

Melbourne's Annual Water Outlook – Quarterly Update

March 2026



This is the seasonal update to Melbourne's Annual Water Outlook 2026 which was released in December 2025.

Over the past 3 months, from 1 December 2025 to 1 March 2026, Melbourne's storages declined by 5.6% (102 billion litres). As of 1 March 2026, storages are at 69.6% and the volume available for Greater Melbourne (Greater Western Water, South East Water and Yarra Valley Water) is around 661 billion litres. Despite near-average rainfall over summer, Melbourne's storages have experienced a steep decline over the past 12 months and are now 11.2% (203.8 billion litres) lower than the same time last year.

To support water security, 50 billion litres of water was ordered from the Victorian Desalination Plant in 2025/26, which has all been delivered into the system. The Minister for Water will announce the desalinated water order for 2026/27 shortly. Orders from the Victorian Desalination Plant are a critical part of our response to current dry conditions.

Over the past 24 months, Melbourne experienced some of the lowest rainfall and inflows on record – similar to the worst years of the Millennium Drought. As a result, water in storage has tracked around the dry and extreme dry year scenarios from the 2025 Annual Water Outlook. This has continued for the 2026 Annual Water Outlook (refer Figure 1). Melbourne's storages are 24% (around 429 billion litres) lower than at the same time two years ago, due to a combination of very low rainfall, record-low inflows, and higher water use.

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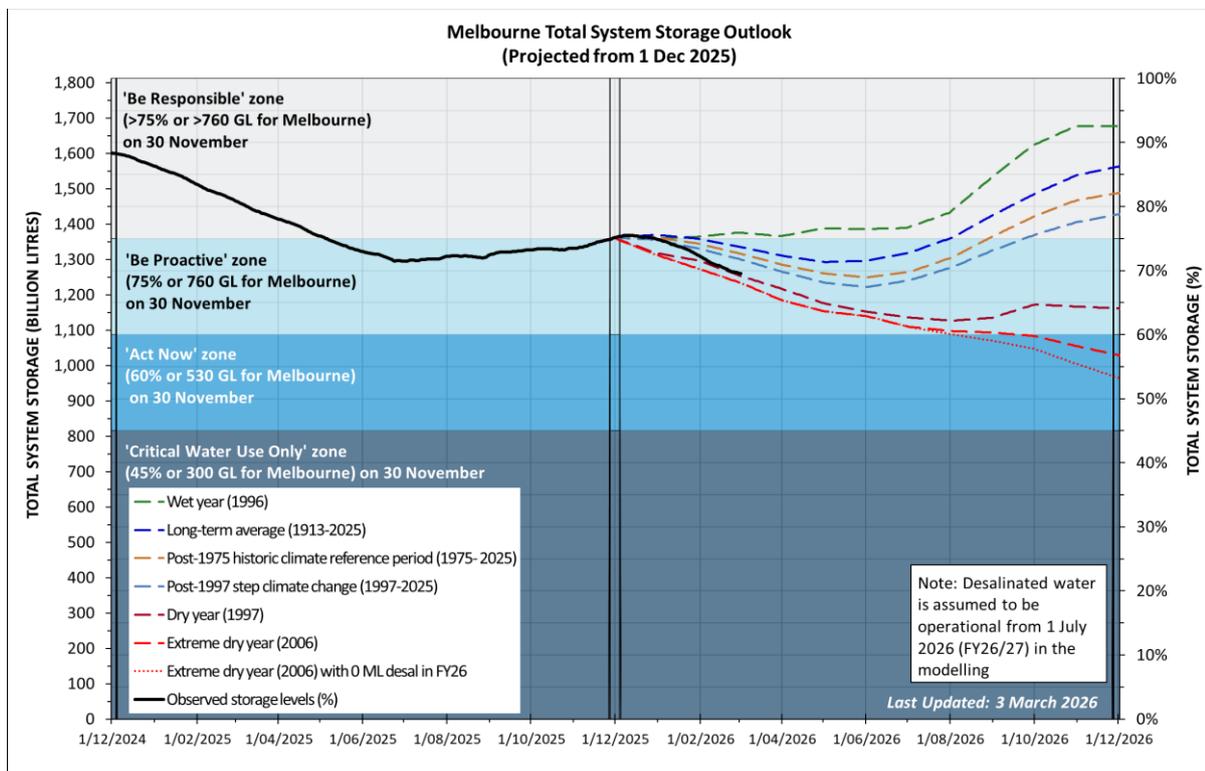


