1. Introduction

1.1. Context and overview

This National performance report 2024–25: water and wastewater service providers (2025 NPR) supports the commitments made by states and territories under the National Water Initiative (NWI) to report publicly and independently on the performance of water utilities[3].

The 2025 NPR compares the performance of 294 utilities and councils (service providers) and six bulk water authorities that provide water and wastewater services to over 27 million people across Australia. It is produced by the Bureau of Meteorology (the Bureau) in conjunction with state and territory governments and the Water Services Association of Australia.

Part A of this report provides commentary on, and analysis of, key indicators that apply to retail and distribution utilities. The major urban centre analysis in Chapter 2 includes performance data for bulk water suppliers. Part B of this report contains data for the full set of indicators that are reported on by water utilities and bulk water authorities for all reporting years.

The 2020 NPR Framework Indicator Review[4] recommended:

- Decommissioning 53 indicators out of the 155 indicators that were included in the 2024 Urban NPR Framework. The decommissioned indicators are IC19, F4, F5-F7, F5.1, F6.1, F7.1, F9-F12, F17-F19, F21, F23, P1, P1.2-P1.7, P1.3a-P1.7a, P1.12, P1.13, P4, P4.1-P4.4, E9-E12, E9.1-E12.1, IE9-IE12, W8, W9, W13, W28.4, and W28.5. The review found no specific use case for these indicators within the NPR Framework, indicating that their removal would not result in any material loss of information, since the information can still be retrieved and assessed if required. Following this recommendation, no data has been collected for these indicators for the 2024–25 reporting year, and they have been excluded from Part A and Part B of the 2025 NPR.
- Including 41 new indicators in the NPR Framework, some of which replaced the decommissioned Finance and Pricing indicators by using encapsulated structures. The new indicators are IA14, CI_N1-CI_N3, CC_N1-CC_N7, FP_N1-FP_N18, HE_N1-HE_N5, and WR_N1-WR_N7. The new indicators help close gaps, enhance consistency and transparency in performance reporting, and broaden the context for assessing water and wastewater service providers' performance. Following this recommendation, data has been collected for these indicators for the 2024–25 reporting year, and they have been included in Part B of the 2025 NPR. Since no data has been collected for these new indicators pre-2024–25, annual comparative analysis was not possible, and none of them are discussed in Part A of the 2025 NPR. The exception is HE_N1, which has been analysed and discussed in Part A as the sole representative indicator of the greenhouse gas emissions following the decommissioning of E12.

[3] National Water Initiative clauses 75–76

[4] BOM00003_NPR_indicator_review_final_report_v2.4.2.pdf

- Expanding the Framework to include service providers with less than 10,000 connected properties (Very small size group), with the aim of improving national water data and strengthening public confidence in water and wastewater service providers[5,6].

As a result, the 2025 NPR covers 300 entities reporting to a total of 143 performance indicators that are applicable to service providers with more than 10,000 connected properties. In 2024–25, service providers with less than 10,000 connected properties (Very small size group) and bulk authorities were required to report against a subset of performance indicators, including 93 and 80 indicators, respectively[7]. The Framework expansion provided the opportunity of evaluating service quality for 836,033 additional people across Australia compared to the previous year. These additional customers are served by the Very small service providers that have less than 10,000 connected properties, including several indigenous communities.

The analysis and commentary provide context for each indicator, discuss changes in reporting methods, and highlight trends within and/or between different service provider size groups. Service providers are grouped according to the number of properties they are connected to, as explained in ‘A guide to this report’.

The commentary and analysis in the 2025 NPR are not intended to be a comprehensive explanation of every reported indicator. They present some of the significant trends or differences between years and between service providers for the core performance indicators. This information is validated by the Technical Reference Group, which includes state and territory representatives.

1.2. Impact of indicator changes on data analysis

The aim of this section is to outline how comparative analysis has been undertaken in this year’s report for service providers with more than 10,000 connected properties, given the changes applied to the Framework. The 2020 NPR Framework Indicator Review recommended significant changes to performance indicators, including the decommissioning of non–core indicators, the introduction of new indicators, adjustments to calculation formulas, and additional details and clarifications on data collection and reporting requirements. These changes support a meaningful, enduring and nationally consistent assessment of service provider performance. However, they affect the comparability of the 2024–25 data with historical data for service providers that have more than 10,000 connected properties. Historical data for these service providers was collected in accordance with the previous handbook, while their 2024–25 data aligns with the revised *National Performance Report Framework: Water and wastewater service providers, Performance indicators and definitions handbook 2023*.

Key changes applied to all performance indicators are detailed in the indicator notes in Part B. Table 1.1 outlines the key changes to the indicators that are included in this report. For analysis to

[5] In Western Australia, the Water Corporation for less than 10,000 connected properties reported at a town level with a defined geographical boundary with more than 1,000 connections. Water Corporation will revisit its ability to report on towns/scheme with less than 1,000 connections in the future. This may require an uplift of reporting capability, including the installation of measurement/monitoring devices for ongoing accuracy purposes.

[6] In Queensland, the Department of Local Government, Water and Volunteers (the regulator) established criteria to determine what constitutes a 'relevant service provider' and the applicability of the performance reporting framework to service providers. As a result, very small schemes with less than 100 connections were not required to report to the 2025 NPR in 2024–25.

[7] More details on the requirement and applicable subsets for Very small service providers and bulk authorities are available at the National Performance Report updates page.

remain valid, the data reported in 2024–25 needs to be comparable with historical data. A detailed assessment was undertaken to ensure this, and it found that, except for indicator W26, which uses a revised calculation formula, the 2024–25 data has only minor deviation as a result of the 2020 NPR Framework Indicator Review recommendations and remains comparable with previous years. Therefore, the analysis presented in this report can be considered as a reliable measure of performance assessment.

