

Outcomes Report 2024-25

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

15 October 2025



Acknowledgement

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

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

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

An appropriate citation for this paper is:

Essential Services Commission 2025, *Outcomes Report 2024-25: Performance of Victoria's water businesses against their own commitments to customers*, 15 October

© Essential Services Commission, 2025



This work, Outcomes Report 2024-25, is licensed under a Creative Commons Attribution 4.0 licence [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

Overview	iv
Most businesses reported they met their outcome commitments this year	iv
Water businesses continue to adapt in response to adverse weather conditions	v
Over a third of capital works projects are deferred or delayed	v
What businesses reported in 2024-25	1
Businesses' overall self-assessments compared with their PREMO and customer satisfaction ratings	4
What we found in 2024-25	6
Performance	6
Businesses' self-assessments	7
Self-reporting to customers	9
Businesses' major capital projects	10
Water business summaries	14
Sample business page	15
Barwon Water	17
Central Highlands Water	18
Coliban Water	19
East Gippsland Water	21
Gippsland Water	23
Goulburn-Murray Water	25
Goulburn Valley Water	26
Greater Western Water	27
GWMWater	29
Lower Murray Water – Rural	31
Lower Murray Water – Urban	32
Melbourne Water	33
North East Water	35
South East Water	36
South Gippsland Water	37
Southern Rural Water	38
Wannon Water	39
Westernport Water	40
Yarra Valley Water	42
Appendix A: PREMO – putting customer outcomes first	44
Appendix B: What is outcomes reporting?	46

Overview

Outcomes reporting

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

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

Outcome commitments are a key part of our Performance, Risk, Engagement, Management and Outcomes (PREMO) water pricing approach. Progress against outcomes can indicate whether customers are getting what they pay for.

This report summarises each water business's self-assessment and self-reporting of its 2024-25 performance and marks the second year in most businesses' current regulatory period.

Links to the businesses' full self-assessment documents are available in this report and [on our website](#).

2024–25 outcomes reporting highlights

Most businesses reported they met their outcome commitments this year

Ten water businesses reported they had overall 'met' or delivered on their outcome commitments to customers in 2024-25, one more than last year. This indicates an improvement in performance compared to the previous year. The remaining businesses reported they had overall 'almost' or 'mostly' met their outcome commitments.

Victoria's water businesses' self-assessments indicate that overall in 2024-25:

- 64 per cent of outcomes were met
- 27 per cent of outcomes were mostly met
- 8 per cent of outcomes were not met.

Businesses set output measures with associated targets for each outcome. In 2024-25, 71 per cent of targets were met across all businesses.

Water businesses continue to adapt in response to adverse weather conditions

Most Victorian water businesses reported drier and hotter than average weather throughout the year had affected performance against some measures in 2024-25. This included:

- the number and volume of sewage spills
- response times to sewer spills and blockages
- the duration of unplanned water supply interruptions
- CO₂ emissions targets.

Businesses had varying responses to these conditions, tailored for their service areas. For example, Yarra Valley Water and South East Water focused on investing in their ongoing maintenance works, while Coliban Water pumped in additional water to ensure water security.

Over a third of capital works projects are deferred or delayed

Seventy of the 197 major projects (36 per cent) are reported as being deferred or delayed in 2024-25. This is a 19-project increase from last year, where 51 major projects were reported as deferred or delayed in 2023-24 (28 per cent), noting most businesses were in the first year of their regulatory period. We expect businesses to proactively manage these changes to ensure customers continue to receive value for money and timely service delivery.

All businesses reported at least one project as either deferred or delayed. Central Highlands Water and Gippsland Water both reported 9 of their 10 major projects were on schedule or completed.

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

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

Our [major projects supplement](#) includes a summary of the status of each project and the business' explanations for schedule changes.

What businesses reported in 2024-25

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

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

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

The following charts summarise each water business's 2024-25 performance against its outcomes, based on its own self-assessment. The charts indicate relative proportions of outcomes:

- achieved (green)
- almost achieved (amber)
- not achieved (red).

The colour of the middle circle shows the overall self-assessment rating. For example, Gippsland Water achieved three of its outcome commitments, almost achieved two and failed to achieve one, and considered overall it almost met its outcome commitments to customers for the year.

Of note this year were Barwon Water, Central Highlands Water, Coliban Water, Lower Murray Water – Rural, and Southern Rural Water, who all reported meeting their outcome commitments in full. This is two more businesses than reported this achievement last year.

