



PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee

2024–25 Financial and Performance Outcomes Questionnaire

Melbourne Water

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Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2024–25 Financial and Performance Outcomes examines:

- the Government's actual versus budgeted expenditure and revenue
- the actual versus target performance outcomes at a departmental/agency level
- other expenditure unforeseen at the time of preparing the 2024–25 Budget, and outcomes achieved.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2024–25 financial year, what was achieved during the year and how that compares to expectations.

Consistency with the budget papers

When referring to an initiative/program/project that is in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

Section A: Output variances and program outcomes

Question 1 (all departments) Completed output initiatives from past budgets - **Not applicable**

For all initiatives that were completed in 2024–25 please provide details of the expected outcomes for the community and the actual outcomes achieved to date. Please use initiatives names as specified in *Budget Paper No. 3: Service Delivery* and link the initiative to the responsible output(s) and portfolio(s).

Question 2 (all departments) Program outcomes - **Not applicable**

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section relate to the outcomes that the department contributed to in 2024–25.

- a) Using the table below, please outline the five programs that delivered the most important outcomes in the community¹ achieved by the department in 2024–25, including:
- i. The name of the program
 - ii. The output(s) and portfolio(s) responsible for delivery of the program
 - iii. The program objectives
 - iv. The actual outcome achieved
 - v. The actions taken to deliver the actual outcome (i.e. the most important elements/essential parts that led the department to deliver the outcome).

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. An outcome could be considered important for a variety of reasons, such as the amount of funding allocated to the program, the public interest in the service or goods being delivered or where particular actions taken by the Department delivered improved outcomes.

- b) Using the table below, please outline the five least performing programs² that did not deliver their planned outcomes in the community by the department in 2024–25, including:
- i. The name of the program
 - ii. The output(s) and portfolio(s) responsible for delivery of the program
 - iii. The program objectives
 - iv. The actual outcome achieved
 - v. Explanation for not achieving the planned outcome (including a description of what actions were taken to try and achieve the planned outcome).

Question 3 (all departments) Treasurer’s Advances and other budget supplementation - **Not applicable**

- a) Please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding after the 2024–25 Budget.

For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. Treasurer’s Advance, unused prior years appropriations under section 32 of the *Financial Management Act 1994* (Vic), supplementation through a Temporary Advance under section 35 of the FMA, or any possible sources of funding as listed in the Resource Management Framework (2024), (section 4)) and explain why additional funding was required after funding was allocated in the Budget. If the additional funding is a Treasurer’s Advance, please also explain either how and why it was ‘urgent and unforeseen’ as per the RMF (section 4.4), or whether it was a contingency release.

- b) Please provide the details of the outcomes achieved from each of these programs.

² Note programs in this question relate to programs delivering services, and do not signify the department’s five least performing performance measures.

Question 4 (all departments) Central contingencies - Not applicable

The Resource Management Framework (2024, Section 4.5, p. 90) provides guidance on how departments access funding from central contingencies.

Please provide information regarding funding received from central contingency in 2024–25, including: the output and portfolio or Government decision related to the funding, the amount of funding received, the amount of funding utilised, funding received through previous budgets for the same purpose and why funding from contingency was required.

Question 5 (all departments) Victoria's Housing Statement - Not applicable

For output and asset initiatives delivered in 2024–25 that contributed to the *Victorian Housing Statement: The decade ahead 2024–2034* please list:

- The name of the initiative
- The timeframe of the initiative
- The funding allocated to the initiative in 2024–25 (\$ million)
- The actual funding utilised in 2024–25 (\$ million)
- What impact the initiative had in 2024–25 on:
 - i. Housing affordability
 - ii. Victoria's planning system
 - iii. Housing supply
 - iv. The regulation of rental properties
 - v. Public housing supply
 - vi. Community housing supply
 - vii. Affordable housing supply

Please quantify these impacts where possible, for example the actual impact on housing supply and public, community and affordable housing supply.

Question 6 (Department of Health only) 2024–25 Budget funding allocation by output and performance - Not applicable

- a) Please provide a detailed breakdown of the actual amount spent in 2024–25 by output, for DH’s four largest outputs by budget. Please list what line items contribute to the output and an explanation for any variances of $\pm 5\%$ based on budgeted vs actuals by output.

