

# Corporate Plan 2023–28

**Delivering healthy water for life  
for our customers, community  
and environment**



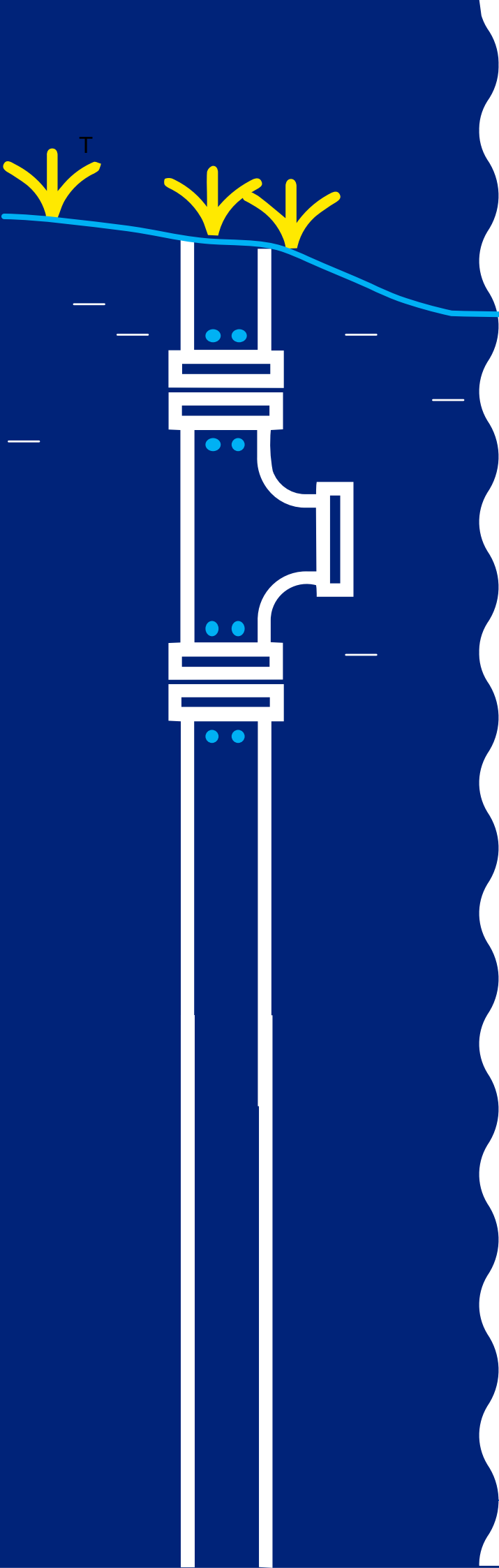
## Aboriginal acknowledgement

South East Water proudly acknowledges the Bunurong, Gunaikurnai and Wurundjeri Woi Wurrung as the Traditional Owners of the land on which we operate, and pay respect to their Elders past, present and emerging.

We acknowledge their songlines, cultural lore and continuing connection to the land and water.

We recognise and value their rich cultural heritage and continued contributions of Aboriginal people and communities to our society in Victoria.

**Cover:** Young Aboriginal and Torres Strait Islander people from the local Derrimut Weelam Gathering Place in Mordialloc, in partnership with Mordialloc Lifesaving Club, enjoy free water safety programs, funded through our 2022 Community Grants Program.



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# Message from the Chair and Managing Director

Welcome to South East Water's Corporate Plan 2023–28. It outlines our plan for delivering healthy water for life for our customers, community and environment as we continue to respond and adapt to volatility and uncertainty in the environment in which we operate – and to set ourselves up for the future.

To do this we need to face the growing impacts of climate change – which means not only longer drier periods, but also storms and wet weather events that impact our customers and put pressure on our network. We need to address predictions of less water in our catchments and population growth, and look at reducing leaks across our network, to secure our water supply, while keeping prices low.

Learning from our First Nations peoples, we want to understand how we can care for Country to protect our environment and sustain the generations who will follow us. That means being increasingly aware of our carbon and environmental footprint in how we run our operations, and transforming the way we generate and use energy on our way to become a net-zero utility. It means rethinking and repurposing waste.

We also need to consider the changing expectations and demographics of our customers, community and employees.

To address these challenges and turn them into opportunities, 2 years ago we embarked on a new direction for our organisation. This involved drawing on our strengths, including our proud history as innovative problem solvers and as an organisation who cares.

It meant listening to what over 8,600 of our customers, and over 250 of our employees, including our Board of Directors, Executive and Senior Leadership teams, told us is important.

It meant aligning our way forward with the priorities set out in [Water for Victoria](#), the Victorian Government's long-term plan for managing our precious water resources.

And it's seen us identifying the areas we need to focus on to start to 'shift the dial'.

So, we've set a new vision to deliver on the challenges, together with 5 new strategic focus areas. Incorporating our customer outcomes, as validated by our customers, this year's plan is based around these focus areas. It's one of the shifts we've undertaken to make sure we deliver on our vision and create the most impact for our customers, community and the environment.

*In this first year of our new regulatory period, we're taking some important steps that will help deliver on our 2028 ambitions.*

## **Securing alternative water sources, minimising waste and reducing our footprint**

In 2023–24, we're continuing to take steps to increase recycled water production and distribution in Melbourne's south-east, easing pressure on precious drinking water supplies. This includes undertaking the design and early build stages of the Dingley and Monterey recycled water schemes (respectively), which will deliver Class A recycled water to green spaces for recreation (such as community sport and walking) and support commerce (such as nurseries, market gardens and golf tourism).

We'll also start work on the new water recycling plant at Aquarevo. While identifying and minimising waste in our operations, we're excited that the new plant will help us contribute to our circular economy objectives. We also aim to further reduce our footprint by taking stock of emissions from across all our water recycling plants, to make sure we're on track to reduce them.

### **Building resilience and financial sustainability**

External events over the past year, such as volatile spring weather and cyber-attacks, have reminded us of the importance of continuing to get the basics right in response to the threats we face. So we're taking steps to continue to shore up our organisation and how we deliver our operations by strengthening our security capabilities, training and development. We're also setting ourselves up for the future by improving how we manage our procurement, finances and large projects and rolling out a new capital planning and delivery model, while identifying ways we can implement and deliver efficiencies across our business.

### **Improving our customers' experience**

We're continuing our work on one of the largest digital meter rollouts in Australia. With over 80,000 digital meters and sensors already in the field, we're investing in more advanced analytics to gain meaningful insights, so we better understand our customers' needs and behaviours and can improve their experience with us. It will mean we can continue to help our customers save water and money (building on the 600 million litres they've already saved). Customers beyond our service region will also benefit by our delivery of a 68,000-digital meter project in Toowoomba, together with partners and through our wholly owned subsidiary Iota Services.

And we plan to use the improved data available to more-easily identify and more proactively engage with customers experiencing payment difficulties, supporting them with tailored solutions. We'll also use the data to reduce leaks across our network to help secure our future water supply.

### **Collaborating to secure a sustainable future**

Collaboration for shared outcomes across the sector has never been as important as it is now. We celebrated the signing in late 2022 of the MD Accord with managing directors of neighbouring water corporations. This will help guide future decision making and actions through the recently launched joint *Water for Life* (GMUWSS) strategy. We'll all work together in Greater Melbourne to secure our water supply for the future.

We're continually learning and improving the way we work. By bringing to life our new, long-term strategy and connecting it to our prices for the new regulatory period, we'll continue to set ourselves up in new ways to respond to future challenges. It will mean we can deliver healthy water for life for our customers, community and environment, now and into the future.



Lucia Cade  
Chair



Lara Olsen  
Managing Director



**Who we are,  
challenges and  
opportunities**

## Who we are

### We support healthy and liveable communities

We support healthy and liveable communities by delivering water, sewerage and recycled water services to 1.77 million people who rely on us every day and every night.

Our service area covers the lands and waters of the Bunurong people, some of the lands of the Wurundjeri Woi Wurrung people to our north, some of the lands of the Gunaikurnai to our east and an area in our far north-east around Longwarry that currently has no Registered Aboriginal Party.

The area borders more than 270 km of coastline and covers a land area of 3,640 km<sup>2</sup> from Port Melbourne to Portsea and approximately 30 km east of Pakenham.

Each year we deliver 142 billion litres of drinking water and collect and treat more than 136 billion litres of wastewater (waste from the toilet, shower, laundry and kitchen in the home and from businesses) at our local water recycling plants and at Melbourne Water's Eastern and Western treatment plants. To deliver for our customers, we manage more than 27,000 km of pipeline. We own, operate and maintain \$4.9 billion of assets including water, recycled water and sewerage networks.

