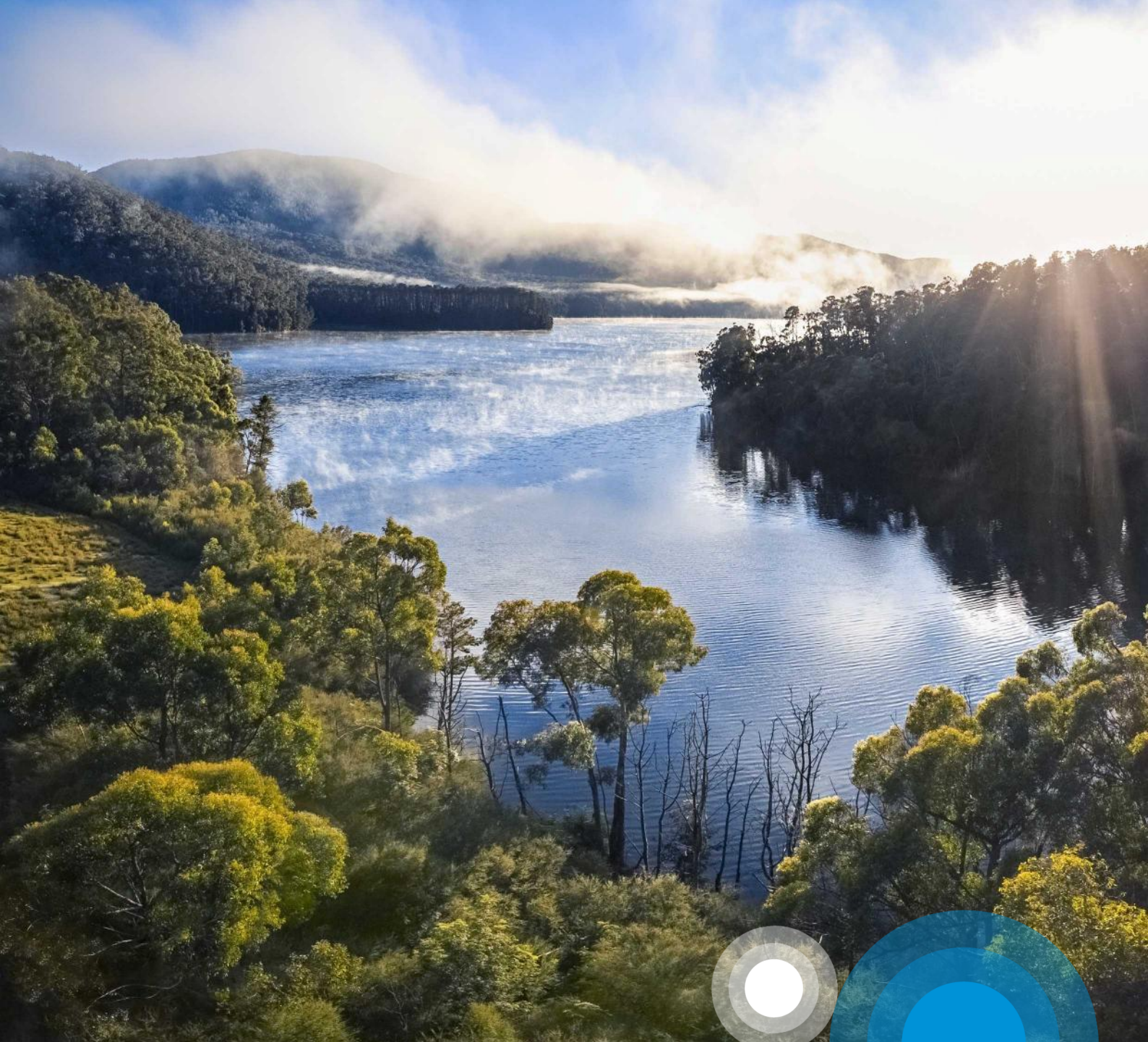
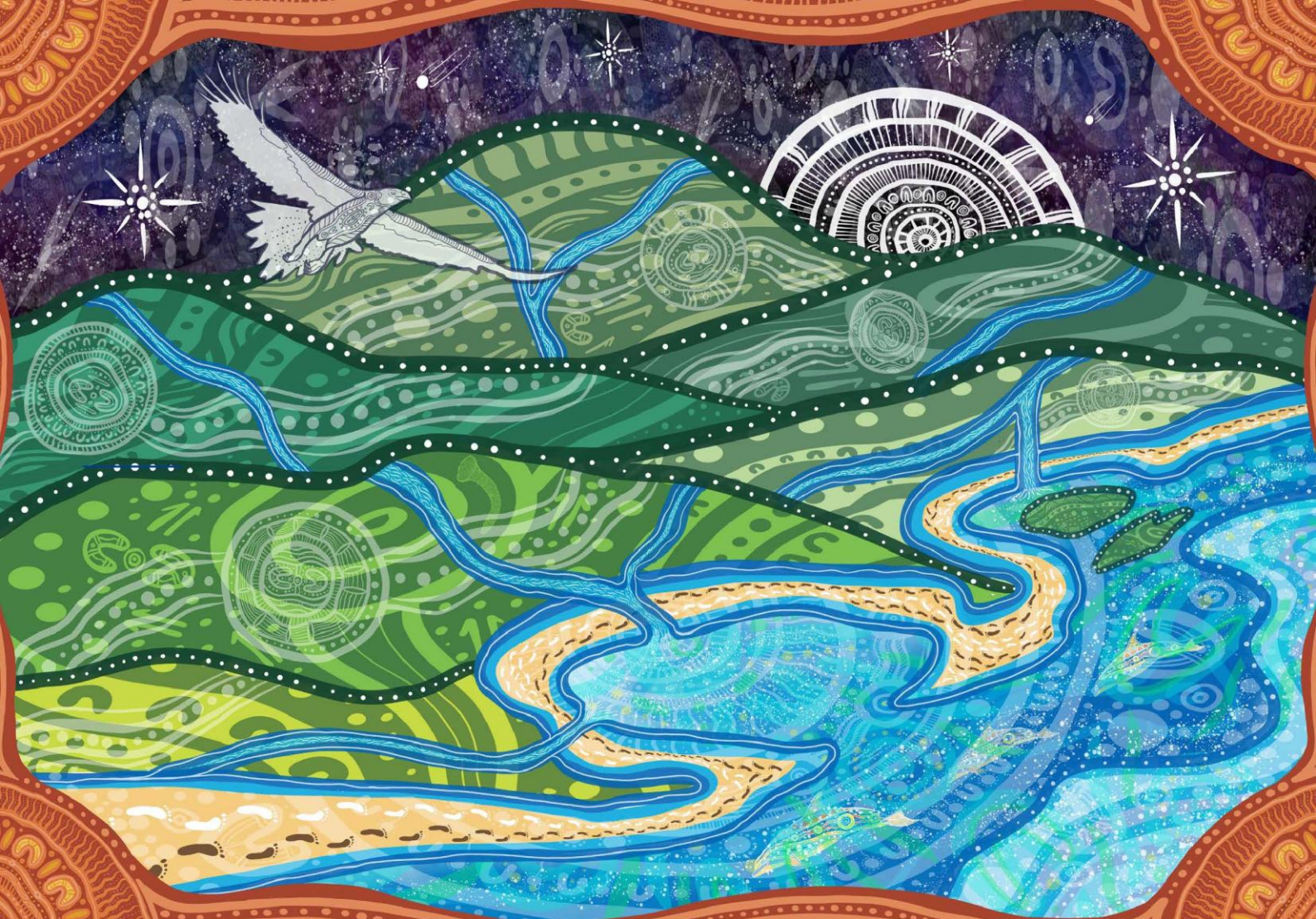




