

OFFICIAL



# Outcomes Report 2021–22

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

18 October 2022



**An appropriate citation for this paper is:**

Essential Services Commission 2022, Outcomes Report 2021–22: Performance of Victoria’s water businesses against their own commitments to customers, 18 October

**Copyright notice**

© Essential Services Commission, 2022



This work, Outcomes Report 2021–22, is licensed under a Creative Commons Attribution 4.0 licence [[creativecommons.org/licenses/by/4.0/](https://creativecommons.org/licenses/by/4.0/)]. You are free to re-use the work under that licence, on the condition that you credit the Essential Services Commission as author, indicate if changes were made and comply with the other licence terms.

The licence does not apply to any brand logo, images or photographs within the publication.



# Contents

|  |           |
|--|-----------|
| <b>Overview</b>  | <b>iv</b> |
| Businesses continued to deliver on their commitments despite challenges caused by the pandemic | v         |
| Businesses honestly and transparently reported their performance                               | vi        |
| More than a third of businesses' major projects are deferred or delayed                        | vii       |
| <b>Outcomes reporting</b>  | <b>1</b>  |
| PREMO – putting customer outcomes first  | 18        |
| What is outcomes reporting?  | 1         |
| Our outcomes report complements our other reporting streams                                    | 1         |
| <b>What businesses reported in 2021–22</b>   | <b>3</b>  |
| <b>Businesses overall 2021–22 self-rating by PREMO rating</b>                                  | <b>7</b>  |
| <b>What we found</b>   | <b>9</b>  |
| Performance  | 9         |
| Our views on business self-assessments   | 11        |
| Self-reporting to customers  | 12        |
| Businesses' major projects   | 12        |
| Looking ahead  | 18        |
| <b>Water business summaries</b>  | <b>27</b> |
| <b>Sample business page</b>  | <b>28</b> |
| <b>Barwon Water</b>  | <b>29</b> |
| <b>Central Highlands Water</b>   | <b>30</b> |
| <b>Coliban Water</b>   | <b>31</b> |
| <b>East Gippsland Water</b>  | <b>32</b> |
| <b>Gippsland Water</b>   | <b>33</b> |
| <b>Goulburn Valley Water</b>   | <b>34</b> |
| <b>Greater Western Water (previously City West Water area)</b>                                 | <b>35</b> |
| <b>Greater Western Water (previously Western Water area)</b>                                   | <b>36</b> |
| <b>GWMWater</b>  | <b>37</b> |
| <b>Lower Murray Water (rural)</b>  | <b>38</b> |
| <b>Lower Murray Water (urban)</b>  | <b>39</b> |
| <b>North East Water</b>  | <b>40</b> |
| <b>South East Water</b>  | <b>42</b> |
| <b>South Gippsland Water</b>   | <b>43</b> |
| <b>Southern Rural Water</b>  | <b>44</b> |
| <b>Wannon Water</b>  | <b>45</b> |
| <b>Westernport Water</b>   | <b>46</b> |
| <b>Yarra Valley Water</b>  | <b>47</b> |

# Overview

As part of the Essential Services Commission's 2018 water price review, 17 water businesses established a set of 'outcomes' which they would deliver to their customers over the following five years.<sup>1</sup>

In 2021, Melbourne Water also established a set of outcomes that it commits to deliver to customers over the following five years.

These customer outcomes are a key part of our PREMO water pricing approach.<sup>2</sup> PREMO was applied for the first time in 2018.

Water businesses engaged with customers during their price reviews to establish their outcomes. The outcome commitments of each business are reflected in their approved prices. Progress against these commitments can indicate whether customers are getting what they pay for.

This report summarises each water business's self-assessment of its 2021–22 performance and where relevant its overall performance since 2018–19 against its customer outcome commitments. Links to the full self-assessment documents are available in this report and on our website.<sup>3</sup>

This is the fourth outcomes report we have completed and the last outcomes report before the 2023 price review of 14 water businesses.<sup>4</sup>

## 2023 water price review and water businesses' performance

Our 2023 water price review will assess 14 water businesses' proposed prices and key service outcomes and determine the maximum prices these businesses can charge for their water and sewerage services, from 1 July 2023.

Part of the upcoming price review will include assessing how businesses have performed against their outcome targets and major projects they committed to deliver to customers at the

---

<sup>1</sup> Note Goulburn Murray Water is set to be regulated under PREMO from 1 July 2024 and until then is not included in our outcomes reporting. Melbourne Water was not part of our 2018 water price review. Melbourne Water's price review took place in 2021 and its outcome commitments, performance and self-assessment are included for the first time in this outcomes report. North East Water has committed to outcomes over an eight-year regulatory period until 30 June 2026.

<sup>2</sup> See our website for more information on our PREMO pricing framework <https://www.esc.vic.gov.au/premo-water-pricing-framework>.

<sup>3</sup> [www.esc.vic.gov.au/water-outcomes-reporting](http://www.esc.vic.gov.au/water-outcomes-reporting).

<sup>4</sup> Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water, Gippsland Water, Goulburn Valley Water, GWMWater, Lower Murray Water, South East Water, South Gippsland Water, Southern Rural Water, Wannon Water, Westernport Water and Yarra Valley Water are the 14 businesses included in the 2023 water price review.

2018 water price review. This is a key part of the 'Performance' element in PREMO which is being assessed for the first time at this price review.

We expect the information in these businesses' price submissions will mirror what they have reported to their customers and to us in this reporting cycle. While we have provided an initial assessment on these businesses' performance in this report, the 2023 price review will involve a more robust assessment as we verify each business's PREMO ratings.

## **Businesses continued to deliver on their commitments despite challenges caused by the pandemic and adverse weather conditions**

Most Victorian water businesses reported the coronavirus pandemic affected some performance measures in 2021–22 as the pandemic continued. For example, measures requiring face-to-face customer interaction could not be met.

Eight businesses reported that wetter than usual weather conditions had affected their performance against some measures.

Despite these challenges, most businesses self-assessed as performing well against their outcome commitments, with 12 businesses reporting they had, overall, delivered on their 2021–22 outcome commitments, a similar result to last year.<sup>5</sup>

The remaining six businesses considered they had mostly met their outcome commitments in 2021–22.

No business considered it had failed overall in delivering its outcome commitments. Those that fell short of some targets are still committed to meeting them before the end of the regulatory period.

Based on businesses' self-assessments, Victorian water customers are, in general, getting what they pay for. We consider all businesses are on track to deliver their outcome commitments to customers by the end of their pricing periods.

We engaged with water businesses throughout the pandemic to understand how they are managing challenges and supporting customers. We understand the pandemic required a major shift in focus for most businesses and the support they provide customers – to manage this as well as (generally) deliver on their 2018 outcome commitments is a great result.

---

<sup>5</sup> On 1 July 2021, City West Water and Western Water merged to become Greater Western Water. While now operating as one business, its outcomes commitments were made while separate entities, and we have continued to report separately on the customer outcomes agreed to in the 2018 price review as Greater Western Water (previously City West Water area) and Greater Western Water (previously Western Water area). Greater Western Water will work to align its customer outcomes for its upcoming 2024 water price review.

Our reporting on support provided by water businesses to customers during the pandemic shows businesses have continued to provide a greater level of support to customers compared to pre-pandemic times. This reporting is available on our website at [www.esc.vic.gov.au/water-customer-support-during-coronavirus-pandemic](http://www.esc.vic.gov.au/water-customer-support-during-coronavirus-pandemic).