From our water recycling plants, we produce around 2,300 megalitres of recycled water used for homes, businesses, agriculture and open spaces. We also recycle biosolids for soil improvement and generate renewable energy from biogas and solar.

### We're a water corporation under the *Water Act 1989*

The *Water Act 1989* and the Statement of Obligations issued by the Minister for Water under Section 41 of the *Water Industry Act 1994* govern the activities of our organisation.

- We work in partnership with [Melbourne Water](#), the bulk supplier of water and sewage treatment in Melbourne.
- The Victorian Government's [Department of Energy, Environment and Climate Action \(DEECA\)](#) govern our activities.
- [Environment Protection Authority Victoria \(EPA\)](#) and the Victorian Government's [Department of Health](#) oversee our recycled water quality and drinking water quality respectively.
- The [Essential Services Commission \(ESC\)](#) is our economic regulator.

## Our service region



14,381+ km of water mains  
1,329+ km of recycled water main  
8 water recycling plants  
1 stormwater treatment plant  
11,341+ km of sewer mains  
279 sewage pump stations  
10 recycled water pump stations  
82 water pump stations  
12,587+ pressure sewer pumps across our network.



1.77 million people serviced  
Our customer base grew by 1.3% to 813,771  
92% of our customers rely on us for their home's water and wastewater services  
8% of our customers rely on us for non-household purposes (businesses, schools, etc.)  
Our customers speak more than 200 languages  
More than 8,300 First Nations People living within our region.

\*All statistics in this plan are current as at 30 June 2022.



## **Our vision**

Innovate with purpose. Act with care.

## **Our purpose**

To deliver healthy water for life for our customers, community and environment.

## **Our values**

### **We put safety first**

The safety and wellbeing of all our people, customers and community comes first.

### **We care**

We listen to understand. We do all we can to meet the needs of our people, customers and community.

### **We're real**

We embrace diversity. We take responsibility. We do what we say and get things done.

### **We're bold**

We strive to excel. We have the courage to challenge ourselves. We're future-focused and accept change is constant.

### **We discover**

We search for new ways to deliver value. We're curious and creative, learn from mistakes and celebrate success.

### **We deliver sustainably**

Our decisions are made with the understanding every drop and action counts.

# Our response to the challenges and opportunities we face

## The environment we operate in

### Challenges and opportunities we need to respond to



Our Board and the Executive team undertake regular environmental scans to help us identify opportunities and threats that our organisation faces or is likely to face in the future.

These challenges and opportunities are the results of the environmental scan we undertook during 2021.

## Our global and sector commitments

### *Water for Victoria*

[Water for Victoria](#) is the Victorian Government's long-term plan for managing our precious water resources. It's a plan for a future with less water as Victoria responds to the impact of climate change and a growing population.

The actions set out in the plan support a healthy environment, a prosperous economy with growing agricultural production and thriving communities.

This plan aligns with the priority policy areas set out in Water for Victoria and the 7 priority areas of the Minister's Letter of Expectations 2023–24.

1. Climate change.

2. Customer and community outcomes.
3. Deliver Water for Aboriginal culture, spiritual and economic values and support economic inclusion in the water sector.
4. Recognise recreational values.
5. Resilient and liveable cities and towns.
6. Leadership and culture.
7. Financial sustainability.

Refer to the following sections which outline how we're meeting these expectations, (for references, see [Appendix E](#)).

## ***Water for Life***

The Victorian Government's water planning framework considers all aspects of the urban water cycle across a 50-year period. As part of this, every 5 years Greater Melbourne water corporations are required to revise their urban water strategies and Melbourne Water is required to revise its supply system strategy.

During 2021 and 2022 we collaborated with Greater Melbourne water corporations to produce a single joint strategy, [Water for Life](#). Launched in April 2023, this strategy focuses on delivering long-term solutions for the community and acting now to make sure we're ready to add significant volumes of water to our supply over time.

## ***Water is Life: Traditional Owner Access to Water Roadmap***

[Water is Life](#) sets out the opportunities for Traditional Owners to access and manage water for spiritual, cultural and environmental purposes. It's also a framework to create and maintain a careful and considered balance between the rights and entitlements of everyone involved.

The roadmap has been developed in consultation with Victoria's Traditional Owners and includes Nation Statements from involved Traditional Owners. Engagement with Traditional Owners, the community, and the water industry will continue to define what the outcomes look like in each region.

## **Managing Director collaboration principles (MD Accord)**

Greater Melbourne, Geelong and surrounding areas are supplied drinking water through an interconnected water grid. To meet the challenges the impacts of a rapidly growing population and drying climate pose for the region, we're working together with Melbourne Water, Barwon Water, Greater Western Water and Yarra Valley Water to secure the future of the region's long-term water supply.

To support this collaboration, managing directors of these corporations have entered into a collaborative agreement. Known as the MD Accord, it commits us to collaboratively act in the best overall interests of our communities, supporting cost-effective, equitable outcomes for now and future generations. The accord also establishes how we'll all work together, recognising our unique operating contexts and the need to have open and honest communication, constructive engagement with our stakeholders and a clear work program with supporting governance and processes.

Our highest priority is our commitment to collectively plan and support a secure water future for Melbourne, Geelong and surrounding areas. The accord is already supporting greater collaboration across our businesses in how we adaptively plan to meet the water supply challenges facing our region.

Other priorities the accord has identified for the region:

- Traditional Owners
- Bulk water entitlements
- Water literacy and efficiency.

State-wide priority areas we also focus on:

- Integrated water management, including planning
- Circular economy
- Affordability
- Emerging contaminants.

## **United Nations Global Compact (UNGC)**

We're pleased to continue our support as a member of the UNGC. We're proud to be part of one of the world's largest corporate sustainability initiatives to fight inequality and injustice and protect our planet for generations to come.

We're committed to supporting the [10 UN principles that align to responsible business practice](#). We're also committed to supporting [the 17 United Nations Sustainable Development Goals \(SDGs\)](#). We'll continue to work towards integrating the principles of the UNGC into our strategy, culture and daily operations.

The 5 SDGs that align most closely with our operations are:

- 6: Clean water and sanitation
- 9: Industry, innovation and infrastructure
- 11: Sustainable cities and communities
- 13: Climate action
- 17: Partnership for the goals.

We've mapped how our 2023–24 strategic initiatives are helping deliver the SDGs in the ['What we'll deliver in 2023–24' section](#).

## **Recommitting to our customers (our 5-year customer commitments)**

Forming part of our ongoing engagement with our customers, the outcomes we create together positively influence our business decisions, including how we perform our daily operations, right through to our long-term planning.

As part of each price submission to the ESC we must propose a set of outcomes that we'll deliver to our customers over a 5-year regulatory period. These outcomes, including measures and targets, are unique to us at South East Water because they're what our customers have told us matter most to them.

To prepare for the 2018–23 period, we connected with customers to develop 5 outcomes, along with measures and targets to track our performance.

For 2023–28, we're continuing to focus on these outcomes because our customers told us, as part of engagement for our price submission, that they still resonate with them.

However, while the outcomes remain the same, our customers also told us that they'd like us to improve on how we deliver on our customer outcomes.

To help us maximise impact and so we can deliver healthy water for life for our customers, community and environment, we've incorporated our customer outcomes into these focus areas as part of our new corporate strategy. We'll continue to report back to customers regularly on how we're tracking against them.

### **Our 5 customer outcomes and what our customers told us**

#### **Get the basics right, always**

Customers told us that it's critical that the services we provide are safe and reliable. It's important to them that we maintain and improve our current high levels of service and continue our innovative approach.

#### **Warn me, inform me**

Customers want to be better informed about disruptions, including improved visibility of leaks on their premises and timely warnings when there are wider network disruptions.

#### **Fair and affordable for all**

As a provider of essential services, our customers expect those services and charges to be fair and affordable for everyone. They want us to continue to provide support for those in need, and to tailor this support as circumstances change.

## **Make my experience better**

Customers want an easier experience when dealing with us and, whether by digital or traditional means, one that allows them choice.

## **Support my community, protect our environment**

Our customers trust us to ensure long-term water security, minimise our impact on the environment and support our community.

Note: To reflect their expectations and our commitment to deliver on our promises, we've refined some proposed measures and targets. We've also modified and enhanced our guaranteed service level commitments.

# Developing our new vision, purpose and strategy

## Developing our new corporate strategy Components, considerations and process



## How our strategy will help us deliver our ambitions

### Our new vision and our purpose

We've set a new vision to help us deliver on the challenges we face: **Innovate with purpose. Act with care.**

This builds on our long history of innovation and the care we have for those we serve. Innovation and care are core to our DNA.

