

# Service Replacement Process



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## Purpose

The aim of this document is to detail the process we will follow where service replacement may be required for existing water services.

## Process

A number of our water services have in the past not complied with the *Tasmanian Drinking Water Quality Guidelines 2015* and by extension the *Australian Drinking Water Guidelines 2011* (ADWG).

The Regulator, through our water and sewerage operating licence, and the Director of Public Health, through the provisions of the *Public Health Act 1997*, require all drinking water systems to comply with the health requirements of the ADWG. In practice, this means that most of our drinking water systems require full treatment. Historically this provided us with only two options: conform to the requirements of ADWG or instigate service replacement.

Service replacement means that we cease providing a reticulated drinking water service to a locality. Where service replacement is required, we provide impacted customers with an alternative water supply, either through provision of appropriate infrastructure (such as a water tank or water filters), or a one-off payment to cover the reasonable costs of an alternative water supply. Service replacement is only considered when all other reasonable solutions have been assessed.

We may provide, at our discretion, an irrigation supply in response to community demand and confirmed support. All costs for this unregulated supply will be borne by the local community through individual agreements.

## Service replacement process

Our framework for assessing options to provide water services to small towns includes our *Drinking Water Quality Policy* available on our website at [www.taswater.com.au](http://www.taswater.com.au).

The process seeks to balance the compliance obligation to provide a safe drinking water supply and the economic justification, in line with our legislative obligations, of major investment in towns with very small populations. This also incorporates non-economic considerations that may warrant the installation of treatment infrastructure in meeting compliance obligations. These include consideration of a range of criteria relating to community health, regional planning, growth and demographic issues, town sustainability

and organisational reputation. Public safety is the principal objective in determining our preferred approach for a locality.

We will follow the process where service replacement is a possible solution to address water quality issues.

### **Review points**

The process provides 'review points' at the end of each major stage to allow us to engage with the Regulator and other industry regulators as appropriate, such as the Department of Health (DoH), Environment Protection Authority and Tasmania Fire Service (TFS). At each review point, the relevant regulator/s need to give their in-principal agreement before we can proceed to the next stage in the process.

The relevant regulator/s will be provided with information and asked to consider certain matters outlined below and detailed in the series of flowcharts that follow. The list below is not prescriptive and does not seek to limit regulators' ability to request further information at the review points or at any time during the process.

#### **Stage 1.1 – Initial assessment**

Review point regulators: The Regulator and DoH.

Regulators asked to consider our assessment of the town against key assessment criteria and the need to commence the service replacement process.

#### **Stage 1.2 – Engage with community and regulators**

Review point regulators: The Regulator, DoH and TFS.

The Regulator is asked to consider the adequacy of community engagement.

The Regulator and DoH are asked to consider:

- Whether the options assessment presented to the community adequately address the risks, costs and benefits of each option and
- Whether the proposed implementation approach (reimbursement or upfront payment) is justified.

All relevant regulators are asked to consider whether options adequately address their particular regulatory concern(s). For example, TFS may consider the impacts of the proposed service replacement on firefighting capability within the locality.

#### **Stage 1.3 – Customer offers and review**

Review point regulators: The Regulator, DoH and TFS.

The Regulator is asked to consider whether the Service Replacement Offer(s) matches the outcomes of the community engagement and the needs of customers, and the robustness of the process of gaining customer agreement.

The Regulator and DoH are asked to consider:

- Whether the Service Replacement Offer(s) presented to customers adequately explains the costs and ongoing requirements and the proposed implementation approach.

All regulators asked to consider whether the Service Replacement Offer(s) adequately addresses their regulatory concern(s).

#### **Stage 1.4 – Amendment to serviced land**

Review point regulators: The Regulator, DoH and TFS.

This stage includes the Regulator consulting with other regulators and, if required, undertaking public consultation in relation to our service replacement process report.

The Regulator undertakes final review.

#### **Stage 1.5 – Installation of alternative supply**

Review point regulator: The Regulator.