Table 1.1 Key changes to the Part A indicators due to the 2020 NPR Framework Indicator Review

Theme	Characteristic	Description	Historical data validity
Water resources	Indicator	W1 – Volume of water self-sourced from climate-dependant surface water sources	Only minor changes have been observed in the data reported by a few service providers. Therefore, historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	The indicator includes self-sourced harvested stormwater for drinking and non–drinking water supply (not for recycled water supply).	
Water resources	Indicator	W2 – Volume of water self-sourced from groundwater sources	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	
Water resources	Indicator	W3.1 – Volume of water self-sourced from marine or estuarine water sources	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	
Water resources	Indicator	W12 – Average annual residential water supplied	Historical data has been recalculated to reflect the key changes. Since the recalculated data align with the original values, the historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; W12 = [(W8.3 + W20) / C2] * 1000	
	Key changes	W28.4 – Volume of urban stormwater supplied to residential customers, previously a component of W12, has been decommissioned. The unit for C2 – Number of connected residential properties: water supply has been changed.	
Water resources	Indicator	W26 – Total volume of recycled water supplied	Historical data cannot be recalculated since historical values for the new indicators (WR_N3 and WR_N4) are not available. Therefore, historical data may not be valid for comparative analysis with the 2024–25 data for all service providers.
	Status	Derived; W26 = W20 + W21 + W23 + W25.1 + W15 + WR_N3 + WR_N4	
	Key changes	The derivation formula has been revised including indicators W15 – Volume of recycled water exported to other service providers, WR_N3 – Volume of recycled water supplied for own use, and WR_N4 – Volume of non–revenue recycled water supplied for beneficial reuse as additional components.	
Finance and pricing	Indicator	P8 – Typical residential customer bill (water supply and wastewater)	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; P8 = P3 + P6	
	Key changes	No material changes are applied to the component indicators.	
Finance and pricing	Indicator	P7 – Total annual residential customer bill based on 200 kL per annum	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; P7 = P2 + P5	
	Key changes	No material changes are applied to the component indicators.	
Finance and pricing	Indicator	F16 – Total capital expenditure: water supply and wastewater	For most service providers, historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	The indicator has been changed to a reported indicator including the corporate capital expenditure.	

Theme	Characteristic	Description	Historical data validity
Finance and pricing	Indicator	F28 – Capital expenditure per property: water supply	Only minor changes have been observed in the F14 data. Historical data for F28 has been recalculated to reflect the key changes. Since the recalculated data align with the original values, the historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; F28 = (F14 / C4) * 1000	
	Key changes	The corporate capital expenditure is excluded from F14 – Capital expenditure: water supply. The unit for C4 – Total number of connected properties: water supply has been changed.	
Finance and pricing	Indicator	F29 – Capital expenditure per property: wastewater	Only minor changes have been observed in the F15 data reported by a few service providers. Historical data for F29 has been recalculated to reflect the key changes. Since the recalculated data align with the original values, the historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; F29 = (F15 / C8) * 1000	
	Key changes	The corporate capital expenditure is excluded from F15 – Capital expenditure: wastewater. The unit for C8 – Total number of connected properties: wastewater has been changed.	
Finance and pricing	Indicator	F8 – Community service obligations ratio	Only minor changes have been observed in the F3 data reported by a few service providers. Therefore, historical data for F8 remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; F8 = F25 / F3	
	Key changes	The income from recycling water and stormwater harvesting for supply is included in F3 – Total income for the service provider.	
Assets and operations	Indicator	C15 – Average duration of an unplanned interruption: drinking water supply	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	
Assets and operations	Indicator	A8 – Number of water main breaks per 100 km of water mains	Only minor changes have been observed in the A2 data reported by a few service providers. Therefore, historical data for A8 remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; A8 = (IA8 / A2) * 100	
	Key changes	The length of recycled water mains is excluded from A2 – Length of water supply mains.	
Assets and operations	Indicator	A14 – Number of sewerage main breaks, leaks and chokes per 100 km of sewer mains	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Derived; A14 = (IA14 / A5) * 100	
	Key changes	The indicator has been changed to a derived indicator to ensure consistency across water and wastewater indicators. No material changes are applied to the component indicators.	
Assets and operations	Indicator	A15 – Number of property connection sewerage breaks, leaks and chokes per 1,000 properties	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	
Assets and operations	Indicator	A10 – Real losses, per service connection, from the drinking water supply system	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	
Public health and environment	Indicator	H3 – Percentage of the population where microbiological compliance was achieved	Historical data remains valid for comparative analysis with the 2024–25 data.
	Status	Reported	
	Key changes	No material changes are applied.	

1.3. Reporting

The 300 reporting entities contributing data to the 2025 NPR are listed in Appendix C. Table 1.2 summarises the service provider size groups by jurisdiction.

Two hundred and twenty-six of the 300 reporting entities included in this report provide both reticulated water supply and wastewater services. The remainder provide either water supply or wastewater services. In summary, the report includes data for:

- 226 service providers providing water supply and wastewater services
- 34 service providers providing only water supply services
- 34 service providers providing only wastewater services
- 6 service providers are bulk water authorities.

There was a significant change in the number of service providers reporting to the NPR Framework in 2024–25 compared to 2023–24 as a result of the inclusion of 211 service providers each serving less than 10,000 connected properties.

Table 1.2 Service providers reporting in the 2025 NPR by size group and jurisdiction

Jurisdiction	Bulk	Major	Large	Medium	Small	Very small	Total
Australian Capital Territory		1					**1**
New South Wales	2	3	1	13	12	64	**95**
Northern Territory			1		1	3	**5**
Queensland	3	4	4	5	7	52	**75**
South Australia		2[a]			2	58	**62**
Tasmania		1					**1**
Victoria	1	4	5	5	1		**16**
Western Australia		1	1		9	34	**45**
Total	**6**	**16**	**12**	**23**	**32**	**211**	**300**

Note:

[a] South Australian Water Corporation as a Major service provider reports two separate datasets: one covering the SA Water Corporation reporting region, and another for Adelaide urban centre, which is a subset of the overall dataset.