## **A number of major projects have been deferred or delayed**

Although water businesses are generally performing well against their outcome commitments, a number of major projects have been deferred or delayed. Businesses reported that 24 major projects are deferred<sup>6</sup>, or 12% of the 207 major projects reported on by businesses. Additionally, 60 major projects have been reported as delayed<sup>7</sup> (29% of the 207 major projects), at the end of 2021-22. This is an increase of 13 deferred or delayed projects compared to what was reported last year.

Businesses are reporting that most remaining projects are still expected to be completed before the end of the period, but we note that 47 of the 84 delayed or deferred major projects are now expected to be completed in the next relevant regulatory period for that business.

The most common explanations for delays or deferrals were changes in the scope of the project, further planning and design work being required before projects could commence, or 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>8</sup>

Businesses should explain delays, alterations or re-prioritisation of their project schedules to their customers, particularly given the current prices customers are facing include capital investment costs that were approved in the 2018 price review project schedule (regardless of whether the expenditure has been incurred or not).<sup>9</sup> Also, changes to project delivery schedules may materially impact the services customers receive, noting at this stage, businesses generally continue to deliver on their commitments.

---

<sup>6</sup> Essential Services Commission 2022, Status of major projects supplement: Outcomes report 2021–22, notes the definition of deferred projects as the business rescheduled the entire project, either within the current pricing period or into a future period.

<sup>7</sup> Essential Services Commission 2022, Status of major projects supplement: Outcomes report 2021–22, notes the definition of delayed projects as either the project start was delayed, or completion will be later than scheduled.

<sup>8</sup> Essential Services Commission 2022, Status of major projects supplement: Outcomes report 2021–22, October.

<sup>9</sup> Customer prices are initially based on a forecast for capital expenditure, including capital expenditure related to major projects. At each price review (which typically occurs every five years) customer prices are adjusted to reflect actual capital expenditure. This helps to ensure customer prices reflect only capital expenditure incurred by a water business, noting the recovery of these costs is spread over the life of the relevant assets. We may review the prudence and efficiency of past capital expenditure before confirming the amounts to be reflected in customer prices.

We understand that circumstances and priorities have changed since the emergence of the pandemic in 2020. However, we consider that the level of delayed or deferred projects is concerning as we enter the final year of the 2018–23 regulatory period. We expect businesses to proactively manage the delivery of their major projects to ensure customers receive value for the prices they pay.

How businesses have managed the delivery of their major projects during this regulatory period will be a determining factor for their PREMO ratings during the upcoming 2023 price review.

We expect businesses' major project schedules for the next regulatory period will be based on robust project forecasts and realistic timeframes (including consideration of the on-going impacts of the pandemic and the high demand and supply chain issues currently being experienced in the construction sector). In this way, the risk of customers paying for services they don't receive is minimised.

## **Businesses honestly and transparently reported their performance**

The 2021–22 regulatory period represents the fourth year of outcomes reporting, and water businesses have displayed their growing experience with outcomes reporting and our PREMO pricing framework.

Businesses demonstrated a similar level of accountability in 2021–22 as they did the previous year. There is consistency in performance gradings across the sector, which we expected to see as familiarity with the framework and other business approaches are revealed. Many businesses have remained engaged with their customers on their outcomes through their customer committees despite barriers due to the ongoing impacts of the pandemic. Many businesses also continued to check in with their customers for feedback on their performance before finalising their self-assessments, reflecting our PREMO framework's emphasis on customer values and priorities.

Most businesses were prompt to publish accessible information on this year's performance results on their websites by making prominent announcements linking to these results on their homepages. Making a prominent announcement on the homepage of its website shows a business is transparent to customers and takes ownership for its performance.

Our PREMO framework is designed to continuously evolve as revealed industry best practice resets the bar higher each cycle. We will continue to highlight better performing businesses, with these businesses setting the bar for future self-assessments and reporting.



# Outcomes reporting

## 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 their 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 their 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.

## 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.

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 where customers are asked to rate their water business out of ten in four key areas:

- trust
- value for money
- 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 PREMO. 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).

## What businesses reported in 2021–22

We received a summary outcomes report from each business. Each used a common template we provided to ensure consistency in 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

These charts summarise each water business's outcomes performance based on its own self-assessment, showing relative proportions of outcomes: achieved (green), almost achieved (amber) and not achieved (red). The middle circle shows the overall self-assessment rating. For example, Barwon Water achieved three of its outcome targets, almost achieved two and considered it met its outcomes commitments to customers overall.

