

Appendix A:

Submissions and comments

We consulted with Melbourne Water and considered its views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to Melbourne Water and asked for its submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses received

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21/05/2026

Mr Andrew Greaves
Auditor General
Victorian Auditor General's Office
Level 31/35 Collins Street
Melbourne VIC 3001

Dear Mr Greaves

Planning and managing drainage schemes in Melbourne's growth areas.

Thank you for your letter of 8 May 2026 and for providing Melbourne Water with the opportunity to respond to the proposed report, *Planning and managing drainage schemes in Melbourne's growth areas*.

Melbourne Water has reviewed the proposed report and acknowledges the findings and recommendations aimed at strengthening the effectiveness, consistency and transparency of planning and managing drainage schemes.

Melbourne Water accepts the recommendations and has developed a Management Action Plan (enclosed) to address the matters raised.

We are committed to improving our processes and ensuring that our approach to drainage scheme planning and delivery is clear, consistent and supports sustainable outcomes for the Victorian community.

Yours sincerely

Dr Nerina Di Lorenzo
Managing Director

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Melbourne Water action plan to address recommendations from Planning and managing drainage schemes in Melbourne's growth areas

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Fully implement its strategy for:</p> <ul style="list-style-type: none"> • maintaining improvements processing priority urban planning and development applications • improving performance processing design and construction applications • addressing workforce, funding and operational constraints on delivering its service standards. 	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle </p>	<p>Build on the standardised end-to-end processes, performance monitoring practices, and enabling systems already established to embed and sustain improved processing of priority urban planning and development applications as business-as-usual.</p> <p>We will improve processing of design and construction assessments through risk based review and quality assurance uplift supported by system and process improvements.</p> <p>Continue to strengthen and align workforce capability, funding, and operational models by progressing organisational realignment, capacity planning. This will ensure service delivery is sustainably matched to demand to achieve service performance</p>	June 2028
2	<p>Monitor and publicly report its performance processing drainage scheme planning, design and construction applications specifically in growth areas.</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle </p>	<p>In consultation with the development industry, introduce additional performance measures for design and construction applications. Update existing public reporting to incorporate these measures and provide a breakdown of applications in growth areas.</p>	June 2027

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No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
3	<p>Update its key performance indicator for implementing drainage schemes to accurately reflect Melbourne Water's role in the precinct structure planning process and improve performance reporting.</p> <p>This includes being clear about when Melbourne Water should finalise drainage scheme engineering requirements and preliminary contribution rates.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>Review and update the drainage scheme implementation KPI to accurately reflect Melbourne Water's defined role, decision points, and accountabilities within the precinct structure planning (PSP) process.</p> <p>This will include clear confirmation of when finalised drainage scheme engineering requirements and preliminary contribution rates must be provided by Melbourne Water. These outcomes will be embedded within drainage scheme planning processes and governance controls.</p>	March 2027
4	<p>Ensure an independent expert reviews all new drainage strategies before they are finalised.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>Melbourne Water will ensure independent expert review of all new drainage strategies by embedding this requirement as a mandatory stage within its framework prior to finalisation.</p> <p>A structured, risk based model will be implemented, utilising a prequalified experts for higher risk strategies or independent internal reviewers for lower risk cases.</p> <p>Standardised review processes, documentation, and governance controls will be applied to ensure all strategies undergo consistent, timely, and auditable independent review prior to approval.</p>	June 2027

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No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
5	<p>Conduct periodic engineering reviews of drainage strategies in line with its <i>Principles for Provision of Waterway and Drainage Services for Urban Growth</i> so they remain current and reflect changes in land use, development and other catchment conditions.</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle </p>	<p>Formalise requirements for periodic engineering reviews of drainage strategies including defined review triggers, timing, and scope aligned to the Principles for Provision of Waterway and Drainage Services for Urban Growth. We will conduct reviews in accordance with the principles which will be publicly available on the Melbourne Water website.</p>	<p>June 2027</p>