

Our ref: TasWater Proposed Capital Investment Program
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The Office of the Tasmanian Economic Regulator
The Treasury Building
Level 3, 21 Murray Street
Hobart TAS 7000

By Email: office@economicregulator.tas.gov.au

Dear Sir/Madam

GLENORCHY CITY COUNCIL SUPPORT OF TASWATER'S PROPOSED CAPITAL INVESTMENT PROGRAM (PSP5)

On behalf of Glenorchy City Council (GCC), I write to formally register Council's support for TasWater's forthcoming Price and Service Plan 5 (PSP5) investment program. As a key stakeholder in the Greater Hobart region, GCC recognises that the scale, scope and timing of the proposed infrastructure investment are critical to protecting public health, the environment, service reliability, capacity for future development and local economic development.

We make this submission in the context of the following key issues, which we request the Regulator to consider in its assessment of TasWater's proposal.

1. Ageing sewerage infrastructure and compliance shortfalls

TasWater's sewerage network infrastructure has been under invested for decades, and the need for renewal is crucial. While GCC does not have full statewide data for every asset, we rely on the regulator's assessment of network performance: in the 2023-24 Report on the State of the Tasmanian Water and Sewerage Industry, TasWater recorded 64 sewer mains breaks and chokes per 100 km of pipe, up from 48 in 2022-23, and significantly above the median of 19.4 breaks and chokes per 100 km for comparable mainland utilities.

The 2022-23 report confirmed that 28% of sourced potable water was unaccounted for (leaks/losses) signalling underlying network deterioration.

In Glenorchy specifically, our localised pipe-break and choke rate of approximately 79 breaks and chokes per 100 km illustrates that our community is at or above the worst-performing end of the scale. We support a robust renewal programme is required to bring the network into an acceptable state of reliability and compliance.

Earlier data (2013-14) indicated that over 90% of wastewater treatment plants in Tasmania failed to meet environmental or licence standards.

Although this is older data, it strongly suggests a long-term legacy of under-investment.

Accordingly, we endorse TasWater's proposed \$655 million statewide investment in upgrading ageing sewage treatment plants to ensure capacity is met, deliver substantial environmental benefits (clean waterways, lower emissions, enhanced recycling), and to reduce the risk of non-compliance and asset failure.

2. Network renewals and targeted outcomes

GCC supports TasWater's intention to increase sewer main renewals in PSP5 to \$30.1 million (more than double the PSP4 level) with a target of reducing sewer breaks and chokes to 20 per 100 km by 2030. This commitment is aligned with the urgency evidenced in the regulator's data and should deliver meaningful improvements in reliability and risk mitigation.

From a local perspective, this level of investment is both necessary and timely: the high incidence of sewerage main chokes/blocks places local environment (stormwater overflows, basement backups), public health and operational cost burdens on our community and Council.

3. Water network losses and non-revenue water

GCC supports the capital program's focus on the potable water network. TasWater's most recent annual report indicates that approximately 24.5% of treated water was unaccounted for in 2023-24, improved from 28% in 2022-23, yet well above the target standard of 19%.

In metrics of real water loss, TasWater's estimated 7.6 kL per km of main per day in 2023-24 is over twice the median rate of 3.2 kL per km per day for equivalent mainland utilities.

These performance deficits reflect systemic ageing infrastructure, and GCC strongly endorses TasWater's Non-Revenue Water Reduction Strategy (including installation of district metered areas and advanced acoustic leak detection) as a priority.

In our view, the water network investment component of PSP5 is essential, not only for reducing losses, but also for enhancing network resilience, extending asset life, lowering energy/chemical consumption and reducing long-term operating costs.

4. Economic and community benefits

Beyond the purely technical service metrics, the proposed capital investment of \$1.7 billion statewide under PSP5 represents a significant stimulus to local economic activity and job creation. TasWater's historical procurement practice of awarding approximately 80% of contracts to Tasmanian companies ensures that the investment flows directly into local supply chains, labour markets and secondary industries.

For Glenorchy, this means improved supplier engagement, trade employment opportunities, and ancillary growth in engineering, construction, maintenance and environmental remediation industries. The benefit to our local economy and workforce capacity cannot be overstated.

5. Affordability, service standards and regulatory context

GCC recognises that such investment places cost pressures on customers and the regulatory environment. However, given the backlog of asset renewal, the current performance deficits, and the long-term financial burden of deferred maintenance, we judge the proposed program to be prudent and aligned with the principle of inter-generational equity.