- b) To gain an understanding of Victoria’s health care system and performance, please provide the data (both public and non-public) for the following variables, including an explanation for the increase or decrease compared to the previous year’s data.

Question 7 (Department of Families, Fairness and Housing only) Victorian Contribution to National Disability Insurance Scheme - Not applicable

- a) The 2024–25 Budget allocated \$3 billion in payments on behalf of the state to the National Disability Insurance Agency.³ In relation to outcomes achieved in 2024–25, please provide the following information on disability services and support in Victoria:

- b) Please outline the five most significant disability services/programs provided by the Victorian Government in 2024–25, including amount expended, funding source and outcomes achieved for people with disability.

³ Department of Treasury and Finance, *Budget Paper No. 5: 2024–25 Statement of Finances*, Melbourne, 2024, p. 95.

Section B: Asset investment

Question 8 (all departments) Capital expenditure variances, completion date and scope changes – existing projects - **Not applicable**

Please provide details of all capital asset programs where:

- a) there was a variance between TEI at announcement compared to the TEI as at 30 June 2025 of equal to or greater than $\pm 5\%$ and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date as at 30 June 2025 and an explanation for the change
- c) the scope of the project at announcement is different to the scope of the project as at 30 June 2025.

Question 9 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed) - **Not applicable**

Please provide the following details about asset investment projects that were completed in 2024–25:

- a) Project name, project objectives and Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies responsible for delivery of the project
- b) Total Estimated Investment (TEI) at announcement
- c) Details of TEI changes between announcement and completion date, including when TEI was changed and what it was changed to
- d) Actual cost of project
- e) Estimated completion date at announcement
- f) Actual completion date
- g) Explanations for any variance in capital expenditure and/or completion date.

Question 10 (all departments) High-value high-risk projects, gateway reviews and business cases - Not applicable

Under the High Value High Risk (HVHR) Framework, a project will be classified as HVHR if it is a budget funded project that has a total estimated investment (TEI) of over \$250 million. HVHR projects are subject to compulsory Gateway reviews, where Gates 1 through 6 are compulsory for all eligible projects: Gate 2 outlines the development of a business case.

Please list all projects included in 2024–25 that were allocated to the department and were classified as HVHR and the project objectives. Please also specify which Gateway reviews, if any, were completed during 2024–25 and business case details for each project.

Question 11 (all departments) Public Private Partnership (PPP) expenditure – existing and completed - Not applicable

Please provide the following information related to the department's PPP projects:

- a) The total estimated PPP investment value, the total actual expenditure from announcement to 30 June 2025, or the actual expenditure to 30 June 2025 and the benefits of using the PPP financing model when delivering/funding a project over other financing methods. Please provide specific benefits for each individual project.
- b) Where the estimated completion date at announcement is different to the completion date in the 2024–25 Budget, and an explanation for any variance.
- c) Where the scope of the PPP at announcement is different to the scope of the project as it is presented in the 2024–25 Budget.

Question 12 (DTP only) Alliance contracting expenditure – existing and completed - Not applicable

Please provide the following information related to the department's alliance contracting projects:

- a) The total estimated investment value, the total actual expenditure from announcement to 30 June 2025, or the actual expenditure to 30 June 2025 and the benefits of using the alliance contracting model when delivering/funding a project over other financing methods. Please provide specific benefits for each individual project.
- b) Where the estimated completion date at announcement is different to the completion date in the 2024–25 Budget and an explanation for any variance.
- c) Where the scope of the alliance contract at announcement is different to the scope of the project as it is presented in the 2024–25 Budget.

Section C: Revenue and appropriations

Question 13 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million between the actual result for 2023–24 and the actual result for 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community⁴ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for the department/agency for which the 2024–25 expenditure changed from the prior year's expenditure by more than $\pm 10\%$ or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2023–24 actual (\$ million)	2024–25 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Revenue from contracts with customers	2,026.4	2,095.1	Not applicable	Not applicable	Not applicable
Other income	13.9	15.4	Higher Government grants revenue.	The increase in revenue is offset by a corresponding increase in expenditure so no significant overall impact to net result.	Not applicable

⁴That is, the impact of service delivery on the community rather than a description of the services delivered.

