

12 December 2025

The Office of the Tasmanian Economic Regulator
The Treasury Building
Level 3, 21 Murray St
Hobart TAS 7000

office@economicregulator.tas.gov.au

Dear Mr Dimasi,

RE: TasWater Price & Service Plan 5 (PSP5) – Sorell Council

Council provides this letter for your consideration as the Regulator outlining our feedback and in principle support regarding PSP5.

The Sorell LGA has had the highest rate of population growth of any Tasmanian LGA from 2001 to 2023 with projections indicating this will remain from 2024 to 2046. Sorell is accordingly facing potential capacity issues in water and sewerage that threaten to constrain development unless there is significant investment from TasWater to address these constraints.

PSP5 proposes to address these issues with a project to increase capacity at the Sorell Sewage Treatment Plant to meet the expected growth from new subdivisions, while also improving environmental performance. Growth is a key driver for this \$20.3 million project, with several areas of the town being considered for rezoning.

The principal growth area (Sorell East – 161ha) is identified in the Planning Scheme as a township investigation area and forms part of the revised Urban Growth Boundary in the Southern Tasmanian Regional Land Use Strategy. The provision of infrastructure is the key to unlocking the opportunity that the UGB extension provides to grow Sorell as an employment, education and service hub for the south-east region. Housing yield alone in Sorell East will range from 1,400 to 2,000 dwellings supporting a population increase of 3,200 to 4,500 persons.

An additional key infrastructure project identified in PSP5 that must occur to facilitate the growth areas is the rising main duplication between Sorell and Penna. This \$4m project will also benefit the re-use water irrigation scheme through increased capacity supply to the Coal Valley.

TasWater's sewer network is in urgent need of significant investment with 91 per cent of its treatment plants unable to meet EPA compliance requirements. Significantly for the south-east, implementation of the Pittwater Sewer Strategy is of vital importance to address these and whilst not a PSP5 project, ensuring TasWater is in the required financial position to deliver this requires appropriate price setting now as contemplated by PSP5.

There are a high number of sewer breaks and chokes compared to other major water businesses across Australia. In 2023-24 TasWater averaged 64 sewer mains breaks and chokes per 100km of pipe, compared to the Australian median of 18.

TasWater's plan to increase sewer main renewal expenditure to \$30.1 million in PSP5, more than double what it spent on sewer main renewals in PSP4, is expected to bring this figure down to 20 breaks and chokes per 100km by 2030.

Their plan to spend \$655 million statewide on upgrading ageing sewage treatment plants will deliver benefits to the environment cleaning up Tasmania's waterways, lowering emissions and allowing more water to be recycled.

These are much-needed investments to address long-standing problems and are particularly relevant for Sorell and the south-east with the scale and proximity of aquaculture operations.

Similarly, the state's water network still needs further work, with TasWater continuing to lose more water through leaks than any other water utility in the country. The proposal to spend \$95.2 million on water main renewals across the four years of PSP5 should go a long way to increasing the reliability of the state's water network.

Sorell's water network is also contemplated under PSP5 with a \$10.5 million project proposed to construct a new reservoir and pipeline to increase the capacity of the network to cater for expected growth.

If TasWater doesn't invest now, it will continue to fall behind the investment required to maintain its assets creating a larger, unsustainable challenge for future generations. It needs to be supported to cater for growth in addition to meeting regulatory requirements.

The proposed capital spend statewide in PSP5 of \$1.7 billion will also provide a significant boost in economic activity and create more than 15,000 jobs. This will be very positive for local businesses with TasWater awarding about 80 per cent of contracts to Tasmanian companies last year.

Council accordingly supports PSP5. If you require further information, please contact the undersigned on 0400 123 933.

Yours sincerely,



Robert Higgins
CHIEF EXECUTIVE OFFICER