

OFFICIAL



Outcomes Report 2022-23

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

31 October 2023



Acknowledgement

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

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

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

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Overview

Outcomes reporting

Our annual outcomes reporting provides an overview of the self-assessments undertaken by Victorian water businesses of their performance against their outcome commitments made to customers at their last price review. We also provide high-level views on each business's approach to its self-assessment and accountability for its performance.

As part of our 2018 water price review, 17 water businesses established a set of 'outcomes' which they would deliver to their customers over five years, for the period 1 July 2018 to 30 June 2023.¹

In 2021, Melbourne Water also established a set of outcomes that it commits to deliver to its customers for the period 1 July 2021 to 30 June 2026.

These customer outcome commitments are a key part of our PREMO water pricing approach, which was applied for the first time in 2018.² Progress against outcomes can indicate whether customers are getting what they pay for.

This report summarises each water business's self-assessment of its 2022-23 performance and marks the fifth and final year in the current reporting cycle for most businesses.

Links to the full self-assessment documents are available in this report and on our website.³

2023 water price review

Our 2023 water price review assessed 14 water businesses' proposed prices and outcomes and determined the maximum prices these businesses can charge for their water and sewerage services for the next 5-year regulatory period, from 1 July 2023.⁴

¹ Goulburn Murray Water is set to be regulated under PREMO from 1 July 2024 and is not included in our outcomes reporting until then.

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

³ www.esc.vic.gov.au/water-outcomes-reporting.

⁴ The businesses included in our 2023 price review were 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. North East Water has committed to outcomes over an eight-year regulatory period until 30 June 2026, hence was not included in our 2023 price review. 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 it has continued to report separately on the customer outcomes agreed to in the 2018 price review.

Part of the price review included assessing how businesses have performed against their outcome targets and major projects they committed to deliver to customers at the 2018 water price review. In our final decisions, we agreed with all 14 businesses' self-assessments that they had, overall, met their outcome commitments for the 2018–23 period, and that their reporting to customers during this period met our requirements.^{5,6}

Businesses generally delivered on their outcome commitments in the 2018–23 regulatory period

Following businesses' submission of their 2022-23 outcome and major projects reports, marking the fifth and final year in the current reporting cycle, we consider businesses generally delivered their outcome commitments in the 2018–23 period, reinforcing our findings from our 2023 price review. However, we do note that a high number of major projects have been reported as deferred and delayed as of 30 June 2023. While we acknowledge that there are a number of factors that have impacted the delay or deferral of major projects, we also consider businesses must continue to carefully manage their capital programs, and their delivery schedules, to ensure customers continue to receive good value for money.

Throughout the 2018–23 period, many businesses remained engaged with their customers on their outcomes through their customer committees. Many businesses also continued to check in with their customers for feedback on their performance before finalising their annual self-assessments, reflecting our PREMO framework's emphasis on customer values and priorities.

The 2018–23 period saw a number of significant events, including the COVID-19 pandemic, wetter than usual weather resulting in flooding across the state, higher inflation and global supply chain pressures. In particular, the pandemic created new challenges and required a major shift in focus for businesses. Our reporting on support provided by water businesses to customers during the pandemic showed businesses provided a greater level of support to customers compared to pre-pandemic times. To manage these challenges as well as generally deliver on their 2018 outcome commitments is a great result.⁷

⁵ See our website for more information on businesses' overall performance against their outcome commitments for the regulatory period <https://www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/water-price-reviews/water-price-review-2023>.

⁶ Refer to the water business summary section for each business's overall results for each outcome for the 5-year reporting period.

⁷ This reporting is available on our website at <https://www.esc.vic.gov.au/water/sector-performance-and-reporting/water-customer-support-during-coronavirus-pandemic>.

Wetter than usual weather and flooding affected performance in 2022-23

Most Victorian water businesses reported that wetter than usual weather affected performance in 2022-23.

Of note, businesses reported 32 non-compliance incidents with the Safe Drinking Water Act (2003) (water sampling and audit) measure in 2022-23 compared to eight non-compliances in 2021-22, a 300 per cent increase from the previous year.⁸

High rainfall and flooding are cited as the primary driver of the increase in non-compliance, with nine of the 32 non-compliances (28 per cent) noted as resulting from wet weather and flooding. No business reported to us that wetter weather or flooding resulted in non-compliance with the Safe Drinking Water Act in 2021-22.⁹

Wetter than usual weather also impacted performance against other measures including:

- an increase in sewer spills and blockages
- Environment Protection Authority related non-compliances
- longer service times
- inability to meet some financial targets.

Despite these challenges, half of the businesses self-assessed as performing well against their outcome commitments. Ten businesses reported that they had delivered on their 2022-23 outcome commitments, (a slight drop from 12 last year).

The remaining nine businesses considered they had mostly met their outcome commitments in 2022-23.

No business considered it had failed overall in delivering its outcome commitments for the year.