Customer Outcomes Performance Report

2025-26



'We Will Walk Country Together' Artist: Gerard Black ©2023

Aboriginal Acknowledgement

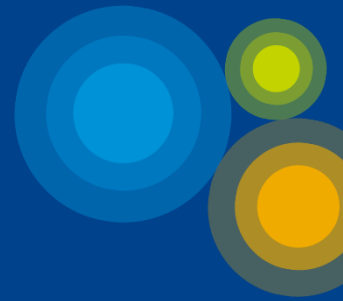
Melbourne Water respectfully acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners and custodians of the land and water on which all Australians rely.

We pay our respects to Bunurong, Gunaikurnai, Taungurung, Wadawurrung and Wurundjeri Woi-wurrung peoples as the Traditional Owners and custodians of the land and water on which we rely and operate. We pay our deepest respects to their Elders past, present and emerging.

We recognise and respect the continued cultural and spiritual connections that Aboriginal and Torres Strait Islander peoples have with the land and water they have cared for and protected for thousands of generations.

We demonstrate our ongoing commitment to reconciliation through our partnerships with Traditional Owners and the broader Aboriginal and Torres Strait Islander communities, as we work together to manage land and water now and into the future, while maintaining and respecting cultural and spiritual connections.





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Summary

Our 2021 Price Submission outlined the services we would provide, the investments we planned to make, and the prices we intended to charge customers over the five-year price determination period of 2021–26.

The 2021 Price Submission is underpinned by six customer outcomes. In 2025–26, we assessed our overall performance against our customer outcomes and considered them ‘met’.

2021 -26 Customer Outcomes

Melbourne Water plays key roles in planning for and managing water services across the Greater Melbourne region, including:

- providing bulk drinking water to retail and urban water corporations
- receiving bulk sewage from retail water corporations and treating it so we can recover and reuse valued resources and return treated effluent safely to the environment
- managing flood risks and mitigating the impact of flooding across Melbourne
- keeping 25,000 kilometres of Melbourne’s rivers, creeks and catchments healthy.

Every five years, Melbourne Water develops a Price Submission that sets out customer commitments across four major services: bulk water, bulk sewerage, waterways and drainage.

Our 2021 Price Submission outlined the services we will provide, the investments we plan to make, and the

prices we intend to charge customers over the five-year price determination period of 2021–26.

Our 2021 Price Submission is underpinned by six customer outcomes, that were developed in consultation with our customers and community:

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.

These commitments and the associated targets were approved by the Essential Services Commission (ESC).

2021 Price Submission customer outcomes



Access to safe and reliable water and sewerage services



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



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



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



Easy, respectful, responsive and transparent customer service



Bills kept as low as possible.

In 2025-26, the fifth and final year of our price determination period, we continued to improve our performance in delivery of our commitments to our customers.