Question 14 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than $\pm 10\%$ or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions affected service delivery and then link it to the relevant output and portfolio.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2024–25 Budget estimate (\$ million)	2024–25 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Revenue from contracts with customers	2,063.7	2,095.1	Not applicable	Not applicable	Not applicable
Other income	3.3	15.4	The increase relates to Government grants revenue not included in the 2024-25 Budget estimate (Corporate plan).	The increase in revenue is offset by a corresponding increase in expenditure so no significant overall impact to net result.	Not applicable

Section D: Expenses

Question 15 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2023–24 and the actual result for 2024–25 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2024–25 and the 2024–25 budget estimate. Please also detail the outcomes in the community⁵ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenses category	2023–24 actual \$ million	2024–25 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Depreciation and amortisation expenses	487.9	533.6	Not applicable	Not applicable
Operational expenses	278.0	298.4	Not applicable	Not applicable
Employee benefits expenses	167.0	190.8	Increase in labour costs due to higher number of FTEs in 2024-25, salary increases and increases in super contributions – in line with increased activity. This was offset by increased revenue.	No significant overall impact to net results.
Repairs and maintenance expenses	121.1	135.2	Increase in repairs and maintenance works in 2024-25 for operational reasons including corrective maintenance, increased information technology software maintenance and licensing and computer maintenance.	No significant overall impact to net results.

⁵That is, the impact of service delivery on the community rather than a description of the services delivered.

Administrative expenses	61.0	78.5	Increase in Administrative expenses mainly due to increased IT expenditure (mainly software as a service cloud costs)	No significant overall impact to net results.
Finance expenses	564.1	585.8	Not applicable	Not applicable
Government rates and taxes	58.8	52.3	Mainly due to a decrease in land tax following receipt of the latest SRO assessments (noting there is still further backlog processing by the SRO in progress)	No significant overall impact to net results.
Asset transfers to councils	39.1	65.4	Asset transfers to council relate to Drainage Developer Scheme works that are transferred to councils for ongoing maintenance upon reaching formal council acceptance to transfer. These can fluctuate depending on timing of developer activity and notification of council acceptance	No significant overall impact to net results.
Other expenses	8.5	14.0	Other expenses have increased mainly due to higher Community Services Obligation valuation adjustments due to increases in purchased land.	No significant overall impact to net results.

Expenses category	2024–25 budget \$ million	2024–25 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Depreciation and amortisation expenses	495.9	533.6	Not applicable	Not applicable
Operational expenses	305.9	298.4	Not applicable	Not applicable
Employee benefits expenses	187.8	190.8	Not applicable	Not applicable

Repairs and maintenance expenses	136.0	135.2	Not applicable	Not applicable
Administrative expenses	77.8	78.5	Not applicable	Not applicable
Finance expenses	596.9	585.8	Not applicable	Not applicable
Government rates and taxes	41.4	52.3	Increase in government rates and taxes mainly due to increased land tax (SRO back logs from prior years).	No significant overall impact to net results.
Asset transfers to councils	40.1	65.4	Asset transfers to council relate to Drainage Developer Scheme works that are transferred to councils for ongoing maintenance upon reaching formal council acceptance to transfer. These can fluctuate depending on timing of developer activity and notification of council acceptance	No significant overall impact to net results.
Other Expenses	4.9	14.0	Other expenses are higher mainly due to higher Community Services Obligation valuation adjustments due to more purchased land.	No significant overall impact to net results.

Question 16 (all departments, PFC, PNFC and entities) Changes to service delivery from savings initiatives

1. For each of the savings initiatives detailed in the 2023–24 and 2024–25 Budgets please provide the following details of the impact on service delivery:
 - Savings target in the 2023–24 and 2024–25 Budget and the amount of the savings target allocated to the department/entity.
 - Actual savings achieved in 2023–24 and 2024–25, the specific actions taken to achieve the savings target allocated, areas where savings were found and the impact of the measures taken to achieve the savings targets. Please include the link to the relevant output and portfolio impacted. Please be as specific as possible to your department or agency when providing your responses.