Barwon Water



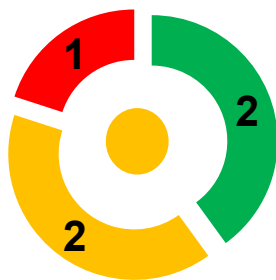
Central Highlands Water



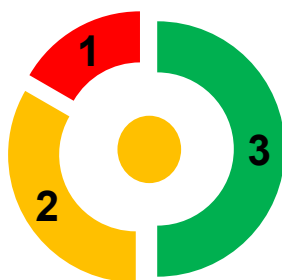
Coliban Water



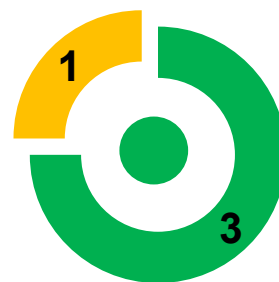
East Gippsland Water



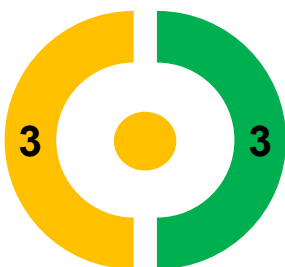
Gippsland Water



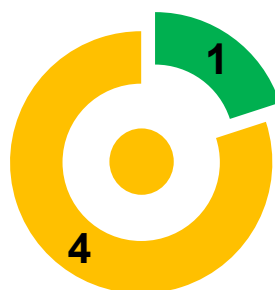
Goulburn Valley Water



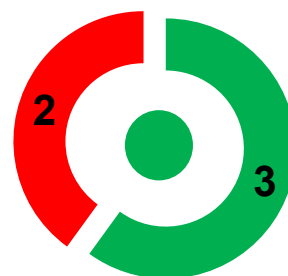
Goulburn-Murray Water



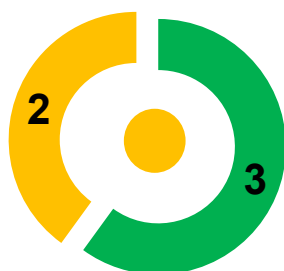
Greater Western Water



GWMWater



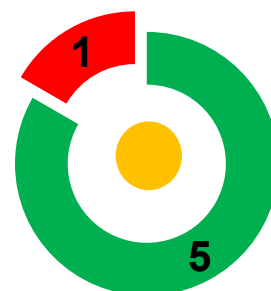
**Lower Murray Water –
Urban**



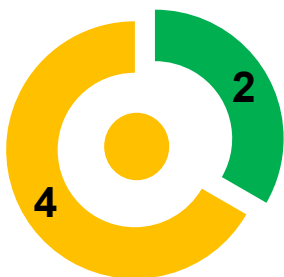
**Lower Murray Water –
Rural**



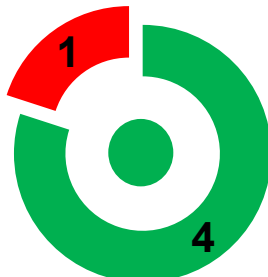
Melbourne Water



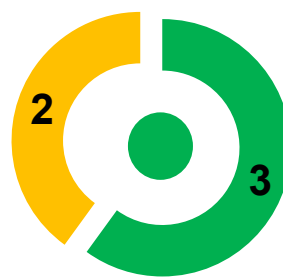
North East Water



South East Water



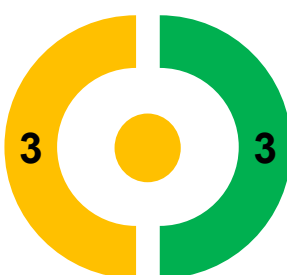
South Gippsland Water



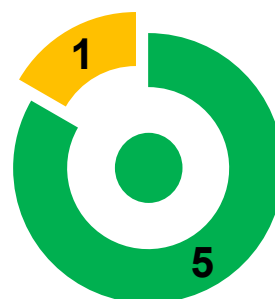
Southern Rural Water



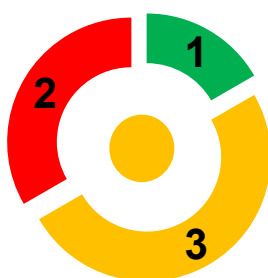
Wannon Water



Westernport Water



Yarra Valley Water



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

Table 1 provides a comparison of each water business's overall self-assessment of its 2024-25 performance. It also includes its overall PREMO rating and latest rating for overall satisfaction from our customer perception survey for the period November 2024 to September 2025