Our vision will help deliver on our expanded purpose: **Healthy water for life for our customers, community and environment.**

### Our strategic focus areas and outcome statements

We've identified 5 things we're focussing on over the next 5 years to help drive the most impact – our **strategic focus areas**:

1. Empower our people.
2. Deliver for our customers.
3. Protect our environment.

4. Optimise our operations.
5. Innovate at scale.

**Outcomes** sit under each focus area, defining our ambitions and ‘*who we’ll be*’ in 2028.

We’ve also developed **intent statements** to further shine a light on our ambitions. These statements incorporate what customers told us matters most to them as part of engagement for our Price Submission 2023–28.

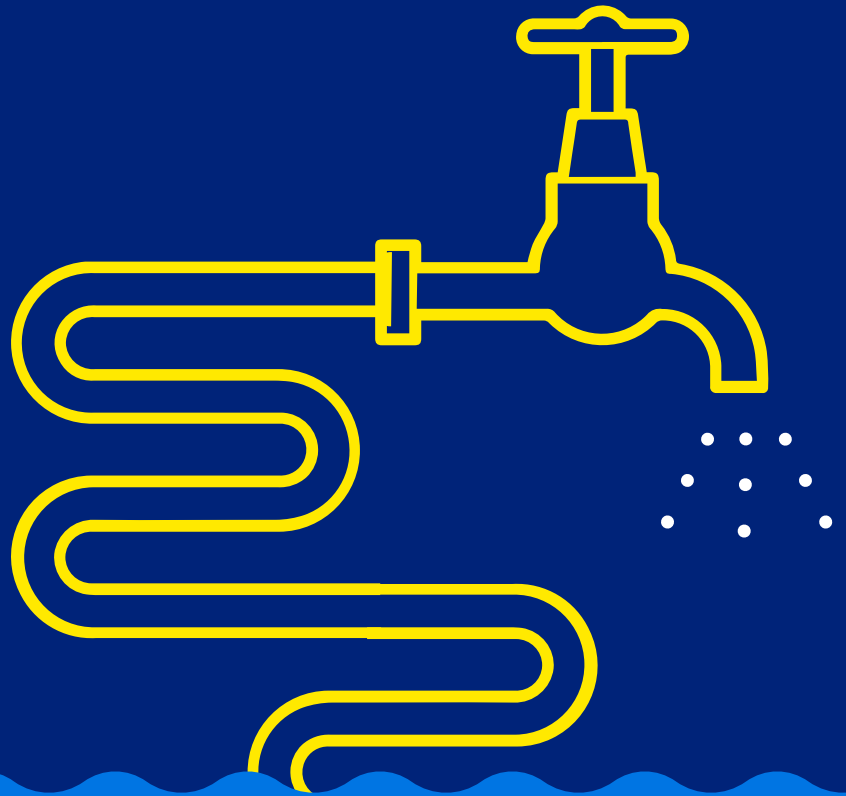
### **Our corporate values**

We’ve retained our corporate values as they still resonate with us. Our values underpin everything we do.

***All together, our strategy will help bring our vision to life.***

See: [‘Our 2028 strategy’](#).





# **Our 2028 strategy**

# Our strategy at a glance

Our Vision

**INNOVATE WITH PURPOSE. ACT WITH CARE.**

Our Purpose **To deliver healthy water for life for our customers, community and environment.**

Our Focus Areas



**EMPOWER  
OUR PEOPLE**



**DELIVER  
FOR OUR  
CUSTOMERS**



**PROTECT OUR  
ENVIRONMENT**



**OPTIMISE OUR  
OPERATIONS**



**DRIVE  
INNOVATION  
AT SCALE**

Our values

**We put  
safety first**

**We're bold**

**We care**

**We discover**

**We're real**

**We deliver  
sustainably**

## GET TO KNOW OUR CORPORATE STRATEGY

- To help us deliver on the challenges we face, we've set a new vision: **Innovate with purpose. Act with care.** It builds on our long history of innovation and the care we have for those we serve.
- Our vision will help deliver on our expanded purpose: **Healthy water for life for our customers, community and environment.**
- Our **5 strategic focus areas** are what we're focussing on over the next 5 years to help drive the most impact.
- Our **values** underpin everything we do.

# Our strategic focus areas and outcomes



## EMPOWER OUR PEOPLE

We're one team that reflects the diversity of our customers. We welcome differences, and everyone's ideas and viewpoints are valued, building a safe space where people find inspiring opportunities in water.



## DELIVER FOR OUR CUSTOMERS

As part of the community, we know how important it is to **get the basics right**, and make our **customers' experience better** every time. In delivering our customer outcomes, all our actions **support a thriving, more liveable community**.



## PROTECT OUR ENVIRONMENT

As we're learning from the Traditional Owners, water is essential for healthy Country. We're driving long-term water security, net zero emissions and repurposing waste to **protect our environment, support our community**.



## OPTIMISE OUR OPERATIONS

Committed to refining our processes, products and service, we strive for continuous improvement. We **warn and inform our customers** at the right time, as we deliver **seamless, fair and affordable services for all**.



## DRIVE INNOVATION AT SCALE

Our innovation stretches beyond basic prototypes and is proven to work at scale in real-life communities. Through partnership and commercialisation, we share out data, expertise and technology to create step-change impact.

Lead in safety	Get the basics right, always	Care for Country	Digital customer and employee experience	Commercialisation and partnership impact
Lead in wellbeing	Increased customer support	Net zero emissions	Fair and affordable services for all	Towards zero bursts and spills
Inspiring opportunities for all	Make our customers' experience better	Enhanced water security	Warn and inform our customers	Towards net zero water recycling plants
Great place to work	Support our community	Towards zero waste	Sustainable, resilient organisation	Adapting through research

### GET TO KNOW OUR STRATEGIC FOCUS AREAS

• Our **5 strategic focus areas** are what we're focussing on over the next 5 years to help deliver the most impact for our customers, community and environment.

Example of a focus area: **'Empower our People'**

• We've developed a series of outcomes that sit under each focus area, defining our ambitions in 2028.

Example of an outcome: **'Inspiring opportunities for all'**

• We've also developed a set of intent statements, that sit underneath our outcomes, that further shine a light on our ambitions.

Example of an intent statement: **'Talented people want to work with and stay with us'**.



## Empower our people – Our ambitions for 2028

### Lead in safety

- In terms of safety, all our people lead by example.
- We learn from others to incorporate best practice into our safety management system, while sharing our knowledge to drive innovation.
- We've reduced safety incidents by using real-time data to identify and resolve hazards.

### Inspiring opportunities for all

- Talented people want to work with and stay with us.
- Our people can develop their capabilities and careers with us.
- We have the right skills in place at the right time, by identifying and addressing future capability needs.

### Lead in wellbeing

- Our people feel supported to speak up when they experience or see something not aligned to our values.
- We proactively identify and minimise risks of harm to safeguard the wellbeing of our people.

### Great place to work

- Our people reflect the diversity of our customers, they feel they belong and different viewpoints are respected, supported and valued.
- We use the latest data to make the best decisions for our customers, community and environment.
- We meet our compliance responsibilities, while empowering our people to deliver.
- Our people have the skills and opportunities to work in ways that motivate them; they value what we offer and deliver great outcomes.

### HOW WE'LL MEASURE SUCCESS

- Reduced Total Recordable Injury Frequency Rate
- Increased monthly senior leaders' safety interactions
- Increased close out of Safety Actions/Hazards on time
- Top quartile employee engagement
- Higher internal fill level
- Employees representative of our community diversity.

## Deliver for our customers – Our ambitions for 2028

### Get the basics right, always

- We provide safe and reliable water and waste services, minimising interruptions and continually delighting our customers.
- We've strengthened our controls to make sure we uphold our commitment to protection of customer information.

### Increased customer support

- More of our customers can manage their payments, through our proactive engagement with them.
- Our customers know who we are, what we do and how we can best support them.

### Make our customers' experience better

- We better understand our customers' needs and can provide them with what they want in the way that they choose.
- We've increased self-service options to meet the needs of our customers, by streamlining our systems and processes.
- We're better meeting the needs and project delivery timelines of our land and property development customers, through tailored services.

### Support our community

- We have a deeper understanding of and relationships with our community, so we can better meet their needs.
- We have meaningful partnerships in place that support our our broad social objectives through procurement.

