

Executive summary

The National performance report 2015–16: urban water utilities (2016 Urban NPR) compares the performance of 86 water utilities providing urban water services to over 20 million people across Australia. It is the eleventh in the series of national performance reports and the third to be produced by the Bureau of Meteorology.

This Part A of the report provides an overview of the key drivers of water performance in 2015–16, including rainfall, temperature, utility size, and water source availability, and provides a context for urban water performance. The report’s commentary and analysis includes key indicators covering water resources, pricing, finance, customer service, assets, environment and health.

Contrasting rainfall patterns following the breakdown of the 2015–16 El Niño.

In 2015–16 Australia experienced one of the stronger El Niño events of the last century, which contributed to rainfall deficiencies across southern and eastern Australia. Northwest Western Australia, the Top End, and Victoria recorded rainfall conditions very much below average with some areas within these regions recording their lowest rainfall on record.

Climate conditions started shifting in early 2016 with increased rainfall in southern Australia, particularly in South Australia. Extreme rainfall impacted northern and eastern Tasmania, removing short-term deficiencies in these areas. May and June recorded record-breaking rainfall across all States and Territories, heralding the end of the El Niño event (Bureau 2016).

Median residential water use remains steady

The 2015–16 median residential water use has remained steady when compared with the previous three years (2012–13 to 2014–15). During this time maximum temperatures across much of Australia were above-average. There has been a moderate increase in usage by the three larger utility size groups that has been offset by a significant decrease in the 10,000–20,000 utilities.

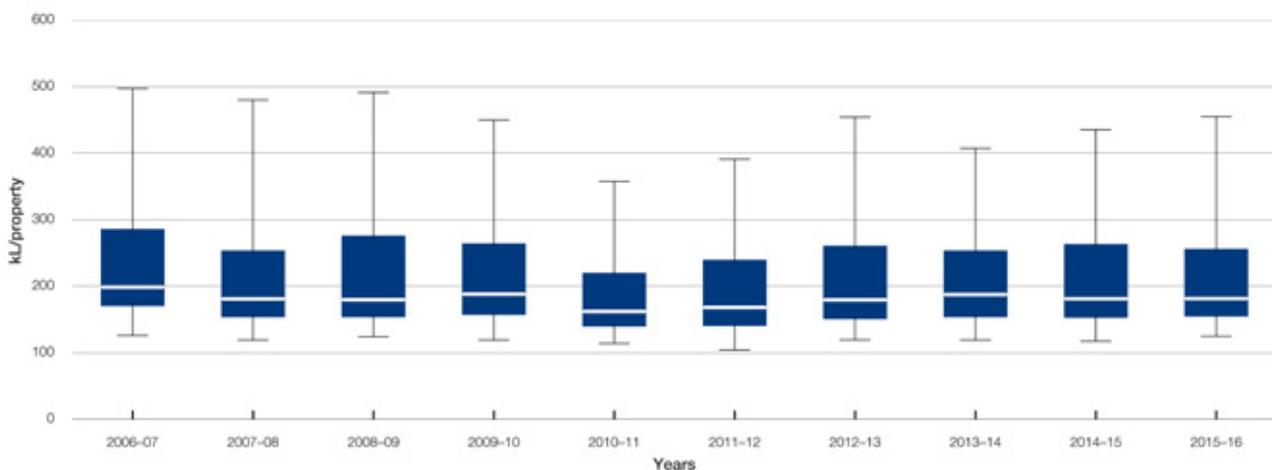


Figure ES1 W12—Average annual residential water supplied (kL/property), 2006–07 to 2015–16

Increased supply of recycled water by medium to large utilities

Nationally, the volume of recycled water supplied by utilities remained steady, decreasing by 2 per cent in 2015–16, after a 2 per cent increase reported in 2014–15.

The medium to large utilities (50,000–100,000 size group) have continued to increase their use of recycled water, up 7 per cent in 2015–16.

Typical residential bill growth has slowed in recent years

In real terms, increases in the national median typical residential bill for water and sewerage have slowed in recent years (Figure ES2). The national median typical residential bill for water and sewerage rose by 4 per cent in 2015–16, increasing to \$1,386 in 2015–16 from \$1,334 in 2014–15.

