Price Submission 2026

Frequently Asked Questions

Melbourne Water and Price Submission 2026

Who is Melbourne Water?

Melbourne Water is a statutory authority owned by the Victorian Government. We provide wholesale water and sewerage services to Melbourne's water corporations, and partner with councils and other organisations to deliver waterway and drainage services to the Greater Melbourne region.

We work on all parts of the water cycle that are essential to our way of life. We provide clean drinking water, treat sewage, manage floodplains, and keep Melbourne's rivers, creeks and catchments healthy.

Melbourne Water is also the Catchment Management Authority (CMA) for the Port Phillip and Westernport region.

What is a Price Submission?

Every five years, Melbourne Water prepares a Price Submission – a plan that outlines:

- The services we'll deliver
- The investments we'll make
- The performance levels we are committing to
- The prices customers will pay

This plan is reviewed and approved by the Essential Services Commission (ESC), Victoria's independent regulator.

What is the PREMO model?

The Essential Services Commission (ESC) uses the PREMO framework to assess water pricing. PREMO stands for:

- Performance
- Risk

- Engagement
- Management
- Outcomes

Key to the ESC's framework is engagement with customers and community to ensure the customer voice is included in all plans.

Why do we need a Price Submission?

The Price Submission outlines how we will invest over the next five years, the cost of delivering our services, and the prices we will charge to address the challenges being face.

It helps us:

- keep water and sewerage services safe, reliable and high-quality
- plan for Melbourne's growing population
- respond to challenges like climate change and ageing infrastructure
- set fair and sustainable prices that reflect the true cost of services.

What's in the submission?

Melbourne Water's Price Submission 2026 (PS26) details the services and investments they proposed to make, and the prices they intend to charge over the next five years.

PS26 will deliver significant investment in sewerage capacity to meet growth and support compliance; increasing their capacity to transfer water across the network - improving resilience and to service the fast-growing west, and an increase in investment in waterways and drainage functions to meet their obligations.

We are planning to invest **$7.86 billion** to upgrade ageing infrastructure, support housing growth, and respond to climate change. The program is relatively evenly balanced between investment for growth, renewals, and compliance.

Key projects include:

- $542 million to secure drinking water quality
- $912 million to enable adaptive planning pathways at Western Treatment Plant (WTP)
- $144 million in waterways management to improve vegetation condition and natural wetlands

- $305 million into assets that will minimise flood impacts to people and property

What are we doing?

What Outcomes are we committing to for our customers?

We've listened to what matters most to you, and are committing to five key Outcomes:

- Outcome 1: Safe and reliable bulk water supplies for now and the long term
  Ensuring our bulk water supply is safe and reliable now and into the future by providing safe drinking water, reliable service and long-term water security.
- Outcome 2: Environmentally sustainable and reliable bulk sewerage services
  Ensuring our bulk sewerage services are environmentally sustainable and reliable using sustainable treatment processes and investing for the future to remain resilient to population growth and climate change.
- Outcome 3: Healthy, resilient waterways
  Ensuring our waterways remain healthy and resilient to change, including from the impacts of urbanisation and climate change by maintaining healthy waterways and managing land and vegetation along the waterways.
- Outcome 4: Urban drainage and flood resilience
  Supporting delivery of new drainage infrastructure and providing flood information to improve resilience and manage risk to people, property and public places. Supporting developers to plan for and effectively deliver infrastructure necessary for housing development and working with local authorities to manage stormwater.
- Outcome 5: A valued partner in water cycle services
  Building relationships including with the water corporations, Traditional Owners, local councils, industry and community organisations.

How much is being invested?

We're planning to invest $7.89 billion between 2026 and 2031 to upgrade our assets, systems and capabilities. This will help us continue delivering clean, safe and reliable water, sewerage and drainage services.

What are we investing in to keep water safe and reliable?

We're investing in:

- Upgrades to treatment plants and reservoirs
- Renewing ageing pipes and pump stations
- Improving water quality and reliability
- Planning for future water needs and climate resilience

What are we investing in for sustainable sewerage services?

We're investing in:

- Upgrading treatment plants to meet growth and environmental standards
- Expanding capacity at key sites like the Western Treatment Plant
- Reducing odour and improving recycled water options
- Renewing sewerage transfer systems to stay reliable and compliant

What is being done to protecting our waterways?

We're investing in healthy, resilient waterways so people and nature can thrive. This includes:

- Improving vegetation and wetlands
- Supporting community access and biodiversity
- Managing litter and pollution
- Enhancing stormwater systems and environmental flows

We're also working with partners to deliver regional strategies and improve long-term planning.