A significant number of major projects have been deferred or delayed

Although water businesses are generally performing well against their outcome commitments, a significant number of major projects have been deferred or delayed.¹⁰ Businesses reported that 26

⁸ In February each year, the Department of Health publishes a report which summarises Victoria's drinking water quality performance and is available on its website at <https://www.health.vic.gov.au/water/drinking-water-quality-annual-reports>. Water agencies produce their own annual reports on drinking water quality. These reports are available on their individual websites.

⁹ When water sampling and audit issues are identified, there are controls in place to mitigate risk to public health, including issuing boil water advisories.

¹⁰ Essential Services Commission 2023, Status of major projects supplement: Outcomes report 2022-23, provides the following definitions for project status:

major projects are deferred, representing 12.1 per cent of the 207 major projects reported on by businesses. Additionally, 56 major projects have been reported as delayed (27.5 per cent of the 207 major projects), as at the end of 2022-23. Overall, 82 projects (almost 40 per cent) have been reported as deferred or delayed at the end of 2022-23.

Conversely, at the end of 2022-23 only 77 of the 207 major projects (37 per cent) were reported as being completed on time or remain on schedule against their original completion date.

Of the 82 deferred and delayed projects, 59 belong to the 14 water businesses which were assessed during our 2023 water price review. These projects represent over one third of the 157 major projects reported on by these 14 businesses over the 2018–23 regulatory period, and must now be carried over into the next regulatory period, or beyond, for completion.

Cause of delays

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
- adverse weather conditions
- 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.¹¹

Communication to customers

Businesses should explain delays, alterations or re-prioritisation of their project schedules to their customers, particularly given prices over the past five years included capital investment costs that were approved in the 2018 price review project schedule (regardless of whether the expenditure has been incurred or not).¹² Also, changes to project delivery schedules may materially impact the

-
- deferred – the business rescheduled the entire project, either within the current pricing period or into a future period.
 - delayed – either the project start was delayed, or completion will be later than scheduled.

¹¹ Essential Services Commission 2023, Status of major projects supplement: Outcomes report 2022-23, October.

¹² 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.

services customers receive, noting that businesses generally continue to deliver on their commitments.

Monitoring the delivery of major projects

We understand that businesses have been required to carefully manage their capital programs over the 2018–23 regulatory period, particularly given the different challenges that have emerged over this period. However, we note the high level of delayed or deferred projects that remain at the end of the 2018–23 regulatory period and emphasize that we will continue to monitor each business’s delivery of these projects through to completion via our outcomes reporting processes. We continue to expect businesses to proactively manage the delivery of their major projects as we transition to the 2023–28 regulatory period to ensure customers receive value for the prices they pay.

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.

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.

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 the PREMO framework.

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

What businesses reported in 2022-23

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:

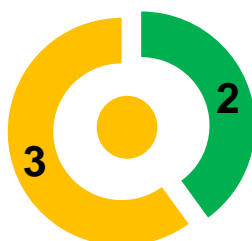
- Green = met – actual performance met or exceeded the target or due date
- Amber = came close, objectives mostly met
- Red = not met – actual performance fell short of the target

These charts summarise each water business's 2022-23 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, Central Highlands Water achieved two of its outcome targets, almost achieved three and considered overall it almost met its outcome commitments to customers for the year.

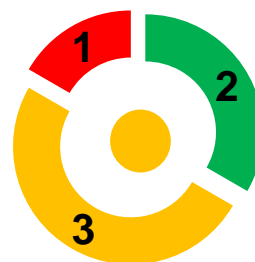
Barwon Water



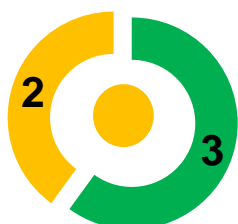
Central Highlands Water



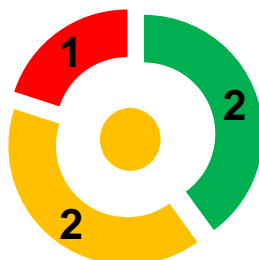
Greater Western Water (CWW)



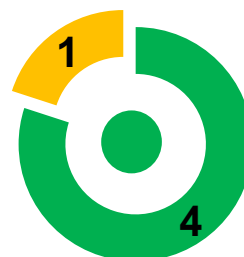
Coliban Water



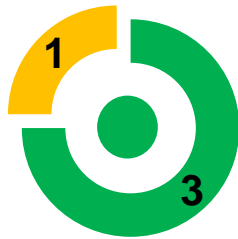
East Gippsland Water



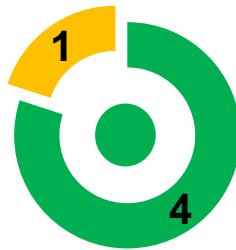
Gippsland Water



Goulburn Valley Water



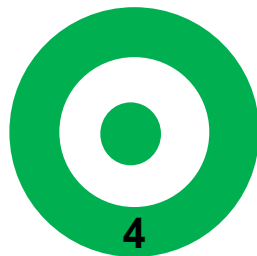
GWMWater



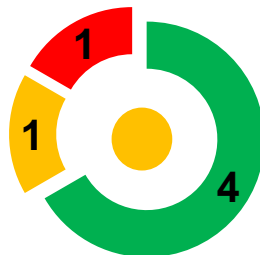
Lower Murray Water (urban)