The 10,000–20,000 and 20,000–50,000 size groups reported a 7 per cent and 5 per cent increase in the 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. There is an increasing trend in the median typical residential bill over this period, with increases above CPI.

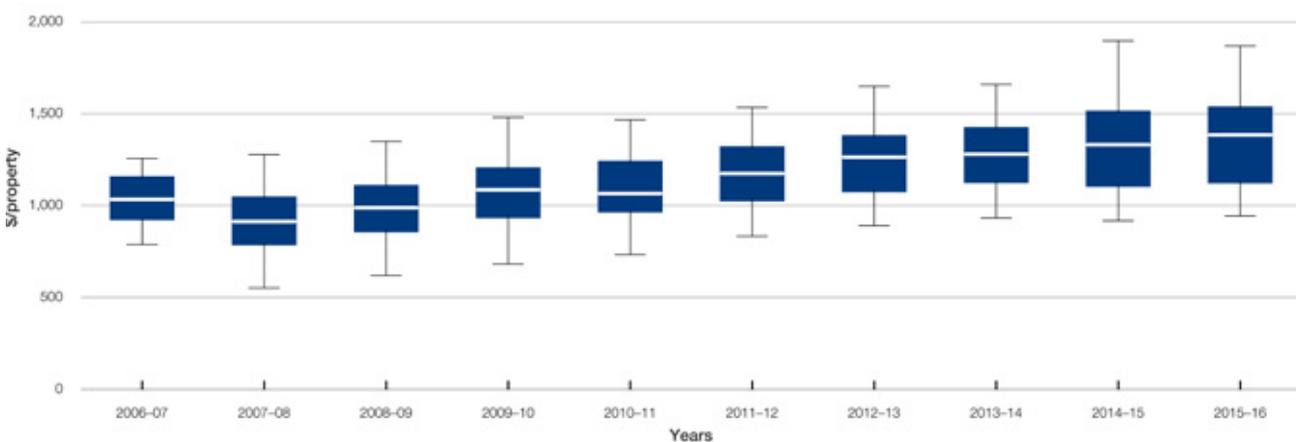


Figure ES2 P8—Typical residential bill: water and sewerage (\$), 2006–07 to 2015–16*

* P8 was introduced for the first time in the 2006–07 reporting year.

Total capital expenditure remains consistent in recent years

In real terms, total capital expenditure on water supply and sewerage services by utilities has remained steady over the last three years, with utilities reporting only a \$9.2 million increase from 2013–14 to 2015–16.

Figure ES3 shows the total capital expenditure for water supply and sewerage services over the period 2007–08 to 2015–16. While capital expenditure was highly variable in the period 2007–08 to 2010–11, there has been a clear downward trend with capital expenditure becoming more consistent in recent years.