Savings initiative in the Budget	Savings target allocated to the department/entity in 2024–25 \$ million	Actual savings achieved in 2024–25 \$ million	Specific actions taken to achieve the allocated savings target	Areas where savings were found	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
2024–25 Whole of Government savings and efficiencies	Not applicable					
2023–24 Labor's Financial Statement savings	Not applicable					
2023–24 Whole of Government savings and efficiencies	Not applicable					
COVID Debt Repayment Plan – savings and efficiencies	\$8.2 million	1. \$5.2 million 2. \$3.0 million	1. Efficient / prioritised allocation of resourcing – based on initial efficiency dividend estimate per Corporate Plan.	More strategic resource allocation and strategic labour management.	Ongoing operational efficiencies and savings.	Not applicable

			2. Reallocation of funds set aside for other initiatives which were yet to commence.	Reprioritisation of opex and capex projects.		
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2. If any savings initiatives listed above were met in part by reducing Victorian Public Service (VPS) roles in 2024–25 please list:

- The applicable savings initiative and budget
- The number of roles reduced in 2024–25 by actual FTE number
- The actual savings achieved by reducing roles in 2024–25 (\$ million)
- The number of roles reduced by each VPS/Executive classification by actual FTE number
- The functions or roles impacted by the reduction
- The impact of role reductions on service delivery. If there was no impact, how this was achieved.

Savings initiative in the Budget	Number of roles reduced in 2024–25 (actual FTE)	Actual savings achieved in 2024–25 due to roles reduced \$ million	Number of roles reduced by VPS/Executive classification (actual FTE)	Functions or roles impacted by the reduction	Impact of role reductions on service delivery If no impact, how this was achieved
Not applicable					

Question 17 (all departments) Achievement of reprioritisation of existing resources - **Not applicable**

The 2024–25 Budget included targets for ‘reprioritisations and revenue offsets’ to fund new initiatives (2024–25 Budget Paper No. 2, p. 60). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),⁶ please indicate:

- a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- b) what areas of expenditure the funds were spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

Question 18 (all departments) Contractors, Consultants and Labour Hire Arrangements - **Not applicable**

- a) Please indicate how much the department spent on contractors (including labour hire) and consultant arrangements during 2022–23, 2023–24 and 2024–25. Labour hire arrangements include the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also explain variances equal to or greater than $\pm 10\%$ between years and list the business areas impacted and how.

⁶ That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.

Question 19 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2024–25, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2025. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2024–25 Budget (\$ million) ⁷	2024–25 Actual (\$ million)	Explanations for variances ±10% or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how this was achieved.	Funding ratio at 30 June 2025
Dividends	16.6	-	Actual 2024-25 dividends were nil due to a waiver by DTF of the final 2023-24 dividend and deferral of the 2024-25 efficiency dividend payments and interim dividends to be paid in 2025-26. Dividends are determined by the Treasurer of Victoria after consultation with the Corporation's Board of Directors and the Minister for Water.	Lower than forecast cash outflows due to deferred/reduced payments.	1.76

⁷ Based on the 2024-25 Corporate Plan

Economic funding ratio / accounting funding ratio as at 30 June 2025	Details of the methodology
1.76	Funding ratio = Total assets / Total liabilities

Section E: Overall financial performance

Question 20 (all departments) Impact of unforeseen events on financial performance – 2024–25 - **Not applicable**

Please outline and quantify, where possible, the impacts of unforeseen events over 2024–25 on the department/agency's financial performance.

Section F: Public sector workforce

Question 21 (all departments and entities) Full Time Equivalent (FTE) staff by level

- a) Please provide total FTE as of 30 June 2023, 30 June 2024, 30 June 2025 and provide explanation for more than $\pm 10\%$ change in FTE between years. In the explanations of variance please list what categories and role types/functions variances predominantly applied to.

