

REPORT ON THE STATE OF THE TASMANIAN WATER AND SEWERAGE INDUSTRY 2021-22

Today the Tasmanian Economic Regulator released its latest report on Tasmania's water and sewerage industry. The Report provides a detailed review of the performance of the industry in 2021-22 and offers customers and other stakeholders an insight into some of the issues and challenges faced by TasWater during 2021-22.

Whilst there remain some ongoing challenges, particularly in relation to unaccounted for water, the Tasmanian Economic Regulator, Mr Joe Dimasi, said that, overall, TasWater continues to meet its performance targets.

TasWater continued to meet safe drinking water targets in 2021-22. No water systems operated under long-term boil water alerts or had a "do not consume" public health alert in place and, for the fourth consecutive year, 100 per cent of TasWater's reticulated water customers received water that met microbiological compliance standards.

TasWater also continued to perform at or very close to standards relating to the treatment of effluent from its sewerage systems and the reuse of biosolids produced by its treatment plants. However, liquid effluent reuse was at lowest levels since 2013, with just 7.7 per cent reused.

TasWater's call centre answered 85 per cent of calls within 30 seconds, meeting its performance standard and significantly better than the median performance of similar sized water utilities on mainland Australia. However, the number of customer complaints increased by almost 12 per cent compared to the previous year. Water quality, including taste, colour and odour, continued to be the most common reason for customer complaints.

The number of residential customers repaying a debt continued to grow, as did average debt levels. At the end of 2021-22, 5 201 customers were repaying an average debt of \$1 312. The number of customers on TasWater's hardship program fell slightly, but the average debt of customers entering the program increased by \$405 to \$2 614. No customers had their water supply restricted for non-payment in 2021-22.

The Tasmanian Economic Regulator continues to be concerned by the very high percentage of treated water that is not supplied to TasWater's customers. TasWater estimated that 29 per cent of the water it produced was unaccounted for, an increase from 25 per cent in 2020-21. Whilst the level of unaccounted for water continues to reflect inefficiencies in TasWater's water systems, TasWater has committed to addressing this issue and Tasmanian Economic Regulator is hopeful that the delivery of TasWater's Non-Revenue Water Reduction Strategy will reduce water losses over the coming years.

TasWater's prices for water and sewerage services increased by 3.5 per cent in 2021-22. This was the first price increase in three years, with prices frozen by TasWater in the previous two years to provide relief to customers dealing with the impacts of the COVID-19 pandemic. The typical annual water and sewerage bill for a residential customer was \$1 232, based on the average consumption of 178 kilolitres of water. Tasmanian households paid slightly more than their interstate counterparts, based on an illustrative consumption of 200 kilolitres of water per year.

TasWater's underlying profit, which excludes contributed assets revenue, was \$31.9 million in 2021-22, compared to \$16.3 million in 2020-21. Total capital expenditure rose by 42.5 per cent to \$253 million, \$23 million more than forecast in TasWater's 2022-26 Corporate Plan. TasWater reported that this was largely due to progress in the delivery of its accelerated capital program to renew, improve and grow water and sewerage infrastructure.

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The *Report on the State of the
Tasmanian Water and Sewerage
Industry 2021-22* is available at:
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