction Plant
- Hobson's Bay Main Sewer Yarra Crossing Duplication
- Water for a Growing North (Yan Yean to Bald Hill pump station and pipeline)

Although underspent to date, there is a high level of confidence for the forecast continued improvement in cumulative spend noting that 57% of the current \$736M FY25 forecast and 30% of the \$1,013M FY26 forecast is associated with projects in their construction phase. The forecast FY25 cumulative spend result is 2.9% under the Price Determination with the final forecast result in FY26 being 17% over. We are continuing to actively manage our capital program to deliver our commitments whilst minimising spend above plan by the final year of our Price Determination period.

## Melbourne Water – Waterways and Drainage Operational Expenditure Uplift – 2021–2026

### About

This document is a summary report of our performance on the six programs that received an uplift in operational expenditure in Melbourne Water’s 2021 Price Determination.

The performance of each program over the 2023-24 period is shown as a traffic light rating (green = on-track, red = off-track, yellow = slightly off-track) for each measure and overall program. We have also provided comments on the overall program and measures.

### Summary table

Program	21-22 & 22-23	23-24	24-25	25-26
Community involvement in waterways	Yellow	Yellow	Grey	Grey
Flood mitigation	Green	Green	Grey	Grey
Flood preparedness	Green	Green	Grey	Grey
Natural wetlands	Red	Yellow	Grey	Grey
New Stormwater Quality Treatment Systems	Green	Green	Grey	Grey
Large scale stormwater harvesting	Yellow	Yellow	Grey	Grey

### Community involvement in waterways

Broad-scale education and engagement programs to involve the community in their local waterway, to support them to take a bigger role in waterway management, and to connect to environmental and cultural values.

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.4	0.4	0.4	0.4	0.4	2
		Actual	0.21	0.18	0.21			
Community events	No.	Expected	5	5	5	5	5	25
		Actual	2	14	27			
Web based interactive digital media	No.	Expected	2	2	2	2	2	10
		Actual	6	1	1			
Targeted education campaigns including social media	No.	Expected	5	5	5	5	5	25
		Actual	0	0	5			
Waterway informational signage and infographics	No.	Expected	1	1	1	1	1	5
		Actual	0	0	6			

Overall performance for the regulatory period so far:



Slightly off-track

#### Business comment

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.

Over the first two years, the program has delivered a number of community events, leveraged the incentives program to provide funding to partners and community, created digital content supporting virtual tours of wetland areas at the Werribee Treatment Plant and co-funded the interactive Werribee River Guide. Two projects funded through incentives have been delayed and will deliver two educational waterway solar bins and a platypus sculpture in 2024-25. Behavioural research related to waterway actions has also been completed to understand actions more likely to be taken up by community.

During 2023-24, the program has built on the outcomes to date and delivered:

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- Three grants to community organisations resulting in a community roundtable on platypus with 37 community and agency participants; supported nine citizen science water quality monitoring groups (40 volunteers) and delivered four events to 67 community participants. The third grant will support the Darebin Creek Management Committee (DCMC) to deliver community events in the coming financial year.
- 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.
- Continued support to the Yarra Riverkeeper Association and Maribyrnong River & Waterways Associations through multi-year grants. These partners delivered four targeted educational campaigns and 22 events and activities, engaging 487 people in workshops and learning events and 4,321 people in initiatives to raise awareness of and connection to waterways.
- Two new multi-year partnerships were established with Werribee River Association (3 years) and Port Phillip EcoCentre (2 years).
- A behaviour-change focused litter education project has commenced.
- 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.

In the coming two years, the program will increase community participation in waterway health by:


- Continuing to leverage the incentives framework as a collaborative and effective way for key partners and community groups to deliver community-focused events and projects.
- Implementing programs that align with the BehaviourWorks Australia research findings on the most effective behaviours to target for improving waterway health. This will start with the development of a litter toolkit, noting litter is particularly of concern to the community. This also builds on the work and outcomes of the Chain of Ponds litter project.
- Scoping interactive digital projects that will further engage and educate the community on the value of waterways, e.g. by leveraging the self-determined outcomes created in working with Wurundjeri on the Moonee Ponds Creek cultural trail and Melbourne Water's planned web-based digital education project.