### HOW WE'LL MEASURE SUCCESS

- Zero Safe Drinking Water Act non-compliances (water sampling and audit)
- Reduced number of non-compliances with trade waste standards
- Fewer customers experiencing more than 5 unplanned disruptions in a 12-month period (water, sewer and water quality)
- Increase in number of customers supported (provided financial or payment assistance)
- We've reached out to all of our customers with arrears greater than 90 days to offer support, and as a result more of those customers have received financial or payment assistance
- Increased customer satisfaction with South East Water (measured as scores of 7 or above)
- Fewer inbound contacts (per 100 customers, calls, portal, web and email enquiries)
- Fewer enquiries relating to the explanation of charges (per 100 customers)
- Increased overall community trust in South East Water.

## Protect our environment – Our ambitions for 2028

### Care for Country

- We walk with Traditional Owners to support self-determination and deliver water justice.

### Enhanced water security

- We've secured the future of Greater Melbourne's water, through collaboration to produce manufactured water.
- We've increased the amount of alternative water we supply to our customers, through our leadership in integrated water management.
- We've increased our community's knowledge around the importance of saving water and encouraged more customers to become 'water wise'.

### Net zero emissions

- We've achieved net zero (scope 1 and 2) and, recognising there's more we can do, continued to identify and implement ways to remove or reduce our emissions.
- We've reduced our scope 3 emissions, through our relationships with like-minded partners and suppliers.

### Towards zero waste

- We've documented all our waste and resource streams (from our construction and metering activities) and developed priorities to re-use or recycle the resources.
- We've developed firm delivery partnerships with like-minded organisations that re-use resources (such as local councils and businesses).
- We've delivered a solution for biosolids to be converted to biochar, while eliminating contaminants, so it can be used safely and beneficially.

### HOW WE'LL MEASURE SUCCESS

- Improved ease for Traditional Owners to work with South East Water to optimise cultural, social and recreational opportunities to access land and water
- Partnership agreements developed with the Traditional Owner groups that support their participation in decision making and water management (self-determination)
- Lower greenhouse gas emissions (tCO<sub>2</sub>e)
- Increased alternative water as a percentage of total water supplied to customers
- Increased water literacy of South East Water customers (captured via survey responses to a series of industry indicators).

## How we're walking with Traditional Owners

With Aboriginal people having lived in harmony with the land and water for tens of thousands of years and possessing a wealth of knowledge about sustainable land management practices, we recognise their deep connection to land and water.

By collaborating with Traditional Owners, we can gain a deeper understanding of their cultural values and perspectives on water use and management. This partnership can also help to build trust and mutual respect, leading to better decision-making, and more inclusive and culturally appropriate approaches to water management. Through this partnership, we can work towards achieving shared goals of protecting and preserving our water resources for future generations.

We recognise the importance of engaging with Traditional Owners and we're committed to building capacity within these organisations to create meaningful and long-lasting partnerships that benefit both parties and the broader community. That includes seeking to deepen our working relationships and partnerships with Traditional Owners, First Nations-focussed organisations, charities and community groups, building on the progress we've made in the past few years, including through our first Reconciliation Action Plan, launched in 2020.

We also want to continue to increase our awareness of First Nations peoples, their culture and history, and help to improve our cultural competency.

### Building relationships and partnerships

- Continuing to engage with, listen to and partner with Aboriginal organisations, such as the work we're undertaking with Bunurong Land Council Aboriginal Corporation (BLCAC) to co-create the First Nations mural that will appear on our Frankston headquarters.
- Continuing our research collaboration with BLCAC, La Trobe University and industry to analyse midden material and artefacts uncovered at a site in Mount Eliza, where we'd completed a sewer renewal project, helping to strengthen cultural and historical knowledge for the Bunurong.
- Continuing to invest in Aboriginal businesses, community groups and social enterprises, building on the \$137,741 we invested for the 2021–22 financial year.
- Appointment of Aboriginal employees in 3 newly created roles to help with partnership-building and engagement: Land and Water Aboriginal Project Manager, Aboriginal Community Partnerships Advisor and Aboriginal Employment Advisor.

### Increasing visibility of Aboriginal cultures

- Improving cultural safety through the appointment of a new Senior Aboriginal Cultural Advisor – and, at the same time, making sure we share the cultural load across our organisation.

- Making culture more visible by expanding our cultural awareness program, including a ‘Welcome to Country’ (partnering with Traditional Owners) as part of our induction for all new employees.
- Continuing to increase competency and awareness through formal cultural awareness training and internal events which mark significant cultural days and through promotion of the benefits of First Nations social procurement.

## **Our response to climate change**

### **Emissions reduction**

In our Emissions Reduction Pledge, we made a promise to reduce our greenhouse gas emissions by 45% from our 2016 baseline by 2024–25. We’re on track to meet this commitment, which supports our longer-term goal of achieving net zero emissions by 2030 for Scope 1 and 2 emissions.

The recently commissioned combined heat and power units at our Boneo and Mount Martha water recycling plants use waste biogas from the treatment process to generate energy to use on site and reduce our electricity demand from the grid. Operating at full capacity, we expect them to supply 15% of our total electricity across our entire operations.

We’re also well on our way to sourcing 100% of our electricity from renewable sources and expected to reach this goal by 2024–25.

To achieve long-term emissions reductions, we continue to look at solutions to reduce our direct emissions (such as those from driving vehicles and treatment of wastewater at our water recycling plants). That includes looking at how we can incorporate innovative technology and design in our future water recycling plant upgrades to reduce emissions at the source.

And so that we can make an immediate difference, we’re purchasing renewable energy and carbon credits certified by the Australian Clean Energy Regulator.

### **Adaptation to climate change and variability**

We developed our Climate Adaptation Action Plan (CAAP) to address the challenges a changing climate presents to delivering safe, reliable and affordable services to our customers.

This is in light of Australia’s climate warming by around 1.44°C since 1910, and the impact on our organisation we’ve seen through warmer conditions and the increasing frequency and severity of extreme weather events.

Our CAAP outlines our risk-based approach, addresses our legal obligations and aligns us to sector guidelines, considering the 5 major climate hazards that pose the greatest risk to us and the best way to mitigate them.

We’re dedicated to collaborating with researchers to improve our understanding of and identify solutions for key climate hazards and their impacts for us. This includes



a joint project with Water Research Australia to identify and assess water quality risks from extreme weather events.

We continue to incorporate climate change into our business-as-usual asset planning. We also work to provide relevant information to our customers to support them to adapt as the climate changes.

Our 2022–27 Climate Adaptation Action Plan identified the 5 major climate hazards posing the greatest threat to our organisation:

1. extreme temperatures
2. extreme rainfall events
3. decreased annual average rainfall
4. increased average annual temperatures
5. sea-level rise (with storm surge).

We're dedicated to collaborating with researchers to improve our understanding and identify solutions for key climate hazards and impacts for our organisation.

## **Contributing to the creation of resilient and liveable cities and towns through integrated water management (IWM)**

We continue to be an active participant and leader in IWM forums in the Dandenong, Westernport and Yarra catchments. With the forums agreeing on targets for each catchment and for the Greater Melbourne region, we're now shifting focus to implementation.

This involves completing and endorsing action plans for each catchment by end of 2024. As part this, we'll lead and deliver a project to analyse strategic opportunities for the Dandenong and Westernport catchments – and, to further IWM objectives more widely, share our results across other catchments too.

We also continue to investigate the feasibility of large-scale alternative water networks so that recycled water and stormwater from the south-east growth corridor can be used for irrigation and other uses, both within the corridor and more widely.

We've started work on design of the Westernport irrigation network and continue to roll out our third pipe network. In partnership with DEECA, Traditional Owners and other water authorities, we'll investigate opportunities to expand this network, bringing to life actions from the *Central and Gippsland Sustainable Water Strategy* and *Greater Melbourne Urban Water Supply Strategy*.

## Our key IWM projects in 2023–24

Projects	Details	Relevant timelines
Dingley Recycled Water Scheme	Supply 1.8GL per year of Class A recycled water to 46 sites across the south-east of Melbourne	Construction to start before the end of 2023–24 and completion of the trunk distribution recycled water main in 2024–25.
Monterey Recycled Water Scheme	Construction of 2.3 km of pipeline to deliver at least 73 ML per year of Class A recycled water to approximately 34 ha of playing fields, open spaces and golf courses within Frankston City.	Design will start in 2023–24, with construction completed in 2024–25.
Fishermans Bend	Continue to deliver on the <i>Fishermans Bend Water Sensitive City</i> strategy	Construction of the Hobson's Bay raw sewage off-take expected to be complete in 2023–2024. In 2024–2025, we'll start the design development for the first phase of the water recycling plant.
Briars Recycled Water Scheme	Construction of storage tank and 1.6 km of pipeline to progressively deliver up to 80 ML per year of Class A recycled water for irrigation of open space, vegetables, vines and pasture as part of the Briars Masterplan.	Design is complete, with construction to be undertaken in 2023–24.



