



We have released our final decision on the maximum prices that Melbourne Water may charge for its services from 1 July 2021 to 30 June 2026.

## Key elements of our final decision

Prices	Services	Environment
		
As a result of our final decision, prices will fall.	Melburnians will continue to receive high quality drinking water, safe treatment and disposal of sewage, and new investment in waterways and drainage.	Melbourne Water will continue to reduce its environmental footprint and respond to climate change.

## Changes to tariffs and prices

Our final decision suggests a fall in annual bills across metropolitan Melbourne of around \$20 in 2021-22. This is indicative only, and the amounts will depend on the approval of tariffs of each of the retailers, due later in June.

As a result of our final decision, waterways and drainage charges will remain relatively flat over the five years to 2025-26. These funds will support investment in waterways and drainage services, including wetland maintenance, flood protection, and stormwater harvesting services.

Customers who live on the Patterson Lakes-Quiet Lakes area pay a special tariff. This will increase from \$118 to \$127 to reflect higher a bore flushing service level.



## Outcomes for customers

While creating its submission Melbourne Water consulted with customers to develop six outcomes to guide service delivery during the 2021–2026 regulatory period. It also identified measures and targets that it will use to report on its performance against these outcomes.

Some of the ways Melbourne Water plans to address value for customers include:

- ensuring customers have access to safe and reliable water and sewerage services
- maintaining the health of Melbourne’s river systems
- reducing flood risks
- making more green space available to customers.

## Melbourne Water’s guaranteed service levels

For the first time, Melbourne Water will introduce a set of guaranteed service levels to commence on 1 July 2021 for each of the three metropolitan retailers. These guaranteed service levels ensure that Melbourne Water minimises impacts on customers. Any payments would be handled by the retailers.

## Environmental outcomes

Our final decision accepts a number of Melbourne Water’s investment commitments that support the environment and respond to climate change. Examples include:

- \$4 million to meet its carbon offsets, pledges and reduction activities
- \$43 million for waterway and drainage activities such as wetland maintenance and sediment disposal, stormwater harvesting and quality treatment, flood mitigation, vegetation for environment and amenity, and increasing land and water access for the community
- Investment in and maintenance of the Eastern Treatment Plant solar generation plant.

In 2020, Melbourne Water submitted proposed prices and key outcomes, which we reviewed under our pricing framework that helps promote better value and outcomes for water customers.

Early in 2021, we issued a draft decision for which Melbourne Water provided a response. We sought feedback from customers at multiple points throughout the price review process to inform our decision making in an open and consultative manner.





## Revenue required between 2021 to 2026

Our final decision for Melbourne Water allows operating expenditure of \$4.6 billion and gross capital expenditure of \$3.4 billion to provide its services to customers over the next five years. To fund this Melbourne Water requires \$7.9 billion in revenue, a decrease from the \$8.5 billion required during 2016 to 2021.

## Major works that will happen around you

Victorians will benefit from of capital investment (over the five years) with Melbourne Water’s annual investment the highest since the millennium drought.

Project	Detail	Total* (\$ million before inflation)
Western Treatment Plant Primary Treatment Augmentation	To increase the capacity at the treatment plant.	<b>315.3</b>
Western Treatment Plant 55E Activated Sludge Plant Upgrade	To renew aging equipment and infrastructure to increase nitrogen removal capacity at the treatment plant.	<b>199.4</b>
Hobsons Bay Main Yarra Crossing Duplication	To support the reliability of Melbourne’s sewer system by augmenting existing, deteriorating sewer infrastructure and allow the continued transfer of wastewater to the Western Treatment Plant.	<b>135.8</b>
Yan Yean to Bald Hill Pipeline	To increase the reliability and security of water supply to growing areas in Melbourne’s Northern and Western suburbs.	<b>95.7</b>

\*The numbers in this section are in 2020-21 dollars.

## Got a question?

View our contact details and follow us on LinkedIn and Twitter.