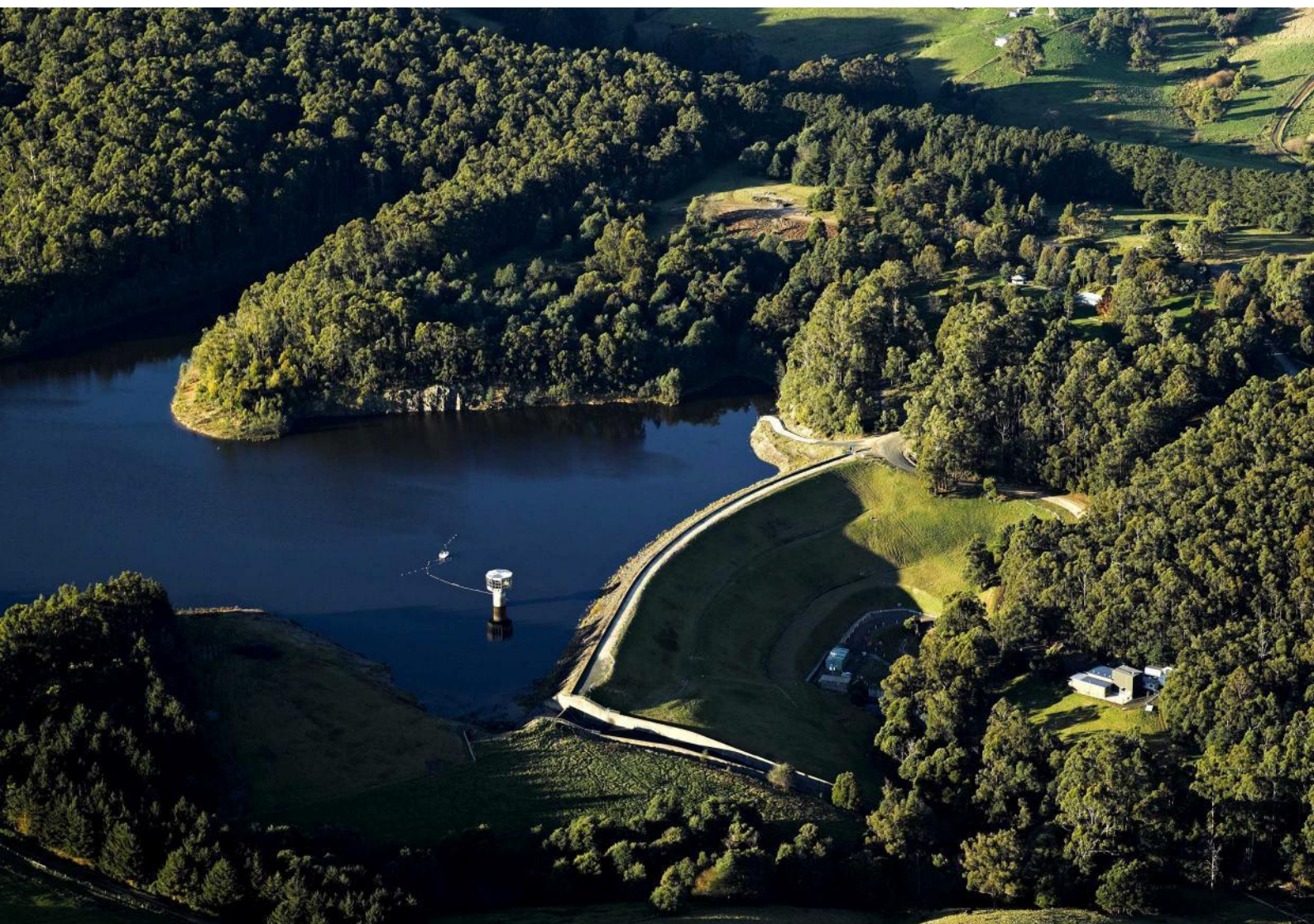
We assess our performance as 'met' against our targets overall and for the 2021-26 period.

Where we have underperformed, we have incorporated lessons learnt and addressed them in our 2026 Price Submission and pricing period 2026-31.

Relationship to the 2026 Price Submission and performance reporting

This Outcomes report relates to customer commitments developed for our 2021-26 Price Submission period.

Commitments for the 2026-31 period were developed as part of our 2026 Price Submission to the ESC. These have been finalised and more information about these 2026-31 outcomes can be found on our website.





Waterways and Drainage Operational Expenditure Uplift

As part of our 2021 Price Submission, we proposed \$21.2 million in additional waterways and drainage operating expenditure to support the delivery of our programs.

In our 2021 Price Submission we identified several areas where additional spending on our waterways and drainage services was warranted and supported by community.

These areas of expenditure are:

- Community involvement in waterways (\$2.0 million)
- Flood mitigation (\$3.5 million)
- Flood preparedness (\$1.5 million)
- Natural wetlands management (\$1.5 million)
- New Stormwater Quality Treatment Systems (\$1.2 million)
- Large scale stormwater harvesting (\$11.5 million).

Relationship to the Waterways and Drainage Implementation Plan and performance reporting

The 2021 Waterways and Drainage Implementation Plan (WDIP) was developed to meet a key requirement of Melbourne Water's Statement of Obligations, which is issued in accordance with the *Water Industry Act 1994* (Vic).

It also supports our 2021 Price Submission by defining our responsibilities, goals, levels of service and programs of work for waterway management, flood management and drainage services for the period 2021–22 to 2025–26.

The WDIP sets out key performance indicators, which are monitored, measured and reported each year in the annual Waterways and Drainage Customer Performance Report published on our website.

That report is a companion document to this Price Submission Customer Outcomes Performance Report and supports the performance of the six customer outcomes.



Waterways and Drainage Operational Expenditure Uplift Activities



Community involvement in waterways



Flood mitigation



Flood preparedness



Natural wetlands



New Stormwater Quality Treatment Systems



Large scale stormwater harvesting



Our Outcomes performance



Our Outcomes performance

Our 2021 Price Submission is underpinned by six customer outcomes. In 2025-26, we assessed our overall performance against our customer outcomes as 'met'

● MET TARGET
 ● NOT MET
 ● CLOSE OR LARGELY MET
 ● N/A

Summary performance

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

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

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

Overall performance for the **regulatory period**: ● MET

Commentary

Our measures for this Outcome relate to the performance of:

- our bulk water supply infrastructure in delivering water at the quality and pressure levels expected by our retail and urban water corporation customers
- our bulk sewerage networks to contain and transfer sewage to our treatment facilities.