**Flood mitigation**

*Strategic planning and collaborative implementation with our partners.*

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.7	0.7	0.7	0.7	0.7	3.5
		Actual	1.14	0.69	0.68			
Innovative solutions tested and adopted	Output	Progress	On-track	On-track	On-track			
Investigations supported by delivery innovation	Output	Progress	On-track	On-track	On-track			

Overall performance for the regulatory period so far:  **On-track**

**Business comment**

The development of policies and delivery of investigations to address the complexities of flood mitigation in a highly urbanised environment is of high priority for Melbourne Water. Both expenditure and the progress of outputs and outcomes are on-track.

Under this program in 2023-24, we have:

- Completed an update to depth damage functions used for estimating flood damage cost, a refinement of the flood mitigation prioritisation process and tool.
- Completed technical investigations to assess and short list the viability of flood mitigation options for prioritised flooding issue locations.


A screening and evaluation method was developed to identify potential roadblocks to delivering innovative solutions and reduce the risk of investing in solutions that may not be feasible to achieving the intended benefits in practice. The development and trialling of the evaluation method in the first two years of the price period will inform the further application and refinement of the method in the remaining period.

In 2023-24, we partnered with council to test and pilot permeable paving in a suitable location and a capacity building session was also delivered which 63 people attended. This checklist/tool for permeable paving investment consideration will also be shared with other councils across the region for their use and included in future capacity building sessions. For 2024-25, MWC will be developing a method for assessing the Level of Service (LoS) and Consequence of Failure (CoF) for levees, testing this with a pilot case to shortlist high risk levees. Development and application of a GIS analytical tool based on flood hazard characterisation and assessment to support the prioritisation process for programming flood mitigation works will be undertaken. The appraisal of viable flood mitigation options at prioritised locations of flooding impact alleviation is also scheduled.

## Flood preparedness

Preparing for and mitigating the impacts of flooding.

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.3	0.3	0.3	0.3	0.3	1.5
		Actual	0.38	0.18	0.29			
Expansion of education and awareness program (CEDRR) <i>* These are re-engagement of previous years properties</i> <i>**No breakdown of data for individual years</i>	No.	Expected	2000	2000 *	2000	2000 *	500	4500
		Actual	6703 **		1898			
Targeted social media <i>*(+x) numbers indicate re-engagement of previous year's catchments</i>	No.	Expected	3	2(+3)	3(+5)	2(+8)	(+10)	10
		Actual	2	2	5 (+5)			
Improved flash flood warning capability	No.	Expected	0	3	3	2	2	10
		Actual	1	2	3			

Overall performance for the regulatory period so far:  **On-track**

### Business comment

All elements of this uplift program for Flood preparedness have been delivered throughout 2023-2024, with significant outcomes achieved.

The Community Engagement for Disaster Risk Reduction program, run through University of Melbourne, achieved 1,898 effective engagements against an annual target of 900, with participants reporting a 63% increase in their awareness of risk and most following through on taking preparedness activities around their home. That outcome is a significant increase on the level of awareness and follow through to actions achieved through past door-knocking engagement approaches.

This element of the program has now almost doubled the overall target achievement for the full Price Period within the first three years. Nonetheless, another phase of the program is being 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 region, and more targeted social media engagement in at risk communities.

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In 2023-24, we undertook a broad social media campaign in July and September. The campaign targeted all areas and delivered flood preparedness messages. The campaign delivered 108 social media posts (60% increase); 9 new videos; 4 web page updates; 6 home page features; and weekly proactive news items. The campaign resulted in reaching 96,000 people, including 197,000 impressions and 5,109 link clicks to flood preparedness information. In locations targeted for being at-risk of flooding, the digital campaign reached 51,579 people with 1,978 link clicks to the Let's Talk page.

In April to June 2024, we also ran a targeted social media campaign to key flood hot spot areas in the Maribyrnong catchment to direct people to the new Maribyrnong River flood model and to community engagement events focused on improving flood awareness and preparedness. These targeted ads reached a total of 176,304 people in flood affected postcodes. They generated 3,409 clicks to Let's Talk, 289 clicks to sign up for a webinar, and 393 clicks to learn more about the community drop-in events.


Drainage system alerts in existing non-riverine hotspots were developed in partnership with council in years one and two of the price determination. Implementation of the alerts has been paused until roles and responsibilities and governance arrangements have been worked through as part of the broader flood role and responsibility review being undertaken at a state level.

Flash flood alert capability has been added to three further locations where flash flooding is a significant risk across Melbourne Water's operating area. Work continues with SES and EMV to negotiate governance to enable alerts to be shared with the broader community (either through a dedicated app or through enhancements to the existing EMV app).