What is being done to manage stormwater and flooding?

We're investing in urban drainage and flood resilience to reduce flood risks and protect communities. This includes:

- Upgrading flood mitigation infrastructure
- Improving flood modelling and warning systems
- Supporting new developments with safe, effective drainage planning
- Working with developers to improve processes and standards

How are we partnering with others to deliver better services?

We're committed to being a trusted partner by:

- Collaborating with water corporations, Traditional Owners, councils, and community groups
- Supporting education and awareness programs
- Providing grants for community sustainability projects
- Supporting customers experiencing vulnerability

We're also formalising partnerships and contributing to long-term strategies to address climate change and population growth.

How are we investing in sustainability?

We're planning for a changing climate by investing in:

- renewable energy to reach net zero emissions by 2029–30.
- updated flood modelling to keep communities informed.
- long-term water security, including exploring new water sources.

Bill impact

What's driving changes in prices?

Prices are influenced by:

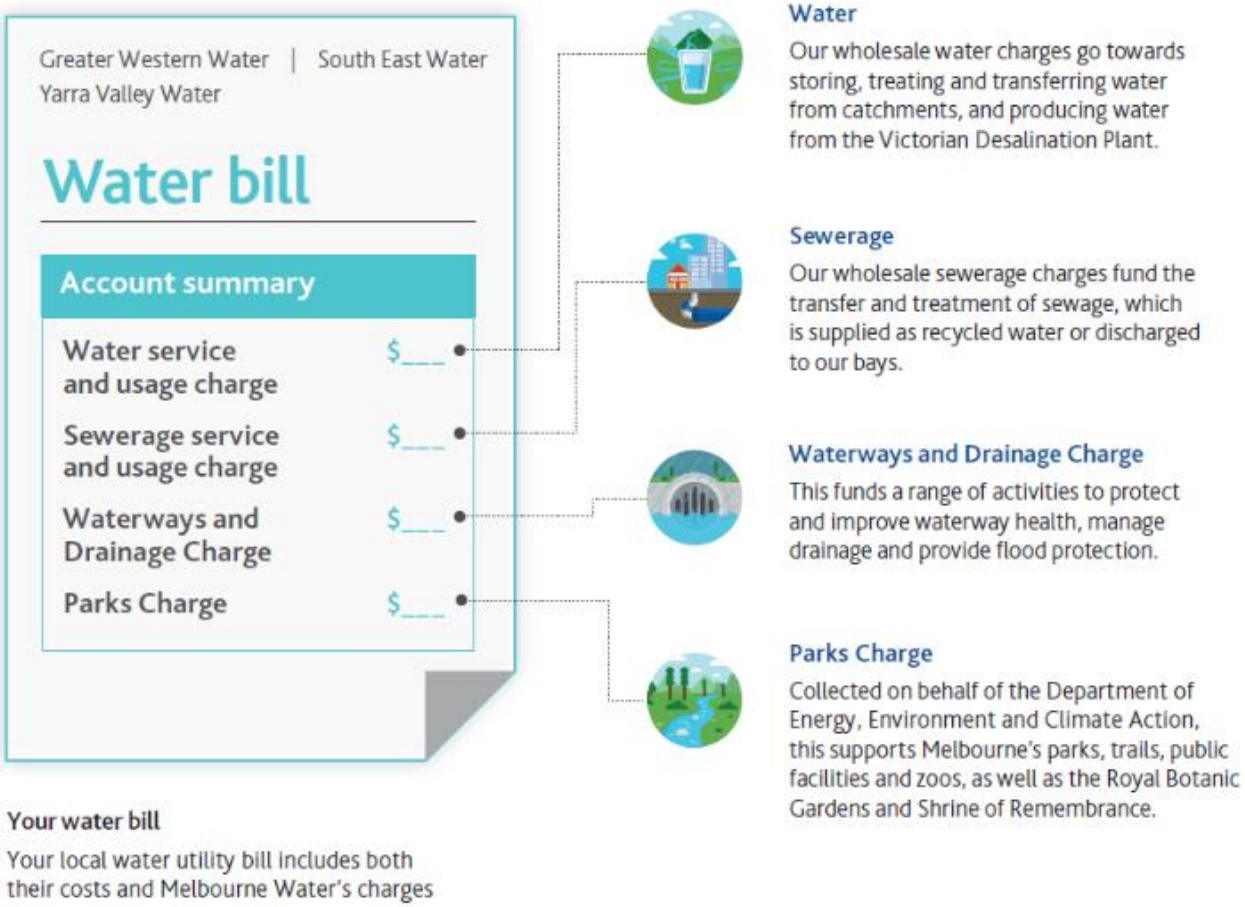
- Population growth – more people means more demand for services.
- Climate change – requiring new ways to manage water and protect the environment.
- Ageing infrastructure – needing upgrades and replacements.
- Cost pressures – affecting both Melbourne Water and our customers.

