



**Waterways and Drainage
Investment Plan Summary**
July 2021 – June 2026

What is the Waterways and Drainage Investment Plan?

The plan

The Waterways and Drainage Investment Plan (the investment plan) details Melbourne Water's commitment to customers, stakeholders and the community to deliver effective and affordable waterways and drainage services from 2021 to 2026.

The investment it delivers aligns with our commitment to enhancing life and liveability across the region, and supports our responsibilities to protect and improve waterway health, provide regional drainage services, work with partner organisations to reduce flooding impacts, and manage river diversions.

In developing this investment plan we balanced our legislative obligations, policy directions, strategies, customer expectations and preferences, with affordability. The investment outlined in this plan ensures we can meet the challenges that lie ahead. Most importantly, it means we can continue to deliver high-quality, affordable services for our customers.

For the full investment plan please visit: melbournewater.com.au/wdip

Melbourne Water

Melbourne Water is responsible for managing waterways (rivers, creeks, wetlands and estuaries) and major drainage systems (including floodplains) in the Port Phillip and Westernport region as well as bulk water supply and sewerage services. We are also the second biggest landholder in the state. Seventeen per cent of our land is for waterway and drainage purposes.

We manage magnificent rivers and creeks, natural drainage areas and wetlands, forests, woodlands and grasslands – all important ecosystems that not only support a rich diversity of plants and wildlife but also the health and wellbeing of our community.

We also manage an extensive drainage network, that includes flood retarding basins and extensive stormwater treatment wetlands that clean dirty stormwater before it ends up in creeks and the bays. These areas often double as sportsfields, parks and areas for community enjoyment.



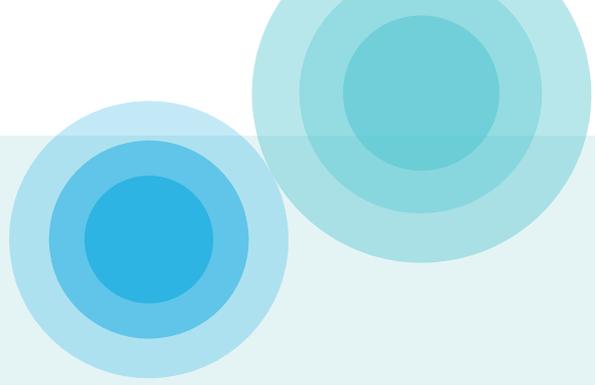
Maribyrnong River, Avondale Heights

Our Waterways and Drainage Services

Melbourne Water provides nine distinct services to support environmental health and the health, safety and recreational opportunities of our customers and community. These services are interrelated in ensuring community value, healthy waterways, community protection from flooding and reduced impact from urban development.

To deliver these services, the total expenditure forecast for the five-year period is \$2.06 billion, comprising capital expenditure of \$1.28 billion and operating expenditure of \$785 million. The distribution of expenditure across the service areas is shown below.





The Waterways and Drainage Charge (July 2021-June 2026)

We take the need to provide affordable services very seriously. The global COVID-19 pandemic is causing financial pressure for customers and communities across Victoria, Australia and around the world. In developing our investment plan, we have balanced the levels of service we provide with affordability for customers.

Funding

The activities in the investment plan are funded through the Waterways and Drainage Charge (the charge) and other charges for specific direct services (fee-for-service).

The charge is paid by residential, rural and business customers in the region and is collected by water retailers on our behalf.

The fee-for-service customers are urban developers, property owners who pay to use river water or stormwater (diverters), rural drainage customers within the Koo Wee Rup and Longwarry Flood Protection District, and some Patterson Lakes residents who pay jetty leasing and lake-flushing fees.

Engagement and social research

We developed this investment plan using industry-leading engagement and social research approaches with our customers and community to understand people’s needs, values, aspirations and perceptions in relation to our services.

Our social research found that the majority of customers would prefer to pay a higher charge for increased services (up to \$8 for metropolitan residential customers) in relation to stormwater management (pollution removal and stormwater harvesting), waterway management, flood risk management, access to land and water, and community education and involvement programs.