In 2025-26, we continued to provide reliable services and met performance targets for all indicators set for this Outcome.

To meet customer demand, Melbourne Water supplied 504 billion litres of water, and treated over 368 billion litres of sewage at our Eastern and Western Treatment Plants.

In 2025-26, we invested \$158 million to safely manage the water production and supply for Greater Melbourne. Significant investments include preparatory work for critical water main renewals and upgrades, and investments to ensure drinking water continues to be safe and reliable.

Permanent water saving rules still apply across Victoria to ensure we use water wisely, especially as 2024-25 saw the most significant stream flow decline into our harvesting catchments in nearly 30 years.

In 2025-26, Melbourne's residential water use was approximately 161 litres per person, per day, which is 11 litres more than the Victorian Government's target of 150 litres.

In 2025-26, we embedded the updated *Safe Drinking Water Regulations* into our operations to ensure we continue to provide safe drinking water to our bulk service customers and their end-use customers.

Across our sewerage network, we invested \$475 million to safely manage the sewage generated across Greater Melbourne. Significant investments included finalisation of the projects to increase capacity at Eastern Treatment Plant, finalising the duplication of the Hobsons Bay Main Sewer Yarra River crossing, and investing in treatment capacity upgrade projects at the Western Treatment Plant

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

Indicator	Unit		21-22	22-23	23-24	24-25	25-26
Percentage of 10 specified river sites rated as high or very high (as indicated by the macroinvertebrate health index (LUMaR) for each site)	Percentage	Expected	100%	100%	100%	100%	100%
		Actual	100%	100%	100%	100%	100%
Number of non-compliances with EPA Licence conditions for the Western and Eastern Treatment Plants	No.	Expected	0	0	0	0	0
		Actual	0	0	0	0	0
Percentage of biosolids (dry tonnes) from the Western Treatment Plant beneficially reused	Percentage	Expected	≥40%	≥40%	≥40%	≥40%	≥40%
		Actual	350.7%	179%	140%	180%	154%
Net amount of greenhouse gas emissions (CO ₂ e) produced	Kilotonne (kt) of CO ₂ e	Expected	On track	On track	On track	<204.38	<204.38
		Actual	On track	On track	On track	204.38 kt	204.38 kt

Overall performance for the **regulatory period**:  MET

Commentary

Melbourne Water's activities can have impacts on the region's land, air and waterways. In developing the 2021 Price Submission, our customers told us they wanted Melbourne Water to protect the environment and be proactive in managing the impacts of climate change on Melbourne's environmental assets.

Our measures for this Outcome focus on waterways, maintaining river health, compliance with treatment plant licences, and reducing greenhouse gas emissions and reusing biosolids produced at our treatment plants.

Melbourne Water monitors and provides targeted maintenance and improvement works for 25,000 kilometres of rivers and creeks, 33 estuaries and wetlands and more than 2,000 stormwater treatment systems, including constructed wetlands.

In 2025-26, we continued to provide reliable services and met performance targets for all indicators set for this Outcome.

Both the Eastern Treatment Plant and Western Treatment Plant achieved compliance with their Environmental Protection Agency discharge licences for agreed treatable parameters for 2025-26. The treatable parameters included for this measure are ammonia, suspended solids and biochemical oxygen demand.

We met our 2025-26 greenhouse gas emissions target. This was achieved via the purchase of sufficient carbon credits to offset all scope 1 and 2 emissions above 204,380 tonnes of CO₂ equivalent.

We met our 100% renewable target scheduled to commence at the end of 2025 (netting scope 2 emissions to zero) through the procurement of renewable energy, onsite renewable energy generation and surrendered all Renewable Energy Certificates received at the end of 2025. By 2026-27 Melbourne Water's scope 2 emissions will be reduced to zero.

In 2025-26, we re-used 25,865 dry tonnes of biosolids, exceeding our target of 16,800 dry tonnes reused from current and our existing stockpile. Achieving greater than 100% reuse of annual biosolids production enabled Melbourne Water to reduce the stockpiled biosolids generated in previous years. This target was achieved through high customer demand attributed to farmers actively seeking alternatives to traditional fertilisers, maximising biosolids transported to reuse farms.

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

Indicator	Unit		21-22	22-23	23-24	24-25	25-26
Average estimated flood damages reduced as a result of Melbourne Water's:	Percentage	Expected	\$21	\$42	\$63	\$109	\$155
• capital solutions program		Actual	\$22.7	\$148.9	\$249.9	\$322.3	\$476.1
• flood planning overlay introduction program							
• education and awareness program							
Percentage of projects (from specified programs) completed that customers believe delivered a benefit to the community (as indicated by post project surveys where at least two thirds of respondents agreed a benefit was delivered)	No.	Expected	100%	100%	100%	100%	100%
		Actual	N/A	N/A	N/A	N/A	100%

Overall performance for the **regulatory period**: ● MET

Commentary

Melbourne Water plays a unique role in making Greater Melbourne one of the world's most liveable cities. The community sees us as a steward of our region's liveability and expects us to proactively manage the risk of flooding to people and the environment and help to create outstanding community spaces.

Our measures for this outcome are quantified by how much we have reduced flood risk and demonstrated benefits that correspond to community sentiments for projects where Melbourne Water has made land more accessible.

In 2025-26, a larger than normal volume of planning referrals enabled us to exceed our targets, including:

- Land use planning advice: 539 building and planning permits for development cases responded to, exceeding the annual target of 150 permits.
- Flood Mitigation Works: We have progressed on the Elwood Diversion Drain Duplication project with the business case approved and estimated annual average damage reduction of \$4.6 million per year.