30 June 2023 Actual FTE	30 June 2024 Actual FTE	30 June 2025 Actual FTE	Explanations of variance $\pm 10\%$ between 30 June 2023 and 30 June 2024 (including categories and role types/functions)	Explanations of variance $\pm 10\%$ between 30 June 2024 and 30 June 2025 (including categories and role types/functions)
1,204	1,324	1,399	Increase in FTEs due to a reduction in the vacancy rate from approx. 17% to 8% through positions being filled	Not applicable

- b) For 2024–25, please provide information regarding any staffing challenges faced by the department, including but not limited to: staff shortages by category or position name, positions that were hard to staff, positions that were vacant for 6+ months, positions that have not equalled or surpassed attrition.

Not applicable

Question 22 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2022–23, 2023–24 and 2024–25, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than $\pm 10\%$ or \$100 million between the years for each category.

Employment category	Gross salary 2022–23 (\$ million)	Gross salary 2023–24 (\$ million)	Gross salary 2024–25 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	108.9	115.4	135.1	FTE increases, EBA one off lump sum and standard annual salary increases.
Fixed-term	7.2	10.1	10.7	No material impact
Casual	1.4	1.4	2.0	Increase of casual usage due to workloads associated with PS26 and other big initiatives.
Total	117.5	126.9	147.8	

Question 23 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2024–25, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2024–25, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	3	1		Annual remuneration increase
3-5%				
5-10%				
10-15%				
greater than 15%				

Question 24 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreements (EBAs) concluded in 2024–25 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the change in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Change in employee expenses attributable to the EBA (\$ million)	Change in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
Melbourne Water Enterprise Agreement 2020	721	49%	\$10.5	5.5%

Section G: Government decisions impacting on finances

Question 25 (all departments and entities) Commonwealth Government and National Cabinet decisions

Please identify any Commonwealth Government and National Cabinet decisions during 2024–25 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2024–25 and their impact(s) on the department's/entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact(s) in 2024–25	
	on income (\$ million)	on expenses (\$ million)
Not applicable		
National Cabinet decision	Impact(s) in 2024–25	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

Section H: General

Question 26 (all departments and entities) Reviews/studies/evaluations undertaken

- a) Please list all internal⁸ and external reviews/studies/evaluations, established, commenced or completed by or on behalf of the department/agency in 2024–25 and provide the following information:
- Name of the review/study/evaluation and which portfolio and output/agency is responsible
 - Reasons for the review/study/evaluation
 - Terms of reference/scope of the review/study/evaluation
 - Anticipated/actual duration of review/study/evaluation and completion date
 - Anticipated findings and outcomes of the review/study/evaluation
 - Estimated cost of the review/study/evaluation and final cost (if completed)
 - Where completed, whether the review/study/evaluation is publicly available and where. If no, please provide an executive summary and please explain why the full document is not publicly available.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Anticipated/actual duration and completion date	Anticipated findings and outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, provide executive summary and explain why not available.
Maribyrnong River catchment flood mitigation study	To address one of the fifteen recommendations of the Independent Panel review of the October 2022 flood event. The	The mitigation study will identify the most feasible solutions for riverine flood hazards. These must prioritise the safety and	January 2025 – Mid-2026	Identification of a preferred long term mitigation scheme and a pathway for implementation for the Lower Maribyrnong	\$450,000	N/A	Melbourne Water – Lets Talk ⁹

⁸ Internal reviews do not include internal costings. Internal reviews/evaluations include any reviews or evaluations undertaken by your department and not given to external consultants. Internal reviews/evaluations do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

⁹[Maribyrnong River catchment flood mitigation study | Melbourne Water](#). The anticipated completion of all phases is mid-2026

	recommendation states: “Melbourne Water should investigate long term sustainable flood mitigation options for the Maribyrnong River.”	resilience of the catchment’s communities and have the greatest impact on reducing the flood risk – both current and predicted in the year 2100.		River catchment, to address flood risk - both current and predicted in the year 2100.			
Healthy Waterways Strategy - annual report card	To assess progress on the Performance Objectives of the Strategy for the year 2024-25	Annual progress report at the regional, catchment and sub-catchment scale, including overarching summary and case studies	28 June 2024 – 24 March 2025	Inform the development of Melbourne Water and partners’ waterway programs	\$181,336	\$188,512	Healthy Waterways Strategy ¹⁰
Waterways and Drainage Investment Plan Annual KPI Assessment 2024-25.	To assess the progress of the plan.	Assess progress towards targets and identify areas for improvement.	May 2025 - August 2025	Inform future decision-making and prioritisation	\$32,500	\$32,548	Public facing version available via link below, noting currently includes 2023-24 report. 2024-25 to be uploaded in November 2025. Waterways and Drainage Investment Plan - Melbourne Water website ¹¹