Advice to DoH and TFS of completion of the service replacement process.

#### **Customer complaints**

Customers who have a complaint with any part the process may lodge a formal complaint with us through a range of avenues, as detailed on our website [www.taswater.com.au](http://www.taswater.com.au).

If the customer remains dissatisfied with our response; we will advise the customer of their right to lodge a complaint with the Tasmanian Ombudsman.

#### **Engagement**

Engagement informs and drives the service replacement process. We will engage with our customers in the relevant localities, the local council and regulators. Other stakeholders will also be engaged as required.

This engagement is an important part of the decision-making process for determining the preferred solution and to make sure we meet our legal obligations.

As part of Stage 1.2 – Engagement with community and regulators (refer to flowchart below) we will provide the community with detailed options and the associated ongoing costs and obligations. The options presented will weigh up matters such as:

- Quality and quantity of water supply (e.g. rainfall, surface and bore)
- Upfront infrastructure costs (costs borne by TasWater)
- Ongoing costs and maintenance obligations (costs borne by customers)
- Existing investment by customers in their own water supplies e.g. rainwater tanks
- Community composition e.g. the proportion of permanent residents to occasional and temporary visitors. Lower permanent resident levels may influence the option(s) proposed by TasWater.

Community requirements will determine whether the preferred option will be implemented through provision of the alternative water source or an upfront payment to cover the reasonable costs of an alternative water supply. In some cases, it is not possible to get all customers to indicate their preferences. We will make all reasonable endeavours to engage with the community, including methods such as telephone contact, direct mail-outs, advertisements in local shops and/or newspapers and community meetings.

The second part of the community engagement is to get formal agreement from individual customers. For each customer we will provide details of the service replacement offer and an agreement to accept the offer.

Customers will be provided with up to 150 days (five months) to accept or reject the offer (the 'offer period').

We will proceed to seek an amendment to serviced land at the end of the offer period if 80 per cent or more of customers have accepted the offer. Should this threshold not be met at the end of the offer period, we will consult with the relevant regulators to determine an acceptable resolution.

The service replacement process is detailed in the series of flowcharts that follow.

## Requirements

The GM Sustainable Infrastructure Services is responsible for implementing this process.

## References/Supporting Documents

- Connections Policy
- Access Charges Policy – Unconnected Properties

## Relevant legislation

- Water and Sewerage Industry Act 2008 (the Act)

## Definitions

Term	Meaning
Act	Means the Water and Sewerage Industry Act 2008.
Owner	Means the person(s) who holds the freehold interest in any land that is connected to our infrastructure or that a water or sewerage service is available to from us.
Price and Service Plan	Means a price and service plan approved under Section 65 of the Act.
Pricing Regulations	Means the Water and Sewerage Industry (Pricing and Related Matters) Regulations 2021.
Regulator	Means the Regulator referred to in Section 11 of the Act.

Term	Meaning
Unconnected property access charge	Has the same meaning as a service charge levied under Section 68A of the Act and detailed in Section 5 of this document.
Service introduction	Means the construction of water infrastructure and/or sewerage infrastructure by us to provide reticulated water services and/or sewerage services to established communities/townships not previously receiving reticulated water services and/or sewerage services.
Service introduction charge	<p>Means a charge, in respect of a property, that relates to the installation, alteration or utilisation of assets by us to enable the provision by us of a regulated service to the property but does not include:</p> <ul style="list-style-type: none"> <li>• a connection charge</li> <li>• a water and sewerage access charge</li> <li>• a developer charge.</li> </ul>
Standard sewerage connection	Means a 100 mm sewerage connection to an unconnected property that is classified as serviced land and meets the requirements set out in Section 3.2 of this document.
Standard water connection	<p>Means a 20 mm water connection to an unconnected property that is classified as serviced land and meets the requirements set out in Section 3.2 of this document.</p> <p>(TasWater has identified serviced land where, based on historical practices, some 25 mm water connections are also considered to be a standard water connection as defined above.)</p>