Figure 1: Comparison with 2026 Annual Water Outlook period.

Residential water use was around 166 litres per person per day over the past 12 months, which is nearly 2% lower than previous financial year (169 litres per person per day).

Likelihood of restrictions

If we experience continued dry conditions and higher water use through 2026, resulting in further storage decline, restrictions are possible over summer 2026/27. Permanent Water Saving Rules continue to apply. Local restrictions could be needed at different times for some regions, due to local storages or operational constraints.

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Local storage outlook for Greater Western Water

Drinking water in the northwest of the Greater Western Water service region comes from local creeks, reservoirs and bores (groundwater), supplemented by water from the Melbourne system.

Local storages have declined by 11.6% since 1 December 2025 and are tracking along the dry and extreme dry scenario.

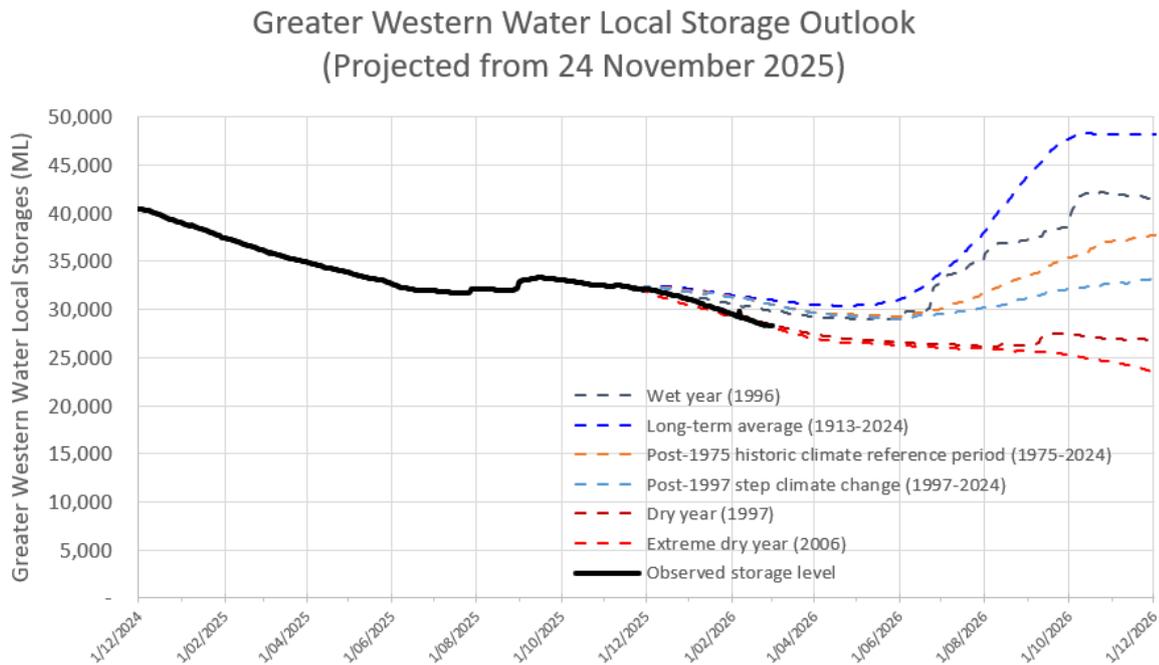


Figure 2: Comparison with 2026 Annual Water Outlook period Greater Western Water local storages.