

## 2026 TasWater Price Investigation Release of Final Report and Determination

---

The Tasmanian Economic Regulator, Mr Joe Dimasi, has today released the Final Report and Determination for the **2026 Water and Sewerage Price Determination Investigation**, setting out prices, service standards and revenue allowances for TasWater for the period 1 July 2026 to 30 June 2030.

The Final Report follows an unprecedented level of public engagement on TasWater's proposed Price and Service Plan for the fifth regulatory period, with the Economic Regulator receiving a total of 102 submissions during the investigation.

TasWater sought approval for almost \$2.8 billion in total expenditure over four years, representing a 61 per cent increase compared to the previous regulatory period. TasWater's proposal would have required average annual price increases of 11.5 per cent to support this level of spending. TasWater also proposed to defer some of that price increase, which would have been added to future price increases.

After undertaking extensive analysis, including independent expert reviews and careful consideration of submissions from households, businesses, councils and community organisations, the Economic Regulator has approved a total notional allowable revenue of \$1.95 billion for the fifth regulatory period. This results in a uniform annual price increase of 5.7 per cent, around half of what TasWater originally proposed.

For an average residential household, the estimated increase in 2026-27 is around \$80, compared with \$127 under TasWater's full expenditure proposal.

For an average small business customer, the estimated increase is around \$172, compared with \$255 under TasWater's full expenditure proposal.

The Final Report results in a higher, but still moderated, average annual price increase of 5.7 per cent, compared to 4.3 per cent in the Draft Report. This largely reflects the Economic Regulator's revised approach to TasWater's asset base and regulatory depreciation, as well as updated inflation and interest rate forecasts.

"The challenges facing Tasmania's water and sewerage infrastructure are real, and continued investment is essential," the Economic Regulator said.

"Most Tasmanians appear to understand the need for investment, but TasWater's proposal would have placed a very high burden on households and local businesses at a time when cost-of-living pressures are already significant. My decisions aim to better balance the need for investment with protecting customers' interests."

The Economic Regulator made a number of adjustments to TasWater's methods and calculations, which reduced the proposal from \$2.8 billion to \$2.2 billion.

A central focus of the adjustments was the condition and treatment of TasWater's regulated asset base, especially the older assets that were rolled into the asset base when TasWater was established. Without this adjustment, customers would have continued to pay for some assets that are no longer being used by TasWater to deliver water and sewerage services.

---

For further information contact:

Kirstan Long

Director, Office of the Tasmanian Economic Regulator

Tel: (03) 6145 5899

[office@economicregulator.tas.gov.au](mailto:office@economicregulator.tas.gov.au)

The Economic Regulator also assessed the prudence and efficiency of TasWater's proposals.

The Economic Regulator has determined that it is not prudent and efficient for TasWater to attempt to deliver its full capital expenditure program in a single four-year regulatory period. Instead, the Economic Regulator has assumed that the delivery of some projects will extend into the early years of the sixth regulatory period. On this basis, a capital allowance of approximately \$1.18 billion over the next four years has been used to set prices. The remainder of the capital program is expected to be completed during the next regulatory period. The capital allowance used to set prices is an estimate of what a prudent and efficient business would spend, and what customers should reasonably pay. In practice, it does not limit how much revenue TasWater can allocate to its capital program. Decisions about the scale, timing and prioritisation of capital works remain the responsibility of TasWater's Board and management, guided by its technical regulators.

Operating expenditure has also been reduced compared to TasWater's proposal, reflecting stronger efficiency targets and adjustments informed by the independent expert review.

The Final Report adopts a transitional approach to pricing structures for water and sewerage services. This approach recognises support from customers for more control over their bills, but acknowledges that further work is required before significant changes to tariff structures can be fully implemented. Existing trade waste charging arrangements will be maintained for the fifth regulatory period, and changes to developer charges have been moderated following further assessment.

"I would like to thank everyone who took the time to make a submission and share their views," the Economic Regulator said. "The Economic Regulator has carefully considered all feedback in making his decisions in the Final Report and Price Determination."

The Economic Regulator aims to commence a review of TasWater's regulatory framework in the coming months. Feedback from customers and stakeholders will have a key role in shaping the scope and outcomes of that review.

For more information and to view the Final Report and Price Determination, visit [2026 Water and Sewerage Price Determination Investigation](#).

# Attachment

**Table 1: Comparison of TasWater's proposed expenditure for the fifth regulatory period, with the expenditure approved by the Economic Regulator for the fourth regulatory period**

	PSP4 approved expenditure (\$m)	TasWater's proposed PSP5 expenditure (\$m)	Increase in expenditure (%)
Operational expenditure	862.7	1 110.2	29%
Capital expenditure	861.9	1 673.5	94%
<b>Total expenditure</b>	<b>1 724.6</b>	<b>2 783.7</b>	<b>61%</b>

**Table 2: Overview of TasWater's proposed notional allowable revenue and the Economic Regulator's final notional allowable revenue allowance for the fifth regulatory period (\$m, nominal)**

	TasWater's proposal	Economic Regulator's draft allowance	Economic Regulator's final allowance
Operational expenditure	1 110.2	1 011.7	1 018.8
Regulatory depreciation	559.8	448.4	519.4
Return on capital	1 177.8	1 015.2	1 070.2
Inflation	-595.4	-586.4	-657.5
<b>Total notional allowable revenue</b>	<b>2 252.4</b>	<b>1 888.8</b>	<b>1 950.9</b>
<b>Equivalent annual price increase</b>	<b>11.5%</b>	<b>4.3%</b>	<b>5.7%</b>

**Table 3: Water and sewerage bill outcomes for an average residential customer, residential tenant and small business customer type (\$)**

Customer type	2025-26		2026-27	
	Current	TasWater's proposal	Economic Regulator's draft decision	Economic Regulator's final decision
<b>Annual price increase</b>	<b>N/A</b>	<b>11.5%</b>	<b>4.3%</b>	<b>5.7%</b>
Average residential	1 407	1 534	1 461	1 487
Average residential tenant <sup>1</sup>	205	302	230	230
Average small business <sup>2</sup>	4 121	4 376	4 250	4 294

Note:

1 - Only the variable water charge can be passed on to tenants under the *Residential Tenancy Act 1997*.

2 - To create the average small business customer shown in Table E.6, the Economic Regulator has made assumptions, including how much water the customer uses; the size of their water connection; and how many equivalent tenements they were charged for in 2025-26. The Economic Regulator has assumed that the business has a trade waste agreement in place.

For further information contact:

Kirstan Long

Director, Office of the Tasmanian Economic Regulator

Tel: (03) 6145 5899

[office@economicregulator.tas.gov.au](mailto:office@economicregulator.tas.gov.au)