Figure 1: Service replacement overview

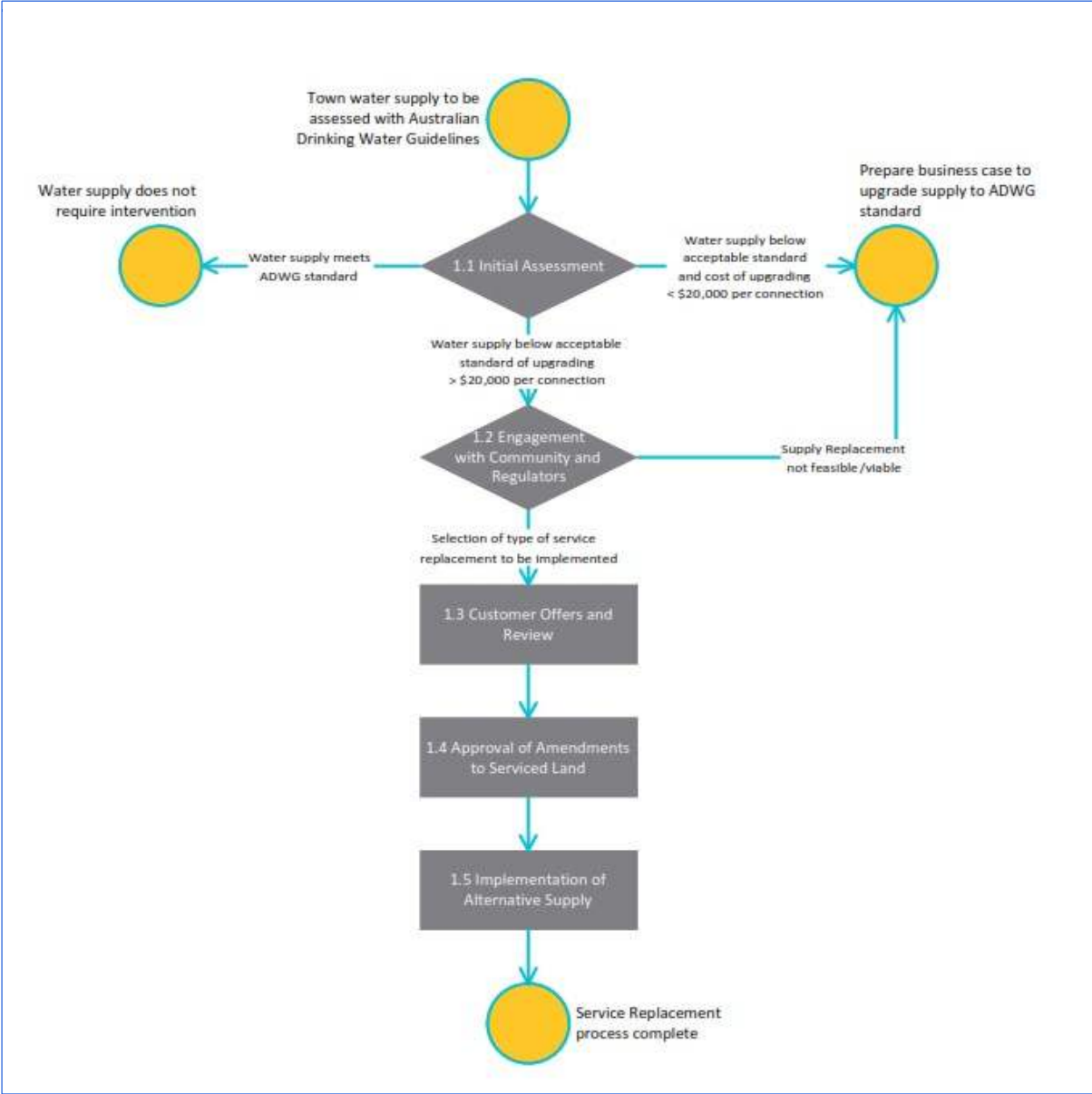


