Tasmanian Government

Response to Question on Notice

Parliamentary Standing Committee of Public Accounts

Question number: 2

Asked by: Hon Ruth Forrest MLC

Answered by: Hon Eric Abetz MP

Inquiry into the Financial and Operational Performance of TasWater

Question:

1. Any information with respect to the Investment Grade status of TasWater that may also be sought through/from TASCORP.

Answer:

TASCORP has recently undertaken an internal assessment of TasWater's credit profile using Moody's methodology for regulated water utilities as a benchmarking tool.

Based on TasWater's FY25 actual financial results, TASCORP assessed TasWater's credit profile as being consistent with an investment grade rating. TASCORP's assessment concluded that TasWater is forecast to maintain an investment-grade credit profile, supported by the approved regulatory framework and forecast revenue growth.

However, TasWater's significant capital investment program under Price and Services Plan 5 is expected to increase debt levels, weaken financial metrics and reduce financial flexibility over time.

The principal risk to TasWater's credit profile was identified as the financial and delivery challenges associated with implementing this capital expenditure program.

2. Commentary as to whether the Government has examined the impact of TasWater's cessation of the Developer Services Charges Holiday as it applies to the National Housing Accord.

Answer:

Treasury is not aware of any assessments being done within State Government agencies on the impact of this remission being removed as it applies to the National Housing Accord.

As noted in discussions during the hearing, the provision of the Developer Services Charges Holiday, as well as its recent cessation, was a business decision for TasWater.

Treasury is not aware of any terms in the National Housing Accord 2022 that would require the remission to continue.

Hon Eric Abetz MP
Treasurer

Date: 14/10/26