1.4. Reporting regions of service providers

Figure 1.1 shows the approximate locations of service providers' reporting regions in the 2025 NPR. State-level maps are presented in Appendix G.

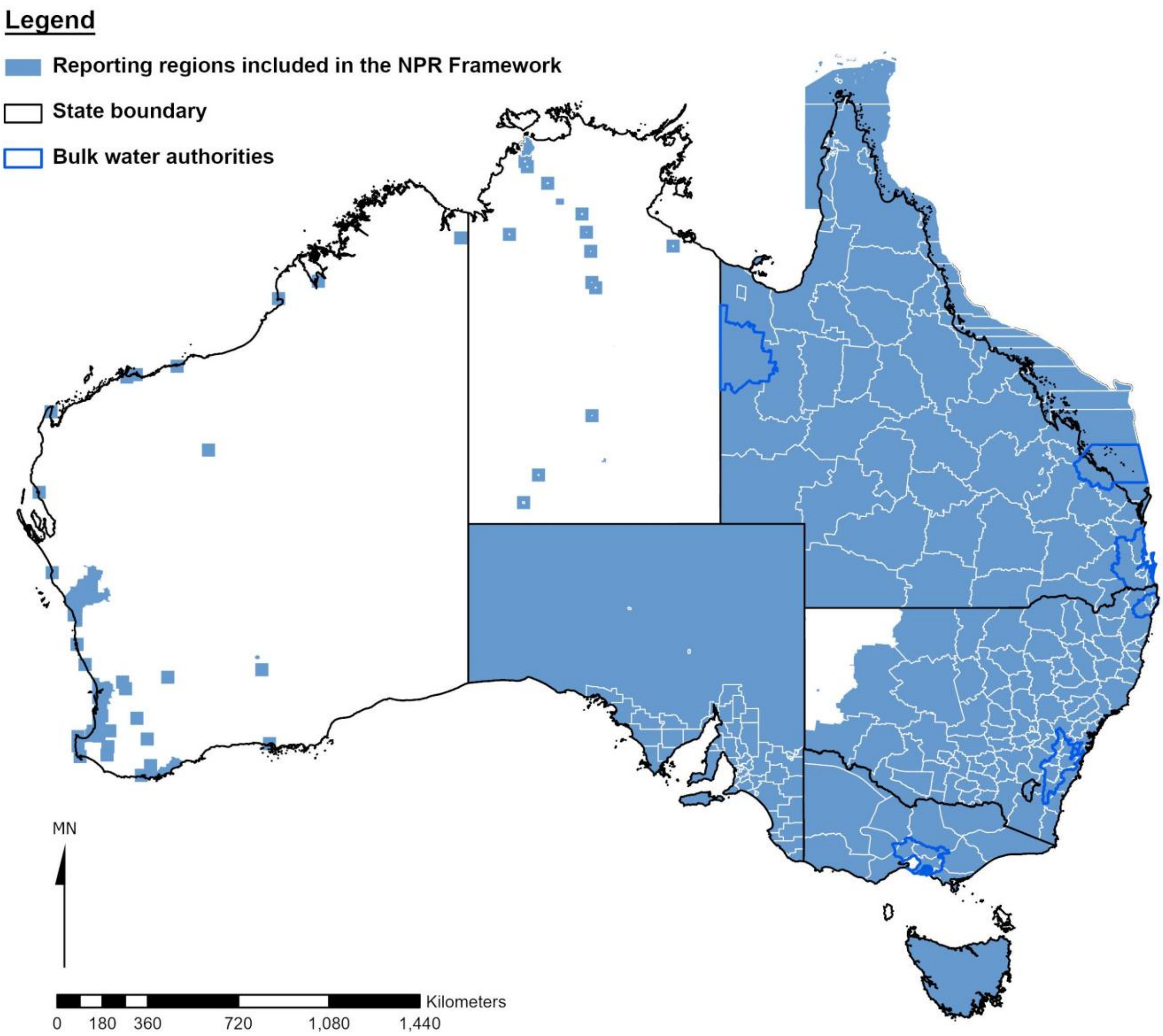

Figure 1.1 The approximate locations of service providers' reporting regions included in the NPR Framework for the 2024–25 reporting year.

1.5. Key drivers

Key drivers of water service provider performance presented in the 2025 NPR include rainfall, temperature, service provider size and sources of water.

Other factors also affect performance but are not discussed in detail. These include:

- network density
- soil types
- the age and condition of infrastructure
- geographic location and remoteness
- government policy and regulation.

With the inclusion of 211 first-time reporting service providers with less than 10,000 customers in 2024–25, the influence of geographical location and remoteness on service quality becomes even more significant. Many of these service providers operate in remote communities, where location-based challenges can affect performance across a wide range of indicators. In remote or sparsely populated areas, the cost of service-delivery is typically higher due to the difficulty of maintaining infrastructure over large distances (Assets and operations indicators C15, A8, A14 and A15). These higher costs can also impact profitability of service providers (Finance and pricing indicators F3 and F24). Service providers may serve multiple isolated communities, each requiring its own water and wastewater systems. Additionally, the distance between water sources and the communities they serve can increase operational complexity and costs (Finance and pricing indicators P7, P8, IF11 and IF12), particularly when water sources vary in quality, reliability and proximity. Property sizes in remote communities also tend to be larger than in urban areas, and in some cases water use is unmetered. With the fact that many of the remote regions experience much hotter climates, water consumption volumes can be significantly higher than other regions (Water Resources indicator W12).