## Optimise our operations – Our ambitions for 2028

### Digital customer and employee experience

- With most of our customers having digital meters installed, more customers have a better experience and can use the tools and information to save money and water.
- We're reducing water losses by using insights gained from our digital meters and sensors to identify leaks early and improve our planning, renewal and maintenance processes.
- It's easy for our people to do their jobs, with streamlined and automated processes, and upgraded IT systems

### Fair and affordable for all

- We plan, deliver, operate and maintain our assets efficiently, through innovative operations models, delivering value for money to our customers.
- More of our customers can manage their payments, through our proactive engagement with them.
- We're always looking for opportunities to find efficiencies, while continually improving our services.

### Sustainable, resilient organisation

- We've set ourselves up to be financially viable for our long-term future, so we can continue to deliver for our customers.
- We're confident in the security of our people, data and assets, through our strong approach to cyber and physical security.
- We're able to easily respond to an increasing number of climate-related incidents, and continuously adapt our assets along the way.
- We consider the environmental, social and governance impacts of our business, to generate value for all stakeholders.

### Warn and inform our customers

- We've reduced disruption to our customers by notifying them in advance of unplanned interruptions, where they choose to interact with us digitally.

### HOW WE'LL MEASURE SUCCESS

- Increased volume of water saved through digital detection of network leaks (ML)
- More customers notified per unplanned interruption as a percentage of total customers affected
- Increased customer savings realised through repair of digital meter-detected property leaks
- Increase in existing properties upgraded to a digital meter.



## Drive innovation at scale – Our ambitions for 2028

### Commercialisation and partnership impact

- The increased enterprise value of Iota continues to add value to our operations.
- We regularly draw on established partnerships to broaden the reach and scale of our innovation, providing better solutions to our customers, and improving the bottom line and affordability for our customers.

### Towards net zero water recycling plants

- Our water recycling plants are efficient and have a low emissions footprint, through our use of leading local and global technology in how we design, build and operate them.

### Towards zero bursts and spills

- We've reduced leaks, spills and bursts, through our preventative approaches and upgraded processes.

### Adapting through research

- We're taking advantage of opportunities and managing risks, through our collaborative approach to research and innovation.
- We're working with our partners to expand the impact of our innovations, such as our pyrolysis plant, *Sotta*® and sewer monitoring technology, to other water corporations.

### HOW WE'LL MEASURE SUCCESS

- Fewer EPA reportable dry weather sewer spills
- Increased enterprise value of Iota.



## **Our plans for 2023–24**

# Our plans for 2023–24

## Empower our people – What we'll deliver in 2023–24

### ACTIONS WE'LL TAKE

- Work towards becoming 'leading' against all categories of the safety maturity model by **improving our safety governance and embedding our safety management system.**
- Develop a **leading wellbeing framework** with clear intervention and support frameworks.
- **Enhance our talent processes**, with a greater focus on skills, to create more agility in how we manage and develop our talent.
- Define what a '**leading**' culture looks like at South East Water, and **streamline our decision making and processes, make responsibilities clearer and promote agility.**

### 2023–24 TARGETS AND MEASURES OF SUCCESS

- Total Recordable Injury Frequency Rate to be below 8.2%
- Close out >85% of our safety actions / hazards on time
- At least 8 senior leaders' safety interactions undertaken annually per person
- Be in the top quartile of Oceania for employee engagement
- Greater than 33% internal fill rate for job vacancies
- Employee diversity moving towards being within 5% of our community diversity.

### Related links

#### [Link to Water for Victoria priorities](#)

- Leadership, diversity and culture

#### [UN Sustainability Development Goals](#)

- 3, 5, 8, 16

#### [UN Principles](#)

- 1, 3, 4, 6, 10

## Deliver for our customers – What we'll deliver in 2023–24

### ACTIONS WE'LL TAKE

- **Enhance monitoring of our water tanks and storages**, and monitor our network interface with Melbourne Water's network, maintaining public health so no unsafe drinking water enters our network.
- **Implement a proactive engagement program with customers** so we can better identify and support customers experiencing payment difficulties with grants, payment plans and payment extensions.
- **Develop and implement an enhanced customer data privacy plan** that will better protect customer personal information records and remove non-essential customer information.
- **Deliver easier and more flexible self-service options for customers**, including bill payments and payment plans.
- **Develop an enterprise customer strategy and improvement roadmap**, including a service delivery model for our non-residential customers based on their industry and water usage.
- Deliver the fifth year of our community grants program, **providing support for groups within our service area to contribute to better community and environmental outcomes.**

### 2023–24 TARGETS AND MEASURES OF SUCCESS

- Zero Safe Drinking Water Act non-compliances
- No more than 450 customers experiencing more than 5 unplanned disruptions in a 12-month period (water, sewer and water quality)
- At least 10,000 customers supported (provided financial or payment assistance)
- At least 47% of customers with arrears greater than 90 days received financial or payment assistance
- Overall customer satisfaction with South East Water at least 68% (measured by scores of 7 and above)
- No more than 63 inbound contacts (per 100 customers, calls, portal, web and email enquiries)
- No more than 6.8 enquiries relating to the explanation of charges (per 100 customers).

### Related links

#### Link to Water for Victoria priorities

- Customer and community outcomes
- Recognise recreational values

#### UN Sustainability Development Goals

- 3, 6, 10, 16



## Protect our environment – What we'll deliver in 2023–24

### ACTIONS WE'LL TAKE

- **Walk with Traditional Owners in our service area** to support self-determination and deliver water justice.
- **Quantify and benchmark scope 1, 2 and 3 emissions from our water recycling plants** to fully understand their impact and support business cases for their reduction.
- **Commission and begin operating the 'Bluehouse' Water Recycling Plant**, contributing to circular economy outcomes within the Aquarevo development.
- **Develop and execute water knowledge and behaviour change campaigns** to build community knowledge about water efficiency, resources and security and help our customers save water.
- Quantify volumes and qualities of spoil (waste) we produce and **develop a strategy to minimise and re-use (including potential commercial opportunities)**.
- **Work with Mornington Peninsula Shire Council** to quantify the volume of additional sources of organic waste available to be directed to our water recycling plants so **we can develop a business case for waste recovery on the Mornington Peninsula**.

### 2023–24 TARGETS AND MEASURES OF SUCCESS

- Total net greenhouse gas emissions no higher than 28,439 (tCO<sub>2</sub>e)
- Alternative water counting for at least 4.5% of total water supplied to customers
- Water literacy of South East Water customers to reach at least 29% (captured via survey responses to a series of industry indicators).

### Related links

#### Link to Water for Victoria priorities

- Climate change and energy
- Customer and community outcomes
- Deliver water for Aboriginal cultural, spiritual and economic values and support economic inclusion in the water sector
- Resilient and liveable cities and towns

#### UN Sustainability Development Goals

- 4, 6, 7, 9, 11, 12, 13





## Optimise our operations – What we'll deliver in 2023–24

### ACTIONS WE'LL TAKE

- **Implement an advanced data analytics program**, so we can use digital meter data to help customers manage their water usage and provide proactive messaging around their usage patterns.
- **Deliver an end-to-end Enterprise Resource Planning tool**, so we can enhance procurement, finance and project management through better insights, automation and more-efficient business processes.
- **Identify and realise opportunities for efficiency gains in our maintenance services**, delivering value-for-money for our customers.
- **Increase the number of our customers on eBilling and who opt to receive digital communications**, improving timeliness of communications and reducing printing and mailing costs.
- **Continue to improve our digital meter-initiated customer leak notifications**, to save our customers money and deliver water savings.
- **Reduce our customer debt profile**, by focusing on proactive communication and early support for customers.

### 2023–24 TARGETS AND MEASURES OF SUCCESS

- Total volume of water saved through digital detection of network leaks (ML) to move towards 461ML by 2024–25
- At least 71% of customers affected by an unplanned interruption proactively notified
- Customer savings realised through repair of digital meter-detected property leaks to reach or exceed \$1.1m
- At least 17% of existing properties upgraded to a digital meter.

### Related links

#### Link to Water for Victoria priorities

- Customer and community outcomes
- Performance and financial sustainability

#### UN Sustainability Development Goals

- 6, 9, 10, 11, 12, 16

## Drive innovation at scale – What we’ll deliver in 2023–24

### ACTIONS WE’LL TAKE

- Together with key partners, and through our wholly owned subsidiary Iota, **we’ll deliver the Toowoomba Regional Council digital metering project**, impacting customers and the environment for good beyond our service region, with our proven technology.
- **Complete rollout of Blokaid devices**, detecting sewer blockages in advance, preventing spills.
- **Build the strategy and business case for digital sewer optimisation**, using digital technology to identify issues in the network and resolve them, before they become spills.
- Complete detailed design and, together with our partner, **reach construction phase of our demonstration pyrolysis plant, transforming biosolids to biochar.**

### 2023–24 TARGETS AND MEASURES OF SUCCESS

- No more than 15 EPA reportable dry weather sewer spills
- Increased enterprise value of Iota.