¹⁰ <https://healthywaterways.com.au/report-card>

¹¹ [Waterways and Drainage Investment Plan | Melbourne Water](#)

- a) Please outline the Department's/Agency's in house skills/capabilities/expertise to conduct reviews/studies/evaluations of the programs and services for which the Department/Agency is responsible.

Melbourne Water employs qualified specialists in a range of disciplines with skills, capabilities and expertise to conduct (and as required manage external specialists to conduct) reviews, studies, evaluations and data analysis of its programs and services. Disciplines include engineering, science, environmental sciences, economics, property, land use planning, business management, finance and accounting, legal and governance, risk compliance and quality, information technology, communication and engagement, education, and social and customer research.

Question 27 (all departments and water corporations [question 27(c) only]) Climate change

- a) Under FRD 24 Reporting of environmental data by government entities, Victorian Government organisations must report their greenhouse gas emissions and other environmental impacts. Please list the department/entity's internal targets for reducing greenhouse gas emissions in 2024–25 and the department/entity's performance against these internal targets.
- b) Please outline and quantify where possible the department's actions in 2024–25 that have contributed to the Whole of Victorian Government emissions reduction pledge.

Melbourne Water is actively working towards net zero through upgrades to our facilities, offsetting emissions in accordance with our obligations and undertaking proactive investigations into emissions reduction technologies. This includes a global partnership with other water corporations to pursue and test new sewage treatment technologies. We are actively engaging with Government to support policy and planning that will support the emissions reduction pledge.

- c) **[Water corporations only]** Victoria's water corporations have targets related to greenhouse gas emissions and renewable electricity under the *Statement of obligations (Emissions reduction)*.¹² For each individual water corporation please list applicable targets from the statement of obligations and progress toward or performance against the target as at 30 June 2025.

Applicable target	Progress toward or performance against target as at 30 June 2025
Net scope 1 and 2 emissions to 204,380 tonnes CO ₂ -e from 2024-25	204,379 tonnes CO ₂ -e in 2024-25
Source 100 per cent of our consumed electricity from renewable sources by 31 December 2025	<p>In 2024-25, 16.12% of Melbourne Water's consumed electricity was from renewable sources, comprising:</p> <ul style="list-style-type: none"> 10.76% of total MWh consumption of electricity purchases from our Retail Electricity providers aligned to the Mandatory Renewable Energy Target (MRET) percentage volumes, calculated monthly and independently for large (LRET at 18.48% for 2024 and 17.91% for 2025) and small (SRET 21.26% for 2024 and 13.89% for 2025) sites, and 5.37% of total MWh consumption from biogas production from MW led / self-sourced activities and initiatives accountable as renewable under Climate Active accounting methodologies (18,755 MWh/pa).

¹² https://www.water.vic.gov.au/__data/assets/pdf_file/0029/668306/statement-of-obligations-emission-reduction-2022.pdf

	We plan to use 100% renewable electricity for the 2025-26, commencing 1 July 2025. We are on track, having used 100% renewable electricity for the first quarter of 2025-26.
Reduce our annual reportable scope 1 and scope 2 emissions to net zero by 2029-30	204,379 tonnes CO2-e in 2024-25

Question 28 (DTP, DE, DH, DEECA) Adaptation Action Plans - Not applicable

Please describe the progress made and actions taken to implement the department's Adaptation Action Plan in 2024–25. What measurable impact have these actions had on addressing the impacts of climate change?

Please provide information regarding all Adaptation Action Plans your department is responsible for.

Question 29 (all departments) Annual reports – performance measure targets and objective indicators - Not applicable

- a) Please provide the following information on performance measures that did not meet 2024–25 targets.
- b) Please provide the following information for objective indicators where data was not available at publication of the annual report 2024–25.