1.5.1. Rainfall

Rainfall can affect service provider performance in many ways.

- Significant droughts with prolonged periods of low rainfall can stress water supply systems. Depending on the severity of the drought, security of the system and availability of climate-resilient water sources (for example, desalinated or recycled water), the service provider may impose water restrictions to conserve water and ensure continuity of the water supply.
- Wet or dry conditions can affect demand for outdoor watering, resulting in a change in the volume of water and recycled water supplied to residents, councils, and parklands to be used for outdoor leisure activities such as golf courses (Water resource indicators W12 and W26). Changes in water consumption affect the revenue collected by service providers, their profitability, and the strength of their water-usage pricing signal.
- Wet or dry conditions can affect decisions about the water sources used (Water resource indicators W5 and W7). Persistent dry conditions can trigger thresholds for production from desalination plants and the use of groundwater and recycled water sources, which affect the operating costs of service providers (Finance and pricing indicators IF11 and IF12).To mitigate risks associated with the variable quality of raw water due to prolonged severe wet weather and flood conditions, service providers might decide to increase use of desalinated water (increasing Water resource indicator W3.1).
- Increased rainfall can result in infiltration of water into sewer systems, which can increase the volume of sewage to be pumped and treated, increasing the operating costs of service providers (Finance indicator IF12) and greenhouse gas emissions from sewage (Public health and environment indicator HE_N1). Additional rainfall and sewerage infiltration can also result in additional sewerage overflows, especially during heavy rainfall.
- Extreme wet or dry conditions can cause expansion and shrinking of reactive clay soils in some parts of Australia. This can result in ground movement causing an increase in water or sewerage main breaks (Assets and operations indicators A8 and A14), especially when conditions fluctuate rapidly from wet to dry or dry to wet. In periods of more consistent rainfall, the soils maintain more even moisture levels, resulting in less ground movement.

In 2024–25, Australia's total rainfall was 10% above the 1961–90 average. Rainfall for the financial year (Figure 1.2) was above to very much above average (in the highest 10% of historical observations) for inland northern New South Wales and coastal areas north of Sydney, most of

Queensland, the northern half of Western Australia away from the north-west, parts of northern South Australia and areas of the Northern Territory.

A succession of cold fronts between August and September 2024 brought several weeks of rainfall to large parts of Tasmania, resulting in major flooding along the Derwent River at Meadowbank Dam and the Meander River at Strathbridge, and moderate flooding along the South Esk River at Llewellyn. Parts of northern Australia experienced unseasonable rain in September 2024. Much of the north-west of Western Australia observed its wettest September on record, and the Northern Territory as a whole observed its seventh-wettest September on record.

Persistent and widespread rainfall throughout December 2024 led to riverine flooding across catchments in southern and central Queensland, including minor to moderate flooding along the Mary, Burnett and Logan rivers, with flash flooding across Greater Brisbane and around Kingaroy. In January 2025, Severe Tropical Cyclone Sean brought heavy rainfall to the Pilbara coastline, causing flooding of the De Grey River catchment and the west of the Kimberley Rivers catchment in Western Australia.

Prolonged heavy rainfall between January and February 2025 as a result of two tropical lows and an active monsoon trough led to widespread flash and riverine flooding across many northern Queensland catchments, extending through Central Coast, Inland and Gulf catchments. Queensland continued to experience persistent and heavy rainfall from February to April 2025, observing its second-wettest March on record. Several tropical lows and low-pressure troughs contributed to this, along with Tropical Cyclone Alfred, which brought heavy rainfall and significant flooding to large parts of south-eastern Queensland and north-eastern New South Wales.

In contrast, rainfall was below to very much below average across southern and north-western New South Wales, most of Victoria, much of Tasmania, agricultural regions of South Australia, and along the southern and western coasts of Western Australia. For much of south-eastern South Australia and western Victoria, July to June rainfall was the lowest on record since 1900–1901. Prolonged dry conditions led to serious to severe rainfall deficiencies (totals in the lowest 10% or 5% of historical observations) across agricultural regions of South Australia, western, central and southern areas of Victoria, and western and southern coastal areas of Tasmania.

National rainfall was below average in May and June 2025. However, in coastal areas of New South Wales, May rainfall was above average as low-pressure troughs brought several days of heavy to intense rainfall, causing significant flooding across the Hunter and Mid North Coast districts. Major flooding also occurred along the Hastings River, notably at Wauchope River Bridge, the Gloucester, Macleay, Paterson and Williams rivers and Wollombi Brook.

More information is available in the Bureau's 2024–25 Climate and Water Statement.

