

2018-19 REPORT ON THE STATE OF THE TASMANIAN WATER AND SEWERAGE INDUSTRY

Today the Tasmanian Economic Regulator released its latest review of the State's urban water and sewerage industry, looking at trends in TasWater's performance across a number of key areas and focussing on its performance in 2018-19.

Mr Joe Dimasi, the Tasmanian Economic Regulator, said "Reporting on performance is essential for water utilities, which are natural monopolies, to provide transparency to consumers as well as to meet regulatory requirements and allow benchmarking by comparison."

Overall, the quality and reliability of drinking water supply in Tasmania is high and there has been a sizeable drop in the number of complaints made to TasWater. While the age and condition of TasWater's water and sewerage infrastructure is causing some issues with service interruptions, Tasmanians can expect good levels of service across the network. With all drinking water alerts (boil and do not consume) lifted in regional communities and adequate ongoing monitoring of drinking water supplies, the risk to public health has been reduced. The performance of TasWater's sewage treatment plants has improved and while there have been a number of sewage spills this year, there is no ongoing impact on public health resulting from these incidents.

In 2018-19, for the first time, TasWater achieved 100 per cent microbiological compliance across its network of reticulated water supply; a significant feat given that two years earlier, there were 25 permanent boil water or public health alerts across the State. However, there are still a few issues with drinking water in towns that have been removed from service, which regulators expect to be resolved.

Similar to last year, warm and dry conditions led to high levels of water use in 2018-19, with households using an average of 191 kilolitres of water during the year. In both 2018-19 and the previous year, the total volume of urban water supplied was around 20 per cent above the long-term average, with a total of 67 000 megalitres of urban water supplied in 2018-19.

TasWater's performance in sewerage treatment has also improved, with higher rates of compliance of treated effluent discharged to waterways in 2018-19, rising to over 90 per cent against regulatory limits, the highest level since 2009-10. "TasWater's larger-capacity sewage treatment plants generally perform better against regulated limits than smaller plants, which means on a flow-weighted basis, overall compliance levels are biased towards those large STPs" Mr Dimasi noted. "However, several major sewage spill incidents, in both this reporting period and more recently, have highlighted potentially unsatisfactory operating procedures at a number of sites, requiring urgent attention to avoid risk to public health."

Valuable water is being wasted due to leakages in TasWater's water systems. As in previous years, TasWater's rate of water loss was much higher in 2018-19 than that of other major Australian water utilities. Mr Dimasi said "some losses are to be expected, but TasWater needs to ensure that they are not excessive." "The imposition of water restrictions on TasWater's customers also emphasises the need to reduce these losses" he added.

The Tasmanian Economic Regulator is closely monitoring TasWater's delivery of its planned capital projects, noting that the establishment of TasWater's Capital Delivery Office has resulted in delays to some projects. "TasWater completed four major projects in 2018-19 and had ten under construction. TasWater reports its capital projects to the Tasmanian Economic Regulator on a quarterly basis, to enable the Tasmanian Economic Regulator to assess the progress TasWater has made in implementing its capital expenditure program. I recognise, however, that TasWater's overall financial position, and its future investment program,

may be affected by the economic restrictions imposed and other measures implemented as a result of the coronavirus pandemic” Mr Dimasi said.

Water and sewerage prices rose by 4.1 per cent in 2018-19, with typical annual residential bills increasing to \$1 204 in 2018-19 from \$1 158 in 2017-18, which remains less than the amount most mainland households paid. A very small number of TasWater’s customers are still paying prices below the target tariff.

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Tasmanian Water and Sewerage Industry
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