Overall, customers and the community strongly support our services.

Responding to customers and the community

In developing our programs we have carefully prioritised, taken on considered risk, embedded efficiencies and sought opportunities to further drive down the cost of delivering our works to keep our costs as low as possible.

The price rise for customers will be much less than our customer research showed the majority would be willing to pay. The price increase in July 2021 is \$1.04 for metropolitan residential households, \$0.57 for rural households, and a minimum of \$1.57 for business customers. This will be followed by similar increases and CPI adjustments in the following four years. Through finding efficiencies, this will still provide for the majority of customer preferences for increased service levels.

The proposed prices from 1 July 2021 are shown below.

Meeting our customers’ service expectations at a lower price than they were willing to pay is the highlight of this investment plan.

Customer type	Waterways and Drainage Charge (July 2021)
Residential households	\$105.36
Non-residential households	\$158.29 minimum
Rural	\$57.85

Table 1. Waterways and Drainage Charge



Maribyrnong River at Footscray Park

Addressing current and future challenges

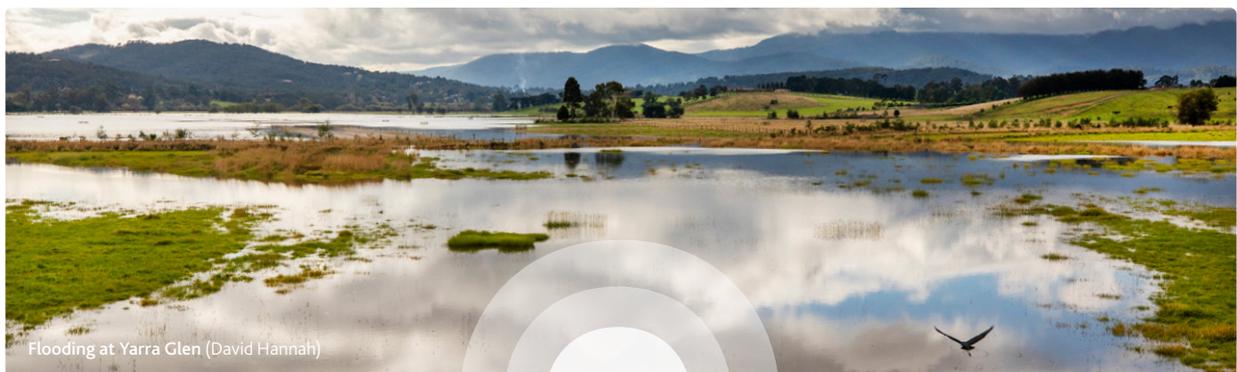
Over the next 50 years, climate change, urbanisation and rapid population growth are significant threats to the region, including our waterways. Climate change leads to extreme heat, longer, drier periods and more frequent extreme rainfall events, which degrade waterway health and increase flood risk. Urbanisation is reducing areas that can absorb water. Despite the slowing of population growth due to the COVID-19 pandemic, we expect Melbourne’s population will continue to increase.

All of these factors will result in more stormwater runoff from hard surfaces. This changes the natural flow regime and degrades the waterway, and increases the risk of flooding. In turn, this increases risks for people, property, infrastructure, waterways and places. Without increased action, we will see an irreversible decline in waterway health and greater flooding.

Our investment plan directs our response to these challenges.

The plan will enable us to reduce flood risk, protect waterway condition in the face of climate change and urbanisation, protect and enhance Aboriginal cultural values, and better meet the social and recreational needs along our waterways. Most importantly, it means we can continue to deliver high-quality, affordable services for our customers.

The investment outlined in this plan ensures we can meet the challenges we face in reducing flood risk. Waterway condition will be protected rather than decline in the face of climate change and urbanisation, and in some priority areas it will be enhanced. It also enables us to provide new services to protect and enhance Aboriginal cultural values, to better meet the social and recreational needs along our waterways, and to provide coastal erosion advice. Most importantly, it means we can continue to deliver high-quality, affordable services for our customers.





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