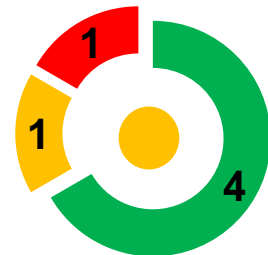
Lower Murray Water (rural)



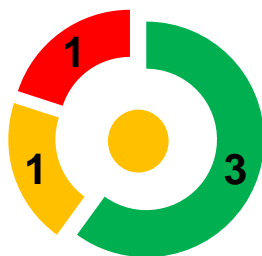
Melbourne Water



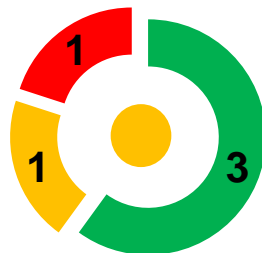
North East Water



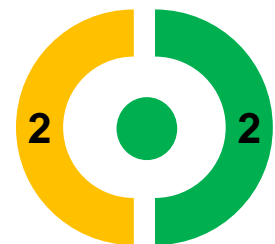
South East Water



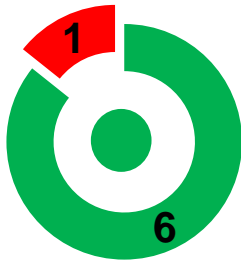
South Gippsland Water



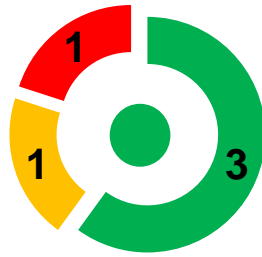
Southern Rural Water



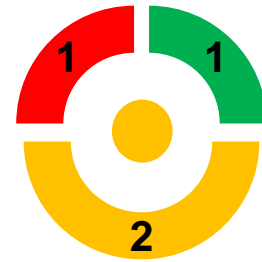
Wannon Water



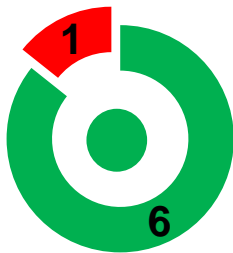
Greater Western Water (WW)



Westernport Water



Yarra Valley Water



Businesses overall 2022-23 self-rating by PREMO rating

This table shows the overall self-rating for outcomes for each business for its performance in 2022-23 according to its final PREMO rating from the price review when those outcomes were established. 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. In late September 2023, Greater Western Water provided us with its price submission outlining the prices and customer outcomes it proposes to apply for the period beginning 1 July 2024.

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.

Performance across 2018–23

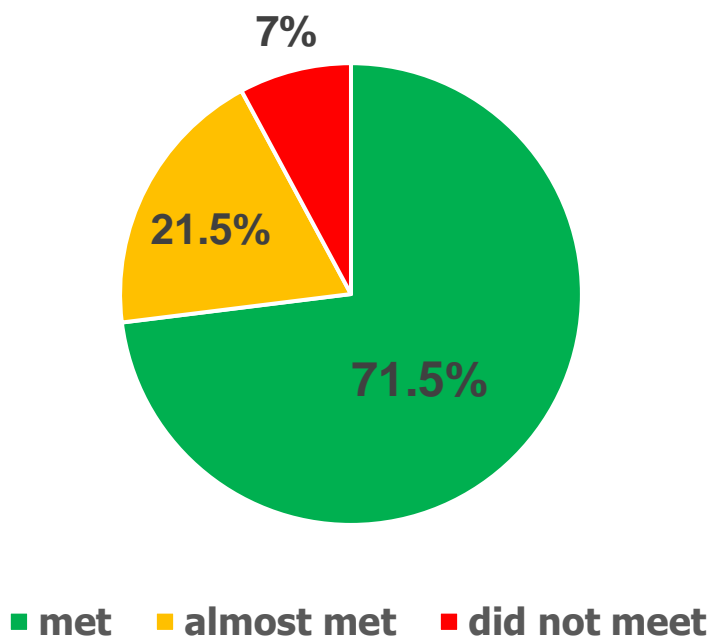
Our 2023 water price review assessed 14 water businesses' performance against their outcome commitments, forming a key part of the 'Performance' rating for each business under our PREMO framework.

In our final decisions, we agreed with all 14 businesses' self-assessments that they had, overall, met their outcome commitments for the 2018–23 period, and that their reporting to customers during this period met our requirements.

Following the businesses' submission of their 2022-23 outcome and major projects reports, marking the fifth and final year in the current reporting cycle, we consider businesses generally delivered their outcome commitments in the 2018–23 period, reinforcing our findings from our 2023 price review.

Of those businesses that completed their fifth and final year of reporting in the 2018–23 reporting cycle, 71.5 per cent of outcomes were rated as 'met' for the 2018–23 period, 21.5 per cent were rated as being 'almost met' and seven per cent as 'not met.'

