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Media Release

Auditor-General says TasWater delivering on reform objectives

TasWater has welcomed the Auditor-General's report into its performance that confirms the significant progress achieved since the reform of Tasmania's water and sewerage services commenced in 2009.

The Auditor-General's conclusion is unambiguous saying: "It is my conclusion that, with the exception of improved environmental outcomes in wastewater treatment, the intended outcomes of the reforms have either been fully or partially achieved."

The Tasmanian Audit Office review of TasWater's performance concludes that the Corporation has achieved or partially achieved 92 per cent of the 37 intended outcomes that were assessed.

Further, the Auditor-General acknowledges that not all intended outcomes could be achieved in the seven-year period, confirming that both the 2008 and 2012 legislation envisaged a journey that would take some time.

Chairman Miles Hampton said the report confirmed that TasWater had made significant progress across a broad spectrum of intended outcomes.

"The report confirms:

- Significant improvement in water quality outcomes;
- Asset management has improved;
- The reforms have delivered expected financial benefits;
- Customer service has broadly improved;
- The regulatory framework has been as robust as the frameworks in other Australian States; and
- The reform is on track to deliver the Government target of \$1 billion in capital upgrades within a ten-year period.

"The report correctly says that progress in the achievement of wastewater treatment plant compliance has been slower than what might have been expected, but acknowledges that this reflects an agreement with various regulators that the initial priority would be water quality issues," Mr Hampton said.



“But despite the agreed focus being on water quality, nonetheless there has been significant gains in a number of key environmental outcomes:

- No environmental infringement notices relating to sewage treatment plant compliance since August 2015.
- The percentage of substantially compliant sewage treatment plants has increased from 63 per cent in 2009/10 to 76 per cent in 2015-16.
- The percentage of treated volume compliant with Environment Protection Authority requirements has increased from 81.4 per cent in 2014-15 to 86 per cent in 2016-17.
- The total number of sewer overflows has reduced from 645 in 2013-14 to 134 in 2016-17.
- Sewer odour complaints have decreased from 274 in 2013-14 to 137 in 2016-17.
- Dry weather spills have reduced from 155 in 2013-14 to 66 in 2016-17.
- Recycled water compliance has increased from 69 per cent in 2014-15 to 79 per cent in 2016-17.
- Percentage of bio-solids beneficially re-used increased from 56 per cent in 2013-14 to 99.8 per cent in 2016-17.

“Now, with water quality issues almost fully resolved, we have moved to focus our efforts on reviewing and undertaking wastewater treatment plant solutions. The construction of the new \$50 million wastewater treatment plant at Blackmans Bay that commenced in May this year is clear evidence of this focus. The new plant will replace four existing plants.”

Mr Hampton said importantly, the Auditor-General concluded that TasWater’s customers “pay an appropriate amount for the water and sewerage services they receive.”

"The report proposes an acceleration of TasWater’s capital program and we agree. That is why our 10-year plan has us increasing capital spending from \$105 million in 2016-17, to \$135 million in 2017-18 and \$150 million in 2018-19.

Mr Hampton says the report also confirms that a transparent, regulated approach, as currently exists, is important.

“This supports the conclusions of the recent Productivity Commission report that is critical of the State Government’s proposed takeover of TasWater and the compromising of the current independent regulatory process,” he said.

“Quite correctly, the report does not buy into the TasWater ownership debate, but notes that with any restructure or consolidation, there is a period of transition for the new entity before the intended benefits of the changes materialise.

“But it confirms without equivocation that Tasmanians are already receiving significant benefits with more to accrue as a result of TasWater’s current 10-year infrastructure upgrade plan.



“The report shows that, through TasWater, Tasmanians are already receiving improved water quality standards, and that tourism, business and the community are benefiting from improved infrastructure, a balanced and fair pricing structure, improved strategic asset management, and customer driven decision making.

“While we have work to do to improve waste water compliance, we are aware of this as a result of the priority given to upgrading drinking water compliance outcomes. But we have a comprehensive plan and an agreement with the Environmental Protection Agency to achieve the required improvement in an appropriate time frame.”

Mr Hampton says the Tasmanian Audit Office report provided a further body of evidence that the proposed takeover is unnecessary and should be rejected.

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Further information:

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