Table 1: Summary of businesses' 2024-25 self-assessments, PREMO rating and customer satisfaction rating

Water business	Businesses' 2023-24 self-assessment	Overall PREMO rating	Customer satisfaction rating, Nov 2024 to Sep 2025
Barwon Water	Overall green rating	Advanced	7.2 out of 10
Central Highlands Water	Overall green rating	Standard	6.2 out of 10
Coliban Water	Overall green rating	Standard	6.0 out of 10
East Gippsland Water	Overall amber rating	Standard	6.2 out of 10
Gippsland Water	Overall amber rating	Advanced	6.5 out of 10
Goulburn-Murray Water	Overall amber rating	Standard	N/A
Goulburn Valley Water	Overall green rating	Standard	6.5 out of 10
Greater Western Water	Overall amber rating	Standard	6.0 out of 10
GWMWater	Overall green rating	Advanced	6.0 out of 10
Lower Murray Water – Rural	Overall green rating	Standard	N/A
Lower Murray Water – Urban	Overall amber rating	Standard	6.3 out of 10
Melbourne Water	Overall amber rating	Standard	N/A
North East Water	Overall amber rating	Advanced	6.6 out of 10

What businesses reported in 2024-25

Water business	Businesses' 2023-24 self-assessment	Overall PREMO rating	Customer satisfaction rating, Nov 2024 to Sep 2025
South East Water	Overall green rating	Advanced	6.8 out of 10
South Gippsland Water	Overall green rating	Standard	6.7 out of 10
Southern Rural Water	Overall green rating	Standard	N/A
Wannon Water	Overall amber rating	Standard	6.4 out of 10
Westernport Water	Overall green rating	Standard	6.5 out of 10
Yarra Valley Water	Overall amber rating	Advanced	7.0 out of 10

What we found in 2024-25

This chapter provides our general observations on:

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

Performance

For the 2024-25 reporting year, 10 businesses reported they had delivered on their outcome commitments overall, rating themselves green. Out of these 10 businesses, 5 reported meeting all their outcome commitments in full:

- Barwon Water
- Central Highlands Water
- Coliban Water
- Lower Murray Water - Rural
- Southern Rural Water.

Nine businesses gave themselves an amber overall rating, indicating they almost or mostly met their outcome commitments.¹

Weather impacts

Ten water businesses reported that drier than average weather in 2024-25 affected their performance. Dry weather can impact water businesses in several different ways. For example, dry weather causes soil to shrink, which places extra stress on pipes and can lead to breaks. Tree roots can also penetrate pipes as they seek moisture in the dry soil.

Examples of how businesses explained the impact of drier than average conditions on their performance are listed below:

- Barwon Water reported increased water restrictions compared to the previous year.
- Central Highlands Water reported impacts on its provision of water and wastewater services, with the number of customers receiving three or more sewer interruptions increasing compared to the previous year.
- North East Water reported increases in the average duration of unplanned water supply interruptions.

¹ Lower Murray Water reports separately on its outcomes for its rural and urban operations, which we count as separate businesses in this report.

- Westernport Water reported higher demand for recycled water, requiring additional effluent treatment, which contributed to an increase in greenhouse gas emissions.
- Yarra Valley Water reported an increase in pipe failures.

Notably, Barwon Water reported it maintained service levels despite reporting its driest conditions in 86 years.

Comparison to 2023-24 reported outcomes and output measures

The percentages of overall outcomes assessed as 'met', 'almost met', and 'not met' in 2024-25 were similar to 2023-24. In 2024-25, there was:

- no change in outcomes 'met'
- a one percentage point increase in outcomes 'almost met'
- a one percentage point decrease in outcomes 'not met'.

There were also only slight differences in the percentages of individual output measures assessed as 'met', 'almost met' and 'not met' compared to 2023-24. In 2024-25, there was:

- a two-percentage point decrease in individual measures 'met'
- a six-percentage point increase in individual measures 'almost met'
- a four-percentage point decrease in individual measures 'not met'.

Accountability for performance

Businesses demonstrated accountability for performance against their stated targets in the summary outcome reports we received.

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

Yarra Valley Water went beyond its peers by committing to pay its customers a rebate for each outcome it does not achieve (capped at \$10.5 million for each year), truly holding itself accountable for its performance and compensating customers for value they did not fully receive. Westernport Water has committed to invest \$25,000 in a community-led initiative for failing to meet one of its outcome commitments two years in a row.