Figure 1: Overall outcome rating for 2018–23



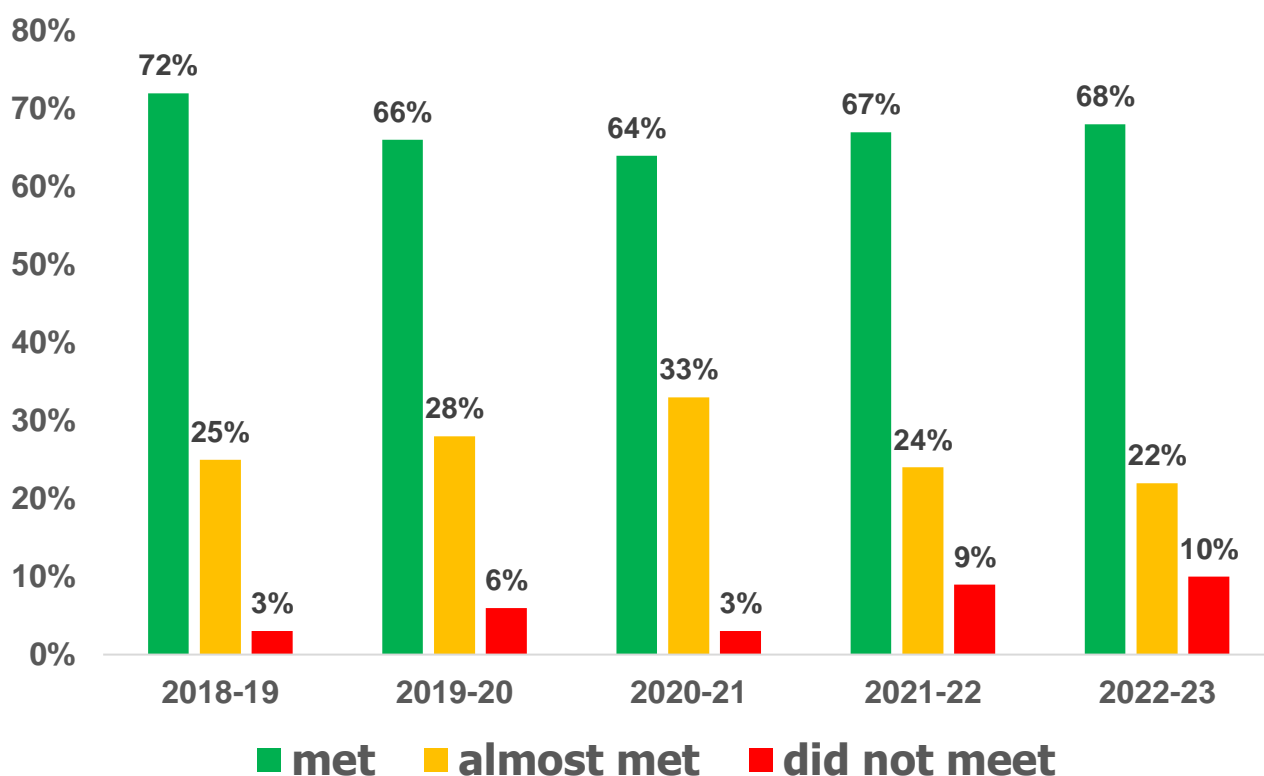
We consider all other businesses are on track to deliver their outcome commitments to customers by the end of their pricing periods.

During the 5-year reporting period, businesses consistently rated themselves as mostly meeting their outcome commitments. We note however, that an all-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.

Figure 2 below shows the individual outcome ratings assessed annually by each business.

Figure 2: Annual individual outcome rating by percentage, rated by businesses



Performance in 2022-23

For the 2022-23 reporting year, 9 businesses reported they had, overall, delivered on their outcome commitments. The remaining nine businesses gave themselves an amber overall rating, indicating they almost or mostly met their outcome commitments.

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

Most Victorian water businesses reported that wetter than usual weather affected performance against some measures in 2022-23.

High rainfall and flooding are cited as the primary driver of the increase in non-compliance incidents with the *Safe Drinking Water Act (2003)* (water sampling and audit). Of the 32 non-compliances reported to us this year, nine (28 per cent) are reported as resulting from wet weather and flooding. By contrast, there were no drinking water non-compliances attributed to wet weather or flooding in 2021-22.

Wetter than usual weather also impacted performance against other measures.

- Five businesses reported an increase in sewer spills and blockages relative to last year.
- Two businesses reported an increase in Environment Protection Authority related non-compliances relative to last year.

- Three businesses reported longer service times resulting from wetter than usual weather and flooding.
- Three businesses reported they were unable to meet financial targets or had to spend more on operating or capital expenditure due to wet weather.

