

Executive summary

The National performance report 2014–15: urban water utilities, is the tenth in the series of national performance reports and the second to be produced by the Bureau of Meteorology. It provides a comparison of performance for 87 urban water service providers, comprised of 80 water utilities and councils (collectively referred to as utilities) and 7 bulk water suppliers. These utilities provide urban water services to over 20 million people. This Part A of the report provides an overview of the key drivers of water performance in 2014–15, including rainfall, temperature, utility size, and water source availability, provides a context for urban water performance. The reports commentary and analysis includes key indicators covering water resources, pricing, finance, customer service, assets, environment and health.

Average to drier-than-average conditions across Australia ahead of an El Niño declared in May 2015

Rainfall deficiencies continued across southern and eastern Australia. This was consistent with longer-term drying trends and the El Niño conditions in the tropical Pacific, experienced across 2014 and 2015. Rainfall trends across the States and Territories in 2014–15 were average for the Northern Territory, close to average for New South Wales and Western Australia, and drier-than-average elsewhere (Bureau 2016).

Median annual residential water supply per property falls following three years of increases

Despite drier-than-average conditions across much of Australia, the median annual volume of residential water supplied fell by 3 per cent to 179 kL/property, halting a run of consecutive rises over the past three reporting periods (2011–12, 2012–13, and 2013–14).

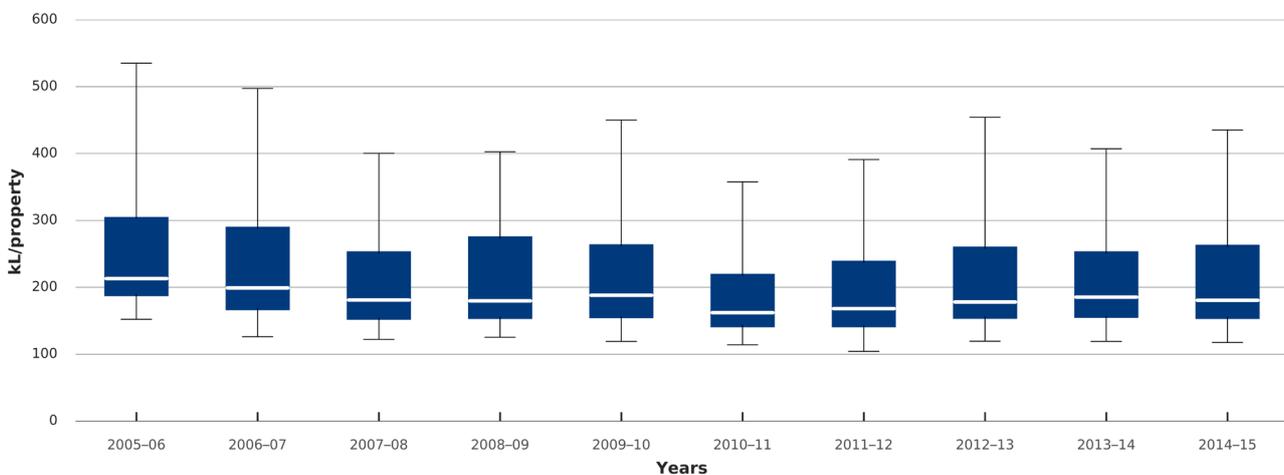


Figure ES1 W12—Average annual residential water supplied (kL/property), 2005–06 to 2014–15

Increased supply of recycled water by larger non metropolitan utilities

Nationally, the total volume of recycled water supplied by utilities that reported in both 2013–14 and 2014–15 increased by 2 per cent in 2014–15. This increase came after a 2 per cent decrease reported in 2013–14. Importantly, there was an observed 13 per cent increase in recycled water supplied by utilities in the 50,000–100,000 connected properties size group. This increase reflects the reduced availability of surface water for the larger non-metropolitan utilities and the need to diversify supply sources in the face of growing demand.

Typical residential bill continues its steady growth, rising 4 per cent in real terms

In real terms the national median typical residential bill for water and sewerage rose by 4 per cent in 2014–15, increasing to \$1,299 in 2014–15 from \$1,255 in 2013–14.

Small to medium utilities, those within the 10,000–20,000 and 20,000–50,000 size groupings, reported a 3 and 2 per cent increase in median typical bill respectively.

Figure ES2 highlights the long-term trend for the typical residential bill and is based on all utilities reporting within each year. It shows that the rate of increase of the typical residential bill has slowed in recent years.