- Education and awareness program: The number of households that have received the flood education program are counted as "effective engagements" from the annual report produced by Melbourne University. The number of effective engagements by the end of 2025-26 is 3,685.

In 2025-26 we were able to undertake post-project surveys for important Reimagining Your Creek projects – Blind Creek and Lewis Park Retarding Basin project, and the Moonee Ponds Creek project. These projects were delivered in 2024-25 and open to the public.

Post-project surveys for these projects are now completed, with 100% of visitors surveyed on the Moonee Ponds Creek project were more or significantly more satisfied with the site since it has been transformed, demonstrating high rate of agreement that a benefit has been delivered. For the Blind Creek and Lewis Park Retarding Basin project, 98% of visitors surveyed were satisfied or very satisfied with the site.

Within our broader activation program, post-project surveys are in development for projects completed and on-track.

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

Indicator	Unit		21-22	22-23	23-24	24-25	25-26
Percentage of the community surveyed with a moderate or better level of water literacy (as indicated by scoring 5 or above out of 11 in the annual Water Issues Survey)	Percentage of survey respondents	Expected	≥75%	≥75%	≥75%	≥75%	≥75%
		Actual	82%	80%	75%	78%	76%
Number of successful grant applications within the waterways and drainage incentives program	No.	Expected	830	830	830	830	830
		Actual	768	877	942	1079	891
Number of projects funded within the waterways and drainage incentives program	No.	Expected	1,000	1,000	1,000	1,000	1,000
		Actual	838	1,032	1,057	1,254	1,016

Overall performance for the **regulatory period**: ● MET

Commentary

Melbourne Water works in partnership with its customers and the community to improve the health of the region's waterways and deliver on our vision to enhance life and liveability.

Our measures for this Outcome focus on community engagement with the water cycle, including measures of community water literacy and grant applications for waterways and drainage programs.

In 2025-26, we continued to empower Melburnians to support the design and delivery of their service outcomes and met performance targets for all indicators set for this Outcome.

This year, we continued our journey with Traditional Owners towards formal partnership agreements, working with both Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Wadawurrung Traditional Owners Aboriginal Corporation to implement our commitments. These agreements are bespoke to the relationship and designed to clearly articulate our roles, agreed priority outcomes and activities to enable Traditional Owners to achieve self-determined outcomes.

The Water Literacy score for community averaged out across the year was 76%, a slight decrease of 2% from last year and above our target of 75% in 2025-26. We have achieved this through our annual Water Literacy Program, which included:

- targeted curriculum aligned learning experiences at the Western Treatment Plant and Edithvale Seaford Wetlands Education Centre,
- developed new primary school programs,
- enhanced our Digital Learning Platform,
- progressed the Edithvale facility uplift and ran engaging community events.

We welcomed 4,584 visitors across excursions and education programs in 2025-26 representing a significant increase from the previous year and exceeding our annual visitation target of 3,400. This included 740 people attending the community events Water WonderFest and World Wetlands Day across both sites.

In 2025-26 we continue to experience a high number of applicants through our Liveable Community Liveable Waterways (LCLW) incentives program. In 2025-26, we have met the target of 830 applicants successful in receiving funding (contract signed) by approving and receiving 1,016 contracts signed during 2025-26 for 891 different individuals/organisations.

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

Indicator	Unit		21-22	22-23	23-24	24-25	25-26
Customers surveyed as satisfied with Melbourne Water's water service	Average score out of 0 to 10	Expected	7.9	8.0	8.1	8.2	8.3
		Actual	7.7	7.1	7.2	6.9	7.0
Customers surveyed as satisfied with Melbourne Water's sewerage service	Average score out of 0 to 10	Expected	7.9	8.0	8.1	8.2	8.3
		Actual	7.1	7.3	6.8	6.6	7.3
Customers surveyed as satisfied with Melbourne Water's waterways service	Average score out of 0 to 10	Expected	6.8	7.0	7.2	7.4	7.5
		Actual	6.6	6.1	6.1	7.6	7.5
Customers surveyed as satisfied with Melbourne Water's drainage service	Average score out of 0 to 10	Expected	6.5	6.6	6.6	6.7	6.8
		Actual	5.5	6.1	6.1	7.4	7.1

Overall performance for the **regulatory period**: ● LARGELY MET

Commentary

Water corporations, households, businesses and communities consistently tell us they want Melbourne Water to be transparent and easy to deal with. Customers also want to have a positive experience when they communicate with Melbourne Water, regardless of the channel they use.

Our measures for this Outcome focus on the satisfaction reported by our surveyed customers for each of our services: bulk water, bulk sewerage, waterways and drainage. We use survey data to understand how satisfied customers are, and to identify opportunities to improve the way we deliver our services.

As identified in 2024-25, our prevailing water and sewer Customer Satisfaction (CSAT) survey specification and methodology have not been fit for purpose in measuring the sentiment of our bulk service customers with whom we have a partnership-based relationship rather than a transactional relationship. However, CSAT remains an appropriate measure for transaction-based waterways and drainage services. As communicated in our 2024-25 report, we have updated our methodology from 2024-25 onwards.

In 2025-26, we consulted with water corporations on embedding a Relationship Health Metric into the 2026 Price Submission. Water corporations agreed with us that the CSAT measure was not fit for purpose and agreed that we should move towards report against the

2026 Price Submission measures (relationship health) from 2025-26.

Across 2025-26, we maintained our improvements made for water and sewerage. Initiatives cited, included, reviewing how the Accord corporations collaborate, modernising our bulk supply agreements and developing the 2026 Price Submission. These initiatives have provided positive contributions to surveyed satisfaction with Melbourne Water's services.

in 2024-25 and met both our waterways and drainage customer satisfaction measures, cementing gains we made over the period.