Businesses' self-assessments

Using the traffic light grading system (green = met target, amber = close or largely met target, red = not met target), businesses must rate their actual performance:

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

What we found in 2024-25

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

Assessment variation

Given assessments are self-rated, there is variation in how different businesses assess their own performance.

For example, GWMWater graded its overall performance as ‘met’ despite grading two of its five outcomes as ‘not met’. In comparison, Melbourne Water graded its overall performance as ‘close’ or ‘largely met’, when it assessed it had not met one outcome and met or largely met all others.

There was also variance in how businesses rated their overall performance compared to the total percentage of individual targets they met. For example, Goulburn Murray Water met 88 per cent of its targets and marked its overall performance as amber, ‘mostly met’. In comparison, South Gippsland Water met 67 per cent of its targets and marked its overall performance as green, ‘met’.

The following businesses assessed themselves as meeting all their outcomes:

- Barwon Water
- Central Highlands Water
- Coliban Water
- Lower Murray Water – Rural
- Southern Rural Water.

Engagement with customer groups

The ultimate check on a business’s performance and self-assessment against its customer outcome commitments is to ask those customers themselves.

Ten businesses mentioned working with their customers to receive feedback on their performance and proposed self-assessments, four more than we reported last year. This is usually done through engagement with the business’s established customer advisory panel. We commend businesses that have gone beyond our minimum requirements to consider their customers’ views on the value they received, as truly reflecting PREMO’s customer-centric focus.

The ten businesses that mentioned seeking customer input on their 2024-25 self-assessments are listed below:

- Barwon Water
- Central Highlands Water
- Coliban Water
- East Gippsland Water
- Gippsland Water

What we found in 2024-25

- Goulburn Valley Water
- Greater Western Water
- South Gippsland Water
- Westernport Water
- Yarra Valley Water.

Additionally, Goulburn Valley Water, Greater Western Water and Westernport Water included direct comments from their consumer engagement groups in their final reports, demonstrating further accountability for their performance and the importance of seeking customers' views.

Self-reporting to customers

The self-reporting aspect of PREMO requires water businesses to report directly to their customers on their outcomes performance at least annually. Businesses that promptly and prominently self-report their performance show they are taking ownership and accountability for their performance results and delivery of their outcome commitments.

All businesses have published their 2024-25 performance on their websites and more businesses engaged directly with their customers to inform their self-assessments. However, fewer businesses provided links to their reports on their website homepages.

The following businesses published announcements about their performance on their website homepages:

- Central Highlands Water
- East Gippsland Water
- Gippsland Water
- Greater Western Water
- Melbourne Water
- North East Water
- South Gippsland Water
- Wannon Water
- Westernport Water
- Yarra Valley Water.

This demonstrates transparency to customers, indicating that they are accountable for their yearly performance.

However, some businesses did not promptly post their outcomes performance on their websites or provide announcements or direct links to their results on their website homepages.

Businesses should now be familiar with our self-reporting expectations under PREMO. Without a prominent announcement and link on a business's homepage, it is difficult for customers to know where to find information on their water business's performance results.

If a water business is focused on delivering outcomes for its customers, it should proactively engage with its customers and keep them informed on its progress through prompt and accessible self-reporting.

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

Businesses' major capital projects

In their pricing submissions, water businesses identify their top 10 (by cost) major capital investment projects to be progressed or completed during the regulatory period. Our final pricing determination for each business includes a schedule listing these projects, along with the anticipated start and completion years of each project, used to calculate revenues and customer prices.

This section tracks the businesses' reported progress of these major capital projects against their original project delivery schedules.

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.

Tracking major capital projects

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

Table 2 provides a summary of the status of the scheduled major projects for each water business at the end of 2024-25.

Table 2: Major projects status at 30 June 2025

	No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
Barwon Water	10	1		6			3
Central Highlands Water	10	1		8			1
Coliban Water	10			5		2	3
East Gippsland Water	10	1		5			4
Gippsland Water	10	1		8			1
Goulburn-Murray Water	10			8		1	1
Goulburn Valley Water	10		1	6			3
Greater Western Water	10	1		4			5
GWMWater	12	1	1	8			2
Lower Murray Water – Urban	8			5		2	1
Lower Murray Water – Rural	5			3		2	
Melbourne Water	20	3	2	2	2	1	10
North East Water	12	2	1	2		6	1
South East Water	10			6		1	3
South Gippsland Water	10			8		1	1
Southern Rural Water	10	3	1	4			2
Wannon Water	10			7			3
Westernport Water	10		1	4	1		4
Yarra Valley Water	10			4			6
Total	197	14	7	103	3	16	54

Overall, 124 major projects (63 per cent) are currently running to schedule or have been completed.