In many instances, businesses were able to overcome these challenges to meet their customer commitments. For example:

- Yarra Valley Water performed well this year, meeting six of its seven outcomes and six of its seven targets. It also performed consistently well across its 5-year regulatory period, meeting 27 of 35 annual outcome targets (78 per cent). It took accountability for the eight targets it failed to meet, returning the equivalent of \$10.5 million to its customers through setting prices lower than approved maximum prices. This level of accountability for underperformance stands out compared to the other water businesses and demonstrates its commitment to providing value to its customers.
- Westernport Water has one of the most challenging rating methodologies of all businesses, rating its outcomes and measures annually according to the rating of the lowest measure (for example, one amber measure with all other measures green meant the outcome rating was amber). Even with its tough rating methodology, it has performed well, meeting 69 per cent of its measures in 2022-23. Westernport Water designed a unique performance rebate scheme with its customers as part of the 2018 price review. The scheme incentivised performance by offering residential customers a \$5 bill credit for every failed commitment up to a \$20 cap. As a result of its 2018–23 performance, it has commenced paying each residential connected customer \$20 as part of their first bill in 2023-24. We commend Westernport Water for its commitment to providing value to its customers.
- Wannon Water had a strong performance this year, meeting six out of seven outcomes, and 13 out of 15 targets, an improvement on last year's performance. It thoroughly explained shortfalls in its performance and provided further information on measures where they met or exceeded targets, providing good insight into business operations during the year. Its customer satisfaction rating also improved compared to last year.
- Barwon Water performed well, meeting its five overall outcome commitments for the year, as well as meeting 24 of its 33 targets. Its self-assessment was reasonable, and its Customer Advisory Committee helped inform its ratings.

Overall, the percentage of overall outcomes assessed as 'met', 'almost met' and 'not met' was similar to last year.

There was also a similar percentage of individual measures assessed as 'met', 'almost met' and 'not met' compared to last year.

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 2022-23 were reasonable.

Variation remains in assessment approach across businesses; however, this is expected given we have not provided strict guidance. For example, Westernport Water grades its outcomes annually 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.

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.

Self-reporting to customers

The self-reporting aspect of PREMO requires 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 PREMO pricing framework 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 many have prominent announcements on their homepage linking to their performance results.

Central Highlands Water, Greater Western Water (City West Water and Western Water), East Gippsland Water, South East 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 its customers with its September bill as well as publishing its performance prominently on its website. 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.

However, some businesses still did not promptly post their outcome performance or 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 fifth 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 schedules as reflected in their price submissions and our pricing determinations.

The major project status categories are:

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

Fourteen urban water businesses, Southern Rural Water and Lower Murray Water Rural nominated major projects for completion in the five-year pricing period from 2018–23.¹³ 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,

¹³ 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.

this year being the second year of its regulatory period. In total, 207 major capital projects were identified, the same number as last year.

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 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 2022-23.

Overall, 17 major projects are currently running to schedule, an expected decrease on last year as this is the final year of the majority of water businesses' regulatory period, with many projects reaching completion.

Twenty-four projects were completed this year, including thirteen which were completed late. Overall, 103 major projects have been reported as completed as of 2022-23, a 30 per cent increase on the total number of projects reported as completed at the end of 2021-22.

Westernport Water, Lower Murray water (Rural) and North East Water completed two major projects each, Yarra Valley Water completed three projects, Gippsland Water completed four projects, and GWMWater completed six projects. Five other businesses reported completing one project in 2022-23.

Melbourne Water previously 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. However, one of these projects has been re-prioritised and instead deferred to a future period.

A total of 82 projects (40 per cent) are either delayed or have been deferred. Two fewer projects than at the end of 2021-22.

Barwon Water, Coliban Water, East Gippsland Water, Greater Western Water (previously Western Water area), Melbourne Water, South East Water and Wannon Water have all reported at least half of their major projects as either deferred or delayed. Melbourne Water has reported eight of its 19 major projects are delayed at the end of 2022-23.

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

What we found

- adverse weather conditions such as floods
- tender processes taking longer than anticipated.

Altogether there were two projects that businesses reported as delayed, completed late or deferred due to the effects of the pandemic, down from five in 2021-22. Only two projects were listed as delayed or deferred due to supply chain issues. In their outcomes reporting, GWMWater and Melbourne Water cited increasing supply and construction costs as well as changing market conditions as a reason for the delay or deferral of projects. Delays were due to the business seeking a more cost-effective methodology.

Of the 82 major projects that are delayed at the end of 2022-23, 59 of these belong to the 14 water businesses which were assessed during our 2023 water price review. We also note that to date, only 77 of the 207 major projects (37.2 per cent) reported on by businesses have been delivered either on time or remain on schedule against their original completion date.

Businesses must continue to engage with their customers on project delivery, and the high number of projects that are deferred or delayed, given capital expenditure is a key input into the prices customers pay, and that 2022-23 was the final year of the regulatory period for most of the businesses reporting on major project delivery.

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 experiencing high demand and supply chain issues. However, we continue to expect water businesses to proactively manage the delivery of their major projects as they enter the next regulatory period.

Significant changes to major project 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.

In our 2023 water price review we considered how businesses have managed the delivery of major projects in the 2018–23 regulatory period when assessing each business's 'Performance' under the PREMO framework. However, we expect businesses will continue to demonstrate clear accountability to their customers and we will closely observe how water businesses deliver their capital program and communicate changes to customers as most of the business move into a new regulatory period.

