Executive summary

The National performance report 2020–21: urban water utilities (2021 Urban NPR) compares the performance of 81 utilities and councils (utilities) and 5 bulk water authorities providing urban water services to over 23 million people across Australia. The 2021 Urban NPR is published by the Bureau of Meteorology (the Bureau) with information provided by utilities across Australia's states and territories. The report is the sixteenth in the series, and the eighth to be produced by the Bureau.

Part A of the report provides commentary on and analysis of key indicators. Part B of the report contains data for the full set of 166 indicators reported by utilities and bulk water authorities for all reporting years.

Urban water use increased with warm conditions and improved rainfall

Nationally, total urban water use rose by over 11% in 2020–21 despite varying results in major urban centres. Adelaide and Perth reported increased water supplied, whereas other capital cities reported decreased water sourced in 2020–21. Improved rainfall conditions across much of Australia replenished many surface water storages, particularly in regional New South Wales. The 2020–21 year was the wettest for Australia since 2016–17 and followed 3 drier-than-average financial years. December 2020 was Australia's third-wettest December on record, and for New South Wales, March 2021 was the second-wettest March on record. In combination with increased surface water availability, mean daily temperatures in 2020–21 were above to very much above average across most of Australia, increasing demand for water in some of Australia's urban areas.

Shift back to surface water supplies to meet water demand for New South Wales and South Australia

High surface water availability for much of south-eastern Australia saw a shift towards surface water sources and away from groundwater and desalination to supply water to urban users in New South Wales and South Australia in 2020–21. Surface water supplies in New South Wales increased by 69% compared to 2019–20, with water sourced from desalination decreasing by 72%. For South Australia, high surface water availability in 2020–21 meant desalinated water was not required to facilitate the Water for Fodder program, which in 2019–20 helped farmers maintain their breeding stock during the drought. For South-East Queensland, a gradual decline in surface water in storages since 2018 has coincided with an increase in water supplied from desalination. Desalination increased by 41% compared to 2019–20; however, it only accounted for 6% of total water sourced.

Groundwater and desalination remain as important water sources for Perth urban water users, collectively accounting for around 90% of Perth's total water supplies in 2020–21.

Typical residential bills (water supply and wastewater) decreased slightly

Nationally, there was a slight decrease (0.4%) in the typical residential bills compared to 2019–20. This continued the downward trend reported over the past several years. The total typical residential bill decreased across all major urban centres, with Adelaide and Sydney reporting the highest percentage decreases of 17.9% and 10.4%, respectively, compared to 2019–20.

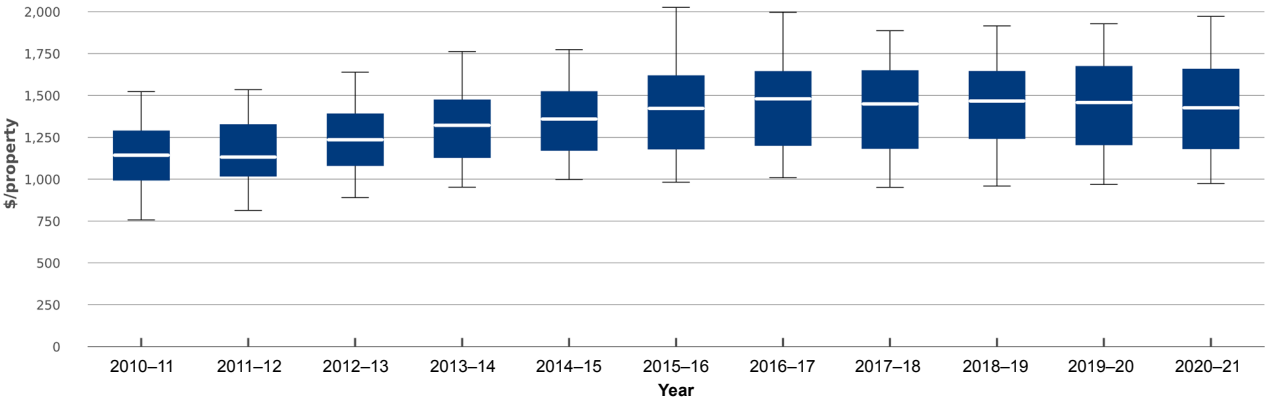

Figure 1 **Typical residential bill: water supply and wastewater ($), 2010–11 to 2020–21**

For more about bills, see Chapter 4 Pricing and Tables A3 and A4, Appendix A.