Figure 2: Initial assessment

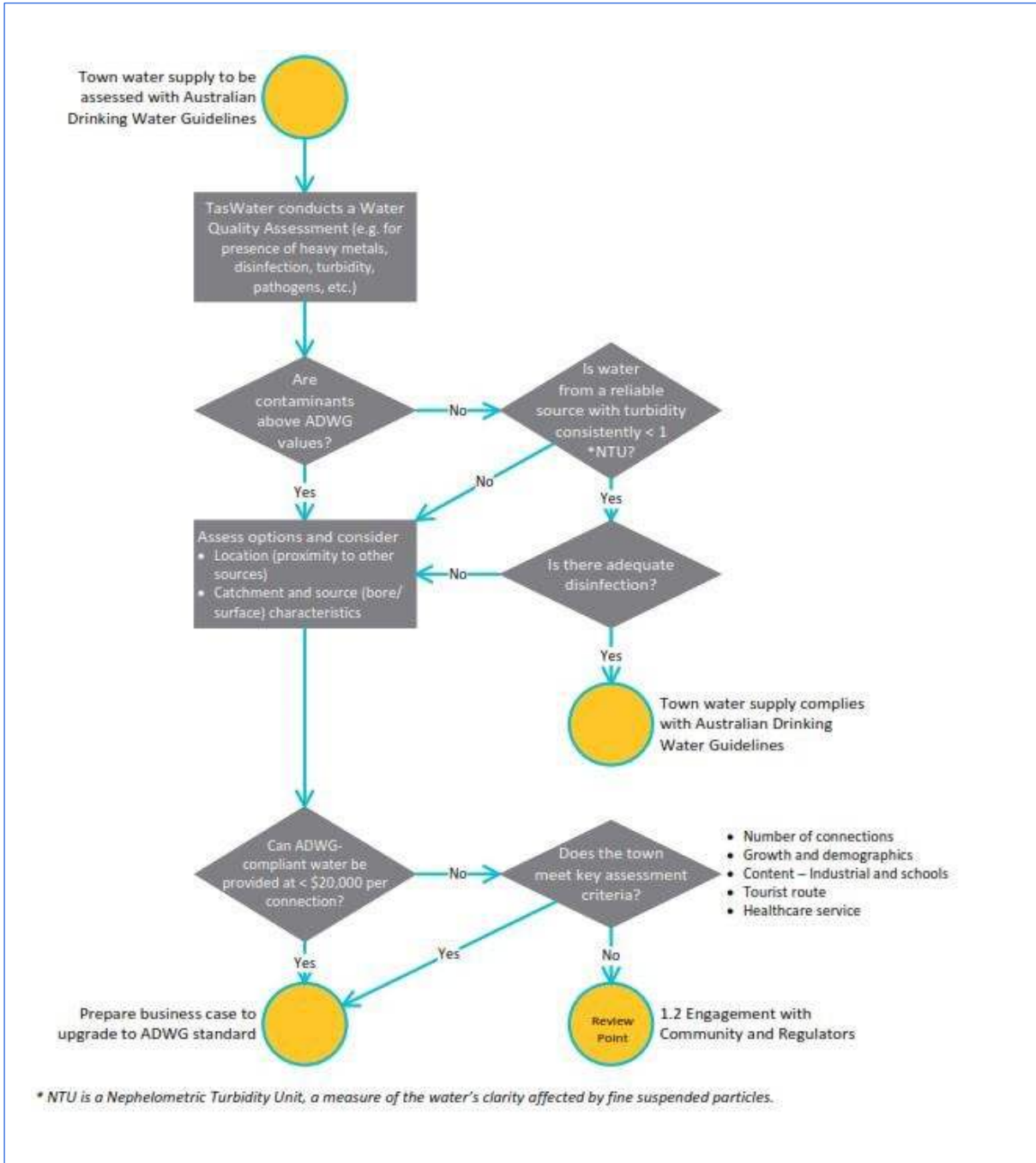


Figure 3: Engagement with