On balance, we consider that we largely met this outcome in 2025-26.

Customer Outcome 6: Bills are kept as low and possible

Indicator	Unit		21-22	22-23	23-24	24-25	25-26
Net savings in operating expenditure identified through new efficiency projects	Percentage	Expected	>\$500k	>\$500k	>\$500k	>\$500k	>\$500k
		Actual	\$700k	\$1,620k	\$1,758k	\$856K	\$2,315K
Percentage difference between actual operating expenditure and the operating expenditure allowance as set out in the 2021 price determination (excluding one off or unusual expenditure, new obligations and any changes to uncontrollable operating expenditure)	No.	Expected	<±5%	<±5%	<±5%	<±5%	<±5%
		Actual	+0.4% ³	+0.8% ³	+1.8%	+4.4%	+1.3%
Percentage difference between actual cumulative capital expenditure and the cumulative capital expenditure allowance as set out in the 2021 price determination	Percentage	Expected	<±2%	<±2%	<±2%	<±2%	<±2%
		Actual	-25.5%	-27.3%	-11.3%	-1.8%	+10.4%

Overall performance for the **regulatory period**: ● MET

Business comment

Melbourne Water aims to keep bills as low as possible. We recognise the serious affordability issues impacting communities throughout Greater Melbourne and understand that pressure on household and business budgets driven by increased inflation and high interest rates, is intensifying the challenge.

We have kept our prices steady over the last two regulatory periods. As our city grows, our challenge will be to maintain this downward pressure on prices, while continuing to deliver safe, reliable and resilient services to our customers, now and for future generations.

Our measures for this Outcome relate to our expenditures - ensuring that we effectively manage our capital and operating expenditures and that we proactively seek out cost efficiencies.

In 2025-26, our operating expenditures were within target, and we delivered a saving of \$2.3 million in our operating costs through negotiated savings from the procurement of IT services.

In 2025-26 we exceeded the cumulative capital expenditure targets we set ourselves. As flagged in our Corporate Plans, by the end of the 2021-26 period, we spent 10.4% more than the cumulative benchmark set in our Determination.

The increase in spend reflects a planned and necessary ramp up in capital delivery across our service region to provide essential water services to the community. We anticipate over the next regulatory period as set out in our 2026 Price Submission, that our capital program will increase significantly to meet the needs of a growing city and meet regulatory compliance obligations.



Our Waterways and Drainage Operational Expenditure Uplift Performance



Our Waterways and Drainage Operational Expenditure Uplift performance

In our 2021 Price Submission we identified several areas where additional spending on our waterways and drainage services was warranted and supported by community. We have been reporting on our delivery of uplift spending over the regulatory period.

2025-26 is the last year of tracking and reporting both this uplift in expenditure and what it delivers for customers and communities. We consider that we have 'largely met' this uplift.

● MET TARGET
 ● NOT MET
 ● CLOSE OR LARGELY MET
 ● N/A

Summary performance

Program	21-22	22-23	23-24	24-25	25-26
 Community involvement in waterways	●	●	●	●	●
 Flood mitigation	●	●	●	●	●
 Flood preparedness	●	●	●	●	●
 Natural wetlands management	●	●	●	●	●
 New Stormwater Quality Treatment Systems program	●	●	●	●	●
 Large scale stormwater harvesting	●	●	●	●	●

Community involvement in waterways uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.4	0.4	0.4	0.4	0.4	2
		Actual	0.21	0.17	0.19	0.42	0.26	1.3
Community events	No.	Expected	5	5	5	5	5	25
		Actual	2	14	27	128	235	406
Web based interactive digital media	No.	Expected	2	2	2	2	2	10
		Actual	6	1	1	8	5	21
Targeted education campaigns including social media	No.	Expected	5	5	5	5	5	25
		Actual	0	0	5	14	28	47
Waterway informational signage and infographics	No.	Expected	1	1	1	1	1	5
		Actual	0	0	6	4	3	13

Overall uplift target for the **regulatory period**: ● MET

Commentary

Through education and citizen science programs, Melbourne Water provides opportunities for community members to connect with their local environment and learn about the importance of these environments and their values.

Our measures for this program relate to our level of expenditure and the number of engagements we have with the community as measured through a selection of channels.

Experience has shown that as the community engages with and has opportunities to learn about waterways, appreciation of and connection to nature increases. This connection makes people more likely to participate in activities that achieve positive waterways outcomes, such as cleaning up litter, collecting citizen science data or planting trees.

In 2025-26, our program of activities harnessed the momentum of previous years with select highlights that include:

- Continued support of partner organisations to build community involvement and connection with waterways with funding provided to existing and new partnerships. These partners have uplifted

community participation across the region, delivering 235 community events, running targeted education campaigns and designing innovative waterway signage for effective community engagement.

- Helping groups put the Litter toolkit into action, with Melbourne Water offering funding of up to \$5,000 to support the printing, installation and advertising of toolkit assets. Successful applicants span Yarra, Western Port, Dandenong and Werribee catchments and included councils, not-for-profit organisations, a secondary school and a community group.
- Updated Waterwatch resources and new video-linked guidance and practical monitoring tools have made it easier for community members to participate confidently and collect consistent, useful data
- Production of a high-quality digital resource produced in partnership with Grassland Films to showcase a best practice model of landscape-scale environmental planning and collaboration capturing the value of community-led partnerships in delivering positive environmental outcomes.

