

The Economic Regulator is conducting a water and sewerage price investigation to set new prices from 1 July 2022

The investigation commenced on 1 July 2021

The Economic Regulator has notified TasWater, the Government and the public of its intention to conduct a water and sewerage price determination investigation and make a price determination.

In June 2022, the Regulator will approve maximum prices and any changes in the structure of TasWater's tariffs for the next four years (until 30 June 2026).

The Regulator issued guidance to TasWater

To provide sufficient information to enable the Regulator to assess TasWater's proposed prices and services TasWater must submit a Price and Service Plan containing information on how it plans to operate its business to enable it to provide regulated services.

In April 2021, the Regulator issued a [guideline](#) (PDF ↓) to TasWater setting out:

- the Regulator's approach and methodology to assessing TasWater's price submission and making a price determination
- the information TasWater is required to provide in its price and service plan.

TasWater's proposal

On 30 June 2021, TasWater submitted its proposed plan for prices and services. TasWater's submission sets out the service levels and expenditure it plans to deliver in return for the prices paid by customers over the four year regulatory period.

Read [TasWater's price and service plan proposal](#) (PDF ↓) to find out more about:

- its pricing proposal - average annual increase of 3.5 per cent (excluding inflation) on water and sewerage charges
- how it's going to deliver on its key regulatory compliance obligations
- its proposed capital works program
- service promise to customers

TasWater's price and service plan sets out how it intends delivering regulated services at a certain level for a certain price. It is a commitment to a set of outcomes that TasWater must deliver over the regulatory period.

How the Regulator reviews TasWater's proposal

The Regulator reviews and analyses the information contained in TasWater's proposal to determine whether the proposed prices, terms and conditions meet the relevant statutory requirements and also meet the expectations of customers and stakeholders.

The investigation involves reviewing information contained in TasWater's plan and considering:

- TasWater's responses to issues raised by the Economic Regulator during the course of the investigation;
- the requirements imposed on TasWater by the Director of Public Health, the Environment Protection Authority and the Dam Safety Regulator;
- the Economic Regulator's own enquiries and research; and
- feedback from interested parties during public consultation.

During the investigation the Regulator assesses TasWater's costs to ensure that prices are based on efficient costs and TasWater has sufficient funds to provide regulated services over the long term. This involves ensuring TasWater is appropriately investing in maintaining and replacing assets used to provide regulated services.

The Regulator is obtaining advice from expert consultants to review TasWater's capital expenditure and operating expenditure.

The Price Determination

A price determination applies for a set amount of time called the regulatory period. The investigation and price determination relates to a four year regulatory period commencing 1 July 2022 to 30 June 2026.

A price determination sets out the maximum prices that TasWater can charge its customers for regulated services.

The prices set out in the price determination are legally binding on TasWater. TasWater is unable to charge prices for regulated services above those set out in the price determination.

Service promise to customers

Customer service standards and the levels at which they are set affect the cost of providing regulated services and therefore the prices customers pay for regulated services.

In determining minimum service standards and levels, the Regulator assesses the trade-off between prices and service levels and considers customer feedback on TasWater's proposed service standards.

Have your say

The Regulator invites customers and stakeholders to:

- ask questions or provide comments by emailing office@economicregulator.tas.gov.au
- submit general feedback on TasWater's proposal
- talk to an OTTER team member about any issues or concerns you might have
- attend one of the planned online forums - see our website for details.

The Economic Regulator prepares a draft report and a proposed determination both of which it seeks public comment on.

Learn more about water and sewerage price regulation

More detail on how the Regulator sets TasWater's prices can be found at:

<https://www.economicregulator.tas.gov.au/water/pricing/water-and-sewerage-pricing-explained>

Next steps

To follow the development of the Regulator's draft decisions, you can subscribe to the Regulator's mailing list by emailing office@economicregulator.tas.gov.au.