Increasing trend in capital expenditure on water services continued

In real terms, total capital expenditure on water supply services by utilities increased for the sixth consecutive year. When combined with wastewater services, total capital expenditure decreased slightly – decreasing by 2% from $4.7 billion in 2019–20 to $4.6 billion in 2020–21.

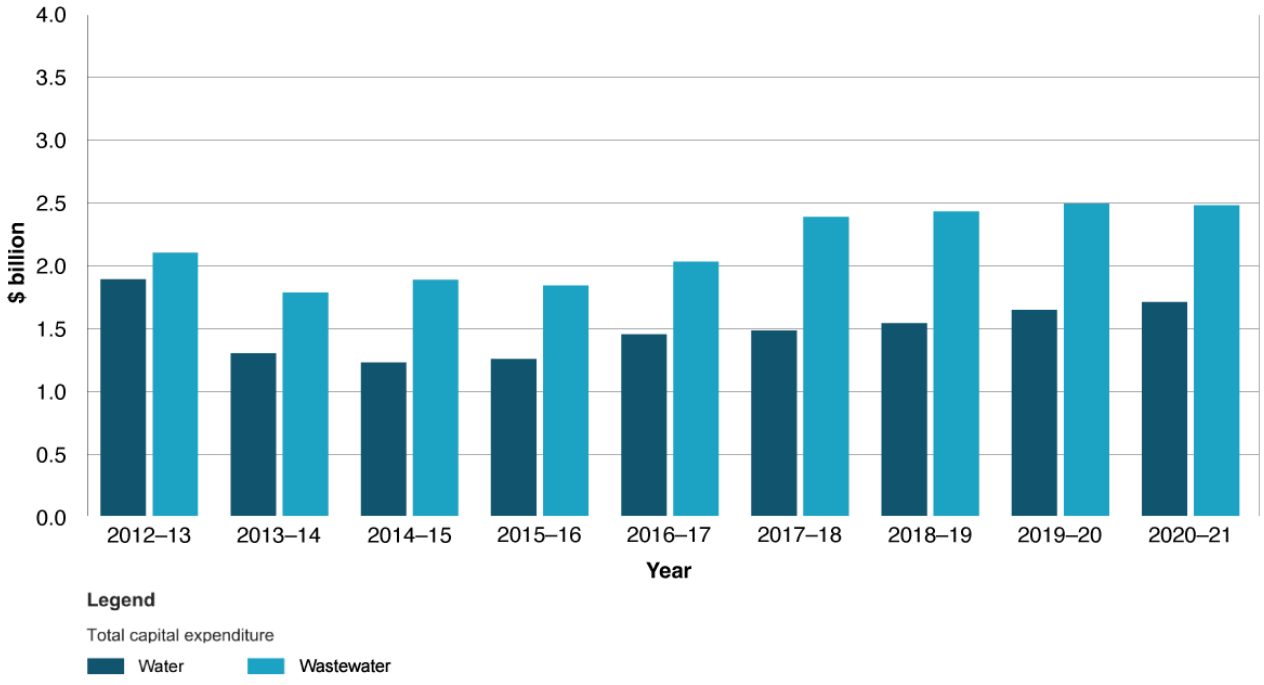

Figure 2 **Total capital expenditure: water supply and wastewater ($ billion) for utilities that reported all 9 years (excluding bulk water utilities)**

For more about capital expenditure see Chapter 5 Finance and Tables A5, Appendix A.