

TasWater's Water Future Community Advisory Panel

PSP5 Deliberation Panel Report

November 2024

Our challenge:

TasWater is at a critical juncture – we have unique assets, our climate is changing, and customer expectations are growing. We need to prepare for an uncertain future and find the balance of price and service that is fair for all Tasmanians, shaping the future of water services in our state.

How do we prepare for tomorrow while being fair to customers today?

Introduction

We are a diverse group of 45 Tasmanians, randomly selected from a pool of over 500 Tasmanians who registered to participate in TasWater's Water Future Community Advisory Panel. Our panel was tasked with deliberating on TasWater's remit of 'How do we prepare for tomorrow while being fair to customers today?'. Key issues were considered, relating to water and sewage management and infrastructure in Tasmania to provide community input to assist TasWater in the development of Price and Service Plan 5 (PSP5).

To achieve this, we reviewed detailed information about TasWater's operations and challenges, wider engagement data and worked together to develop recommendations that reflect community priorities. Our participation included online meetings, site visits and in-person workshops during October and November 2024, facilitated by MosaicLab in partnership with TasWater. Experts and stakeholders also contributed, providing insights to inform our deliberations.

Our independent report summarises our recommendations, focused on ensuring sustainable, reliable, and equitable water and sewage services for all Tasmanians. This report will inform TasWater's submission to the economic regulator for PSP5.

Recommendations

Recommendation 1:

Heading	Protect and improve the environment and water security
Description of this recommendation	<p>Provide reliable access to quality water amid challenges like climate change (eg drought risk).</p> <p>Consider population growth, conserve resources and reduce water loss from leaks.</p> <p>Ensure that all infrastructure, upgrades and new projects ensure minimal harm.</p>
Why is this important?	<p>Access to quality and safe water, and efficient recycling management of effluent, is essential to ensure equity amongst communities and for future generations.</p> <p>Environmental sustainability is crucial to protect the planet for future generations e.g. effluents/outputs from treatment of sewage must not pollute our waterways.</p>

Recommendation 2 :

Heading	Education and incentives for water conservation
Description of this recommendation	TasWater should develop comprehensive strategies to help customers maximise water efficiency, including educational programs in schools and the broader community. By promoting awareness and practical solutions, these initiatives will empower individuals, households and businesses to conserve water effectively. Additionally, TasWater must collaborate with local, state and federal governments to implement water-saving rebates or subsidy programs, encouraging the adoption of water-efficient devices such as showerheads and tanks. These combined efforts will foster a culture of conservation and ensure sustainable water use across Tasmania.
Why is this important?	To improve community knowledge in water conservation to encourage reduced water consumption. To encourage the government and councils to incentivise water conservation programs working alongside TasWater to do this. Customer education in how to control their water usage will assist their capacity to pay their bills and assist in the future proofing of the Network.

Recommendation 3:

Heading	Increase awareness of the TasWater Assist Program
Description of this recommendation	Increase awareness of the TasWater Assist Program and the flexible payment options available. Provide support for those impacted by pricing changes to ensure that all Tasmanians have reliable access to basic water needs for drinking and hygiene.
Why is this important?	The TasWater Assist Program is an important initiative as it provides financial relief and support for Tasmanians experiencing financial hardship with their water bills. The proposed changes to the pricing mechanism requires additional support to the TasWater Assist Program so that financially vulnerable people get assistance.

Recommendation 4:

Heading	Upgrade of metering
Description of this recommendation	We recommend that TasWater install digital smart meters across the network, as a high priority, where net benefit can be demonstrated i.e. where the trial has proved successful for TasWater and customers. On that basis, we should accelerate pilots and broaden rollouts. Taswater should consider optional early customer opt in.
Why is this important?	Enhanced quality data allows better decisions to be made by TasWater and their customers. This can improve billing options for customers.

Recommendation 5:

Heading	Remodel the pricing structure
Description of this recommendation	<p>We recommend that TasWater increase the variable component of the pricing structure for water and sewerage and in turn, reduce the fixed cost component so it is more reflective of a usage-based system.</p> <p>We recommend that TasWater provide comprehensive information on these changes including payment options, weekly/fortnightly BPay payments or recurring direct debits.</p>
Why is this important?	<p>Changing the pricing structure aims to make costs fairer, encourage water conservation, and provide flexibility for customers to control their bills based on usage.</p> <p>More information on payment options and changing pricing to more of a usage-based system can help protect vulnerable customers from sudden financial impacts, allowing for a smoother transition over time.</p>

Recommendation 6:

Heading	Proactive Infrastructure management and maintenance.
Description of this recommendation	We recommend that TasWater focus on future-proofing and consolidating infrastructure by addressing critical needs first, with ongoing proactive/preventative maintenance, rationalising infrastructure based on cost benefit to customers prioritised to meet future demands.
Why is this important?	Utilising the current assets efficiently will see a return on investment in the future for all, ensuring continuity and quality service by prioritising water and sewage needs and utilisation in the future. It also minimises long-term operational costs, enhances service reliability, safeguards public health and supports sustainable economic growth and environmental protection.

Recommendation 7:

Heading	Supply water and sewage services to unserved communities
Description of this recommendation	TasWater to review: <ul style="list-style-type: none">- the adequacy and location of filling stations in order to ensure they are close to communities that need them- their arrangements with cartage contractors to ensure a reasonable and equitable cost of supply to unserved communities- demand for expanding reticulated water and sewage services in unserved communities through proactive engagement.
Why is this important?	So that potable water and sewage services can be supplied to unserved communities in an <i>equitable</i> manner.

MINORITY REPORTS

Minority report 1

What is this in relation to?

The panel developed the following recommendation that was eliminated in the final vote:

“TasWater will actively engage the community and local governments in order to prioritise projects, build support and source and secure funding [for example, from state and federal grants]. Additionally, we will actively pursue funding incentive programs for communities lacking reliable reticulated water, such as community water tanks or rebates for rainwater tank and septic installations”

Comments we would like noted:

As group we suggest that community engagement on developing priorities is vital if Taswater is to expand its services. State and Local Government, as key stakeholders and shareholders in Taswater have option to invest in services to increase water security for their communities.

We suggest the following is a more accurate representation of the intent of the recommendation as developed by the panel:

“TasWater actively engage with community and local governments in order to prioritise projects, build support and source and secure funding [for example, from state and federal grants]. Additionally, Taswater should actively pursue funding incentive programs and rebates for increased water harvesting in communities across Tasmania”

Minority report 2

What is this in relation to?

The following recommendation was eliminated by the panel in its final vote:“ We recommend that TasWater continues with and updates its Incident and Emergency Management Plan that outlines the system and process to control any Major Incident, State Emergency situation or significant business interruption.”.

Comments we would like noted:

We would like it noted that disaster mitigation and management it vital in planning for future scenarios in these times of climate change.

Minority report 3

What is this in relation to?

Upgrade of metering

Comments we would like noted:

We voted against this recommendation. We did so because we are concerned about:

- Affordability (we would like to see greater emphasis on customers being able to opt out or in for household digital meters)
- Environmental impacts (the meters have an unknown lifespan and will be replaced with a new unit when their battery fails, creating waste - a solar rechargeable option would be better)

This recommendation carries a very high price increase, which will greatly impact lower income households.