In 2024-25, businesses completed 14 projects in their current regulatory periods, with Melbourne Water and Southern Rural Water both completing three projects each. Businesses also completed 13 projects that were carried over from previous regulatory periods.

Deferred or delayed projects

Seventy projects (36 per cent) were either deferred or delayed, which is an eight-percentage point increase from 2023-24. An eight-percentage point increase is worth noting, given last year's baseline was a high number in which most businesses were in the first year of their regulatory periods.

Melbourne Water and North East Water had the highest number of deferred or delayed projects. This was likely due to Melbourne Water's larger number of projects and both businesses nearing the end of their regulatory periods.

Westernport Water was the only business to cancel a project in the last year. It cancelled its Bio-Gas Waste to Energy project after a study found the project was not feasible. The funding has been redirected to a new project with similar outcomes.

We also note South East Water has cancelled a sewer capacity upgrade project it carried over from the previous regulatory period. Modelling showed the project was not required.

Reasons for deferred or delayed projects

Common reasons given for deferred or delayed projects included:

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

Our [major projects supplement](#) includes a summary of each project's status and the businesses' explanations for schedule changes.²

Engagement with customers on project delivery

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

² Essential Services Commission 2025, Status of major projects supplement: Outcomes report 2024-25, October.

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

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

Want more information?

Further commentary on the estimated schedule and status of each water business's projects can be found in the supplementary paper *Status of major projects supplement: Outcomes report 2024-25*.

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

Water business summaries

The following business summaries provide a snapshot of each water business's 2024-25 performance, and overall performance for their regulatory period to date, including:

- the business's overall PREMO rating from its last price review where its outcomes were established for the 2024-25 year
- the business's traffic light self-rating for each of its outcomes
- the business's traffic light self-rating for its annual overall achievement against its outcome commitments
- the business's traffic light self-rating for its overall achievement against its outcome commitments for each outcome for its regulatory period to date
- a summary of the reported status of its major capital projects
- our high-level observations on its performance, self-assessment and self-reporting.

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

- the summary outcome reporting templates provided by each business and 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: 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 2024-25, self-assessed by the water business

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Customer service						
2. Drinking water quality						
3. Environmental sustainability						
4. Assisting vulnerable customers						
Overall						

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

Sample business’s major projects status summary

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

This table shows the status of these major projects at the end of 2024-25, as reported by the water business.

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

This table has been introduced to:

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

Our observations of a business's outcomes report

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

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

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

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

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

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

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

This expectation is a new focus that we have begun to track more closely starting in this year's report. This metric is less likely to be relevant when a business is in the first year of its regulatory period.

Barwon Water

PREMO rating: Advanced

Barwon Water's self-assessment

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

Barwon Water's major projects status summary

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

Our assessment of Barwon Water's outcomes report

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

Barwon Water met 35 of its 42 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained in detail the seven targets that it did not meet or did not quite meet.

Barwon Water consulted with its customers on its performance. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Central Highlands Water

PREMO rating: Standard

Central Highlands Water's self-assessment

Outcome	23-24	24-25	25-26	26-27	27-28	Overall
1. Customer care						
2. Equity						
3. Sustainability						
4. Reliable water and wastewater services						
Overall						

Central Highlands Water's major projects status summary

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

Our observations of Central Highlands Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.2
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Central Highlands Water met 17 of its 22 targets in the second year of its regulatory period. Its self-assessment was acceptable and explained why five of its targets were not met.

Central Highlands Water consulted with its customers on its performance. It reported that nine of its major projects were on schedule or completed on time, which is commendable. It published its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Coliban Water

PREMO rating: Standard

Coliban Water's self-assessment

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

Coliban Water's major projects status summary

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

Our observations of Coliban Water's outcomes report

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

Coliban Water met 16 of its 18 targets in the second year of its regulatory period. Its self-assessment was reasonable, explaining in detail why it did not meet one of its targets and did not quite meet another.

Coliban Water consulted with its customers on its performance and was transparent where their views differed. While half of its major projects were deferred or delayed, Coliban Water explained

Water business summaries

why the project timelines had changed to manage risk, respond to changing legislation and accommodate increasing scope of works. It reported its outcomes performance on its website, however it was not prominent on its homepage.

