



Waterways and Drainage Charge Frequently Asked Questions

1. What does the Waterways and Drainage Charge pay for?

Melbourne Water is the caretaker of river health throughout the Port Phillip and Westernport region. We are responsible for managing over 8,400 kilometres of rivers and creeks, floodplains and the regional drainage system. A key source of funds for this work is the Waterways and Drainage Charge, which is collected by the retail water businesses on Melbourne Water's behalf, from around 1.8 million property owners across the region.

Everyone benefits either directly or indirectly from healthy waterways and a safe, reliable drainage system.

2. How much is the Waterways and Drainage Charge?

There will be an increase in waterways and drainage charges of 2.2% plus inflation in 2013-14 and 1.4% plus inflation for the following two years.

Waterways and Drainage Charge (annual)

PROPERTY TYPE	2012-13	2013-14	2014-15*	2015-16*
Residential	\$85.08	\$89.12	\$90.39	\$91.65
Non-residential (min. charge)	\$97.84	\$102.48	\$103.94	\$105.39
Non-residential (rate in dollar)	1.0417	1.0904	1.1057	1.1211
Rural	\$46.75	\$48.96	\$49.67	\$50.36

*All prices exclusive of CPI.

3. Why is the Waterways and Drainage Charge going up?

The increases will ensure Melbourne Water can continue to deliver a high level of service in the protection and improvement of waterway health, well-managed drainage networks and flood protection and mitigation.

It also accounts for the projected impacts of population growth and associated increases in demand, particularly in Melbourne's growth areas.

4. Why is Melbourne Water removing farm exemptions?

A number of farmland properties throughout the region were exempt from paying the Waterways and Drainage Charge. This is a legacy dating back to the 1980s.

Consistent with reforms Melbourne Water has been making to the Waterways and Drainage Charge to make it fairer and more equitable, Melbourne Water decided to remove this exemption from 1 July.

The affected properties were communicated to about the proposed change, which was approved by the independent pricing regulator - the Essential Services Commission.

Spreading the cost of services across all properties in the region is the fairest possible approach, given that everyone benefits either directly or indirectly from healthy waterways and a safe, reliable drainage system.

5. Why is Melbourne Water putting prices up for properties now part of the Urban Growth Boundary?

The Urban Growth Boundary (UGB) indicates the long-term limits of urban growth and Melbourne Water's drainage services broadly align with the UGB. The government extended the UGB in 2010 to include new land in Melbourne's north, west and south-east.

Until now, property owners affected by this boundary change were subject to Melbourne Water's rural Waterways Charge which is a lower fee due to the services being predominantly for waterway management.

However, given Melbourne Water's drainage services are expected to expand in line with the UGB it is proposed that our charges on these properties be brought in line with other properties within the UGB.

6. I don't receive any benefit to my property. Why should I pay?

The works that we do provide broad benefits to waterways across the catchment. Approximately 1.8 million property owners are levied the Waterways and Drainage Charge, which has existed since 1927. Spreading the costs across the whole region is the fairest possible approach as everyone benefits from healthy waterways and a safe and reliable drainage system.

Works are prioritised on a whole-of-region approach for the greater good of the region. Works delivered up stream will deliver positive outcomes to river health in other places.

7. I have a water/septic tank. Why should I pay?

The Waterways and Drainage Charge is not related to water and sewerage charges. The charge is a separate charge collected by the local water retailers on Melbourne Water's behalf.

8. Why do I have to pay?

The Waterways and Drainage Charge has existed since the 1920s and is now paid by over 1.8 million people within our Waterway Management District boundary.

Every Melburnian benefits from a well-managed drainage network and healthy waterways. The Waterways and Drainage Charge is the fairest way of funding these services and is approved by the independent pricing regulator – the Essential Services Commission.

9. What's my legislative requirement?

Section 259 of the Water Act 1989 (Part 13) permits Melbourne Water to levy waterways and drainage charges on properties within its "Waterway Management District".

All properties deemed rateable under the meaning of the Local Government Act 1989 are liable for the Waterways and Drainage Charge. So, if you pay council rates, the charge will apply.

Water Act 1989, Section 259, parts 9 and 10 state;

(9) An Authority may in respect of a property, separately impose fees under a tariff or development tariff in respect of each separate occupancy on that Property.

(10) In determining what constitutes a separate occupancy, the Authority must use the relevant principles set out in the Valuation of Land Act 1960.

NB A separate occupancy is a habitable dwelling, either occupied or vacant, on each council rated property.



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