### Related links

#### [Link to Water for Victoria priorities](#)

- Customer and community outcomes
- Resilient and liveable cities and towns



## **Appendices**

## Appendix A: Asset management

Effectively managing our assets is fundamental to delivering on our purpose of healthy water for life for our customers, community and the environment. Proactive management of our potable water, sewer and alternative water assets ensures we meet our customer and community needs, we support the health and wellbeing of all people, and we protect our environment. It also enables us to deliver long-term operational and financial sustainability. Knowing when to renew and build new assets, and doing so in the most cost-effective manner, supports the long-term sustainability of our water and wastewater network.

We've stated all numbers in this section in 2022–23 Australian dollars unless otherwise specified.

### Five-year capital program (2023 to 2028)

For the 2023–28 regulatory period, we're proposing a capital expenditure investment of \$1,897.7 million. We've developed our 5-year capital investment plan through a robust planning process that identified the investments required to meet our 5 customer outcomes. The process included the development of reference strategies and master plans to inform the lifecycle management of assets, service growth, maintain service levels, and meeting regulatory compliance. We also considered:

- compliance requirements, and ensuring we continue to meet the intent of existing and proposed new government and regulatory obligations
- trends in customer behaviours, needs and expectations, with a focus on continuing to deliver liveability benefits to our customers
- insights from digitised network capacity modelling and critical asset reviews, which give us a deep understanding of where there are existing and potential capacity and performance issues in our networks and assets
- projections for future growth, and the impact it will have on demand for water and sewerage services in growth areas
- climate change, and ensuring our assets deliver climate resilient water supplies, minimise flooding and reduce urban heat impacts.

The investment needs identified through our planning have been grouped into investment portfolios based on a set of common objectives and cost drivers within each service area. Each portfolio consists of the major (top-10) projects, capital work programs and other projects.

## Potable water growth

The key objective of our Potable Water Growth portfolio is to ensure we continue to meet increasing customer demand for drinking water network services due to growth across service areas.

Over the next 5 years, we're planning on delivering approximately \$75 million to service growth in new areas, including:

- upgrades to infill areas
- service extensions into the south-east growth corridor
- future system planning, modelling and monitoring.

Over the next 12 months, we're investing \$18 million on new potable water assets delivered by us and developers. We're proposing upgrades to existing pipes in Fishermans Bend and new pipe network extensions in greenfield areas of Pakenham and Clyde. An upgrade to an existing pumping station in East Mornington and a pressure reducing valve in Officer, costing \$1.7 million and \$0.7 million respectively, are also planned for delivery in the next 12 months.

## Potable water reliability and renewals

Investment in our Potable Water Renewals and Potable Water Reliability portfolios ensures we maintain drinking water network service standards for customer interruptions through planned and reactive maintenance and by responding to asset failures as they happen.

Over the next 5 years, we plan to invest \$140 million in maintaining our drinking water assets:

- \$49 million on drinking water reliability for maintenance
- \$83 million on water main renewals to reactively respond to asset failure, maintaining our customer service standards
- \$8 million on continuation of our non-revenue water program, complementary to our Digital Utility projects and strategy.

This includes investment in research, development, and innovation to gain efficiencies in how we deliver healthy drinking water to our customers. For example, we're looking to deploy innovative technology to allow water main maintenance to be undertaken without shutting down the water supply in an impacted area.

Over the next 12 months, we're investing \$31 million on these activities (of which \$20 million is on water main renewals) to maintain our level of service for customer interruptions, as our customers have told us that it's critical that the services we provide are reliable.

## Potable water quality

Our customers have told us they expect us to deliver a water supply that's clean and safe to drink. The key objective of our Potable Water Quality portfolio is to ensure that our potable water network complies with safe drinking water and health regulations.

Historically, we've performed well against our water quality targets and we continue to adopt a risk-based approach to water quality management. However, we've recently seen an increasing number of water quality incidents. In response, we're increasing our investment in water quality improvements and compliance to reduce the risk of water quality incidents and to ensure adequate disinfectant residual and contact time is achieved throughout the distribution system.

We're planning to invest \$63 million over the next 5 years under our Potable Water Quality portfolio to drive improvements, including:

- \$39 million on secondary disinfection
- \$14 million on water quality asset integrity and performance including water storage improvements
- \$10 million on improved network visibility and control.

Our water quality improvement program includes a step change in operational expenditure, up to \$3.2 million per annum by 2028, on additional secondary disinfection treatment and the network cleaning and flushing program.

Over the next 12 months, we're investing \$11 million on our secondary disinfection, a new bulk chlorine storage facility and water storage improvements including replacements to our floating covers, including a new hard roof at Lang Lang.

## Potable water, sewer and treatment improvements / compliance

Over the next 5 years, we're investing to ensure our water storage, treatment plant and water and sewer network assets maintain compliance with EPA and safety management regulations and continue to improve our environmental performance. Our investment is targeting our highest risk assets or assets where an uplift in compliance with regulations is required, and cover a range of risk controls, including monitoring, condition assessment, renewal, and preventative maintenance works.

- \$67 million is being invested under our Potable Water Improvements/Compliance portfolio to improve the safety of storages and critical water mains. This includes improvements to the safety of our referable dams, such as the Moorabbin Reservoir. The critical water mains improvements/compliance works proactively mitigate risks, and they differ from the potable water mains renewals program that reactively responds to asset failures.

- \$97 million under our Sewer Improvements/Compliance portfolio to upgrade assets and prevent significant sewerage spills, thereby minimising impact to the customer and the environment. These works proactively mitigate risks, and they differ from the sewer renewals program that reactively responds to non-critical asset failures.
- \$149 million under our Treatment Improvements/Compliance portfolio for odour control and to reduce the risk of soil / groundwater contamination. This includes an investment of \$49 million in the Westernport Irrigation Scheme (top-10 project) to expand the supply of Class A recycled water to customers from the Pakenham Water Recycling Plant.

Over the next 12 months, we're investing:

- \$10 million on potable water improvement/compliance works. This includes \$7 million on critical water main renewals and \$1.6 million on refurbishments of our electronic metered standpipes.
- \$14 million on sewer improvement / compliance works. This includes \$6.6 million on critical sewer and maintenance structure renewals, \$4 million on sewer condition assessment and monitoring, \$1.8 million on rising main renewals and \$1.5 million on pump station rehabilitation.
- \$17 million on treatment improvement / compliance works to make our water recycling plants more energy efficient, address asset reliability, mitigate odour risk and ensure our water recycling plant SCADA system meets standards. Funding has also been allocated to research and develop solutions to address the new General Environment Duty requirements implemented by the EPA and to start major projects, such as the Westernport Irrigation Scheme.

## Sewer growth

The objective of our Sewer Growth portfolio is to meet increasing customer demand for sewerage network services due to growth across service areas.

Over the next 5 years, we're investing \$257 million to address:

- peak dry weather flow surcharge
- wet weather overflows
- emergency holding times.

Our investment includes \$104 million for high growth areas and \$127 million for infill growth. Key investments in our sewer network includes the following top-10 projects:

- \$71 million for capacity upgrades to the South Melbourne sewer network (Hanna Street).

- \$32 million on the Ballarto Road East Pump Station and sewer augmentation for expected growth in the Clyde catchment.

Over the next 12 months, we're investing \$59 million on new sewer assets delivered by us and developers that will expand the coverage and capacity of our networks. We're planning to deliver significant sewer branch upgrades to existing, ageing assets in densely populated urban areas, including Hanna Street, Elster Creek, Mile Creek and Albert Park, and works to expand our network into greenfield areas, such as Pakenham and Clyde. In addition, we'll be carrying out upgrade work at the Sixth Avenue Pump Station to provide additional capacity to service growth across the Mornington Peninsula, as well as extending our sewerage network in the Harkaway Backlog area to minimise the risk of impact to the environment and human health.

## **Sewer renewals and reliability**

Investment in our Sewer Renewals and Sewer Reliability portfolios ensure we maintain sewer network service standards for customer interruptions by responding to asset failures as they happen.

Collectively, we're investing \$119 million over the next 5 years under our sewer renewals and reliability portfolios.

- \$29 million on sewer renewals to reactively respond to sewer asset failures and maintain our customer service standards.
- \$90 million on sewer reliability for maintenance.