East Gippsland Water

PREMO rating: Standard

East Gippsland Water's self-assessment

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

East Gippsland Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	1	0	5	0	0	4

Our observations of East Gippsland Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.2
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

East Gippsland Water met 11 of its 15 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why four of its targets were not met. East Gippsland Water reported that it did not meet its outcome 'Prepare for population growth and a changing climate' due to falling short of its water efficiency rebate target and falling behind on its project schedule for its third raw water storage at Woodglen.

East Gippsland Water consulted with its customers on its performance and overall ratings. Three of its four delayed major projects are still scheduled to be completed within this regulatory period.

It reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Gippsland Water

PREMO rating: Advanced

Gippsland Water's self-assessment

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

Gippsland Water's major projects status summary

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

Our observations of Gippsland Water's outcomes report

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

Gippsland Water met 11 of its 20 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why nine of its targets were not met or not quite met. Gippsland Water reported that it did not meet its outcome 'Do your job well' due to not meeting targets related to the average time taken to contain sewer spills inside the home and the average time to rectify sewer blockages.

Gippsland Water consulted with its customers to inform its self-assessment for this year, after developing its performance rating system with customers last year. Nine of its ten major projects were on schedule or complete, with only one major project delayed due to changes that will lead to operational cost savings. It reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Goulburn-Murray Water

PREMO rating: Standard

Goulburn-Murray Water's self-assessment

Outcome	24-25	25-26	26-27	27-28	Overall
1. Reliable Supply					
2. Credible Business					
3. Fair Pricing					
4. Efficient Operations					
5. Responsible Services					
6. Socially Responsible					
Overall					

Goulburn-Murray Water's major projects status summary

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

Our observations of Goulburn-Murray Water's outcomes report

Results prominent on website	No	Customer satisfaction rating	N/A
Directly engaged with customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Goulburn-Murray Water met 23 or its 26 targets in the first year of its regulatory period. Its self-assessment was reasonable and discussed the outcomes it did not meet.

Its submission did not mention whether Goulburn-Murray Water consulted with its customers to inform its self-assessment. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Goulburn Valley Water

PREMO rating: Standard

Goulburn Valley Water's self-assessment

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

Goulburn Valley Water's major projects status summary

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

Our observations of Goulburn Valley Water's outcomes report

Results prominent on website	No	Customer satisfaction rating	6.5
Directly engaged with customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Goulburn Valley Water met 10 of its 15 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why it did not meet or did not quite meet five of its targets.

Goulburn Valley Water consulted with its customers on its performance and included its Customer Accountability Panel's comments in its report, demonstrating accountability. It explained why four of its major projects were delayed or completed late. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Greater Western Water

PREMO rating: Standard

Greater Western Water's self-assessment

Outcome	24-25	25-26	26-27	27-28	Overall
1. Your water is safe, consistent and resilient					
2. When things go wrong, we fix them					
3. We support our diverse communities and customers					
4. We enable growth and help businesses thrive					
5. We heal and care for Country					
Overall					

Greater Western Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	1	0	4	0	0	5

Our observations of Greater Western Water's outcomes report

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

Greater Western Water met 10 of its 21 targets in the first year of its regulatory period. Its self-assessment explained why it did not meet or did not quite meet over half of its targets.

Greater Western Water assessed itself as not quite meeting four of its five outcome commitments, based on its Customer Forum ratings for these outcomes.

However, Greater Western Water's new billing system roll-out resulted in major impacts for many customers throughout the year, and this is reflected in many of the individual measures falling short of targets. Given this, we consider Greater Western Water should have more appropriately rated

two of its Outcomes, 'When things go wrong, we fix them' and 'We support our diverse communities and customers', as 'not met'.

Greater Western Water has advised us that its original self-ratings were red 'not met', but it increased these to an amber 'mostly met' following its Customer Forum discussions. Greater Western Water noted the actions it will take to improve its performance going forward. It also gave clear reasons why five of its major projects were delayed. It reported its outcomes performance prominently on its website homepage.