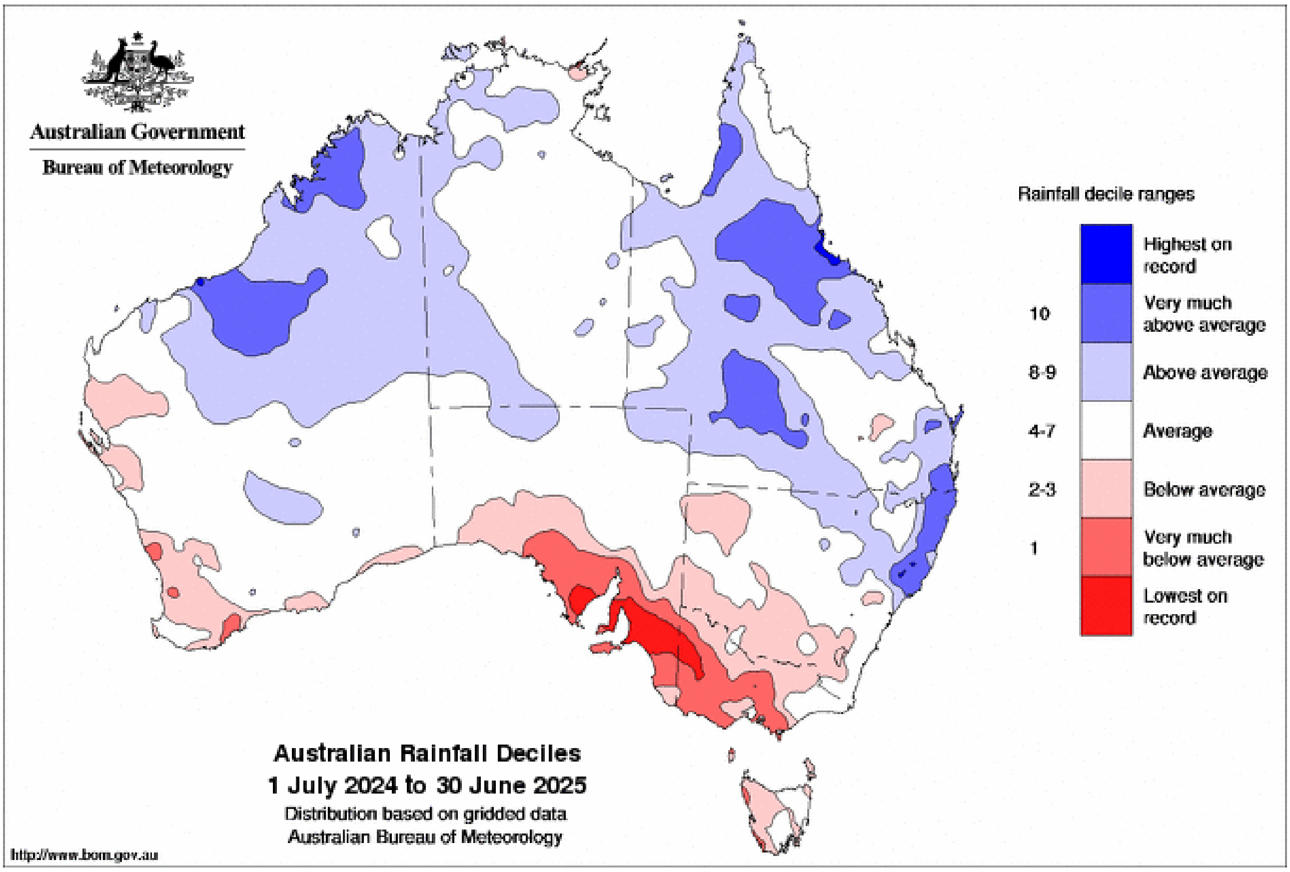

Figure 1.2 Rainfall decile map for 2024–25 (based on all years of data since 1900)

1.5.2. Temperature

Temperature can affect service provider performance in many ways.

- Temperature can influence demand for water, particularly for residential and non–residential outdoor use. Prolonged periods of above-average temperatures can result in increased supply of water and recycled water (Water resource indicators W12, W26, and Public health and environment indicator W27) to residents, councils and parklands for outdoor leisure activities such as golf courses. Changes in water consumption affect the revenue collected by water service providers, their profitability (Finance and pricing indicators F3 and F24) and the strength of their water-usage pricing signal (Finance and pricing indicator F1 and F2).
- Hot weather can increase the risk of bushfires, resulting in resources being deployed to protect water supply catchments and control bushfires. Emergency deployments can affect operating expenditure (Finance and pricing indicators IF11 and IF12). When responding to a bushfire, temporary water restrictions may be put in place to ensure the availability of supply and to meet firefighting requirements during extreme fire weather. These restrictions can affect the volume of water supplied by a service provider and its operating cost and revenue. Poor water quality in a burnt catchment can affect the availability of water supply and the cost of treatment.
- Extended periods of heat or cold can affect the quality of water sources and supply, and in turn, decisions about water sources used (Water resource indicators W5 and W7) and the level of treatment required. For example, a heatwave can contribute to the decline in dissolved oxygen levels in a waterbody and can trigger the need to supply water from an alternative source, or

increase water treatment, which affects the operating costs of service providers (Finance and pricing indicators IF11 and IF12).

- Changes in temperature can affect water quality as biological processes are particularly sensitive to extremes of heat or cold and rapid fluctuations in temperature. This can affect the quality of water supplied (Public health and environment indicators H3, H4, HE_N4 and HE_N5) and treatment requirements, which impact the operational costs of a service provider (Finance and pricing indicators IF11 and IF12).
- Extended hot conditions contribute to dry soil conditions. Trees will seek out moisture and their roots can enter the sewer system, causing blockages and breaks (Assets and operations indicators A14 and A15), and increasing the number of water main breaks (Assets and operations indicator A8).

The financial year 2024–25 was Australia's warmest on record. The nationally-averaged mean temperature was 1.68 °C above the 1961–1990 average, exceeding the previous record by 0.28 °C (previous record 1.40 °C, set in 2015–16). Nationally averaged maximum and minimum temperatures were also the warmest on record, at 1.85 °C and 1.51 °C above average, respectively. Temperature observations began in 1910–11.

Mean temperatures were above to very much above average (in the warmest 10% of historical observations) for most of Australia (Figure 1.3). They were highest on record for the north-west coast and much of southern and south-eastern Western Australia, the south-east of the Northern Territory, western and south-western Queensland, western and southern New South Wales, large parts of the east coast of Australia, and nearly all of Victoria, South Australia, and Tasmania.

Maximum temperatures showed a similar distribution to that of mean temperature, with larger areas of above average maxima extending from the northern tropics to north-east New South Wales. Low to severe intensity heatwave conditions persisted from late September to mid-October 2024 across parts of the Top End in the Northern Territory, northern Western Australia and the Cape York Peninsula in Queensland, including pockets of extreme heatwave conditions. During December 2024 and early January 2025, low intensity heatwave conditions developed across south-eastern Australia accompanied by elevated fire dangers that reportedly burnt through 76,000 hectares.