community and regulators

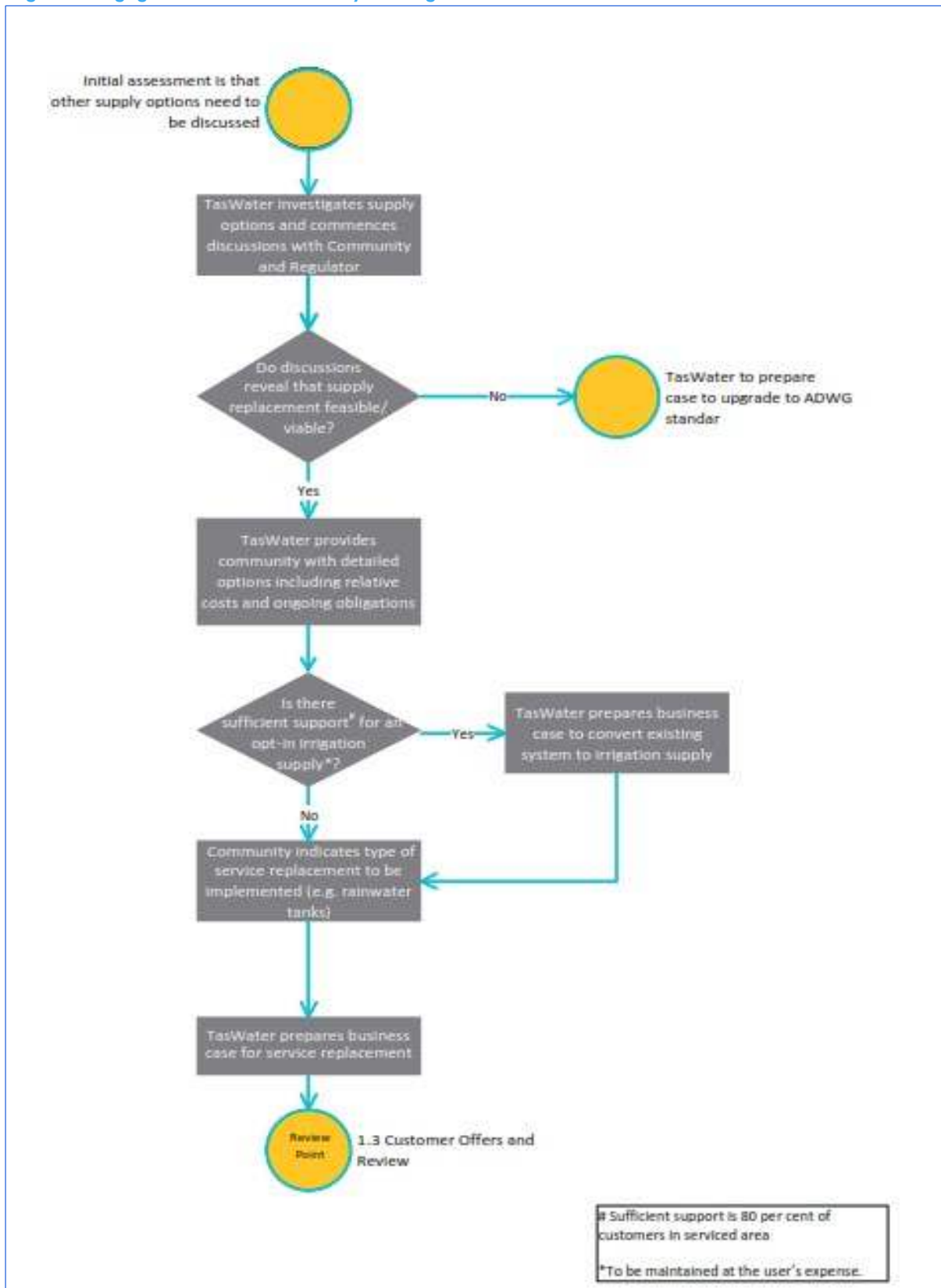


Figure 4: Customer offers and review

