

TasWater proposes continuing to use the equivalent tenements (ET) approach to charge for sewerage services, with some minor changes

Water use is metered, but customers' sewerage discharge is not

While water meters measure the volume of water supplied to a property, the volume of sewage discharged from a property is not metered. TasWater must therefore use a sewerage charging approach that estimates each customer's impact on the sewerage system.

The equivalent tenements (ET) approach

Currently, TasWater's sewerage charges are based on an equivalent tenement (ET) method. An ET is an approximate measure of the load a property places on the sewerage system and is based on the discharge of a standard residential dwelling, which is deemed to be one ET.

TasWater calculates the ET score for other property types depending on the different load they place on the sewerage system, with the customers' price increasing proportionally with the number of ETs. For example, if a business property places twice as much load on the sewerage system as a standard residential dwelling, TasWater will assess the property as two ETs and the sewerage price will be twice the price charged for a residential dwelling.

TasWater proposes continuing to use the ET methodology because it considers it is not practical or cost-effective to install sewage meters on each property. As such, there is no variable component for sewerage charges.

TasWater reviewed its method

TasWater recognises that the ET charging method is often not well understood by customers. In response to issues raised by customers, TasWater investigated alternative sewerage charging methods. As part of this review, customers rated a range of charging methods and options according to affordability, fairness, simplicity and cost-reflectivity. The options were:

- a single fixed charge for all customers (irrespective of connection size or usage);
- a fixed charged based on customer characteristics (similar to the ET method); and
- a combination of fixed and variable charges (including flow-based pricing and customer characteristics).

While customers were generally not supportive of the ET method, customers did not support changing to a different method given the potential price impacts for some customers the extra costs of changing.

TasWater's proposal

TasWater proposes continuing to use the ET methodology, with some refinements.

Proposed changes include:

- combining some ET categories to reduce complexity;
- updating ET unit measures to more accurately reflect load on the sewerage system; and
- adjusting categories and ET units for customers who also pay trade waste charges.

What would not change?

TasWater proposes to continue using its current ET methodology for determining sewerage charges for residential dwellings and many businesses. Offices and caravan parks will continue to be charged using a discharge method based on metered water use.

Prices and fees

TasWater proposes increasing sewerage charges by 3.5% each year up to 2025-26.

Read [TasWater's price and service plan submission \(PDF↓\)](#) to find out more.

Have your say

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

For more information on the Economic Regulator's 2022 Water and Sewerage Price Investigation visit

<http://www.economicregulator.tas.gov.au/water>