Lower metropolitan water bills to flow from regulator's Melbourne Water decision

Average water bills will fall for more than two million metropolitan Melbourne households following a ruling by Victoria's independent regulator.

The Essential Services Commission has released its [final decision and determination on Melbourne Water's maximum prices](#) and service standards to apply from 1 July 2021.

The commission's director of pricing Marcus Crudden says the revenue requirement adopted by the commission in its final decision will mean lower bills for Melbourne households.

"Though retailer tariffs are still to be confirmed, we estimate an average bill reduction of around $20 in 2021–22 for a typical residential household in metropolitan Melbourne as a result of this decision," he said.

The wholesale and sewerage services provided by Melbourne Water make up about 60 per cent of household water bills in the metropolitan area. The business also provides waterways and drainage services directly to customers in the greater Melbourne region.

Mr Crudden says customers will also benefit from almost $3.6 billion of capital investment to maintain and improve services.

"Melbourne Water has committed to deliver its biggest capital works program since the millennium drought in the 2000s.

"Melbournians continue to receive high quality drinking water, safe treatment and disposal of sewage, and new investment in waterways and drainage," he said.

Melbourne Water has also committed to continue reducing its environmental footprint. Additional money has been earmarked for carbon offsets, and waterways and drainage activities.

Mr Crudden says this is the first time the commission has reviewed a Melbourne Water price submission under its PREMO water pricing approach, which includes incentives for water corporations to deliver outcomes most valued by customers.

The final Melbourne Water decision sets prices until 30 June 2026.

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