An increasing spread of values in the middle 50 per cent reflects a greater variance of typical bills in 2014–15. Eight new utilities reporting in 2014–15 all had typical residential bill values in the upper end of the dataset, extending the upper range of the distribution.

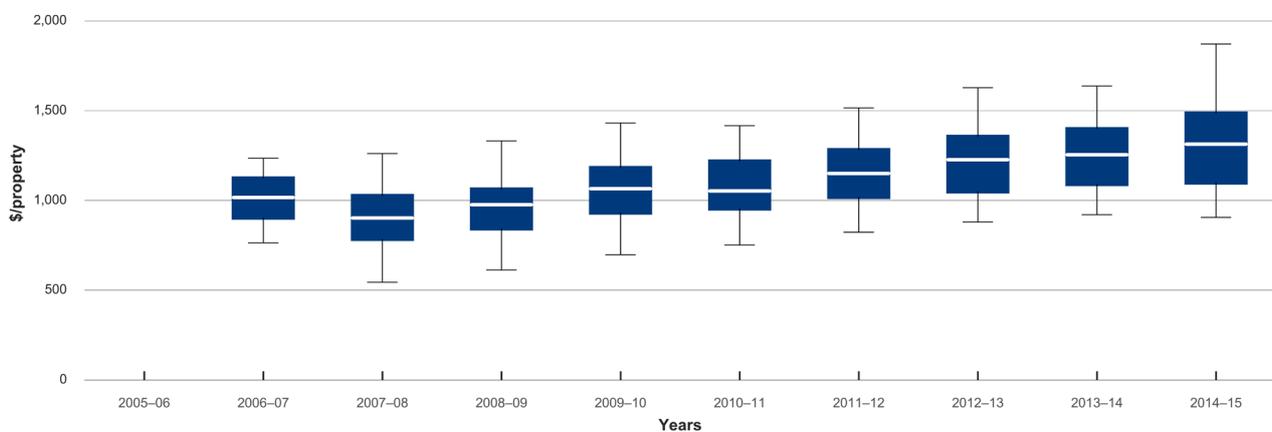


Figure ES2 P8—Typical residential bill: water and sewerage (\$), 2005–06 to 2014–15

Note: P8 was introduced for the first time in the 2006–2007 reporting year.

Increased capital expenditure on sewerage offset by a fall in water supply spending

In real terms, total capital expenditure on water supply and sewerage services by utilities decreased by 4 per cent (\$126 million) from 2013–14. Expenditure was \$3.022 billion in 2014–15, down from \$3.148 billion in 2013–14. In 2014–15 an increase in sewerage expenditure was offset by a decrease in water supply expenditure.

Figure ES3 shows the total capital expenditure for water supply and sewerage services over the period 2007–08 to 2014–15. While capital expenditure is highly variable from year to year there is a clear downward trend across this period.