The performance of our sewer network during the 2018–2023 regulatory period has informed our risk appetite and prioritisation of investment in this period. In 2023–2028, we're maintaining our investment in sewer renewals and reliability portfolio while using innovative technology and sensors to assist in reactively manage climate variations causing higher-than-expected sewer asset failures.

## **Alternative water and integrated water management schemes**

Along with servicing our existing customers, we're responsible for planning and delivering new recycled water supplies and treatment services to service growth across our catchment areas.

We continue to extend our recycled water network into predominantly residential areas and precincts throughout the south-eastern growth corridor, as well as a new network proposed in Fishermans Bend.

We're investing \$57 million over the next 5 years under our Recycled Water Growth portfolio for planning and delivery of recycled water services to meet increasing demand from residential customers. This investment will provide network infrastructure that can receive Class A recycled water produced by the proposed



Pakenham Regional Water Recycling Plant owned and operated by us. This will enable us to become less reliant on recycled water supplied from Melbourne Water's Eastern Treatment Plant.

We're also investing \$227 million on major works under the Treatment Growth portfolio, including \$165 million on the following top-10 projects involving upgrades at our 4 major treatment plants:

- \$67 million on the Mount Martha Water Recycling Plant upgrade
- \$44 million on the Longwarry Water Recycling Plant upgrade
- \$29 million on the new South East Regional Biofactory
- \$25 million on the Lang Lang Water Recycling Plant upgrade.

And we're investing \$73 million under our Integrated Water Management Schemes portfolio, of which \$65 million is committed to the following top-10 major projects:

- \$35 million for the Fishermans Bend Class A Water Recycling Plant and sewer connection
- \$30 million for the government co-funded Dingley Water Recycling Scheme.

Investment in Fishermans Bend includes the construction of a new recycled water network that aligns with development, and trunk infrastructure to convey recycled water from a newly proposed sewer mining treatment facility. Investment will continue over the next 10 years.

The timing of works in Fishermans Bend is dependent on the purchase of preferred land, which was expected to happen during 2018–2023 but didn't proceed. Another site adjacent to our preferred site was purchased in 2022. This site has strategic benefits for us and may enable us to complete Phase 1 of the water recycling plant. Compulsory acquisition of the preferred land is proceeding through government and is to happen in 2023–28.

## **Digital utility**

Water scarcity and climate change impacts are increasing the need to efficiently manage and use water. In addition, customers and communities are expecting to be kept informed of their real-time water usage. As a significant portion of our current traditional mechanical meter fleet is approaching end of life, digital metering provides an opportunity to help address these challenges.

Our Digital Meter project, which started in the 2018–23 regulatory period and delivered digital meters to 50,000 customers, as well as the necessary technology infrastructure, is the largest of our top-10 projects, with an investment target of \$206 million over the next 5 years. The project will deliver water savings, customer satisfaction and improved planning capability for us through the delivery of digital meters to all our existing customers.

Over the next 12 months, the Digital Meter project is investing \$23 million in the transition to a new digital device operating model. The rollout of a new onboarding process for customers with digital meters and ensuring that customers connecting new properties to our network receive digital meters is part of this process. The project will also ensure the effective procurement and mobilisation of our industry partners to deliver the rollout of digital meters over the mass rollout period.

## Corporate

Over the next 5 years, we're investing \$141 million in maintaining and upgrading our IT assets to deliver more cost-effective services to our customers, increase productivity, minimise operational costs, and make operations more efficient.

In the next 12 months, we're investing \$29 million in key IT projects, including:

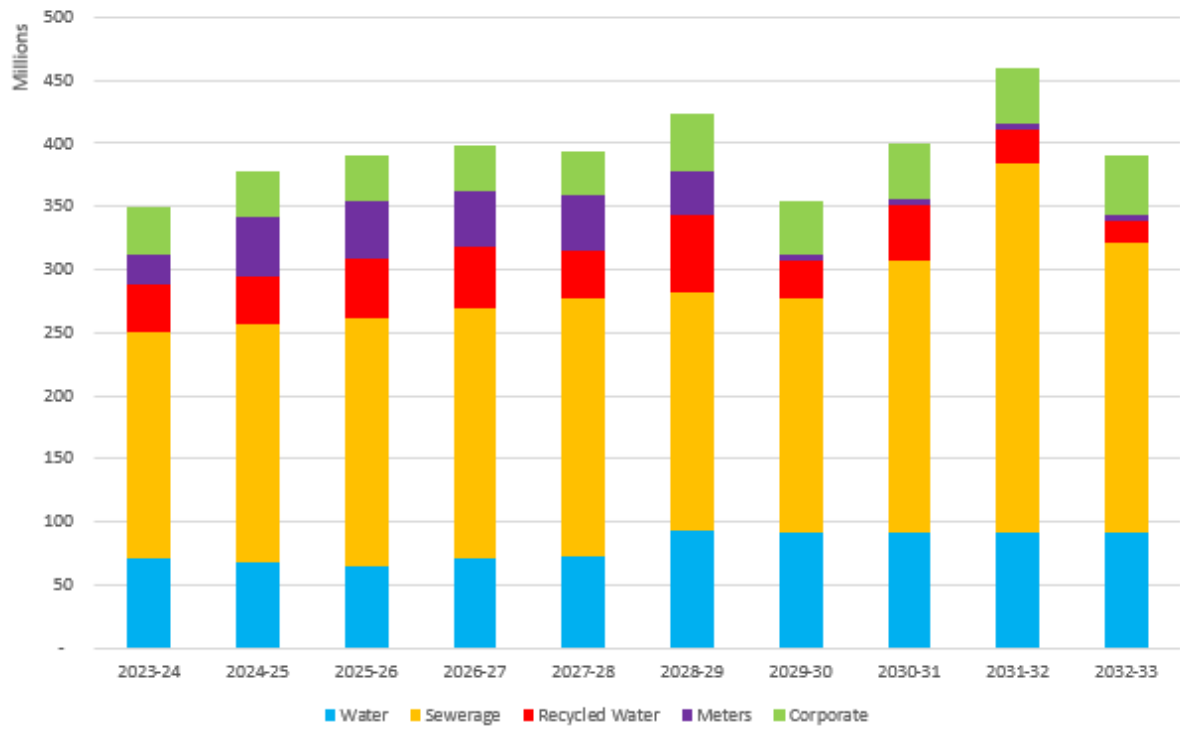
- \$4 million to complete the rollout of new financial, procurement and project management enterprise resource system
- \$3 million to continue to enhance our customer channels and service offerings to our customers
- \$2 million to enable the Digital Utility program for mass rollout, ensuring that business processes are supported by IT solutions
- \$2 million to continue to build on our Acumen platform, bringing in more data analytics capability
- \$2 million to establish standards, process, and tools for our digital asset data management
- \$2 million to continue to uplift our cyber security capabilities.

## Ten-year Capital Program (2023–24 to 2032–33) (\$ million)

The following graph shows our rolling 10-year Capital Program by service (water, sewerage, recycled water) to 2032–33.

**Note:** Future years are shown in FY22–23 dollars.

### 10 Year Capital Program 2023-24 to 2032-33



# Appendix B: 2023–24 Performance Report

## Financial performance

Key performance indicator	2023–24 target
<b>Cash interest cover</b>	
Net operating cash flows before net interest and tax/interest payments	2.2
<b>Gearing ratio</b>	54.6%
Total debt (including finance leases)/total assets *100	
<b>Internal financing ratio</b>	17.5%
Net operating cash flow less dividends/net capital expenditure *100	
<b>Current ratio</b>	1.0
Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	
<b>Return on assets</b>	3.6%
Earnings before net interest and tax/average assets *100	
<b>Return on equity</b>	2.8%
Net profit after tax/average total equity *100	
<b>EBITDA margin</b>	28.9%
Earnings before interest, tax, depreciation and amortisation/total revenue *100	

## Operational performance

Water and sewerage network reliability	2023–24 target
<b>Customer minutes off water supply (min)</b>	23
Average minutes a customer was without water supply during the year (planned and unplanned).	
<b>Unplanned water supply interruptions &gt;5 (%)</b>	0.45%
Percentage of customers receiving more than 5 unplanned interruptions in a year	
<b>Sewer blockages (no. per 100km)</b>	17
Number of sewer blockages reported per 100 kilometres of sewer main	
<b>Sewer spills (no. per 100km)</b>	8
Number of sewer spills reported per 100 kilometres of sewer main	
<b>Containment of sewer spills (%)</b>	100%
Sewer spills from reticulation and branch sewers contained within 5 hours	
Customer responsiveness	2023–24 target
<b>Flexible payment plans</b>	41,329
Number of customers with instalment plans	
<b>Hardship grants</b>	10,285
Number of customers awarded hardship grants	
<b>Water quality complaints</b>	0.18
Number of water quality complaints per 100 customers	
<b>Payment issue complaints</b>	0.65
Number of payment issue complaints per 100 customers	
<b>Total complaints</b>	1.1
Number of total complaints per 100 customers	
Water reuse	2023–24 target
<b>Recycled water reuse (%)</b>	23%
Water recycled as a percentage of the volume of effluent produced	