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 2022–23'.

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 2023

	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	0	0	0	7
East Gippsland	10	3	1	1	0	1	4
Gippsland	10	4	3	0	0	2	1
Goulburn Valley	10	4	2	1	0	3	0
Greater Western (CWW)	10	3	4	0	0	1	2
Greater Western (WW)	11	2	1	1	1	1	5
GWMWater	16	2	8	2	0	0	4
Lower Murray – Urban	9	2	3	0	1	2	1
Lower Murray – Rural	5	1	4	0	0	0	0
Melbourne Water	19	2	0	4	2	3	8
North East	10	2	2	3	0	3	0
South East	10	1	3	0	0	1	5
South Gippsland	16	5	1	4	0	2	4
Southern Rural	10	6	1	0	0	2	1
Wannon	10	1	2	0	0	1	6
Westernport	10	7	2	0	0	0	1
Yarra Valley	10	5	3	1	0	1	0
Total	207	60	43	17	4	26	56

PREMO – putting customer outcomes first

Our PREMO water pricing framework puts customers at the centre of the regulatory pricing process.¹⁴ 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

¹⁴ 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.

The Performance element of the PREMO framework

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

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

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 1,300 water customers across Victoria, 5,200 customers annually, and ask them to rate their water business out of ten on:

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

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

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 2022-23, 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 December 2022 to September 2023.
- our observations on its performance, self-assessment and self-reporting.

We consider the 14 businesses involved in our 2023 water price review generally met their outcome commitments for the 2018–23 period, and that their reporting to customers during this period met our requirements. We consider all other businesses are on track to deliver their outcome commitments to customers by the end of their pricing period. For some businesses, the relatively high number of major projects that are deferred and delayed was considered in the 2023 price review and factored into our pricing decisions for the 2023–28 pricing period. These businesses provided assurance that their proposed capital programs were adequately resourced and could be delivered as scheduled. We expect businesses to carefully manage their value proposition, including the number of projects included within their capital program, and their delivery schedule, to ensure customers receive good value for money in this next pricing period.

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' 2022-23 self-assessments, customer satisfaction and our observations

Water business	Businesses’ 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses’ self-assessments
Barwon Water	Overall green rating	7.2 out of 10	Barwon Water’s outcome 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 thoroughly explained shortfalls in its performance, meeting 24 of its 33 targets. Its customer satisfaction rating has also improved compared to last year.
Central Highlands Water	Overall amber rating	6.2 out of 10	Central Highlands Water’s self-assessment is reasonable. In 2020 and in consultation with its customers, it updated its outcome set and targets to align with changing priorities, demonstrating its commitment to its customers. It showed ownership for its performance results this year by

Water business	Businesses' 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses' self-assessments
			announcing them prominently on its website homepage.
Coliban Water	Overall amber rating	6.5 out of 10	Coliban Water's self-assessment is reasonable, and it set mostly high-performance benchmarks. It seeks out its customers' views on its performance, which is commendable. It is also transparent in its outcome reporting by providing the customer rating percentages for its performance against each measure.
East Gippsland Water	Overall amber rating	6.3 out of 10	East Gippsland Water's self-assessment is reasonable. It tests its self-assessment rating with its customers through continued customer engagement and its scores are endorsed by its customer committee. Its report on this year's performance against its outcome commitments is featured on the homepage of its website, showing ownership of its performance.
Gippsland Water	Overall green rating	6.3 out of 10	Gippsland Water's self-assessment is reasonable. Its performance this year remained strong, although its targets are within past performance thresholds. It reported this year's performance of its outcome commitments to customers through its 2023 community report, which is featured prominently on the homepage of its website.
Goulburn Valley Water	Overall green rating	6.5 out of 10	Goulburn Valley Water's self-assessment is reasonable, and it is informed by customer feedback. Its performance this year remained strong, although its targets are well within past performance thresholds. Its outcome report is prominently displayed on its website, showing ownership of its performance.

Water business	Businesses' 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses' self-assessments
Greater Western Water (previously City West Water area)	Overall amber rating	6.5 out of 10	Greater Western Water's (previously City West Water area) self-assessment is reasonable. It explained shortfalls in performance and provided an easy-to-read report, with thorough commentary for each measure. Its report on this year's performance against its outcome commitments is featured on the homepage of its website, showing ownership of its outcome performance.
Greater Western Water (previously Western Water area)	Overall green rating	6.3 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 2022-23 period, including shortfalls. Its report on this year's performance against its outcome commitments is featured on the homepage of its website, showing ownership of its outcome performance.</p>
GMMWater	Overall green rating	6.3 out of 10	GMMWater continues to engage with its customers on its performance, via biannual customer and stakeholder workshops. Its customer satisfaction rating has also improved compared to last year.
Lower Murray Water – Rural	Overall green rating	NA	Lower Murray Water – Rural had a strong performance this year, meeting 9 of its 11 targets, although some of its targets remain steady. Clear explanations of shortfalls in performance were also provided. However, it was late in submitting its outcome report to us.