**Barwon Water**



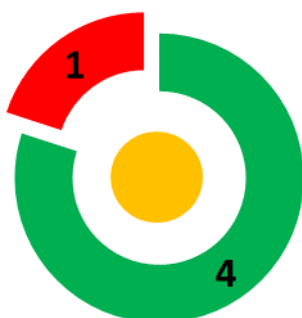
**Central Highlands Water**



**Greater Western Water (CWW)**



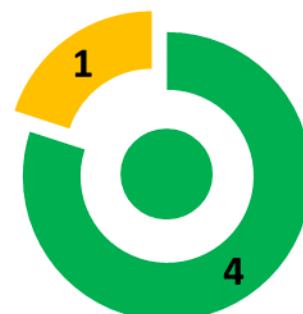
**Coliban Water**



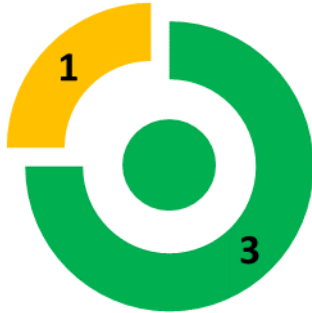
**East Gippsland Water**



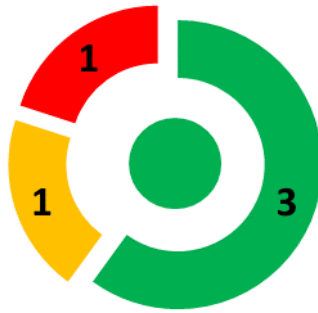
**Gippsland Water**



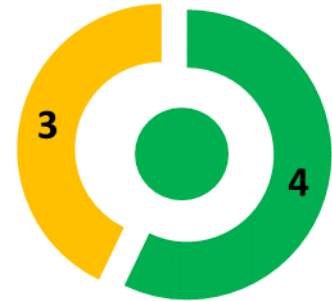
**Goulburn Valley Water**



**GWMWater**



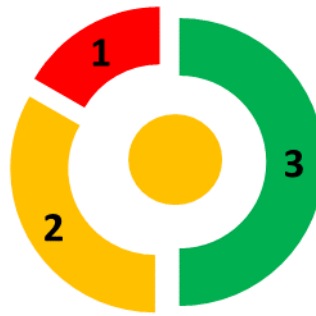
**Lower Murray Water (urban)**



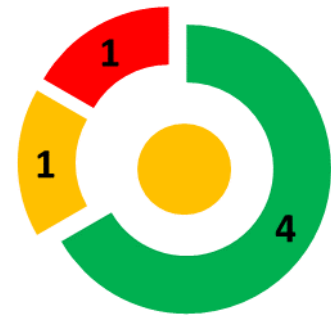
**Lower Murray Water (rural)**



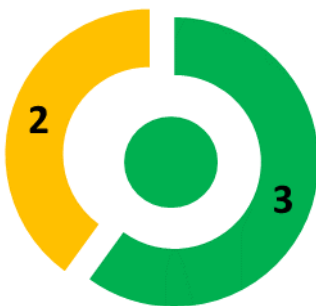
**Melbourne Water**



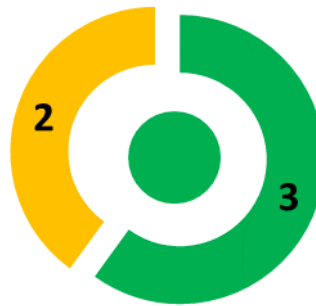
**North East Water**



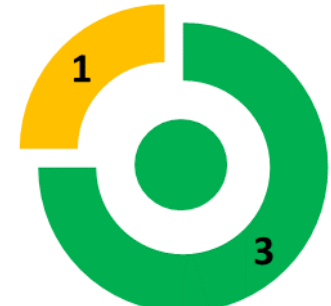
**South East Water**



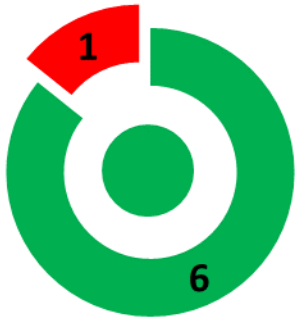
**South Gippsland Water**



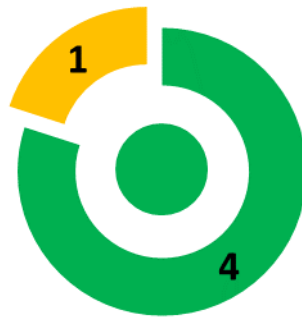
**Southern Rural Water**



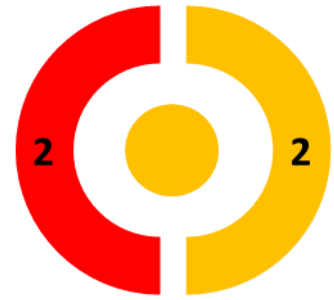
**Wannon Water**



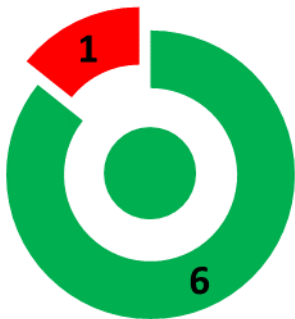
**Greater Western  
Water (WW)**



**Westernport Water**



**Yarra Valley Water**





## Businesses overall 2021–22 self-rating by PREMO rating

This table shows the overall self-rating for outcomes for each business for its performance in 2021–22 according to its PREMO rating set at its latest price review. The PREMO rating reflects the level of ambition of a business’s price submission, including the ambition of its outcomes by which it is measuring its performance.

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

| Leading               | Advanced  | Standard                   | Basic/not rated*                                       |
|-----------------------|---|----------------------------|--|
| Goulburn Valley Water | Barwon Water  | Gippsland Water            | Wannon Water   |
|                       | Central Highlands Water                                 | Lower Murray Water (urban) | Greater Western Water (previously Western Water area)* |
|                       | South East Water  | Lower Murray Water (rural) |  |
|                       | Southern Rural Water                                    | South Gippsland Water      |  |
|                       | Yarra Valley Water                                      | East Gippsland Water       |  |
|                       | Greater Western Water (previously City West Water area) | Melbourne Water            |  |
|                       | Coliban Water   | Westernport Water          |  |

| Leading | Advanced         | Standard | Basic/not rated* |
|---------|------------------|----------|------------------|
|         | GWMWater         |          |                  |
|         | North East Water |          |                  |

\* At its 2020 price review we did not consider Western Water's (now Greater Western Water (previously Western Water area)) price submission met the requirements for a standard rating, accordingly we did not assign a PREMO rating.



# What we found

This chapter provides:

- high-level observations on performance according to the businesses' self-reporting
- general views on how the self-assessment and self-reporting processes have fared so far
- observations for each business, highlighting those that had strong performance, showed accountability for shortfalls and demonstrated honest and open self-reporting.

## 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.

Most businesses self-assessed as performing well against their outcome commitments, with 12 businesses reporting they had, overall, delivered on their 2021-22 outcome commitments. The remaining six businesses gave themselves an amber overall rating, indicating they almost or mostly met their outcome commitments.

Four of the six businesses that gave themselves amber overall ratings have advanced PREMO ratings. We found this generally reflects these businesses' high level of ambition, where in many instances they had set stretch targets for their measures.

No business considered it had failed to deliver its promises by rating itself red overall.

Most businesses reported the pandemic had affected their performance this year, while some businesses reported that wetter than usual weather conditions had affected their performance. In many instances businesses were able to overcome these challenges to meet their customer commitments.

For example:

- Barwon Water performed well, meeting 26 out of 33 of its measures, rating itself green overall. A slight drop from the previous year, it faced challenges with the ongoing impacts of the pandemic, including impacts on its research into water treatment sludge re-use options due to site access limitations. However, it continues to perform well on its commitment to support customers through its hardship program and water efficiency initiatives, by continuing to commit an extra \$5 million across the pricing period. Barwon Water also committed to returning up to

\$11.5 million at the end of the pricing period to customers, through lower prices or initiatives that customers have nominated, should they not meet their performance targets.<sup>10</sup> We consider this demonstrates accountability for meeting performance commitments.

- Central Highlands Water rated itself green overall, meeting 19 of its 26 outcome targets and improving on last year's performance, where it rated itself amber overall. Its targets were reviewed and amended in consultation with its customers and us, and were active from 1 July 2020. Its revised targets are mostly more ambitious compared to its previous targets and, considering its higher benchmark, show an increased value for customers over time.
- East Gippsland Water noted it was a challenging year due to the pandemic and adverse weather conditions. Although its whole-of-business CO<sub>2</sub> emissions for 2021–22 were lower than its target and rated as green, the emissions were higher than last year, noting the cause as the need to treat increased wastewater volumes linked to wetter than usual weather. Despite these challenges, it showed improvements on the previous year for its number of *Safe Drinking Water Act 2003* non-compliances.
- Gippsland Water had a strong performance this year, meeting four out of five outcomes, 18 out of 22 targets, and improving on last year's performance. It had zero penalties issued by the Environment Protection Authority or the Department of Health, an improvement from last year. It also greatly improved on its average time to rectify a sewer blockage compared to last year.
- Yarra Valley Water met six of its seven outcomes, and for five of its seven measures it either maintained or improved its performance compared to previous years, producing its best performance overall for this price period. It has committed to returning \$1.5 million to customers through a customer rebate next year for not meeting one outcome target. The accountability Yarra Valley Water shows by compensating customers for outcomes not met stands out among businesses. It also shows Yarra Valley Water is serious about providing customers value for money.

This is the first year of Melbourne Water's PREMO-based regulatory pricing period, and accordingly its first year for inclusion in our outcomes reporting. Additionally, some businesses added new outcomes and measures this year. There are 24 new measures, and eight new outcomes, including those of Melbourne Water. Overall, there were a similar number of targets assessed as 'met', 'almost met' and 'not met' at the individual measure level compared to last year, when assessing by percentage.