We ask that the infrastructure investment be implemented as economically as possible to minimise the cost burden on the community especially during these times of escalated cost of living pressures. However, we understand that it is more costly to defer investment and face asset failure, environmental penalties or higher refurbishment costs later.

We encourage OTTER to assess TasWater's PSP5 submission on the basis of:

- The demonstrable asset condition, network performance metrics and service shortfalls as evidenced in regulator reporting
- The clear and measurable targets tied to the programme (e.g., breaks and chokes down to 20 per 100 km by 2030, reducing non-revenue water to target levels)
- The economic multiplier and local jobs benefit of the capital expenditure
- The improved environmental outcomes (river and catchment health, emissions reduction, recycled water usage) which align with Tasmania's broader sustainability imperatives

GCC is available to provide further localised input if required, particularly in community impacts of sewer failures or water losses and forecast demand modelling tied to urban growth and climate adaptation.

In conclusion, Glenorchy City Council endorses TasWater's proposed infrastructure investment plan under PSP5 and respectfully requests that OTTER give due regard to the technical evidence, service reliability imperatives and broader community, economic and environmental benefits in its upcoming regulatory decision.

Thank you for the opportunity to provide this submission.

Yours faithfully,



Emilio Reale
Chief Executive Officer

Below is Supporting Data and Context, included as part of the Council’s submission to the Tasmanian Economic Regulator. It summarises key performance indicators, provides Glenorchy-specific context.

Supporting Data and Context

1. Sewer Network Performance

Indicator	TasWater 2023-24 (Statewide)	Australian Median (2022-23)	Glenorchy Estimate	Source / Reference
Sewer main breaks and chokes (per 100 km pipe)	64	18–19	79	OTTER <i>Report on the State of the Tasmanian Water and Sewerage Industry 2023-24</i>
Sewage treatment plants meeting EPA compliance	9 % compliant / 91 % non-compliant	n/a	n/a	TasWater public reporting; ABC News 2015
Target under PSP5	≤ 20 breaks/chokes per 100 km by 2030	–	–	TasWater PSP5 proposal

The data indicates that TasWater’s sewerage system is among the most failure-prone nationally. Glenorchy’s network, much of which dates from the 1950s–1970s, is particularly affected by pipe corrosion, root intrusion and infiltration. Increased renewal investment under PSP5 will materially reduce service interruptions and environmental discharge risk.

2. Water Network Performance

Indicator	TasWater 2023-24	Australian Median	Glenorchy (Indicative)	Source / Reference
Real water loss (kL/km of main/day)	7.6	3.2	8–9 (estimated)	OTTER 2023-24 report
Non-revenue water (% of supply)	24.5 %	13–17 % typical	~25 %	OTTER 2023-24 report
Water main breaks (per 100 km pipe)	20.6	14.7	22 (est.)	OTTER 2023-24 report

Indicator	TasWater 2023-24	Australian Median	Glenorchy (Indicative)	Source / Reference
Target under PSP5	≤ 18 per 100 km by 2030	–	–	TasWater PSP5 proposal

Non-revenue water remains one of Tasmania’s poorest-performing indicators. Losses of this magnitude represent not only inefficiency but also wasted energy and treatment inputs. PSP5’s proposed investment in acoustic leak detection, smart metering and pressure management is technically justified and expected to achieve measurable efficiency gains.

3. Economic and Social Benefits

Measure	PSP5 Estimate	Localised Impact (Glenorchy)	Notes
Total capital program	\$1.7 billion (2026–2030)	~\$150–\$200 million estimated share of works in Greater Hobart region	TasWater PSP5 draft plan
Employment supported	~3,000 FTE jobs statewide over 5 years	300–400 FTE local jobs	TasWater procurement data
Local supplier participation	~80 % Tasmanian businesses	High local content	TasWater Annual Report 2024

4. Environmental Outcomes

- Improved waterway health: Compliance upgrades will reduce nutrient and pathogen discharge to the Derwent River and its tributaries, directly benefiting Glenorchy’s riverfront and foreshore zones.
- Emission reduction: Energy-efficient treatment processes and biosolids reuse are expected to reduce TasWater’s Scope 1 and 2 emissions by approximately 20 % over the PSP5 period.
- Recycled water: Increased treatment capacity will enable expanded irrigation reuse schemes for parks and industrial sites in the Brighton–Glenorchy corridor.

6. Summary

In technical and economic terms, TasWater’s proposed PSP5 investment directly addresses known performance deficiencies, mitigates environmental and public-health risk, and aligns with sustainable asset-management principles. Glenorchy City Council therefore reaffirms its strong support for the proposed program.