Water business	Businesses' 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses' self-assessments
			As a rural water business, Lower Murray Water – Rural is not part of our quarterly customer satisfaction survey.
Lower Murray Water – Urban	Overall green rating	6.5 out of 10	Lower Murray Water – Urban performed well this year, meeting 24 of its 29 targets. It provided clear explanations of shortfalls and prominently displayed its performance on its website. However, it was late in submitting its outcome report to us.
Melbourne Water	Overall amber rating	NA	<p>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.</p> <p>As a bulk service provider, Melbourne Water is not part of our quarterly customer satisfaction survey.</p> <p>Our final decision on Melbourne Water's 2021 price submission included reporting requirements applying to \$21.2 million (\$FY20-21) of additional operating expenditure related to waterways and drainage initiatives. We specified that Melbourne Water must report annually on the investments it has made, the expected benefits, and the outcomes being achieved. To date, Melbourne Water has not reported as requested in our final decision. Our expectation is that Melbourne Water reports in accordance with our requirements set out in our final decision.</p>
North East Water	Overall amber rating	6.9 out of 10	North East Water's self-assessment is reasonable, with some higher benchmark targets, and others remaining steady over the period. A clearly written and

Water business	Businesses' 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses' self-assessments
			well-presented report, with thorough commentary.
South East Water	Overall amber rating	6.8 out of 10	South East Water's self-assessment is reasonable and it has provided clear explanations where it has underperformed. It showed ownership for its outcome commitments by publishing this year's performance results prominently on its website.
South Gippsland Water	Overall amber rating	7.0 out of 10	After the 2020 water price review, South Gippsland Water amended its set of customer outcomes following consultation with its customers. South Gippsland Water performed well this year; rating eight of its ten measures as met. Its customer satisfaction rating has also improved compared to last year.
Southern Rural Water	Overall green rating	NA	<p>Southern Rural Water's self-assessment is reasonable, and it has clearly explained shortfalls in its performance. It showed ownership for its outcome commitments by publishing this year's performance results prominently on its website.</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	6.9 out of 10	Wannon Water performed well this year, having met 13 of its 15 targets, an increase from last year. It showed ownership for its outcome commitments by publishing this year's performance results prominently on its website. Its customer satisfaction rating has also improved compared to last year.
Westernport Water	Overall amber rating	6.3 out of 10	Westernport Water's self-assessment benchmark is one of the highest. Its overall rating is based on its lowest rated outcome

What we found

Water business	Businesses' 2022-23 self-assessments	Aug 2022 to May 2023 average satisfaction rating	Our observations on the businesses' self-assessments
			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.
Yarra Valley Water	Overall green rating	7.0 out of 10	Yarra Valley Water's self-assessment is reasonable, and its performance was strong. It met six of its seven outcomes overall for the year, as well as six of its seven measures. It showed ownership for its outcome commitments by publishing this year's performance results prominently on its website.

Water business summaries

The following business summaries provide a simple one-page snapshot for each water business's 2022–23 performance, and overall performance for the 2018–23 regulatory period (where relevant) including:

- The business's PREMO rating from its last price review where its outcomes were established for the 2022-23 year.
- The business's traffic light self-rating for each of its outcomes.
- The business's traffic light self-rating for its annual overall achievement against its outcome commitments.
- The business's traffic light self-rating for its overall achievement against its outcome commitments for each outcome for the 2018–23 regulatory period (where relevant).
- 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.

Sample business page

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

PREMO rating: Standard

Traffic light of performance for each outcome for 2022-23, self-assessed by the water business

Sample Business's self-assessment

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

Traffic light of overall outcome performance for the 2018–23 regulatory period, 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 2022-23, 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	Overall
1. A reliable, secure water future for our region	Green	Yellow	Yellow	Yellow	Green	Green
2. Timely, innovative services for our customers	Green	Green	Green	Green	Green	Green
3. A healthier environment for all	Green	Yellow	Green	Yellow	Green	Green
4. Deeper knowledge and partnerships with our community	Green	Green	Green	Green	Green	Green
5. Affordability for all of our customers	Green	Green	Green	Green	Green	Green
Overall	Green	Green	Green	Green	Green	

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	Overall
1. Better customer experience	Yellow	Red	Yellow	Yellow	Yellow	Yellow
2. Safe clean drinking water that tastes great	Green	Green	Green	Green	Green	Green
3. Reliable and sustainable water and sewer systems	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
4. More efficient water use	Green	Green	Yellow	Green	Green	Green
5. Increased value for money	Green	Green	Green	Green	Yellow	Green
Overall	Green	Green	Yellow	Green	Yellow	

