



Media Release
30 April 2015

TASMANIAN WATER AND SEWERAGE PRICE DETERMINATION

Tasmania's Independent Economic Regulator has completed its price determination investigation into prices and service standards for water and sewerage services and has published its Final Report and Price Determination.

The Determination applies to TasWater's regulated prices and services from 1 July 2015 to 30 June 2018.

In releasing the Final Report and Price Determination, Chairman Glenn Appleyard thanked those who had taken the time to provide submissions and noted that the Regulator had considered all matters raised in submissions.

"However, the extent of the challenges facing the industry, together with the legislative requirements the Regulator operates under, means that not all of the concerns of customers, stakeholders and other industry regulators can be addressed during the upcoming three-year regulatory period," Mr Appleyard said.

In its decision, the Regulator has approved an approach that continues to move customers to defined target tariffs and places limits on annual price increases with Mr Appleyard noting that "As a result almost all customers will be paying the same price for the same service by 30 June 2018."

Mr Appleyard outlined that the Economic Regulator had approved the following pricing arrangements:

- Customers whose current fixed charges are above the nominated target tariffs will have their prices reduced to the target tariffs from 1 July 2015.
- Customers whose current fixed charges are equivalent to the applicable water target tariff, will not see any increases in those charges.
- Customers whose current fixed charges are equivalent to the applicable sewerage target tariff, will face annual increases of six per cent per year.
- Most residential customers whose current fixed charges are below the target tariffs, will face price increases capped at the greater of 10 per cent or \$100 per year until they reach the target tariff. For larger customers, the \$100 cap increases in proportion to the size of their water connection and the estimated demand those customers place on the sewerage system.

- Customers not on the respective target tariffs for water usage and trade waste charges will move to target tariffs over the period in three equal annual steps.
- The target water usage charge will increase by 2.5 per cent per annum to reflect inflation.

Mr Appleyard also noted that “these arrangements will complete the price transition for most customers whilst providing TasWater with the financial capacity to continue addressing non-compliance with the required health, environmental and dam safety standards”.

The Final Report, Price Determination, and a Statement of Reasons outlining the Regulator’s response to issues raised in the submissions received, are available on the Regulator’s website: www.economicregulator.tas.gov.au.

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