Flood mitigation uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.7	0.7	0.7	0.7	0.7	3.5
		Actual	1.14	0.66	0.60	0.81	0.95	4.2
Innovative solutions tested and adopted	Output	Actual	On-track	On-track	On-track	On-track	On-track	On-track
Investigations supported by delivery innovation	Output	Actual	On-track	On-track	On-track	On-track	On-track	On-track

Overall uplift target for the **regulatory period**:  MET

Commentary

The development of policies and the delivery of investigations to address the complexities of flood mitigation in a highly urbanised environment are key priorities for Melbourne Water.

Our measures relate to our level of expenditure on the program and the investigations we have undertaken into innovative solutions to address flood challenges across our region.

Melbourne Water aims to reduce flood risks by building infrastructure, like pipes and retarding basins to control the flow of flood waters. Given the cost and complexity of large-scale infrastructure works, we are also pursuing a range of innovative, lower-cost, place-based solutions.

We have developed a screening and evaluation method to identify potential barriers to delivering innovative solutions and reduce the risk of investing in solutions that may not be feasible for achieving the intended benefits in practice.

In 2025-26 we have met all our measures that underpin this uplift target. Under our flood mitigation program in 2025-26, we have:

- completed the development of a method to assess levels of service for levees and applied it across four levee systems to mitigate flood impacts,
- completed flood mitigation options evaluations at six locations within Melbourne Water's service region
- commenced the Maribyrnong River Catchment Flood Mitigation Study to identify and assess long-term flood mitigation options to reduce flood risk in the lower Maribyrnong River catchment,
- developed the Flood Impact (Afflux) Practice Note to provide clear and practical guidance on managing offsite flood level impacts for proposed developments, where zero-afflux cannot be achieved, by using a risk-based flood impact assessment framework.

Flood preparedness uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.3	0.3	0.3	0.3	0.3	1.5
		Actual	0.38	0.17	0.26	0.26	0.31	1.4
Expansion of education and awareness program (CEDRR) * These are re-engagement of previous years properties	No.	Expected	2000	2000 *	2000	2000 *	500	4500
		Actual	6,703		1,898	2,500	578	6,641¹
Targeted social media (+x) numbers indicate re-engagement of previous year's catchments	No.	Expected	3	2(+3)	3(+5)	2(+8)	(+10)	10
		Actual	2	2	5 (+5)	2+8	+10	Met
Improved flash flood warning capability	No.	Expected	0	3	3	2	2	10
		Actual	1	2	3	1	4	11

¹ This is total 'effective' engagements for the whole program as reported in 2025-26 by University of Melbourne. This does not correspond to the sum of 21-22 through to 25-26 values in this table as the 21-22/22-23 reports 'reach' engagements.

Overall uplift target for the **regulatory period**: ● MET

Commentary

Traditional approaches to flood risk management are not always feasible or cost effective and we need to expand and diversify our flood awareness and education capabilities to ensure we have an informed and prepared community.

Our measures relate to our level of expenditure on the program, our capability to reach affected communities and the reach of community education on flood preparedness.

Being aware of and prepared for flooding enables property owners to take action to reduce the impacts of flood events. This includes diverse advice such as avoiding placing possessions in low-lying areas, considering flow paths when landscaping and fencing, ensuring reliable access to flood warning systems and pre-planning responses, such as sandbagging and 'stay or go' actions, in the event of flood warnings.

In 2025-26, the Community Engagement Disaster Risk Reduction (CEDRR) program, run through the University of Melbourne, achieved 578 effective reach engagements against an annual target of 500. Participants reported a 64 per cent increase in their awareness of risk.

Targeted door-knocking programs were completed in Kingston, Darebin and Mornington Peninsula, reaching

95% of households identified as being at risk of stormwater flooding within 1% AEP flood areas. Similar engagements have been started with residents of the City of Port Phillip.

A major focus during the year was the Maribyrnong community, reflecting the impacts of the 2022 flood event and supporting engagement on the Lower Maribyrnong River Flood Model and Flood Mitigation Study. This work also aligns with the broader Greater Melbourne Flood Information Program and future flood modelling initiatives.

During 2025-26, flood awareness and preparedness activities were significantly expanded across four municipal areas – Darebin, Yarra, Glen Eira and Merri-bek – covering seven major catchments and approximately 110 sub-catchments. Key outcomes included 115,850 unique visitors to the Let's Talk flood mapping hubs, and 2.5 million people reached through targeted social media campaigns.

We have also upgraded our flash flood warning capabilities at the Elster Creek Foam Street site so it can now transfer real time data into the Melbourne Water System. We have also constructed new sites on Gardners Creek, Ashwood, Steel Creek downstream of Rosehill Road in Keilor East, and Merricks Creek in Balnarring.

Natural wetlands management uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.3	0.3	0.3	0.3	0.3	1.5
		Actual	0.03	0.01	0.18	0.21	0.05	0.5
Priority sites maintained	No.	Expected	20	20	20	20	20	20
		Actual	4	7	13	7	7	7
Area maintained	Hectares	Expected	60	60	60	60	60	60
		Actual	5	9	48.4	12.5	76.6	151.5

Overall uplift target for the **regulatory period**: ● NOT MET

Commentary

Wetlands are significant biodiversity assets that are facing region-wide challenges due to pressures from urbanisation and climate change. Natural wetland management activities are key to improving wetland environmental condition and supporting the environmental values they provide.

Our measures relate to our level of expenditure on the program and the number of wetlands and associated area of vegetation we maintain.

Guided by the Healthy Waterways Strategy, Melbourne Water currently plays a role in the protection and management of many priority wetlands on public land.

The program's planned works include maintaining native vegetation extent and quality through revegetation, fencing, and controlling pest plants and animals.