There was a greater change at the aggregate outcome level compared to last year, with a six per cent increase in outcome commitments rated as 'not met' (three per cent last year, nine per cent this year). The percentage of outcome commitments rated as 'almost met' fell by nine per cent (33

---

<sup>10</sup> To date, Barwon Water have committed to return \$0.18 million to its customers. Barwon Water 2023 Price Submission to the Essential Services Commission, p.14.

per cent last year, 24 per cent this year) and the outcome commitments rated as ‘met’ increased by three per cent (64 per cent last year, 67 per cent this year).

While proportionally the number of outcome commitments rated red increased this year, so too did the number of outcome commitments rated green. We note however, that a green set of ratings does not necessarily mean a strong performance and great customer value. It might reflect an easily achieved set of targets and should be viewed in comparison with historical performance to gauge whether customers are receiving better outcomes.

Generally, we saw clear accountability in the summary outcome reports we received. Most businesses 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.

## **Our views on business self-assessments**

Businesses are required to rate their actual performance:

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

A simple traffic light grading system allows easy recognition of achievement: green = met, amber = close or largely met, red = fell short.

We did not provide strict guidance on this, 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.

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
- through businesses’ engagement processes throughout this regulatory period where they can discuss and adjust these commitments in accordance with customers’ changing priorities.

As businesses have become more familiar with outcomes reporting and as industry best practice is revealed we have seen greater consistency in performance self-assessments, and we consider all businesses’ performance self-assessments in 2021-22 were reasonable.

What we found

Variation remains in assessment approach; however, this is expected given we have not provided strict guidance. For example, Westernport Water grades its outcomes according to the rating of the lowest measure (for example, one amber measure with all other measures green meant the outcome rating was amber), while South East Water established a measurement framework which includes tolerance bands for grading individual measures and a score system for grading outcomes. Some businesses such as East Gippsland Water and Westernport Water set an especially high bar for the assessment of their overall outcomes performance.

Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water and Goulburn Valley Water sought the views of their customer committees before finalising their traffic light ratings. We commend this approach, where a business considers its customers' views on the value they received, as truly reflecting PREMO's customer-centric focus. It also provides an opportunity for businesses to check-in with their customers to ensure they still value the outcome commitments set in the 2018 price review and make adjustments where priorities have changed.

## **Self-reporting to customers**

The self-reporting aspect of PREMO required the water businesses to report directly to their customers, and to provide us with a summary on the templates we provided.

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

We emphasised this in our Water Pricing Framework and Approach Paper and our water price review guidance papers. We have also iterated this multiple times:

- as we worked with businesses to review and finalise their outcome commitments for the pricing period
- as we reflected on lessons from previous outcomes reporting in workshops we have held with water businesses over the past few years
- in this report and our previous outcomes reports.

We are pleased that all businesses have published their performance on their websites, and that most did this promptly without any encouragement from us. Many businesses also have prominent announcements on their homepage linking to their performance results.

Barwon Water, Central Highlands Water, Coliban Water, East Gippsland Water, Gippsland Water, Goulburn Valley Water, South East Water, South Gippsland Water, Wannon Water, Westernport Water and Yarra Valley Water all have prominent announcements on their homepage, demonstrating transparency to customers and that they are proud of their performance this year.

Westernport Water sent out its performance results in a brochure to every one of its customers with its September bill as well as publishing its performance prominently on its website. Gippsland Water, which is one of the businesses that featured a prominent announcement on its website

What we found

homepage linking to its performance results, also published a community report with case studies demonstrating how it is delivering on its outcome commitments to customers. North East Water provides customers with both a mid-year and an annual update on its performance. These examples show where businesses have gone beyond our requirements and display dedication to keeping customers informed about the outcomes that matter most to them.

There are still some businesses that posted their outcomes performance under 2018 price review sections or in general publications sections, with no announcements or direct links on the website homepage. This is disappointing given our emphasis on the importance of promptly and prominently reporting performance directly to customers and given this is the fourth year of outcomes reporting. Without a prominent announcement 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 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 projects**

Each year, water businesses provide an update on the status of major project commitments made in their price submission, indicating if projects have been completed as scheduled, are delayed, or if priorities have changed over time.

Major project delivery is a key cost component for water businesses and is reflected in the approved price path, with most delivering material service benefits to customers. Significant changes to the major project schedule essentially change what customers get for their prices, and should be explained to customers by the water business. For example, will customers be impacted by the change or delay, has a higher priority project emerged, or will prices be lowered to reflect the revenue that is not needed?

This section tracks the businesses' reported progress against their original project schedule 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

what we found

- 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.

Fourteen urban water businesses, Southern Rural Water and Lower Murray Water Rural nominated major projects for completion in the five-year pricing period from 2018–23.<sup>11</sup> North East Water nominated projects for completion in the eight-year pricing period from 2018–26. Melbourne Water also nominated major projects for completion in its five-year pricing period from 2021–26, this year being the first year of its regulatory period. In total, 207 major capital projects were identified including six new projects this year, four projects identified by Melbourne Water, and two from GWMWater.

Water businesses are required to report how these 207 projects are tracking against the scheduled start and completion dates they committed to in their price submissions. Businesses have provided their comments to convey how the projects are progressing and why actual completion dates may differ from those initially expected.

Table 1 provides a summary of the status of the scheduled major projects for each water business at the end of 2021–22.

Overall, 40 major projects are currently running to schedule.

Twenty-two projects were completed this year, including eleven which were completed late. Overall, 79 major projects have been reported as completed as of 2021–22, a 20 per cent increase on the total number of total projects reported as completed at the end of 2021–22.

Central Highlands Water completed three projects, while South East Water, South Gippsland Water, Melbourne Water, Westernport Water and Yarra Valley Water each completed two projects. Ten other businesses reported completing one project in 2021–22.

Melbourne Water cancelled two projects in 2021–22, one after an alternative solution to deliver the project outcome was identified and another when a developer-led project was cancelled, with Melbourne Water raising a project internally to achieve the same project outcome. Lower Murray Water previously cancelled two of its projects after expanding the scope of another project making the works of these two projects redundant.

---

<sup>11</sup> The fourteen urban water businesses with the pricing period from 2018–23 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, Wannon Water, Westernport Water and Yarra Valley Water.

A total of 84 projects are either delayed or have been deferred. This is an increase of 13 projects compared to last year.

Barwon Water, East Gippsland Water, Gippsland Water, Greater Western Water (previously Western Water area), GWMWater, North East Water, South East Water and Wannon Water have all reported at least half of their major projects as either deferred or delayed. GWMWater has reported ten of its 16 major projects are delayed at the end of 2021–22.

Common explanations for delays were:

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

Altogether there were five projects that businesses reported as delayed, completed late or deferred due to the pandemic, down from nine last year. Only two projects were listed as delayed or deferred due to supply chain issues. In their outcomes reporting, businesses did not raise increasing construction costs as a reason for the delay or deferral of projects.

The high number of projects that are deferred or delayed is concerning given we are entering the final year of the regulatory period for a majority of the businesses reporting on major project delivery. We note 47 of the 84 delayed and deferred projects are now expected to be completed after the end of the current regulatory period for each business.