Why does my water bill include Melbourne Water charges?

Your water bill includes charges for services provided by both your water corporation and Melbourne Water. Around 50% of your bill goes to Melbourne Water for wholesale services like water supply and sewage treatment.

Your bill includes:

- Water – storing, treating and transferring water, including desalinated water.
- Sewerage – transferring and treating sewage, including recycled water.
- Waterways and drainage – protecting waterways, managing drainage and flood risks.
- Parks charge – collected on behalf of the Victorian Government to support parks, trails and public facilities.



Your water bill

Your local water utility bill includes both their costs and Melbourne Water's charges

Will my bill price increase?

We've worked hard to keep bills fair while delivering essential services today and investing wisely to meet the growing demands of tomorrow.

Household bills are expected to rise by no more than 1.5% above inflation per year, with a maximum increase of $17 per year.

Waterways and drainage charges will decrease slightly in 2026–27 and stay flat after that.

Customer bill impacts are estimates only. They don't include inflation, future changes from water corporation in 2028, or annual adjustments like desalinated water orders. The forecast is based on changes to Melbourne Water's bulk service costs. Each water corporation decides how these costs are passed on to households and businesses.

When will the new prices take effect?

The new pricing will apply from 1 July 2027 to 30 June 2031, following approval by the Essential Services Commission.

What if I need help paying for my bill?

We're proposing a new hardship support package that includes:

- expanded support programs.
- grants for waterways and drainage customers
- water efficiency upgrades for households experiencing vulnerability.

For more information contact your local water corporation:

- Yarra Valley Water website or call 1300 441 248.
- Greater Western Water website or call 13 44 99.
- South East Water website or call 131 994.

We're working with community services and water corporation to make sure support reaches those who need it most.

Engaging with our customers, communities and partner

How was the community involved in shaping this plan?

To develop our Price Submission 2026, we spoke with a wide range of customers, communities and stakeholders. Their input helped shape our proposals and test whether our pricing reflects what people expect from us, while still meeting our service obligations.

We engaged through:

- a dedicated water corporation forum for our retail customers
- community panels, including a tour of the Western Treatment Plant
- a customer forum focused on waterways and drainage.
- online and phone surveys
- community events
- meetings with special interest and community groups
- one-on-one discussions with key stakeholders and customers

The feedback we received helped guide our submission, alongside our legal obligations and the need to invest in critical infrastructure.

What have we heard?

Over the past 2 years, more than 8,200 customers and community members shared their views. We've used your feedback to set the key outcomes that will guide our decisions and planning:

- Access to safe and reliable water and sewerage services.
- Melbourne's environment, rivers, creeks and bays are protected and Melbourne Water's greenhouse gas emissions are minimal.
- Melbourne remains liveable as it deals with the impacts of climate change and population growth.
- Melbournians are empowered to support the design and delivery of service outcomes
- Easy, respectful, responsive and transparent customer service.
- Bills kept as low as possible.

Our water corporation partners and stakeholders also told us they want us to:

- share the risks around water and sewage demand and offer fairer pricing with more flexible charges.
- update bulk supply agreements to include joint planning, clearer roles for managing assets, and more frequent reviews.
- commit to delivering infrastructure on time and maintaining reliable services, backed by new guaranteed service levels.
- provide clearer outcomes linked to each service we deliver.
- be more transparent about the costs of drainage schemes and improve turnaround times for applications.

What is the Playback?

We've been listening to customers and communities. The Playback is a summary of what we've heard over the last two years, including:

- Key feedback and insights.
- How we're responding?
- Proposed outcomes and price paths.

In May 2025, we invited the public to review and comment on our proposals. This helped us understand how our plans might affect bills and whether they meet community expectations.

Feedback from this phase shaped our final submission, which we sent to the Essential Services Commission on 1 October 2025.

For more information, visit Price Submission 2026 | Melbourne Water.

What happens next?

The ESC will now review our submission and run its own public engagement process.

Visit our Let's Talk page to read the full submission and find out how you can have your say on Melbourne's water future.

Keep up to date with what's happening

For more information about Melbourne Waters Price Submission please call 13 17 22 or visit www.letstalk.melbournewater.com.au/price-submission

Interpreter

For an interpreter, please call the Translating and Interpreting Service (TIS National) on 13 14 50

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