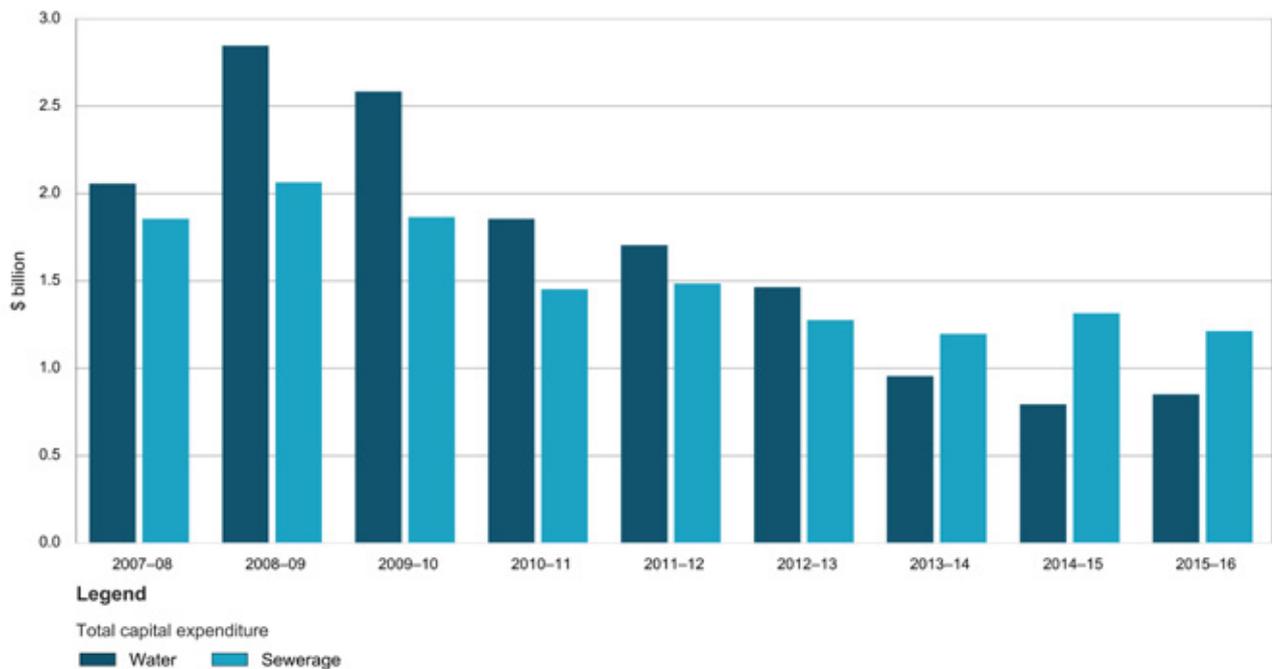


Figure ES3 F16—Total capital expenditure: water and sewerage (\$ billion), 2007–08 to 2015–16*

* Total is for utilities that reported for all nine years.

Long-term combined operating costs increase over time

The national median combined operating costs, on a dollar per property basis, has shown a steady increase over time even though the year-to-year values fluctuate. In 2015–16 it was \$920 per property, up from \$896 in 2014–15. This is demonstrated in Figure ES4.

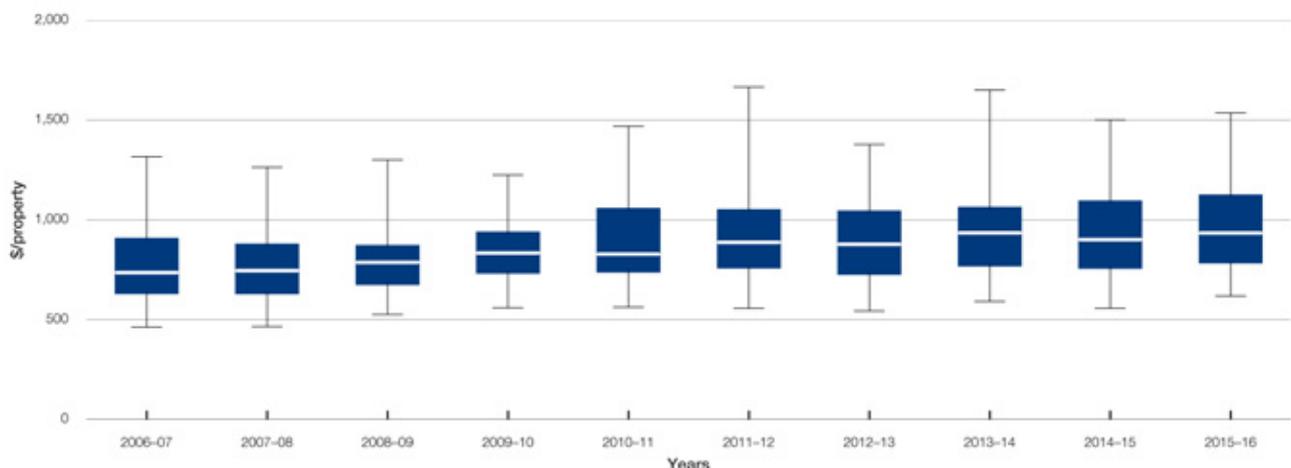


Figure ES4 F13—Combined operating costs: water and sewerage (\$/property), 2006–07 to 2015–16

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 2015–16. Compliance is assessed against the *Australian drinking water guidelines 2011* (Australian National Health and Medical Research Council) or licence conditions imposed on the utility. In the 2015–16 reporting year, the median percentage of population where microbiological compliance was achieved was close to 100 per cent.