PREMO rating: Advanced

GWMWater's self-assessment

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

GWMWater's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
12	1	1	8	0	0	2

Our observations of GWMWater's outcomes report

Results prominent on website	No	Customer satisfaction rating	6.0
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Outcome set is dynamic	—	Report submitted to the ESC on time	Yes

GWMWater met 22 of its 35 targets in the second year of its regulatory period. Its self-assessment was generous, giving itself green overall for the reporting year despite two out of five outcomes being self-assessed as not met. It explained how it would meet its targets in areas where it fell short. GWMWater reported that it did not meet its outcome 'Clean non-drinking water - urban' due to not meeting targets related to customer satisfaction and the number of water quality complaints it received. It also reported not meeting its outcome 'Healthy and liveable region' due to falling short of targets related to renewable energy, carbon emissions and unaccounted water.

Its submission did not mention whether GWMWater consulted with its customers to inform its self-assessment. While two major projects were delayed, two were completed and eight remain on schedule. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Lower Murray Water – Rural

PREMO rating: Standard

Lower Murray Water – Rural’s self-assessment

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

Lower Murray Water – Rural’s major projects status summary

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

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

Results prominent on website	No	Customer satisfaction rating	N/A
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Lower Murray Water – Rural met seven of its nine targets in the second year of its regulatory period. Its self-assessment was reasonable, explaining its shortfalls and how it will address them in the future. It explained the benefits of deferring two major projects and stated that the deferrals would have no adverse impact on customers.

Its submission did not mention whether Lower Murray Water consulted with its customers to inform its self-assessment. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Lower Murray Water – Urban

PREMO rating: Standard

Lower Murray Water – Urban’s self-assessment

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

Lower Murray Water – Urban’s major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
8	0	0	5	0	2	1

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

Results prominent on website	No	Customer satisfaction rating	6.3
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Lower Murray Water – Urban met 9 of its 18 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained in detail why it did not meet or did not quite meet half of its targets.

Its submission did not mention whether Lower Murray Water consulted with its customers to inform its self-assessment. It reported its outcomes performance on its website, however it was not prominent on its homepage.

Melbourne Water

PREMO rating: Standard

Melbourne Water's self-assessment

Outcome	21-22	22-23	23-24	24-25	25-26	Overall
1. Access to safe and reliable water and sewerage services						
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						
6. Bills kept as low as possible						
Overall						

Melbourne Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
20	3	2	2	2	1	10

Our observations of Melbourne Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	N/A
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

Melbourne Water met 16 of its 18 targets in the fourth year of its regulatory period. Melbourne Water reported that it did not meet its outcome 'Easy, respectful, responsive and transparent customer service' due to not meeting targets related to customer satisfaction with water and sewerage services.

Water business summaries

It has adapted its methodology for measuring customer sentiment through surveys to better reflect the nature of its customer base. The new methodology was tested with its customer base prior to implementation. While it has fallen short of its targets under the new methodology, it has improved upon its performance compared to last year and has engaged with its customers to identify opportunities for further improvement.

It has also included its results under its old methodology, demonstrating its commitment to transparency. It reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance. As a bulk service provider, Melbourne Water is not part of our quarterly customer satisfaction survey.

North East Water

PREMO rating: Advanced

North East Water's self-assessment

Outcome	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	Overall
1. Affordable prices									
2. Reliable services									
3. Responsive services									
4. Efficient systems									
5. Local focus									
6. Sustainable region									
Overall									

North East Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
12	2	1	2	0	6	1

Our observations of North East Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.6
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

North East Water met 7 of its 13 targets in the seventh year of its regulatory period. It explained why it did not meet or did not quite meet six of its targets, which were ambitious.

It informed its customers of its performance by providing a bi-annual update. It explained that half of its major projects were deferred or delayed to accommodate 50-year and 100-year master plans for the towns the projects will take place in. North East Water reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

South East Water

PREMO rating: Advanced

South East Water's self-assessment

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

South East Water's major projects status summary

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

Our observations of South East Water's outcomes report

Results prominent on website	No	Customer satisfaction rating	6.8
Directly engaged customer group	Not Stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

South East Water met 13 of its 16 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why three of its targets were not met or not quite met. South East Water reported that it did not meet its outcome 'Fair and affordable for all' due to falling short of its target for customers with arrears older than 90 days taking up financial or payment assistance. Its major project delivery has improved compared to the previous year, with 6 of its 10 projects currently on-schedule. South East Water reported its outcomes performance on its website, however it was not prominent on its homepage.

South Gippsland Water

PREMO rating: Standard

South Gippsland Water's self-assessment

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

South Gippsland Water's major projects status summary

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

Our observations of South Gippsland Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.7
Directly engaged customer group	Yes	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

South Gippsland Water met 8 of its 12 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why it did not quite meet four of its targets, and how it will address them in the future. It acknowledged that it could further improve its survey administration, which contributed to its unfavourable results.