In late December 2024, low to severe intensity heatwaves impacted much of Western Australia with severe conditions along parts of the west coast and adjacent inland areas. In January 2025 large parts of Queensland and Western Australia experienced low to severe intensity heatwave conditions, reaching extreme intensity across northern and central Queensland and the west coast of Western Australia. In early March 2025, low to severe intensity heatwave conditions impacted large parts of the country with isolated areas of extreme heatwave conditions in northern Australia.

Minimum temperatures were above to very much above average for most of Australia, and highest on record for most of the southern half of Victoria, coastal New South Wales and south-eastern Queensland, a large area extending from north-west New South Wales and south-western Queensland, through southern parts of the Northern Territory, and large parts of South Australia and Western Australia.

The nationally averaged mean temperature was warmer than average in every month, with August 2024 to March 2025 all ranking among the five warmest on record for their respective months. Winter 2024 was the second warmest on record, spring the warmest on record, summer 2024–25 the second warmest on record, and autumn the fourth warmest on record.

More information is available in the Bureau's 2024–25 Climate and Water Statement.

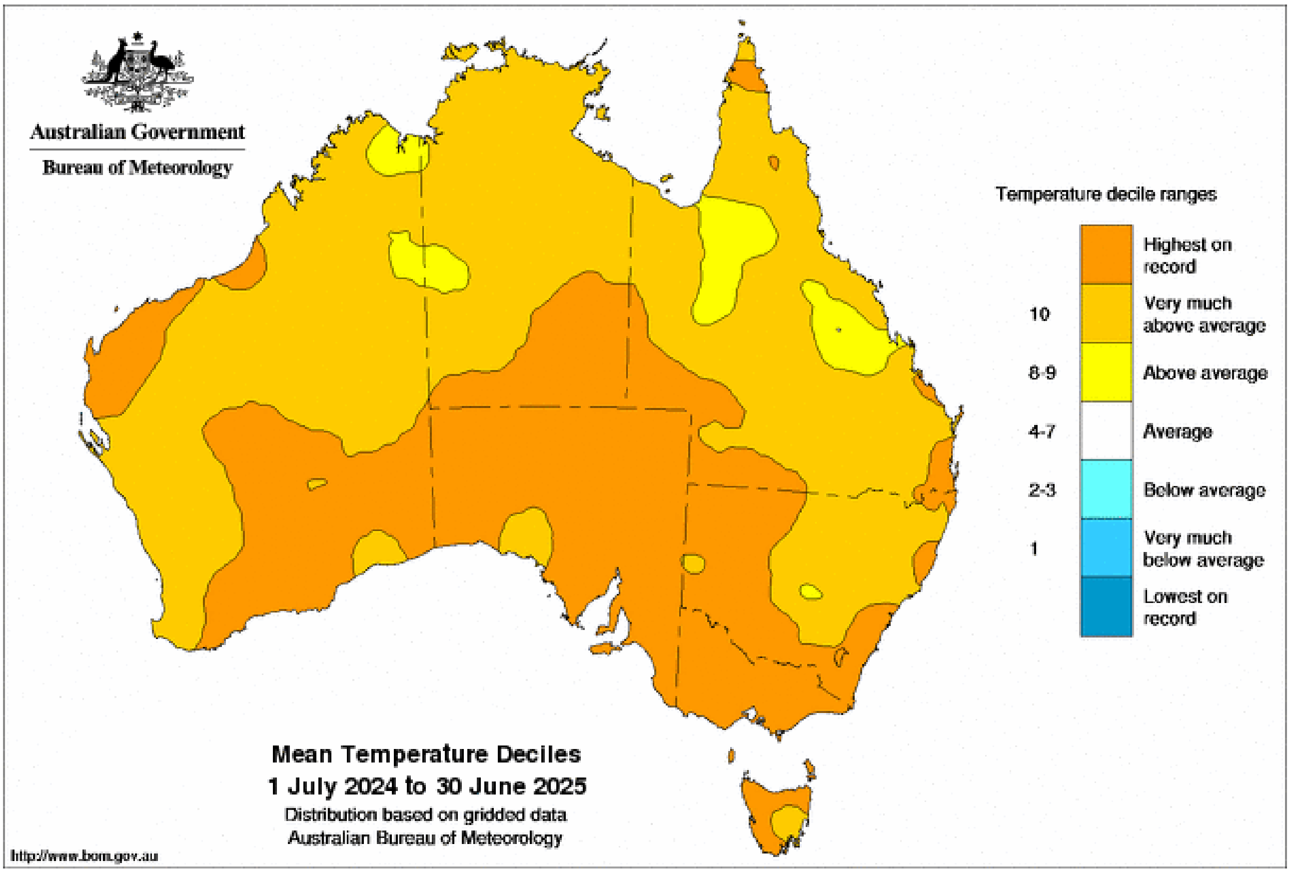

Figure 1.3 Mean daily temperature deciles for 2024–25 (based on all years of data since 1910)

1.5.3. Service provider size

The size of a service provider's customer base influences its performance across a range of indicators. This relationship may be causal, coincidental, or linked to other factors (for example, larger service providers may be subject to price regulation, unlike smaller service providers). Service providers with large customer bases often benefit from economies of scale, while service providers with smaller customer bases may have higher per-capita costs due to dispersed populations and lower customer density across their infrastructure networks. Very small service providers who are reporting for the first time to the 2025 NPR can have as few as 10 connections, up to 9,999. The service provider's size can therefore have a direct impact on costs, maintenance requirements and overall financial performance.

