

2019-20 REPORT ON THE STATE OF THE TASMANIAN WATER AND SEWERAGE INDUSTRY

Today the Tasmanian Economic Regulator released its latest review of the State's urban water and sewerage industry, looking at trends in TasWater's performance across a number of key areas and focussing on its performance in 2019-20.

TasWater's annual performance report is important. It helps to assess whether the objectives of the water and sewerage legislative framework, including protecting the long-term interests of customers and providing for the safe, environmentally responsible, efficient and sustainable provision of reliable and secure water and sewerage services to the Tasmanian community, are met.

Mr Joe Dimasi, the Tasmanian Economic Regulator, said "TasWater delivered improved performance outcomes across a number of areas in 2019-20 even though it experienced a significant disruption to its operations from the outbreak of COVID-19, and the required transition of many TasWater employees to working from home."

Despite such unforeseen challenges, the reliability and quality of drinking water supply for Tasmanians remains high. For the second consecutive year, TasWater achieved 100 per cent microbiological compliance across its network of reticulated water supply. No system operated under long term boil water alerts or had a public health alert (do not consume) in place during 2019-20. This is a significant improvement from three years ago where there were 25 permanent boil water or public health alerts across the State.

From a customer perspective, TasWater achieved a 57 per cent reduction in the number of water and sewerage complaints received relative to 2018-19, as well as a major reduction in the number of complaints received by the Tasmanian Ombudsman. The Tasmanian Economic Regulator supports TasWater's more proactive approach to dealing with customer concerns and enquiries at the first point of contact.

Warm and dry conditions led to high levels of water use with households using an average of 193 kilolitres of water during 2019-20. The total volume of urban water supplied in 2019-20, of 65 537 megalitres, was around 6.7 per cent above the five year annual average. TasWater imposed water restrictions in many areas across Tasmania, partly due to weather conditions but also, in some cases, due to factors within TasWater's control such as the condition of some major dams and water treatment plants.

TasWater's performance in sewage treatment continued to improve, with compliance of treated effluent with discharge to water limits in 2019-20 passing the 90 per cent mark for the second time since 2009-10. Both the percentage and the total volume of effluent recycled were higher in 2019-20 than in preceding years.

As in previous years, TasWater's rate of unaccounted for water was much higher in 2019-20 than for other major water utilities on mainland Australia. Around 28 per cent of the water produced by TasWater was unaccounted for. This was due to factors such as leakages in TasWater's water systems and metering, including some consumers not being billed for all their consumption. "TasWater needs to continue to work on reducing water losses. Properly accounting for all potable water produced for use improves TasWater's financial performance and is beneficial for all consumers," Mr Dimasi said.

There were no price increases imposed for water and sewerage services in 2019-20. Typical annual residential bills for residential customers with average water consumption (193 kilolitres per annum) was \$1 207 in 2019-20, which remains less than the amount most mainland households paid.

The Tasmanian Economic Regulator continues to closely monitor TasWater's delivery of its planned capital projects to meet its compliance obligations. Progress on some major projects in 2019-20 was delayed due to the slower than expected integration of TasWater's Capital Delivery Office within TasWater's operations. TasWater's total capital expenditure in 2019-20, at \$128 million, was around 10 per cent lower than TasWater's regulated capital expenditure for that year, as approved by the Tasmanian Economic Regulator.

For further information contact:
Chris Lock
Office of the Tasmanian Economic Regulator
Tel: (03) 6166 4422

The 2019-20 Report on the State of the
Tasmanian Water and Sewerage Industry
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