The program has remained off-track through-out the period resulting in the overall performance of the period as not met. Contributing factors to this result are:

- Eight of the 20 identified priority natural wetlands at the time of the 2021 Price Submission were lost or imminently lost to development, or were inaccessible due to their location on private land.
- The condition of priority wetlands at the start of the period was unknown, resulting in a delay in prioritisation and scoping of works.

- Resourcing constraints and limited access to sites resulted in slower than anticipated deployment of on-ground activities required to the established target.

The seven wetlands maintained in 2024-25 continued to be maintained in 2025-26. These wetlands include Tootgarook Swamp, Spadonis Billabong, Annulus Billabong, Banyule flats Billabong, Bolin Bolin Billabong, Burke Road Billabong, and Willsmere Billabong. This is equivalent to 49.1 hectares of wetland area being maintained. The increased in area maintained in comparison to 2025-26 is due to Melbourne Water grant to the land manager for Tootgarook Swamp delivery to deliver on-ground works.

The natural wetlands program was established in the 2021 Price Submission and is continuing to mature. Resourcing gaps have been filled, and natural wetland condition data has been collated to support program prioritisation and further work is progressing in identifying the possible delivery pathways for on ground works. This maturity positions the program for successful and effective delivery in the next regulatory period.

Significant work is underway to mature the program in preparation for successful and effective delivery in the 2026 Price Submission period

New Stormwater Quality Treatment Systems program uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.08	0.16	0.24	0.32	0.40	1.2
		Actual	0	0	0.19	0.20	0.16	0.5
Cumulative additional Stormwater Quality Treatment Systems handed over	No.	Expected	9	18	27	36	45	45
		Actual	0	0	28	74	95	95

Overall uplift target for the **regulatory period**:  MET

Business comment

Treating stormwater through constructed wetlands and water sensitive urban design allows developers to meet key stormwater management objectives while sustaining important environmental values.

Our measures relate to our level of expenditure on the program and the number of Stormwater Quality Treatment Systems (SWQTS) that we maintain.

The most efficient and effective approach to reduce pollutants in stormwater runoff is for SWQTS to be installed as land is developed. These systems consist of sediment ponds and vegetated wetland waterbodies, the benefits of which include:

- removing harmful pollutants from stormwater before it reaches waterways and bays
- slowing flows and storing water, lessening the impact of wet weather flows on downstream waterways
- reducing flooding
- providing local cooling and space for recreational activities like bushwalking and birdwatching
- providing a water source for irrigation if designed appropriately.

These assets create additional environmental and social values within new developments, benefiting local communities.

By the end of 2025-26, we had cumulatively received (had handed over from developers) 95 new stormwater quality treatment system wetlands. This increase in comparison to the anticipated target was primarily driven by our continued focussed efforts on 'Project Headway' which aims to systematically review and register stormwater quality treatment system and wetlands in Melbourne Water's asset register.

In 2025-26 our spend of \$0.16 million (\$2021-22 dollars) in operating expenditure against new stormwater quality treatment systems was below our target operating expenditure. In total, 68 systems had operating expenditure maintenance activities completed during 2025-26.

While a total of 95 systems were received, 27 systems did not commenced maintenance works in 2025-26. These works have been planned in accordance with applicable Level of Service, however were subject to prioritisation which ensured that the most critical works were undertaken across waterways and drainage assets. The prioritisation was required to manage the overall waterways and drainage services maintenance budget in a prudent and efficient manner.

Large scale stormwater harvesting uplift

Indicator	Unit		21-22	22-23	23-24	24-25	25-26	Total five years
Spend on annual allocation	\$m 2021 (real)	Expected	0.77	1.5	2.3	3.1	3.8	11.5
		Actual	2.17	0.76	1.52	2.21	2.42	9.1

Overall uplift target for the **regulatory period**: ● ALMOST MET

Business comment

We are focussed on managing the increasing impacts of stormwater on waterways from urbanisation to maintain and protect overall waterway health for vulnerable species, like the platypus.

This program aims to reduce stormwater flow through innovative harvesting and infiltration methods, marking a major shift in stormwater management for the region. It aims to deliver infrastructure to manage increasing volumes of stormwater arising from Greater Melbourne's growth and densification.

Over the period, we almost met our spending target, having allocated a total of \$9.1 million out of the expected \$11.5 million.

Our stormwater management program has faced significant challenges that have prevented it from fully achieving its intended purpose. Key obstacles included unanticipated project costs, the need for customised solutions for each sub-catchment and lack of demand for stormwater in certain areas.

Despite these challenges, several key projects are made progress and have contributed to our overall goals. For example, the Sunbury Stormwater Harvesting project, which aims to deliver 3.8 GL/year at full development, is currently being re-scoped to consider staged approaches, partnership options with Greater Western Water and local storage options.

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

- Completed investigations in 2 priority stormwater areas and advanced some of these investigations to

high-level feasibility studies, commencing an assessment of the feasibility in delivering the recommendations outlined in the investigations.

- Delivered Monbulk Smart Water Network through partnerships and progressing relevant research projects.
- Progressed three capital projects (Toolern Stormwater Harvesting Sub-scheme and two Infiltration Wetlands at Yarra Catchment) to approved business cases. These pilot projects will provide critical insights into designing harvesting wetlands, understanding requirements, and identifying key monitoring needs.
- Provided funding for Water Research Australia to explore chemical and pathogens in urban stormwater and other research projects to advance Stormwater harvesting and infiltration.
- Completed multiple research projects that inform the effectiveness of capital investment and policy, updated industry guidelines, evaluation of offset pricing and investigated place-based solutions for large scale stormwater harvesting and reuse in the top priority catchments.

The lessons learned and the progress made also provide a strong foundation for achieving our long-term stormwater management goals

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