



Melbourne Water 2021 PRICE SUBMISSION

Presentation to ESC Commissioners

9 November 2020

Price submission at a glance

- Listened to customers and community
- Delivers outcomes our customers value
- Focus on affordability with declining customer bills
- Greater accountability for service delivery (including introduction of guaranteed service levels)
- Addresses challenges of growth, climate change, maintaining assets and responding to COVID-19
- Represents our best offer with a PREMO self rating of 'Advanced'



Board involvement in submission

- Played a central role with the leadership team in planning and delivering the submission
- Involved in developing and reviewing the submission over 30 months
- Had active interest and participated in customer engagement activities
- Overviewed a comprehensive assurance process



These actions set a new benchmark for Board ownership of the submission and the associated rigour and oversight of its preparation.

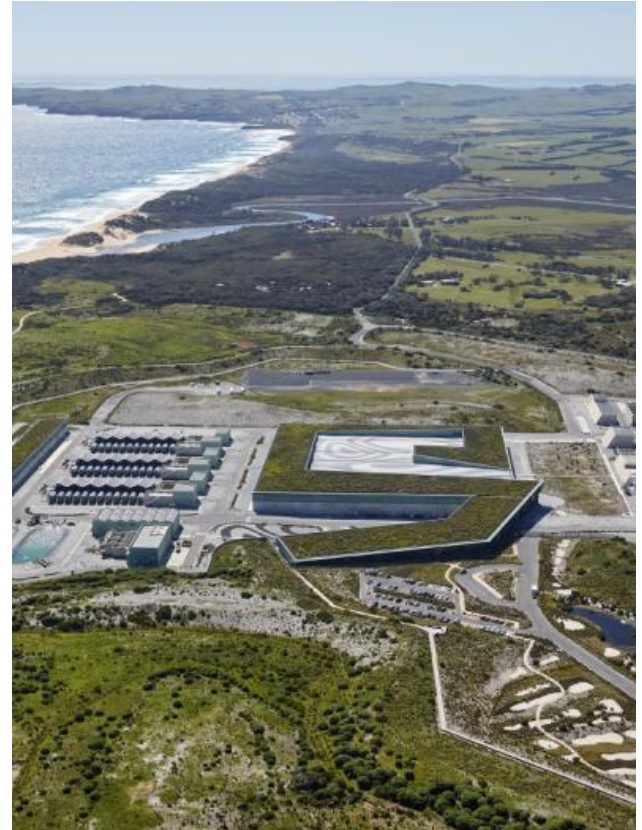
Proposed Pricing

Our submission aims to balance our ability to deliver the high-quality services our customers and community value, with the cost of doing so

- **Overall decrease in residential customer water bills**
- **Bulk water and sewerage charges will decrease**
- **Waterways and drainage charge will increase marginally** to meet customers expectation of an uplift in services

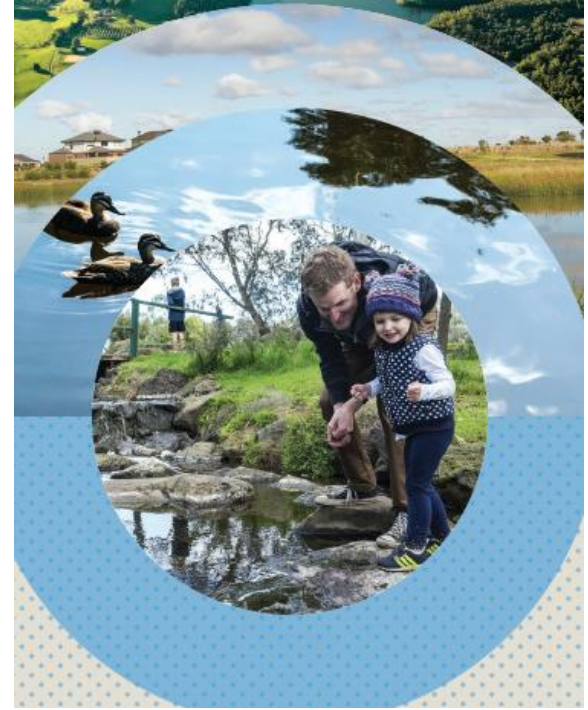
Waterways and drainage charge increase over regulatory period as opposed to year 1 to minimise impact to customers

- Supported by COVID Customer Engagement



Achievements

- Melbourne Water significantly reduced prices in PS16 while maintaining services customers value.
- Efficient operating expenditure maintained, capital program delivered
- Since PS16 engagement developed to transform the way customers are involved in decision making:
 - Next Generation Community Engagement Program (NextGen)
 - Customer Councils set up, strongly influenced submission
- Introduction of Guaranteed Service Levels (GSLs)



Outcomes our customers value

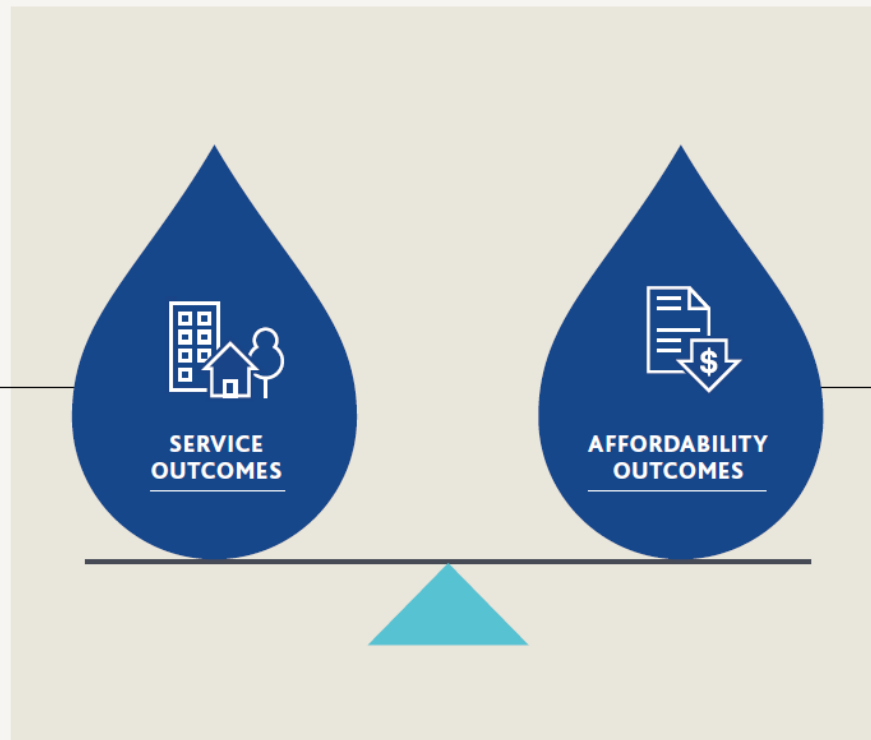
1 Access to safe and reliable water and sewerage services

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

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

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

5 Easy, respectful, responsive and transparent customer service



Bills kept as low as possible

6

Challenges for PS21

- Potential for water shortages due to drought and climate change
- Ageing assets which degrade the resilience of our bulk water treatment and transfer infrastructure
- Recent rapid population growth which has put pressure on water and sewerage supply infrastructure and the environment
- COVID-19
- Our responses to these challenges are considered, proportionate and designed to deliver the outcomes our customers value at a price that fairly balances the service delivery risks



Mentone Outlet Drain Upgrade