We understand circumstances and priorities change, especially in this current business environment which has been impacted by lockdowns due to the pandemic in previous years, and with the construction industry now experiencing high demand and supply chain issues. However, we continue to expect water businesses to proactively manage the delivery of their major projects as we approach the upcoming 2023 water price review and the next regulatory period.

Significant changes to major projects schedules change what customers get for the prices they pay. Therefore, we also expect businesses to communicate and address significant changes to their initial commitment directly with their customers. This allows customers to test these changes with the water business.

We expect businesses to demonstrate clear accountability to their customers and we will continue to closely observe how water businesses deliver their capital program and communicate changes to customers in the last year of the current pricing period. How businesses have managed the delivery of their major projects in this regulatory period will be a determining factor for their PREMO ratings in the upcoming 2023 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 2021–22'.

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



**Table 1: Businesses' major projects status at June 30 2022**

|                       | No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred  | Delayed   |
|-----------------------|--------------------|-------------------|----------------|-------------|-----------|-----------|-----------|
| Barwon                | 10                 | 2                 | 1              | 0           | 0         | 3         | 4         |
| Central Highlands     | 10                 | 4                 | 3              | 0           | 0         | 0         | 3         |
| Coliban               | 11                 | 4                 | 0              | 2           | 0         | 0         | 5         |
| East Gippsland        | 10                 | 3                 | 0              | 2           | 0         | 1         | 4         |
| Gippsland             | 10                 | 1                 | 1              | 2           | 0         | 2         | 4         |
| Goulburn Valley       | 10                 | 3                 | 2              | 2           | 0         | 3         | 0         |
| Greater Western (CWW) | 10                 | 3                 | 4              | 0           | 0         | 1         | 2         |
| Greater Western (WW)  | 11                 | 2                 | 1              | 2           | 0         | 2         | 4         |
| GWMWater              | 16                 | 0                 | 4              | 2           | 0         | 0         | 10        |
| Lower Murray – Urban  | 5                  | 1                 | 2              | 0           | 0         | 1         | 1         |
| Lower Murray – Rural  | 9                  | 2                 | 2              | 1           | 2         | 1         | 1         |
| Melbourne Water       | 19                 | 2                 | 0              | 10          | 2         | 2         | 3         |
| North East            | 10                 | 1                 | 0              | 4           | 0         | 2         | 3         |
| South East            | 10                 | 1                 | 3              | 0           | 0         | 2         | 4         |
| South Gippsland       | 16                 | 5                 | 1              | 5           | 0         | 0         | 5         |
| Southern Rural        | 10                 | 5                 | 1              | 1           | 0         | 2         | 1         |
| Wannon                | 10                 | 1                 | 2              | 0           | 0         | 1         | 6         |
| Westernport           | 10                 | 5                 | 2              | 3           | 0         | 0         | 0         |
| Yarra Valley          | 10                 | 2                 | 3              | 4           | 0         | 1         | 0         |
| <b>Total</b>          | <b>207</b>         | <b>47</b>         | <b>32</b>      | <b>40</b>   | <b>4</b>  | <b>24</b> | <b>60</b> |

## PREMO – putting customer outcomes first

Our PREMO water pricing framework puts customers at the centre of the regulatory pricing process.<sup>12</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 established 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 worked 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 culminated in each business re-affirming its commitment to the final set of outcomes and targets, which we published 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
- **Management** – the degree of expenditure efficiency improvement and cost control (prudent and efficient expenditure), strength and quality of the price submission

---

<sup>12</sup> Essential Services Commission 2016, Water Pricing Framework and Approach: Implementing PREMO from 2018, October.

- **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.

## Looking ahead

In the upcoming 2023 water price review we will introduce the ‘performance’ element of the PREMO framework. How businesses have performed against their outcome commitments will be a major component in our assessment of this element.

For each business we will review its own self-assessment and self-reporting of its performance to check it is reasonable, that it is taking accountability for shortfalls, and that it is taking ownership over its outcome commitments.

The PREMO framework puts customers at the centre of businesses’ pricing decisions so it is appropriate that we will also consider customers’ views on water businesses’ performance. Each quarter we survey 1,450 water customers across Victoria, 5,800 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.

We will take into account businesses’ customer satisfaction ratings and the customer feedback we get through our own customer engagement when assessing performance. Many businesses also have their own customer satisfaction surveys which may also support their price submission at the next price review.

Table 2 provides a comparison of each water business’s overall self-assessment against the views of its customers and our own observations. For each business the table includes:

- its overall self-assessment for its performance against its outcome commitments in 2021–22, using the traffic light ratings:
  - green (achieving outcome commitments)
  - amber (mostly achieving outcome commitments)
  - red (not achieving outcome commitments)

- its latest customer perception survey rating for overall average satisfaction, for the period October 2021 to August 2022.
- our observations on its performance, self-assessment and self-reporting.

We consider all businesses are on track to deliver their outcome commitments to customers by the end of their pricing period, which for most businesses is 30 June 2023. Businesses have continued to meet most of their commitments, despite the ongoing impacts of the pandemic. That said, the relatively high number of major projects that are deferred and delayed is concerning. Businesses may need to carefully manage their value proposition, including the number of projects included within their capital program, and their delivery schedule, to ensure customers continue to receive good value for money in the coming years.

We note that delays or deferrals of major projects could impact future service performance, but do not necessarily determine a business' performance against its outcome commitments to its customers. On balance, we consider customers are continuing to get what they pay for.

**Table 2: Summary of businesses' 2021-22 self-assessments, customer satisfaction and our observations**

| Water business          | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments  |
|-------------------------|------------------------------|--|---|
| Barwon Water            | Overall green rating         | 7.1 out of 10                                    | Barwon Water's outcomes reporting shows that it set mostly high-performance benchmarks, with several of its targets improving over time. Its self-assessment was informed by its customer committee, and it met 26 of its 33 targets. It shows accountability for its performance, prominently announcing its 2021–22 performance results on the homepage of its website. |
| Central Highlands Water | Overall green rating         | 6.3 out of 10                                    | Central Highlands Water's self-assessment is reasonable. It has one of the most ambitious target sets which it has continued to refine with its customers to ensure it aligns with changing   |

| Water business       | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments  |
|----------------------|------------------------------|--|---|
|                      |                              |  | <p>priorities, demonstrating the evolution of its commitments to its customers. It also showed ownership for its performance results by announcing them prominently on its website homepage.</p>  |
| Coliban Water        | Overall amber rating         | 6.6 out of 10                                    | <p>Coliban Water's self-assessment is reasonable. It seeks out its customers' views on its performance and is transparent in its outcomes reporting by providing the customer rating percentages for its performance against each measure.</p>  |
| East Gippsland Water | Overall amber rating         | 6.7 out of 10                                    | <p>East Gippsland Water's self-assessment is reasonable. It tests its self-assessment rating with its customers through continued customer engagement. Its report on this year's performance against its outcome commitments is featured on the homepage of its website, showing ownership of its outcomes performance.</p> |
| Gippsland Water      | Overall green rating         | 6.7 out of 10                                    | <p>Gippsland Water's self-assessment is reasonable. Its performance this year remained strong, although its targets remain steady. It reported this year's performance of its outcome commitments to customers through its 2022 community report, which is featured prominently on the</p>                                  |