1.5.4. Sources of water

Two important drivers of performance are the sources of water used by a service provider and the geographical relationship between the source and the community centre it supplies. The combination and interaction of these drivers serve to create wide variations in engineering, operations and social challenges between service providers across the country.

The sources of water available to a service provider are an important driver of several key performance indicators. For example the cost of treating water to an acceptable standard and supplying it to users affects the revenue collected by water utilities, their profitability (Finance and pricing indicators F3 and F24) and the strength of their water-usage pricing signal (Finance and pricing indicator F1 and F2).

Traditionally, Australians have relied on surface water and, to a lesser extent, groundwater to meet their consumption needs. The increased demand for water – resulting in a need to further develop and maintain ongoing water supply – is driven by many factors, including population growth and the reliability and security of existing sources (predominantly driven by water quality and climate variability). Financial, environmental and social factors reduce the feasibility of developing further traditional sources of water, especially considering that most suitable dam sites have already been developed. In response to this situation, service providers and bulk water authorities across the country are developing non–traditional supply sources – such as desalinated and recycled water – while continuing to explore options for harvesting stormwater and rainwater.

The diversification of water sources affects the performance of service providers by increasing the cost of treating water to acceptable standards (to meet regulatory requirements) and to supply multiple water types to end users. For example, water from a ‘protected’ or ‘closed’ storage catchment is usually higher quality than water from an ‘open’ storage catchment and requires less treatment, which reduces the cost of supply.

The quality of water from groundwater sources varies greatly depending on the type and depth of the aquifer and has a significant impact on the extraction and treatment processes used and subsequent infrastructure and operational costs. Water supplied from recycled sources typically requires dual-pipe supply systems to separate recycled water from drinking water, incurring greater infrastructure costs.

With the NPR Framework expanding to include 211 Very small service providers (serving less than 10,000 customers) in 2024–25, and the 2020 NPR Framework Indicator Review introducing a revised calculation method for W26 (Table 1.1), historical totals and supply breakdowns from major water sources may not directly be comparable with the 2024–25 data. Therefore, Figure 1.4 only shows the annual supply from major sources of water, and total supply, for all service providers in each state and territory in 2024–25.

- In 2024–25, approximately 3,964,111 megalitres (ML) of water were sourced nationally by all service providers. New South Wales supplied the largest total volume at 1,271,847 ML while the Australian Capital Territory supplied the lowest volume of around 58,918 ML, followed closely by the Northern Territory (58,979 ML).
- In 2024–25, surface water (that is, climate-dependent sources including rivers, streams and dams; Water resource indicator W1) was the dominant source of supply for all states and territories (76.0% of the total water sourced by all service providers), except for Western Australia, where most of the water (41.9%) is sourced from groundwater (Water resource indicator W2).
- The total volume of surface water sourced nationally was 3,012,641 ML. The highest contributors were New South Wales (37.3%), Victoria (24.7%) and Queensland (20.2%).
- The total volume of groundwater sourced nationally was 379,490 ML, representing 9.6% of the total water sourced by all service providers across the country. Western Australia was the highest contributor (56.5%) followed by Queensland (15.7%) and New South Wales (13.0%). The Australian Capital Territory does not source any water from groundwater sources.