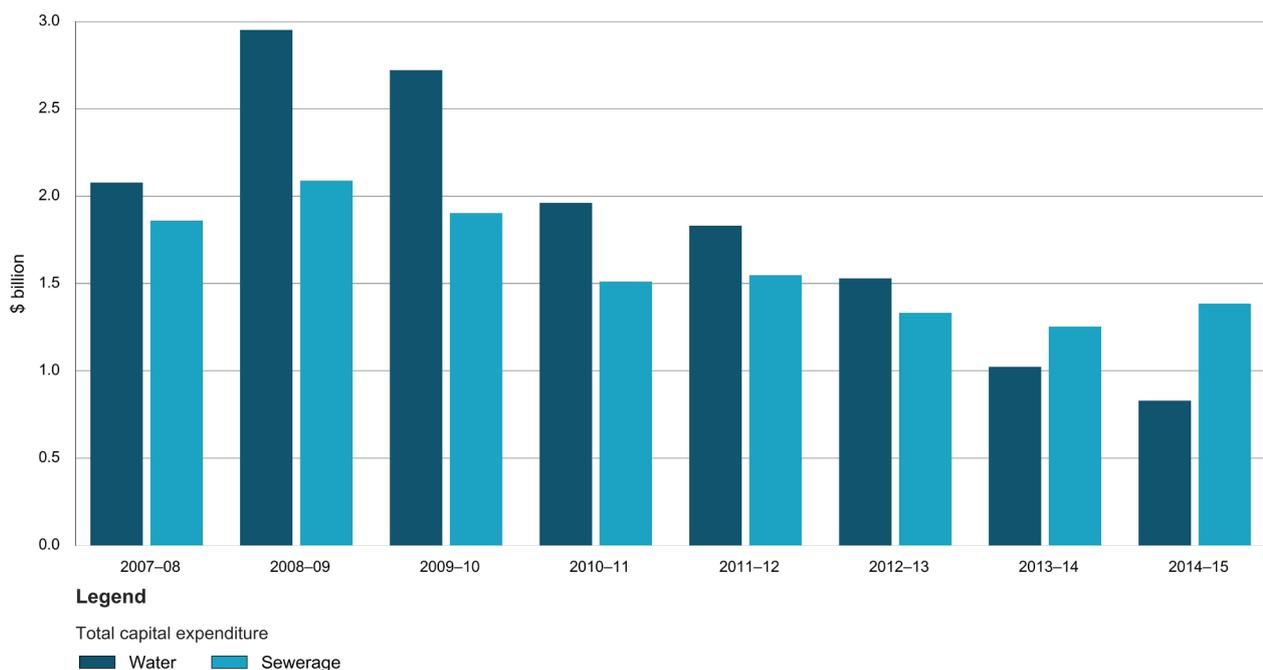


Figure ES3 F16—Total capital expenditure: water and sewerage (\$ billion), 2007–08 to 2014–15

Note: Total is for utilities that reported all seven years

Median combined operating costs down 5 per cent in real terms

The national median combined operating expenditure, on a dollar per property basis, fell 5 per cent in real terms in 2014–15. Costs were \$850 per property in 2014–15, down from \$892 in 2013–14.

Figure ES4 highlights the long-term trend for combined operating costs per property and is based on all utilities reporting within each year. It shows a flattening of the median combined operating costs over the last five years.

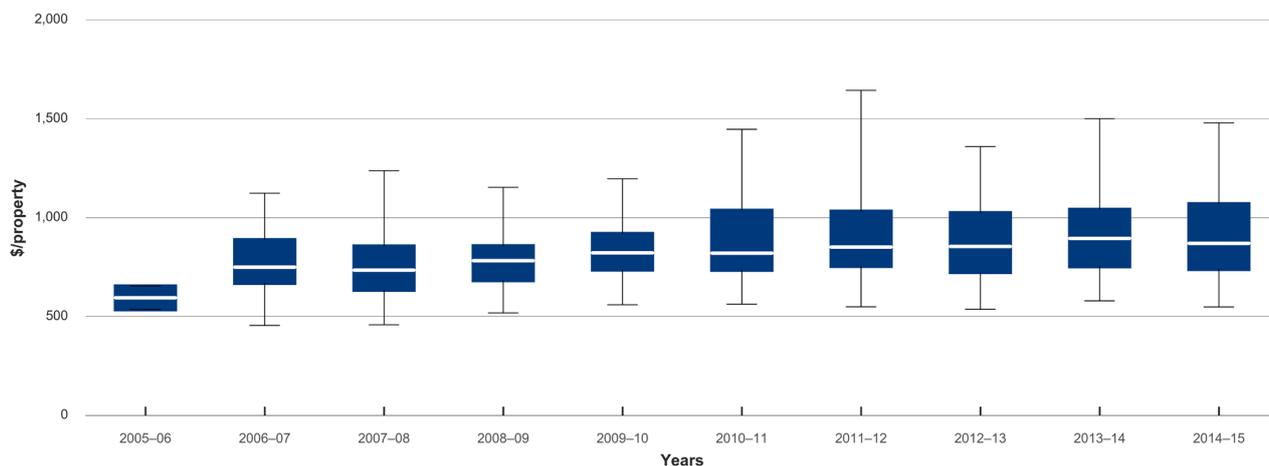


Figure ES4 F13—Combined operating costs: water and sewerage (\$/property), 2005–06 to 2014–15

Water quality compliance remains strong

Water supply quality compliance, measured as the percentage of the population serviced by the utility for which microbiological compliance was achieved, remained strong across Australia in 2014–15. Compliance is assessed against the *Australian drinking water guidelines 2011* (Australian National Health and Medical Research Council 2011) or licence conditions imposed on the utility. In the 2014–15 reporting year, the median percentage of population where microbiological compliance was achieved was 100 per cent for each size group.