



Media Release
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**TASMANIAN WATER AND SEWERAGE STATE OF THE
INDUSTRY REPORT 2007-08**

Tasmania's independent Economic Regulator has released its first annual review of the State's urban water and sewerage industry.

Mr Glenn Appleyard, Tasmania's Economic Regulator, said the report is "a comprehensive independent review of the service, quality, reliability and pricing of the industry in the State as can be reasonably determined with the limited data available."

Tasmania represents only 0.9 per cent of Australia's land area and supports around three per cent of the population, yet the State has 12 per cent of the nation's total freshwater resources. This represents a significant comparative advantage for the State.

As a fundamental part of the economic and social fabric of Tasmania, the State's water resources must be managed appropriately to maximise the social and economic potential of the land, both for the public interest and economic growth.

In 2008, legislation was introduced to reform Tasmania's water and sewerage industry. The reforms involve structural changes, with water and sewerage services to be delivered by three regional corporations from 1 July 2009. In addition, a new regulatory framework will apply to the industry, which includes independent regulatory oversight, customer service standards, price regulation and performance monitoring and reporting.

As part of the performance monitoring and reporting regime, the Regulator is required to prepare a State of the Industry Report each year, examining the performance of the Tasmanian water and sewerage industry in the previous financial year. This is the first of such reports, covering the 2007-08 financial year and has been prepared in consultation with relevant government agencies and health and environmental regulators.

The report focuses on the pre-reform environment and measures the performance of Tasmania's three bulk water authorities and 29 local councils in providing water and sewerage services across the State.

The report covers the key areas of affordability, customer service, network reliability and efficiency, drinking water quality, environmental compliance and an identification of priority future projects. Information presented in the report is based on data sourced from State Government agencies, councils and bulk water authorities.

The Regulator has noted in this report that the lack of comprehensive performance data for the sector has constrained the ability to assess the performance of the Tasmanian water and sewerage industry. Performance assessments are further hindered by the fact that the policy and regulatory framework for the industry has not yet been finalised. Therefore, even where data is available on a particular aspect of performance, it is often not possible to assess whether it is an acceptable outcome or not, due to the lack of corresponding regulatory standards. This is particularly the case for customer service matters.

However, Mr Appleyard said that the report "will help to establish benchmarks of performance for the newly formed regional corporations and provide incentives for corporations to improve their performance relative to that of other corporations and also to improve their own performance over time".

It is expected that the ability to assess the performance of the industry will improve as the policy and regulatory framework is implemented; standardised performance information becomes available; and the sector adopts a more strategic forward looking approach in the management of its assets.

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Copies of the State of the Industry
Report are available at:
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