

# Appendix C:

## Audit scope and method

### Scope of this audit

#### Who we examined

We examined the following agency:

Agency	Key responsibilities
Melbourne Water	Manages water, sewerage, drainage and waterways for Greater Melbourne.

#### Our audit objective

Is Melbourne Water's planning and management of drainage schemes supporting Victoria's greenfield development target?

#### What we examined


For the audit, we looked at Melbourne Water's:

- planning, development and delivery of new and active drainage schemes
- timeliness in processing developer applications
- guidance and support for developers to meet drainage scheme requirements
- actions to find and resolve the barriers to delivering optimal drainage infrastructure.




#### Aspects of performance examined

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance
			

Key:

-  Primary focus
-  Secondary focus
-  Not assessed

### Conducting this audit

#### Assessing performance

To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Does Melbourne Water process drainage scheme applications in a timely manner and support developers to meet requirements?	1.1 Melbourne Water meets its statutory and industry-agreed timeframes for processing drainage scheme applications and undertaking construction assessments.
	1.2 Melbourne Water has clear guidance on its application process and drainage scheme requirements.
2. Can Melbourne Water demonstrate that it plans and delivers drainage schemes in a way that supports greenfield development?	2.1 Melbourne Water can show that it prioritises drainage scheme planning in consideration of: <ul style="list-style-type: none"> <li>the sequencing of precinct structure plans</li> <li>catchment flood risk and environmental sensitivity</li> <li>precinct and downstream complexity including land ownership and existing and future transport infrastructure.</li> </ul>
	2.2 Melbourne Water can show that it identifies and implements actions to overcome barriers to drainage scheme implementation.

### Our methods

As part of the audit we:

- reviewed strategic and operational plans, procedures and reporting to understand Melbourne Water's objectives, priorities, activities, standards and performance
- reviewed the data and methods that Melbourne Water uses to calculate and report on its timeliness in processing developer applications. Between 1 January 2019 and 2 September 2025, Melbourne Water received 22,339 greenfield development applications. This was 31 per cent of all priority drainage applications Melbourne Water received over this period. Most greenfield applications (89 per cent) related to 3 application categories:
  - P1 and P2:** planning permit and certification applications for proposed development and subdivisions (42 per cent)
  - P4:** applications from developers specifying engineering drainage infrastructure requirements (27 per cent)
  - P6:** confirmations from developers that they have completed all drainage works so that a compliance statement and property titles can be issued (20 per cent).
- reviewed documents such as meeting agendas, papers and minutes, planning schedules, risk registers and emails to confirm how Melbourne Water applies its procedures and oversees its work to prepare and deliver drainage schemes
- reviewed Melbourne Water's online information and guidance to support developers.

#### Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

### Compliance

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

**Cost and time** The full cost of the audit and preparing this report was \$712,000.  
The duration of the audit was 12 months from initiation to tabling.

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