Question 30 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of three main challenges/risks faced by the department/agency in 2024–25.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Climate change	External	Changing climate and related obligations	<p>We are committed to ensuring Greater Melbourne remains liveable in the face of climate change and population growth. This means expanding our understanding of the physical impacts of climate change and the transition risks of moving to a low-carbon economy and building long-term resilience in our systems.</p> <p>We recognise the impacts of climate change, including hotter and wetter weather, more severe bushfires, and unpredictable storms and floods, and know we cannot operate in isolation to tackle them. Together with our customers, councils, developers, Traditional Owners, the community and government agencies, we continue to engage and collaborate to secure a sustainable future for Melbournians.</p> <p>In alignment with our commitment to the Victorian Government's Statement of Obligations (Emission Reduction), Melbourne Water continues to advance Our Path to Net Zero strategy aimed at achieving net zero scope 1 and 2 emissions by 2029-30. Our new Resource Recovery & Re-use Complex (RRRC) at the Western Treatment Plant will be key to reducing greenhouse gas emissions from our treatment process. The RRRC will incorporate new treatment processes to generate renewable energy.</p> <p>As our city grows and the climate changes, planning for secure water supplies and resilient essential services has become more crucial than ever. Through our collaboration with the Accord, a partnership with South East Water, Yarra Valley Water, Greater Western Water, and Barwon Water, we continue to focus on long-</p>

				<p>term water security planning. This includes exploring alternative water sources, such as desalination, to ensure long-term resilience in our water supplies.</p> <p>We are progressing the Maribyrnong River Flood Mitigation Study and associated engagement programs. We are also progressing our five-year target to update maps and models for every catchment in Greater Melbourne. This aims to help inform communities of their flood risk and support better decision-making on new housing and infrastructure so that Melbourne can be more flood resilient over the next 70 years</p>
2.	Cost of infrastructure and operations	External	Cost increases	<p>Our services will need to continue to evolve and change to keep pace with population growth and a changing climate over the next decade. This includes securing new water supplies, transitioning to new sewerage treatment technologies, renewing and replacing aged infrastructure, supporting rapid growth and development, and preparing drainage for more frequent and intense flood events.</p> <p>Planning for this transition must balance customer affordability with building resilient infrastructure, ensuring we make the changes needed now to prepare for our water future.</p> <p>Regulatory commitments, infrastructure investments and construction costs exert upward pressure on prices. Rising insurance costs, labour shortages, and increasing construction expenses are amplifying these pressures, demanding more resilient planning and procurement strategies. Costs to ensure our resilience of physical and cyber assets under the <i>Security of Critical Infrastructure Act</i> have also increased.</p> <p>The sector continues to face rising costs, which means prices must increase to maintain service quality. At our Eastern Treatment Plant, higher-than-expected loads have impacted operations and recycled water availability. Expedited investment is needed to maintain safe operations and meet Environmental Protection Agency and recycled water customer requirements.</p> <p>Together with our customers, we developed a set of five simplified customer outcomes. These reflect the clear message that a continued focus on securing</p>

				<p>Melbourne Water's core services is needed, particularly given the challenge of population and demand growth, ageing assets and a changing climate.</p> <p>We believe our 2026 Price Submission is fair and in the best long-term interests of our community. We have worked hard to strike a balance between community expectations for our services and bills. We are taking on more price-related risk than ever before and expect to deliver more than currently 'priced in' - remaining agile to adapt as needed during the period. We have submitted the 2026 Price Submission to the ESC. This Price Submission presents our plans and prudent, efficient and deliverable expenditure proposals for the five-year period from 1 July 2026 to 30 June 2031.</p>
3.	Population Growth	External	Population Growth increasing demand and capacity constraints (cost increases).	<p>Water is essential to our way of life. At Melbourne Water, we are committed to enhancing life and liveability for the Greater Melbourne region.</p> <p>By 2032, more than six million people will live in Melbourne. This will double by 2070. More growth means more demand for services, which has already exceeded our expectations. The higher-than-expected growth and volumes have increased operating expenses beyond what was forecast, including through higher pumping, treatment and materials costs. This has also increased the workload and costs associated with urban development application processing.</p> <p>As our city grows and the climate changes, planning for secure water supplies and resilient essential services has become more crucial than ever. As the caretaker of Melbourne's water cycle, we continue to take action to manage and protect the essential services that sustain our communities now and in the future.</p> <p>With a growing population also comes increased pressure on sewerage systems, which requires significant capital investments and the continuation of major capital projects to ensure we maintain public health to its highest standards.</p> <p>Through our collaboration with the Accord, a partnership with South East Water, Yarra Valley Water, Greater Western Water, and Barwon Water, we continue to focus on long-term water security planning. This includes exploring alternative</p>