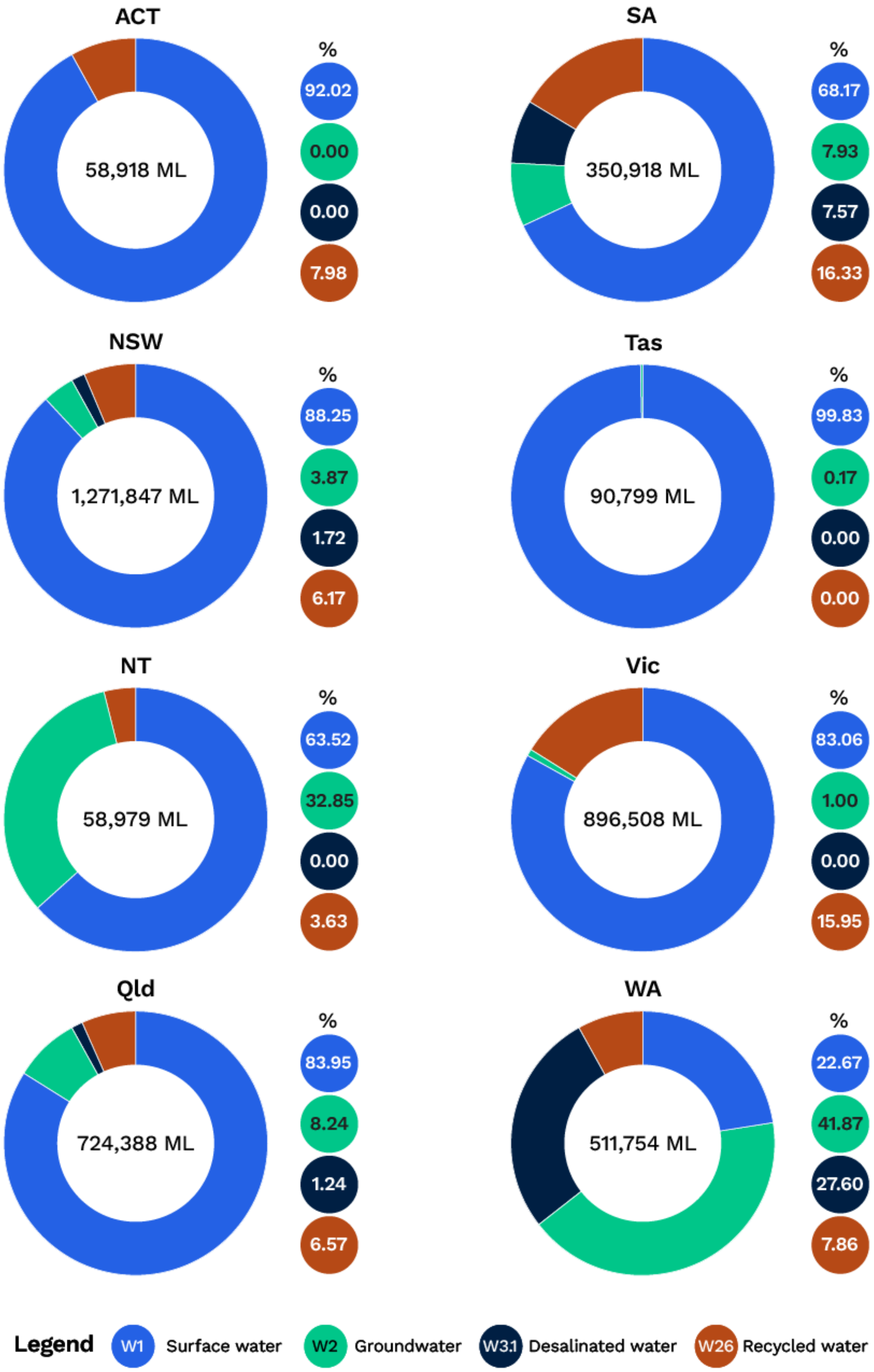

Figure 1.4 Water source breakdown supplied by all service providers in each state and territory in 2024–25

- In 2024–25, a total of 198,650 ML was sourced from desalinated water (Water resource indicator W3.1) nationally, representing 5.0% of the total water sourced by all service providers across Australia. Westen Australia accounted for the highest share (71.1%), reflecting its strong reliance on desalination, particularly as Perth's surface water storages in 2024–25 remained below 40% of accessible capacity[8] under the hot and dry conditions. South Australia sourced 26,561 ML from desalinated water (13.4% of the total) in response to prolonged dry conditions in 2024–25. New South Wales accounted for 11.0% of the total desalinated water sourced nationally, as total storage levels remained above 90% throughout the year, meaning that the Sydney Desalination Plant operated at its minimum production level (50 ML/day), except during critical outage periods. The Australian Capital Territory, the Northern Territory and Tasmania do not source any water from desalination. Victoria did not order any desalinated water in 2024–25[9].

- The total volume of recycled water sourced (Water resource indicator W26) nationally was 373,330 ML, representing 9.4% of the total water sourced by all service providers. Victoria sourced the largest volume in 2024–25 (38.3% of the total) followed by New South Wales accounting for 21.0% of the national total recycled water volume. The large volume sourced in Victoria was driven by high residential and non–residential recycled water supplies during hot and dry conditions, as well as large volumes of recycled water sourced for own use (Water resource indicator WR_N3) and beneficial reuse (Water resource indicator WR_N4) which were included in the state's total recycled water volume in 2024–25 under the revised calculation method introduced in the 2020 NPR Framework Indicator Review. Tasmania does not source any recycled water.

The following section highlights the role of the Very small size group in Australia's water sourcing during the reporting year. These service providers reported to the 2025 NPR, following the Framework expansion, which aimed to improve national coverage of performance reporting. As a result, 211 additional service providers, categorised as Very small size group (serving less than 10,000 customers), were required to report for the first time in 2024–25.

This NPR Framework expansion specifically aimed at addressing a national gap in performance reporting. Therefore, it is important to assess how much the inclusion of the Very small size group aligns with achieving its intended objectives. Figure 1.5 shows the total volume and breakdown water supply from major sources by Very small service providers in 2024–25, noting that the Australian Capital Territory, Tasmania and Victoria did not have any Very small service providers reporting to the 2025 NPR. This figure highlights the contribution of the Very small size group to national water sourcing.

- Surface water (Water resource indicator W1) was the dominant source of supply for Very small service providers in New South Wales and Queensland. In contrast, Very small service providers in the Northern Territory, South Australia and Western Australia relied heavily on groundwater sources (Water resource indicator W2). Very small service providers in the Northern Territory did not source any water from desalinated (Water resource indicator W3.1) or recycled waters (Water resource indicator W26), and those in Western Australia did not source any desalinated water.
- Very small service providers sourced 217,062 ML of water across the country, which accounts for about 5.5% of the total national water sourced from major water sources. Of that total volume, surface water, groundwater, desalinated water and recycled water accounted for 33.5%, 49.3%, 0.3% and 16.9%, respectively.

[8] Financial year climate and water report 2025
[9] Annual Report | Melbourne Water

Figure 1.5 Water source breakdown supplied by Very small service providers (serving less than 10,000 connected properties) in each state and territory in 2024–25

- Very small service providers sourced 72,819 ML of surface water across the country, representing 2.4% of the national total surface water sourced. Very small service providers in Queensland reported the largest volume (33,816 ML) followed closely by New South Wales (33,679 ML).
- The total volume of groundwater sourced nationally by Very small service providers was 106,905 ML, representing 28.2% of the country's total groundwater sourced. Of this volume, Western Australia contributed 30.6%, Queensland 31.1%, New South Wales 20.3%, South Australia 14.0% and the Northern Territory 4.1%.
- Very small service providers sourced a total of 707 ML of desalinated water across the country, accounting for 0.4% of the national total desalinated water sourced. Of this volume, New South Wales contributed 67.2%, Queensland 31.0% and South Australia 1.8%. Very small service providers in Western Australia and the Northern Territory did not source any desalinated water.

- Very small service providers sourced 36,631 ML of recycled water across the country, representing 9.8% of the country’s total recycled water supplies. Of this volume, New South Wales contributed 31.2%, South Australia 29.6%, Queensland 23.3% and Western Australia 15.8%. Very small service providers in the Northern Territory did not source any recycled water.