| Water business  | Businesses' self-assessments | Oct 2021 to Aug 2022<br>Average satisfaction rating | Our observations on the businesses' self-assessments  |
|---|------------------------------|---|---|
|   |                              |   | homepage of its website.  |
| Goulburn Valley Water                                   | Overall green rating         | 6.9 out of 10                                       | Goulburn Valley Water's self-assessment is reasonable, and it is informed by its customers. It has recently added new measures to capture customer satisfaction. It shows accountability for its performance, prominently announcing its 2021–22 performance on the homepage of its website.                              |
| Greater Western Water (previously City West Water area) | Overall amber rating         | 6.9 out of 10                                       | Greater Western Water (previously City West Water area) is one of the businesses that sets a high bar for its self-assessment. It met 27 out of its 41 targets, which is a slight drop from the previous year. An easy-to-read report, with thorough commentary for each measure.   |
| Greater Western Water (previously Western Water area)   | Overall green rating         | 6.7 out of 10                                       | <p>After the 2020 water price review, Greater Western Water (previously Western Water) amended its set of customer outcomes following consultation with its customers.</p> <p>Its self-assessment for this year is reasonable and effectively explains its performance over the 2021–22 period, including shortfalls.</p> |
| GWMWater  | Overall amber rating         | 6.1 out of 10                                       | GWMWater's self-assessment is reasonable and mostly   |

#### What we found

| Water business             | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments  |
|----------------------------|------------------------------|--|---|
|                            |                              |  | sets higher benchmarks for its targets. It demonstrated accountability for not meeting one of its outcome measures this year by lowering its tariffs below the approved rate for affected customers, as it did in the previous year.  |
| Lower Murray Water – Rural | Overall green rating         | NA   | <p data-bbox="1118 689 1422 992">Lower Murray Water – Rural had a strong performance this year, meeting 9 of its 11 targets, however some of its targets remain steady. Clear explanations of shortfalls provided.</p> <p data-bbox="1118 1025 1449 1227">As a rural water business, Lower Murray Water – Rural is not part of our quarterly customer satisfaction survey.</p>                                |
| Lower Murray Water – Urban | Overall green rating         | 6.7 out of 10                                    | <p data-bbox="1118 1249 1449 1451">Lower Murray Water – Urban performed well this year, meeting 21 of its 29 targets. Clear explanations of shortfalls provided.</p>  |
| Melbourne Water            | Overall amber rating         | NA   | <p data-bbox="1118 1473 1449 1910">Melbourne Water's self-assessment is reasonable, with some higher benchmark 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 and how it is delivering value to customers.</p> <p data-bbox="1118 1921 1449 1989">Melbourne Water is not part of our quarterly</p> |

| Water business        | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments  |
|-----------------------|------------------------------|--|---|
| North East Water      | Overall amber rating         | 6.9 out of 10                                    | <p>customer satisfaction survey.</p> <p>North East Water's self-assessment is reasonable, with some higher benchmark targets. A clearly written and well-presented report, with thorough commentary.</p>  |
| South East Water      | Overall green rating         | 7.5 out of 10                                    | <p>South East Water's self-assessment is reasonable and it has provided clear explanations where it has underperformed against a measure. A well written and well-presented report, with clear outcomes and targets. Its customer satisfaction rating has also improved significantly compared to last year.</p>  |
| South Gippsland Water | Overall green rating         | 6.9 out of 10                                    | <p>After the 2020 water price review, South Gippsland Water amended its set of customer outcomes following consultation with its customers. South Gippsland Water's self-assessment of its performance over 2021–22 is reasonable. It has provided explanations where it has not met targets as well as provided information on proactive actions to ensure it meets its targets.</p> |
| Southern Rural Water  | Overall green rating         | NA   | <p>Southern Rural Water's self-assessment is reasonable, and it has performed well, having met 14 of its 20 targets.</p>  |

What we found



| Water business     | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments   |
|--------------------|------------------------------|--|--|
|                    |                              |  | <p>It has clearly explained shortfalls in its performance, and its outcomes and measures are clear.</p> <p>As a rural water business, Southern Rural Water is not a part of our quarterly customer satisfaction survey.</p>  |
| Wannon Water       | Overall green rating         | 6.8 out of 10                                    | <p>Wannon Water performed well this year, having met 11 of its 15 targets. Its self-assessment is reasonable. It showed ownership for its outcome commitments by publishing this year's performance results promptly and prominently on its website. Its customer satisfaction rating has also improved significantly compared to last year.</p> |
| Westernport Water  | Overall amber rating         | 7.0 out of 10                                    | <p>Westernport Water's self-assessment benchmark is one of the highest. Its overall rating is based on its lowest rated outcome and each outcome based on its lowest rated measure. Its self-reporting is commendable, sending out its performance results to each of its customers as a bill insert.</p>  |
| Yarra Valley Water | Overall green rating         | 7.1 out of 10                                    | <p>Yarra Valley Water's self-assessment is reasonable, and its performance was strong. For not meeting one of its outcome</p>  |

What we found

| Water business | Businesses' self-assessments | Oct 2021 to Aug 2022 Average satisfaction rating | Our observations on the businesses' self-assessments   |
|----------------|------------------------------|--|--|
|                |                              |  | <p>commitments, it will return \$1.5 million to customers through rebates next year. This level of accountability for underperformance stands out compared to the other businesses. It also showed ownership for its performance results by sharing them promptly and prominently on its website homepage.</p> |

## Water business summaries

The following business summaries provide a simple one-page snapshot for each water business's 2021–22 performance, including:

- the business's PREMO rating from its last price review.
- the business's traffic light self-rating for each of its outcomes
- the business's traffic light self-rating for its overall achievement against its outcomes commitments
- a summary of the reported status of its major capital projects.

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 2021–22, self-assessed by the water business

| Outcome                           | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|-----------------------------------|--------|--------|--------|--------|-------|
| 1. Customer service               | Yellow | Yellow | Yellow | Green  | Grey  |
| 2. Drinking water quality         | Green  | Green  | Green  | Green  | Grey  |
| 3. Environmental sustainability   | Green  | Yellow | Yellow | Yellow | Grey  |
| 4. Assisting vulnerable customers | Green  | Green  | Green  | Green  | Grey  |
| Overall                           | Green  | Green  | Yellow | Green  | Grey  |

Traffic light of overall outcomes performance for 2021–22, self-assessed by the water business

### Sample business's major projects status summary

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

This table shows the status of these major projects at the end of 2021–22, 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       |

# Barwon Water

## PREMO rating: Advanced

### Barwon Water's self-assessment

| Outcome   | 18-19 | 19-20  | 20-21  | 21-22  | 22-23 |
|---|-------|--------|--------|--------|-------|
| 1. A reliable, secure water future for our region       | Green | Yellow | Yellow | Yellow | Grey  |
| 2. Timely, innovative services for our customers        | Green | Green  | Green  | Green  | Grey  |
| 3. A healthier environment for all                      | Green | Yellow | Green  | Yellow | Grey  |
| 4. Deeper knowledge and partnerships with our community | Green | Green  | Green  | Green  | Grey  |
| 5. Affordability for all of our customers               | Green | Green  | Green  | Green  | Grey  |
| Overall   | Green | Green  | Green  | Green  | Grey  |

### Barwon Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 2                 | 1              | 0           | 0         | 3        | 4       |