South Gippsland Water reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Water business summaries

Southern Rural Water

PREMO rating: Standard

Southern Rural Water's self-assessment

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

Southern Rural Water's major projects status summary

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

Our observations of Southern Rural Water's outcomes report

Results prominent on website	No	Customer satisfaction rating	N/A
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	—	Report submitted to the ESC on time	Yes

Southern Rural Water met 18 of its 21 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why it did not quite meet three of its targets. Notably, it reported achieving net zero emissions in 2024-25. Its submission did not mention whether Southern Rural Water consulted with its customers to inform its self-assessment.

Southern Rural Water reported its outcomes performance on its website, however it was not prominent on its homepage. As a rural water business, Southern Rural Water is not part of our quarterly customer satisfaction survey.

Wannon Water

PREMO rating: Standard

Wannon Water's self-assessment

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

Wannon Water's major projects status summary

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

Our observations of Wannon Water's outcomes report

Results prominent on website	Yes	Customer satisfaction rating	6.4
Directly engaged customer group	Not stated	Report addressed performance shortfalls	Yes
Dynamic outcome set	Yes	Report submitted to the ESC on time	Yes

Wannon Water only met 11 of its 23 targets in the second year of its regulatory period. Its self-assessment was reasonable and explained why it did not meet or did not quite meet over half of its targets. Its submission did not mention whether Wannon Water consulted with its customers to inform its self-assessment. It reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Westernport Water

PREMO rating: Standard

Westernport Water's self-assessment

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

Westernport Water's major projects status summary

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

Our observations of Westernport Water's outcomes report

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

Westernport Water met 17 of its 20 targets in the second year of its regulatory period. Its self-assessment was reasonable and it consulted with its customers on its performance. It will invest \$25,000 in a community-led cause for failing to meet outcome four for two years in a row, highlighting accountability of its outcome commitments.

Westernport Water reported its outcomes performance prominently on its website homepage, including its Customer Assessment Panel's perspectives on its performance. This demonstrates

Westernport Water’s ownership of its performance, highlighting the engagement it has undertaken and the value it places on its customers’ views.

Yarra Valley Water

PREMO rating: Advanced

Yarra Valley Water's self-assessment

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

Yarra Valley Water's major projects status summary

No. major projects	Completed on time	Completed late	On-schedule	Cancelled	Deferred	Delayed
10	0	0	4	0	0	6

Our observations of Yarra Valley Water's outcomes report

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

Yarra Valley Water met 10 of its 17 targets in the second year of its regulatory period. Its self-assessment was reasonable and it consulted with its customers about its performance. It reported that it did not meet its outcome 'Reliable water and sewerage services' due to hot and dry weather resulting in more pipe failures and a higher number of repeat supply interruptions to customers. It also reported not meeting its outcome 'Saving water for the future' due to missing targets related to use of recycled water, average household water use and water lost from its supply system.

Yarra Valley Water stands out from other businesses in terms of accountability by committing to pay its customers up to \$1.8 million for each outcome it does not achieve. Based on its community panel's recommendation, it will provide \$3.06 million in rebates to its customers for outcomes not achieved this year.

Yarra Valley Water reported its outcomes performance prominently on its website homepage, demonstrating ownership of its performance.

Appendix A: PREMO – putting customer outcomes first

Our PREMO water pricing framework puts customers at the centre of the regulatory pricing process.³ It pivots Victoria's water businesses to focus on what their customers, rather than the regulator, want and expect from their water and sewerage service provider.

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

We work with each business to:

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

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

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

What is PREMO?

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

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

³ Essential Services Commission 2016, Water Pricing Framework and Approach: Implementing PREMO from 2018, October.

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

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

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

The Performance element of the PREMO framework

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

For each business, we reviewed its own self-assessment and self-reporting of its performance to check:

- it was reasonable
- that it set itself challenging targets for the regulatory period
- it took accountability for shortfalls
- that it took ownership over its outcome commitments.

Appendix B: What is outcomes reporting?

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

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

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

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

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

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

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

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

Businesses' self-assessments of their outcomes performance

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

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

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

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

Businesses' self-reporting of their outcomes performance

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

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

Our outcomes report complements our other water industry 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
- our new interactive performance dashboard
- our 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 and our interactive performance dashboard 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. Each quarter we survey 1,300 water customers across Victoria, 5,200 customers annually, and ask them to rate their water business out of ten on:

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

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

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

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