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

Coliban Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
11	4	0	0	0	0	7

East Gippsland Water

PREMO rating: Standard

East Gippsland Water's self-assessment

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

East Gippsland Water's major projects status summary

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

Gippsland Water

PREMO rating: Standard

Gippsland Water's self-assessment

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

Gippsland Water's major projects status summary

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

Goulburn Valley Water

PREMO rating: Leading

Goulburn Valley Water's self-assessment

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

Goulburn Valley Water's major projects status summary

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

Greater Western Water (previously City West Water area)¹⁵

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

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

¹⁵ 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)¹⁶

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	Overall
1. Fair and affordable charges for all customers	Green	Green	Green	Green	Green	Green
2. Reliable, safe services to existing and new customers	Green	Green	Green	Green	Green	Green
3. Innovative approaches to addressing customer needs	Green	Green	Green	Green	Green	Green
4. Care of the environment	Yellow	Yellow	Yellow	Yellow	Red	Red
5. Sustainable contribution to the community and regional livability	Green	Yellow	Green	Green	Yellow	Yellow
Overall	Green	Green	Green	Green	Green	

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	1	1	1	5

¹⁶ 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	Overall
1. Safe and clean water ¹⁷	Green	Green	Yellow	Superseded		
1.a. Safe Drinking Water				Green	Green	Green
1.b. Clean, Non-Drinking Water – Urban				Red	Yellow	Yellow
1.c. Clean, Non-Drinking Water – Rural Pipeline				Green	Green	Green
2. Reliable and affordable services	Yellow	Yellow	Yellow	Yellow	Green	Yellow
3. Healthy and liveable region	Yellow	Green	Green	Green	Green	Green
Overall	Yellow	Green	Yellow	Yellow	Green	

GWMWater's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
16	2	8	2	0	0	4

¹⁷ Superseded by outcomes 1.a., 1.b. and 1.c.

Lower Murray Water (rural)

PREMO rating: Not Applicable¹⁸

Lower Murray Water (rural)'s self-assessment

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

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

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
5	1	4	0	0	0	0

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

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

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
9	2	3	0	1	2	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	Green	Grey	Grey	Grey
2. Melbourne's environment, rivers, creeks and bays are protected and Melbourne Water's greenhouse gas emissions are minimised	Green	Green	Grey	Grey	Grey
3. Melbourne remains liveable as it deals with the impacts of climate change and population growth	Green	Green	Grey	Grey	Grey
4. Melburnians are empowered to support the design and delivery of service outcomes	Yellow	Green	Grey	Grey	Grey
5. Easy, respectful, responsive and transparent customer service	Red	Red	Grey	Grey	Grey
6. Bills kept as low as possible	Yellow	Yellow	Grey	Grey	Grey
Overall	Yellow	Yellow	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	4	2	3	8

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	Green	Grey	Grey	Grey
2. Reliable Services	Green	Yellow	Green	Green	Green	Grey	Grey	Grey
3. Responsive Services	Green	Green	Green	Green	Green	Grey	Grey	Grey
4. Efficient Systems	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Grey
5. Local Focus	Yellow	Yellow	Yellow	Green	Green	Grey	Grey	Grey
6. Sustainable Region	Yellow	Yellow	Yellow	Red	Red	Grey	Grey	Grey
Overall	Yellow	Yellow	Yellow	Yellow	Yellow	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	2	1	3	0	3	1

South East Water

PREMO rating: Advanced

South East Water's self-assessment

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

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	1	5

South Gippsland Water

PREMO rating: Standard

South Gippsland Water's self-assessment

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

South Gippsland Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
16	5	1	4	0	2	4

¹⁹ 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	Overall
1. Southern Rural Water provides great customer service	Yellow	Green	Green	Green	Yellow	Yellow
2. Southern Rural Water's water supply system enables good practice irrigation	Green	Green	Green	Green	Green	Green
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	Green	Green
4. Southern Rural Water works with me to manage my needs and entitlements	Green	Red	Red	Yellow	Yellow	Yellow
Overall	Green	Yellow	Yellow	Green	Green	

Southern Rural Water's major projects status summary

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

Wannon Water

PREMO rating: Basic

Wannon Water's self-assessment

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

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	Overall ²⁰
1. Reliable water and wastewater services	Amber	Green	Amber	Red	Amber	Red
2. Better tasting water	Amber	Amber	Amber	Red	Green	Red
3. Affordable and responsive services	Amber	Green	Green	Amber	Amber	Green
4. A more sustainable community	Amber	Amber	Amber	Amber	Red	Green
Overall	Amber	Amber	Amber	Amber	Amber	

Westernport Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	7	2	0	0	0	1

²⁰ Westernport Water rates its annual overall outcome performance to reflect the lowest performing outcome each year. However, the overall outcome performance for the 2018–23 period reflects the majority rating (rather than the lowest rating) for the 5-year period. For example, if Westernport Water rated itself green for three years and amber for two years for an outcome, the overall rating for that outcome for the 2018–23 period will be green. Westernport Water considers if it were to grade its overall performance to reflect the worst rating for each outcome in the 5-year period, as it did for its annual assessment, it would not be a fair comparison with other businesses or accurate assessment of the value customers have received during the period.

Yarra Valley Water

PREMO rating: Advanced

Yarra Valley Water's self-assessment

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

Yarra Valley Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	5	3	1	0	1	0