# Central Highlands Water

**PREMO rating: Advanced**

## Central Highlands Water’s self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|---|--------|--------|--------|--------|-------|
| 1. Better customer experience                       | Yellow | Red    | Yellow | Yellow | Grey  |
| 2. Safe clean drinking water that tastes great      | Green  | Green  | Green  | Green  | Grey  |
| 3. Reliable and sustainable water and sewer systems | Yellow | Yellow | Yellow | Yellow | Grey  |
| 4. More efficient water use                         | Green  | Green  | Yellow | Green  | Grey  |
| 5. Increased value for money                        | Green  | Green  | Green  | Green  | Grey  |
| Overall   | Green  | Green  | Yellow | Green  | Grey  |

## Central Highlands Water’s major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 4                 | 3              | 0           | 0         | 0        | 3       |

# Coliban Water

## PREMO rating: Advanced

### Coliban Water's self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|---|--------|--------|--------|--------|-------|
| 1. We will supply high quality water you can trust  | Green  | Yellow | Green  | Green  | Grey  |
| 2. We will provide infrastructure and services to meet the needs of our customers now and into the future                     | Green  | Green  | Green  | Green  | Grey  |
| 3. We will reduce our environmental footprint and achieve a socially responsible, sustainable business for future generations | Green  | Green  | Green  | Green  | Grey  |
| 4. We will be open and transparent with customers about affordable pricing, service disruptions and repairs                   | Yellow | Yellow | Green  | Green  | Grey  |
| 5. We will support the liveability in the region  | Green  | Green  | Yellow | Red    | Grey  |
| Overall   | Green  | Green  | Green  | Yellow | Grey  |

### Coliban Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 11                 | 4                 | 0              | 2           | 0         | 0        | 5       |

# East Gippsland Water

**PREMO rating: Standard**

## East Gippsland Water's self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|---|--------|--------|--------|--------|-------|
| 1. Current levels of water and sewerage services maintained | Green  | Yellow | Green  | Yellow | Grey  |
| 2. Safe, high quality drinking water supplies delivered     | Green  | Green  | Yellow | Green  | Grey  |
| 3. No increase in the average customer bill                 | Green  | Green  | Green  | Green  | Grey  |
| 4. Supporting environmental sustainability                  | Yellow | Red    | Green  | Yellow | Grey  |
| 5. Enhanced liveability and resilience in our region        | Green  | Green  | Green  | Green  | Grey  |
| Overall   | Green  | Yellow | Green  | Yellow | Grey  |

## East Gippsland Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 3                 | 0              | 2           | 0         | 1        | 4       |



# Gippsland Water

**PREMO rating: Standard**

## Gippsland Water's self-assessment

| Outcome  | 18-19 | 19-20  | 20-21  | 21-22  | 22-23 |
|--|-------|--------|--------|--------|-------|
| 1. Gippsland Water value: Do your job well       | Green | Yellow | Yellow | Green  | Grey  |
| 2. Gippsland Water value: Be easy to deal with   | Green | Green  | Green  | Green  | Grey  |
| 3. Gippsland Water value: Be affordable and fair | Green | Green  | Green  | Yellow | Grey  |
| 4. Gippsland Water value: Prepare and protect    | Green | Green  | Yellow | Green  | Grey  |
| 5. Gippsland Water value: Be involved            | Green | Green  | Green  | Green  | Grey  |
| Overall  | Green | Green  | Green  | Green  | Grey  |

## Gippsland Water's major projects status summary

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

# Goulburn Valley Water

## PREMO rating: Leading

### Goulburn Valley Water's self-assessment

| Outcome   | 18-19 | 19-20  | 20-21  | 21-22  | 22-23 |
|---|-------|--------|--------|--------|-------|
| 1. The best price outcomes for customers              | Green | Green  | Green  | Green  | Grey  |
| 2. Renewed focus on water quality and supply          | Green | Green  | Yellow | Yellow | Grey  |
| 3. Modern and thoughtful customer service             | Green | Green  | Green  | Green  | Grey  |
| 4. Meaningful environmental and recreational outcomes | Green | Yellow | Yellow | Green  | Grey  |
| Overall   | Green | Green  | Green  | Green  | Grey  |

### Goulburn Valley Water's major projects status summary

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

# Greater Western Water (previously City West Water area)<sup>13</sup>

**PREMO rating: Advanced**

## Greater Western Water’s (previously City West Water area) self-assessment

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

## Greater Western Water’s (previously City West Water area) major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 3                 | 4              | 0           | 0         | 1        | 2       |

<sup>13</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 (previously Western Water area)<sup>14</sup>

**PREMO rating: Not rated**

## Greater Western Water’s (previously Western Water area) self-assessment

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

## Greater Western Water’s (previously Western Water area) major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 11                 | 2                 | 1              | 2           | 0         | 2        | 4       |

<sup>14</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).

## PREMO rating: Advanced

### GWMWater's self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22      | 22-23 |
|---|--------|--------|--------|------------|-------|
| 1. Safe and clean water <sup>15</sup>           | Green  | Green  | Yellow | Superseded |       |
| 1.a. Safe Drinking Water                        |        |        |        | Green      |       |
| 1.b. Clean, Non-Drinking Water – Urban          |        |        |        | Red        |       |
| 1.c. Clean, Non-Drinking Water – Rural Pipeline |        |        |        | Green      |       |
| 2. Reliable and affordable services             | Yellow | Yellow | Yellow | Yellow     |       |
| 3. Healthy and liveable region                  | Yellow | Green  | Green  | Green      |       |
| Overall   | Yellow | Green  | Yellow | Yellow     |       |

### GWMWater's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 16                 | 0                 | 4              | 2           | 0         | 0        | 10      |

<sup>15</sup> Superseded by outcomes 1.a., 1.b. and 1.c.

## Lower Murray Water (rural)

**PREMO rating: Not Applicable<sup>16</sup>**

### Lower Murray Water (rural)'s self-assessment

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

### Lower Murray Water (rural)'s major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 5                  | 1                 | 2              | 0           | 0         | 1        | 1       |

<sup>16</sup> Lower Murray Water's rural business was not assessed under our PREMO framework, as it falls under the Commonwealth Government's Water Charge (Infrastructure) Rules assessment framework. However, Lower Murray Water elected to establish a set of rural customer outcomes and to report on these consistent with its urban water business.

## Lower Murray Water (urban)

**PREMO rating: Standard**

### Lower Murray Water (urban)'s self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|---|--------|--------|--------|--------|-------|
| 1. Keep my costs to a minimum                             | Yellow | Red    | Yellow | Green  | Grey  |
| 2. Be easy to contact and quick to respond                | Green  | Green  | Green  | Yellow | Grey  |
| 3. Provide me with consistent, safe, clean drinking water | Green  | Yellow | Green  | Yellow | Grey  |
| 4. Provide me with reliable sewerage services             | Green  | Green  | Green  | Green  | Grey  |
| 5. Be present and active in the community                 | Green  | Green  | Green  | Green  | Grey  |
| 6. Be mindful of our environment                          | Red    | Yellow | Yellow | Yellow | Grey  |
| 7. Comply with other government obligations               | Green  | Green  | Green  | Green  | Grey  |
| Overall   | Green  | Yellow | Green  | Green  | Grey  |

### Lower Murray Water (urban)'s major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 9                  | 2                 | 2              | 1           | 2         | 1        | 1       |

# Melbourne Water

## PREMO rating: Standard

### Melbourne Water's self-assessment

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

### Melbourne Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 19                 | 2                 | 0              | 10          | 2         | 2        | 3       |