## Appendix C: How we'll measure success

Empower our people		2023–24 target	2024–25 target	2025–26 target	2026–27 target	2027–28 target	
Total Recordable Injury Frequency Rate < 7		< 8.2	< 7	< 7	< 7	< 7	
Senior leaders' safety interactions and leadership walks (minimum, per person)		8	10	12	12	12	
Close out safety actions/hazards on time		> 85%	> 90%	> 95%	> 95%	> 95%	
Top quartile employee engagement		> 76%	> 78%	> 80%	> 80%	> 80%	
Internal fill level		> 33%	37%	>40%	> 40%	> 40%	
Employees within 5% of community diversity (by number of demographic groups employed)		4/6	5/6	6/6	6/6	6/6	
Deliver for our customers		Customer outcome	2023–24 target	2024–25 target	2025–26 target	2026–27 target	2027–28 target
Number of Safe Drinking Water Act non-compliances (water sampling and audit)		1	0	0	0	0	0
Customers experiencing more than 5 unplanned disruptions in a 12-month period (water, sewer and water quality)		1	< 450	< 450	< 450	< 450	< 450
Total customers supported (provided financial or payment assistance)		3	> 10,000	> 10,000	> 10,000	> 10,000	> 10,000
Percentage of customers with arrears greater than 90 days who have been contacted to offer support (financial or payment assistance)		3	100%	100%	100%	100%	100%
Percentage of customers with arrears greater than 90 days who have received financial or payment assistance		3	> 47%	> 49%	> 51%	> 53%	> 55%
Overall customer satisfaction with South East Water (scores of 7 and above in customer surveys)		4	> 68%	> 68.5%	> 69%	> 69.5%	> 70%

Total number of inbound contacts received per 100 customers (calls, portal, web and email enquiries)	4	< 63	< 62	< 61	< 60.2	< 59.5
Number of enquiries relating to the explanation of charges (per 100 customers)	4	< 6.8	< 6.6	< 6.4	< 5.9	< 5.4
Overall community trust in South East Water (scores of 7 and above in customer surveys)	5	> 68%	> 68.5%	> 69%	> 69.5%	> 70%
<b>Protect our environment</b>	<b>Customer outcome</b>	<b>2023–24 target</b>	<b>2024–25 target</b>	<b>2025–26 target</b>	<b>2026–27 target</b>	<b>2027–28 target</b>
Total net greenhouse gas emissions (tCO2e)	5	< 28,439	< 23,016	< 23,509	< 23,998	< 12,033
Alternative water as a percentage of total water supplied to all customers	5	> 4.5%	> 5%	> 6%	> 6.5%	> 7%
Water literacy of South East Water customers (captured via survey responses to a series of industry indicators)	2	> 29%	> 29.5%	> 30%	> 30.5%	> 31%
<b>Optimise our operations</b>	<b>Customer outcome</b>	<b>2023–24 target</b>	<b>2024–25 target</b>	<b>2025–26 target</b>	<b>2026–27 target</b>	<b>2027–28 target</b>
Total volume of water saved through digital detection of network leaks (ML)	1	Baseline	461	737	1,007	1,271
Customers notified per unplanned water supply interruption as a percentage of total customers affected	2	> 71%	> 72%	> 73%	> 74%	> 75%
Customer savings realised through repair of digital meter-detected property leaks (\$m)	2	> 1.1	> 2.8	> 4.5	> 6.2	> 7.8
Percentage of existing properties upgraded to a digital meter	3	17%	32%	49%	66%	85%
<b>Drive innovation at scale</b>	<b>Customer outcome</b>	<b>2023–24 target</b>	<b>2024–25 target</b>	<b>2025–26 target</b>	<b>2026–27 target</b>	<b>2027–28 target</b>
Number of EPA reportable dry weather sewer spills	5	< 15	< 15	< 15	< 15	< 15

# Appendix D: How we're responding to the Minister's Expectations

## Climate change and energy performance (LOE 1)

Key performance indicator	2022–23 target	2023–24 target	2024–25 target	2025–26 target	2026–27 target	2027–28 target
CC1.1 Total net greenhouse gas emissions (Tonnes CO2 equivalent)	29,690	28,439	23,016	23,509	23,998	12,033
CC2.1 Total projected annual electricity use (MWh) Projected electricity use for the corporation in megawatt hours	34,000	35,700	36,500	37,300	38,000	38,600
CC2.2 Total projected annual renewable electricity use (MWh) Projected renewable electricity use for the corporation in megawatt hours	26,200	32,300	36,500	37,200	38,000	38,600

## Customer and community outcomes (LOE 2)

Key performance indicator	2022–23 target	2023–24 target	2024–25 target	2025–26 target	2026–27 target	2027–28 target
C1.2.1 Residential bill - owner occupier (\$ real 2022-23) The annual expected bill for an owner-occupier with typical (average) water use (excluding inflation)	966.94	908.0	908.0	908.0	908.0	908.0
Percentage increase from prior year	-4.4%	-6.1%	0.0%	0.0%	0.0%	0.0%
C1.2.2 Residential bill – tenant (\$ real 2022-23) The annual expected bill for a tenant with typical (average) water use (excluding inflation)	515.46	482.7	482.7	482.7	482.7	482.7
Percentage increase from prior year	-2.9%	-6.3%	0.0%	0.0%	0.0%	0.0%

	Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	150	150	150	150	150	150
C1.2.3	Non-residential bill – business (\$ real 2022-23) The annual expected bill for a business using 3 ML per annum (excluding inflation)	15,740.64	15,430.12	15,430.12	15,430.12	15,430.12	15,430.12
	Percentage increase from prior year	-2.5%	-2.0%	0.0%	0.0%	0.0%	-2.50%

## Performance and Financial Sustainability (LOE 7)

Key performance indicator	2022-23 target	2023-24 target	2024-25 target	2025-26 target	2026-27 target	2027-28 target
PF1.7 Credit rating (based on TCV for FAL)	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+
PF1.8 Consumer price index assumption (CPI)	5.09%	6.60%	3.50%	2.50%	2.50%	2.50%



## Appendix E: Examples of how we're addressing *Water for Victoria* priorities

Priority policy area	How we're addressing and delivering on these priorities		Page references
Climate change and energy (LOE 1)	Key focus areas	<ul style="list-style-type: none"> <li>Emission Reductions</li> <li>Increasing Renewable Electricity Use</li> <li>Adaption to Climate Change and Variability</li> </ul>	5, 22, 24, 28, 32, 46, 47 24, 46 5, 24, 25
Customer and community outcomes (LOE 2)	Key focus areas	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Customer and Community Engagement</li> </ul>	5, 13, 14, 21,27, 31, 33, 45 5, 13, 14, 15, 21, 31, 46
Deliver water for Aboriginal cultural, spiritual and economic values and support economic inclusion in the water sector (LOE3)	Key focus areas	<ul style="list-style-type: none"> <li>Supporting Aboriginal self-determination</li> <li>Partnerships with Traditional Owners</li> <li>Aboriginal Inclusion Plan</li> </ul>	22, 23, 32 12, 22, 23 22, 23, 24
Recognising recreational values (LOE4)	Key focus areas	<ul style="list-style-type: none"> <li>Consideration of recreational values in business operations</li> </ul>	4, 25, 26, 31
Resilient and liveable cities and towns (LOE5)	Key focus areas	<ul style="list-style-type: none"> <li>Integrated water management</li> <li>Water efficiency</li> <li>Circular economy outcomes</li> <li>Environmental Statutory Obligations</li> </ul>	4, 22, 25, 26, 40 4, 11, 22, 27, 32 5, 22, 28, 32, 34 21, 28, 31, 34, 38, 39
Leadership, diversity and culture (LOE6)	Key focus areas	<ul style="list-style-type: none"> <li>Diversity and Inclusion</li> <li>Health and Safety</li> </ul>	20, 30 20, 30
Performance and financial sustainability (LOE7)	Key focus areas	<ul style="list-style-type: none"> <li>Audited statement of performance</li> </ul>	27, 33

# Healthy Water. For Life.

## How to get in touch

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