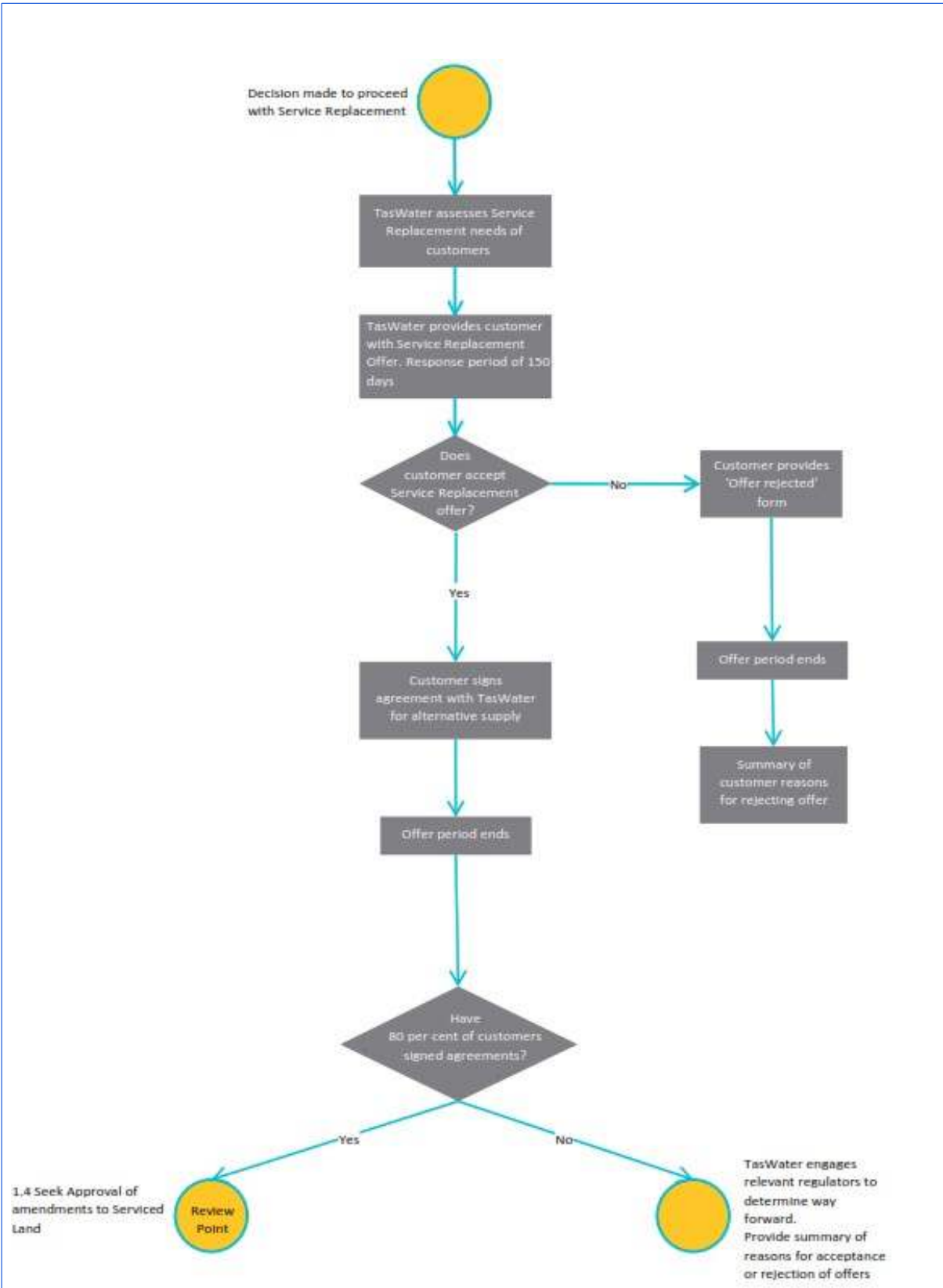


Figure 5: Amendment to serviced land