# 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 |
|------------------------|--------|--------|--------|--------|-------|-------|-------|-------|
| 1. Affordable Prices   | Green  | Green  | Green  | Green  | Grey  | Grey  | Grey  | Grey  |
| 2. Reliable Services   | Green  | Yellow | Green  | Green  | Grey  | Grey  | Grey  | Grey  |
| 3. Responsive Services | Green  | Green  | Green  | Green  | Grey  | Grey  | Grey  | Grey  |
| 4. Efficient Systems   | Yellow | Yellow | Yellow | Yellow | Grey  | Grey  | Grey  | Grey  |
| 5. Local Focus         | Yellow | Yellow | Yellow | Green  | Grey  | Grey  | Grey  | Grey  |
| 6. Sustainable Region  | Yellow | Yellow | Yellow | Red    | Grey  | Grey  | Grey  | Grey  |
| Overall                | Yellow | Yellow | Yellow | Yellow | Grey  | Grey  | Grey  | Grey  |

## North East Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 1                 | 0              | 4           | 0         | 2        | 3       |

# South East Water

**PREMO rating: Advanced**

## South East Water's self-assessment

| Outcome   | 18-19 | 19-20  | 20-21  | 21-22  | 22-23 |
|---|-------|--------|--------|--------|-------|
| 1. Get the basics right, always                 | Green | Green  | Green  | Green  | Grey  |
| 2. Warn me, inform me                           | Green | Green  | Green  | Green  | Grey  |
| 3. Fair and affordable for all                  | Green | Yellow | Green  | Green  | Grey  |
| 4. Make my experience better                    | Green | Green  | Yellow | Yellow | Grey  |
| 5. Support my community, protect my environment | Green | Green  | Yellow | Yellow | Grey  |
| Overall   | Green | Green  | Green  | Green  | Grey  |

## South East Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 1                 | 3              | 0           | 0         | 2        | 4       |

# South Gippsland Water

## PREMO rating: Standard

### South Gippsland Water's self-assessment

| Outcome   | 18-19  | 19-20 | 20-21                         | 21-22  | 22-23 |
|---|--------|-------|-------------------------------|--------|-------|
| 1. We will partner with community, local government and business to plan for future years <sup>17</sup>                   | Green  | Green | Not applicable – see footnote |        |       |
| 2. We will plan for the future, be reliable and minimise unplanned interruptions to services                              | Yellow | Green | Green                         | Green  | Grey  |
| 3. Provide safe, clean drinking water for the benefit of our customers and communities                                    | Yellow | Green | Green                         | Yellow | Grey  |
| 4. Provide a safe wastewater service that contributes to the health and liveability of our communities and environment    | Green  | Red   | Red                           | Green  | Grey  |
| 5. Be environmentally responsible, sustainable and adapt to a future impacted by climate variability                      | Green  | Green | Yellow                        | Yellow | Grey  |
| 6. Treat all customers, community with honesty, respect and strive to balance affordability, value for money and fairness | Green  | Green | Green                         | Green  | Grey  |
| Overall   | Green  | Green | Green                         | Green  | Grey  |

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

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 16                 | 5                 | 1              | 5           | 0         | 0        | 5       |

<sup>17</sup> South Gippsland Water revised its outcomes at its 2020 price review and Outcome 1 was merged with Outcome 2.

# Southern Rural Water

**PREMO rating: Advanced**

## Southern Rural Water's self-assessment

| Outcome  | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|--|--------|--------|--------|--------|-------|
| 1. Southern Rural Water provides great customer service  | Yellow | Green  | Green  | Green  | Grey  |
| 2. Southern Rural Water's water supply system enables good practice irrigation   | Green  | Green  | Green  | Green  | Grey  |
| 3. Southern Rural Water manages water resources well, maintaining a good balance between my needs as a water user and the sustainability of the resource | Green  | Green  | Green  | Green  | Grey  |
| 4. Southern Rural Water works with me to manage my needs and entitlements  | Green  | Red    | Red    | Yellow | Grey  |
| Overall  | Green  | Yellow | Yellow | Green  | Grey  |

## Southern Rural Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 5                 | 1              | 1           | 0         | 2        | 1       |

# Wannon Water

## PREMO rating: Basic

### Wannon Water's self-assessment

| Outcome   | 18-19  | 19-20  | 20-21  | 21-22 | 22-23 |
|---|--------|--------|--------|-------|-------|
| 1. Provide safe and reliable water supplies                                 | Green  | Green  | Yellow | Green | Grey  |
| 2. Provide sewerage services that protect public health and the environment | Green  | Green  | Green  | Green | Grey  |
| 3. Ensure the long-term resilience of our services                          | Green  | Green  | Green  | Green | Grey  |
| 4. Be responsive and willing to adapt as customers' needs change            | Green  | Green  | Green  | Green | Grey  |
| 5. Protect and enhance the environment in line with community expectations  | Yellow | Yellow | Green  | Green | Grey  |
| 6. Partner with customer communities and helping our region flourish        | Green  | Green  | Green  | Green | Grey  |
| 7. Ensure we provide great value  | Red    | Red    | Red    | Red   | Grey  |
| Overall   | Green  | Green  | Green  | Green | Grey  |

### Wannon Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 1                 | 2              | 0           | 0         | 1        | 6       |

# Westernport Water

## PREMO rating: Standard

### Westernport Water's self-assessment

| Outcome                                   | 18-19  | 19-20  | 20-21  | 21-22  | 22-23 |
|---|--------|--------|--------|--------|-------|
| 1. Reliable water and wastewater services | Yellow | Green  | Yellow | Red    | Grey  |
| 2. Better tasting water                   | Yellow | Yellow | Yellow | Red    | Grey  |
| 3. Affordable and responsive services     | Yellow | Green  | Green  | Yellow | Grey  |
| 4. A more sustainable community           | Yellow | Yellow | Yellow | Yellow | Grey  |
| Overall                                   | Yellow | Yellow | Yellow | Yellow | Grey  |

### Westernport Water's major projects status summary

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

# Yarra Valley Water

**PREMO rating: Advanced**

## Yarra Valley Water's self-assessment

| Outcome                                 | 18-19  | 19-20  | 20-21  | 21-22 | 22-23 |
|---|--------|--------|--------|-------|-------|
| 1. Safe drinking water                  | Green  | Green  | Green  | Green | Grey  |
| 2. Reliable water and sewerage services | Green  | Yellow | Yellow | Green | Grey  |
| 3. Timely response and restoration      | Green  | Green  | Green  | Green | Grey  |
| 4. Fair access and assistance for all   | Green  | Green  | Green  | Green | Grey  |
| 5. Water availability and conservation  | Red    | Yellow | Yellow | Red   | Grey  |
| 6. Modern flexible service              | Yellow | Green  | Green  | Green | Grey  |
| 7. Care for and protect the environment | Green  | Green  | Green  | Green | Grey  |
| Overall                                 | Green  | Green  | Green  | Green | Grey  |

## Yarra Valley Water's major projects status summary

| No. major projects | Completed on time | Completed late | On-schedule | Cancelled | Deferred | Delayed |
|--------------------|-------------------|----------------|-------------|-----------|----------|---------|
| 10                 | 2                 | 3              | 4           | 0         | 1        | 0       |