## Natural wetlands

*Improving in-stream habitats including creeks, rivers, wetlands and estuaries, and the different elements that contribute to healthy waterways.*

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.3	0.3	0.3	0.3	0.3	1.5
		Actual	0.03	0.01	0.2			
Priority sites maintained	No.	Expected	20	20	20	20	20	20
		Actual	4	7	13			
Area maintained	Ha	Expected	60	60	60	60	60	60
		Actual	5	9	48.4			

Overall performance for the regulatory period so far:  Slightly **Off-track**

### Business comment

While we made significant improvements across 2023-24, this program is currently 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 period by prioritising and re-allocating resources to document current wetland condition and develop work programs for the remaining 7 wetlands. With increased prioritisation of resources and completing documentation of wetland condition and development of maintenance regimes, we expect activity in this stream to return to "on track" within the period.

**New Stormwater Quality Treatment Systems**

*Treating stormwater through constructed wetlands and water sensitive urban design.*

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.08	0.16	0.24	0.32	0.40	1.2
		Actual	0	0	0.21			
Cumulative additional Stormwater Quality Treatment Systems handed over	No.	Expected	9	18	27	36	45	45
		Actual	0	0	28			

Overall performance for the regulatory period so far:  **On-track**

**Business comment**


28 new wetlands have been handed over in 23/24 (mostly in 2024) and are now being incorporated into the program.

Delays in the construction and practical completion of wetlands delivered by the development industry and for Melbourne Water to ultimately maintain is out of MW’s direct control. There is variation in the number handed over on a year-to-year basis. As expected, there was an increase in assets in year three based on backlog of handover in years 1 and 2. We expect continued increases in year 4 and 5.

**Large scale stormwater harvesting**

*Managing increasing stormwater impacts from urbanisation to maintain the water cycle needed to protect waterway health.*

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$M	Expected	0.77	1.5	2.3	3.1	3.8	11.5
		Actual	1.70	0.76	1.52			

Overall performance for the regulatory period so far:  **Slightly off-track**

**Business comment**

Over the past three years, we are slightly off-track with our spending, having allocated a total of \$4.0 million out of the expected \$4.57 million.

Our stormwater management program has faced significant challenges that have prevented it from fully achieving its intended purpose. The 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. Key obstacles include rising project costs, the need for customised solutions for each sub-catchment, lack of demand for stormwater in certain areas, and the absence of clear asset types for delivering infiltration targets. These complexities have delayed project timelines and increased costs, making it unlikely that we will meet our targets within the current pricing period. Consequently, it is also unlikely that we will get the assets on the ground and start the operational costs associated with these assets, which were supposed to be funded by the Opex uplift.

Despite these challenges, several key projects are making progress and contributing to our overall goals. For example, the Sunbury Stormwater Harvesting project, which aims to deliver 3.8 GL/year by 2026, is currently under review due to significant cost escalations.

Over the past three years of this program, we have:

- Completed investigations in 2 priority stormwater areas and advanced some of these investigations to high-level feasibility studies, commencing an assessment of the feasibility in delivering the recommendations outlined in the investigations.
- Continuing with the two additional Full Time Employees (FTEs) to support the delivery of the capital program and investigation works.
- Delivered Monbulk Smart Water Network through Partnership and progressing relevant research projects.

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- Three capital projects including Toolern Stormwater Harvesting Sub-scheme and two Infiltration Wetlands at Yarra Catchment are in various stages of development and feasibility assessment. These pilot projects will provide critical insights into designing harvesting wetlands, understanding requirements, and identifying key monitoring needs.
- Options to construct Sunbury Stormwater Harvesting Scheme to meet waterway health outcomes have been fully explored and currently for decision.
- Completed multiple research projects that inform the effectiveness of capital investment and policy, improve understanding of outcomes, and updated industry guidelines and evaluation of offset pricing.
- Provided funding for Water Research Australia to explore chemical and pathogens in urban stormwater and other research projects to advance Stormwater harvesting and infiltration.

The focus for 2024-25 and 2025-2026 will be to initiate future investigations for stormwater harvesting and infiltration in stormwater priority areas and review drainage scheme processes to identify opportunities for integrating assets at the development outset.

While it is highly unlikely that we will meet the Stormwater Harvesting and infiltration target within this pricing period and fully spend the OPEX Uplift, the groundwork laid by the ongoing projects and our adaptive strategies positions us for future success. The lessons learned and the progress made provide a strong foundation for achieving our long-term stormwater management goals.