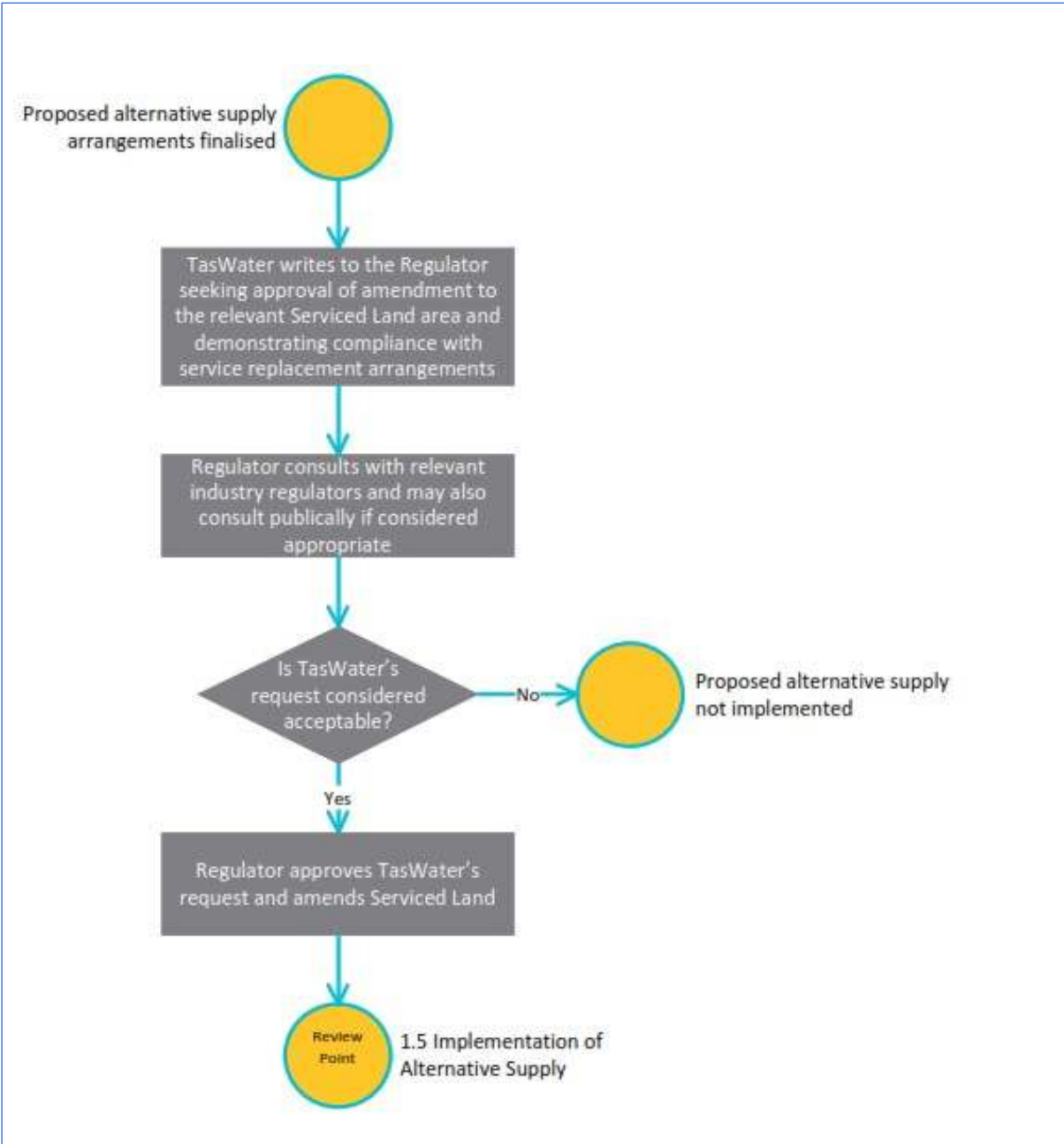


Figure 6: Installation of alternative supply