				<p>water sources, such as desalination, to ensure long-term resilience in our water supplies.</p> <p>We continue to remain focused on ensuring we have the financial strength to meet the dual challenges of climate change and population growth in a changing economic landscape.</p> <p>Our 2026 Price Submission has been prepared in the context of the transition required to stay ahead of population growth and a changing climate, while making the best use of advancements in technology. To navigate these critical risks, we are focused on planning future by:</p> <ul style="list-style-type: none"> • securing new water supplies • transitioning to new sewerage treatment technologies • preparing for more frequent and intense flood events.
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Question 31 (all departments) Lapsed or abolished bodies - **Not applicable**

Please list all existing bodies (authorities, offices, commissions, boards and/or councils) within the department that either lapsed or were abolished in 2024–25 and provide the following information:

- Date body lapsed/abolished
- Reason for closure of the body
- How much money is expected to be saved (if any) by the organisation's abolition
- How many staff (FTE) are expected to impacted by the organisation's closure

Question 32 (all departments) Newly created bodies - **Not applicable**

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2024–25 and provide the following information:

- Date body created
- Expenditure in relevant financial year
- FTE staff at end of relevant financial year
- Purpose/function(s) of the body

Section I: Implementation of previous recommendations

Question 33 (relevant departments only) - **Not applicable**

- a) Please provide an update on the status of the implementation of each of the recommendations that were made by the Committee in its *Report on the 2023–24 Financial and Performance Outcomes* and supported and supported-in-principle by the Government.

- b) Please provide an update on the status of the implementation of each of the recommendations that were made by the Committee in its *Report on the 2021–22 and 2022–23 Financial and Performance Outcomes* supported and supported-in-principle by the Government.

Section J: Department of Treasury and Finance only

Question 34 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS) - **Not applicable**

Financial assets include cash, investments, loans and placements. This question seeks to ascertain the variance behind the estimated value of the financial assets held versus the actual value of the financial assets and the projects that contributed to the variance.

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the GGS cash flow statement for 2024–25, please provide:

- a) the top five projects that contributed to the variance recorded in each year
- b) the initial budget estimate (not the revised estimate) for net cash flow in 2024–25 (source: 2024–25 BP5 p. 9) and the actual net cash flow in 2024–25
- c) an explanation for variances between budget estimate and actual net cash flow.

Question 35 (DTF only) Purchases of non-financial assets – General Government Sector (GGS) - **Not applicable**

Regarding the 'purchases of non-financial assets' by the GGS in 2024–25 (source: 2024–25 BP 5, pg. 30), please compare the initial budget estimate for each department to the actual value of 'purchases of non-financial assets' for each department, explaining any variances equal to or greater than $\pm 10\%$ or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio. For variance greater than $\pm 10\%$ or \$100 million, please provide a breakdown of the non-financial asset purchased.

Question 36 (DTF only) Revenue initiatives - **Not applicable**

Regarding the revenue initiatives announced in the 2024–25 Budget, please provide an explanation for the variances equal to or greater than $\pm 10\%$ or \$100 million between budget estimates and the actual results.

Question 37 (DTF only) Expenses by departments – General Government Sector (GGS) - Not applicable

Regarding expenses of the GGS in 2024–25 (source: 2024–25 BP5, p. 28), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department, explaining any variances equal to or greater than $\pm 10\%$ or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio.

Question 38 (DTF only) Economic variables - Not applicable

Please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2024–25 budget papers. For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.