TW CM ref: 26/77218

12 October 2026

Hon Ruth Forrest MLC
Chair
Parliamentary Standing Committee of Public Accounts

Via email: pac@parliament.tas.gov.au

Dear Ruth

Inquiry into Financial and Operational Performance of TasWater – Questions on Notice

Thank you for the opportunity to attend the Parliamentary Standing Committee of Public Accounts' public hearing held on Thursday, 24 September 2026.

I can provide committee members with the following responses.

1. **Provide the data that sits behind the percentage increases in the number of customers affected at various dollar increase amounts per annum.**

The table below summarises the number of customers across each bill impact band following the Tasmanian Economic Regulator's (TER) Final Determination of TasWater's fifth Price and Service Plan (PSP5).

Bill impacts are calculated as the difference between a customer's FY2025-26 bill under Price and Service Plan 4 (PSP4) and their FY2026-27 bill under the PSP5 Final Determination, and are reflective of price increases in the first year of PSP5.

The customer percentages represent the proportion of TasWater's total customer base within each dollar bill impact band.

Table 1. TasWater Residential customer impacts

	Bill impact range	No. of customers	% of residential customers
Pay less	**$1,001+**	946	0.4%
	$501 - $1,000	4,008	1.8%
	$251 - $500	10,196	4.7%
	$101 - $250	3,809	1.7%
	$51 - $100	915	0.4%
	$0 - $50	367	0.2%
Pay more	**$0 - $50**	56,229	25.8%
	$51 - $100	90,875	41.7%
	$101 - $250	36,968	16.9%
	$251 - $500	11,493	5.3%
	$501 - $1,000	1,594	0.7%
	$1,001+	757	0.3%

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Table 2. Non-residential customer impacts

	Bill impact range	No. of customers	% of non-residential customers
Pay less	**$1,001+**	2,492	18.8%
	$501 - $1,000	1,612	12.2%
	$251 - $500	1,451	11.0%
	$101 - $250	943	7.1%
	$51 - $100	242	1.8%
	$0 - $50	180	1.4%
Pay more	**$0 - $50**	2,089	15.8%
	$51 - $100	565	4.3%
	$101 - $250	340	2.6%
	$251 - $500	648	4.9%
	$501 - $1,000	521	3.9%
	$1,001+	2,164	16.3%

2. Provide further detail on the impact analysis work being undertaken to document the impacts of the new PSP5, the purpose and timeframes, and whether a copy could be provided to the Committee.

To conduct its customer impact analysis, TasWater:

- Estimated FY27 customer charges using current account information and historical consumption data, applying the approved PSP5 pricing methodology and tariff structure following the Final Determination issued by the TER on 30 April 2026.
- Estimated charges were compared against FY26 charges at both the total bill level and by individual bill components. The bill components included fixed water, water usage, fixed sewerage, and trade waste charges. Variable sewerage charges are a new component of customer bills, so this was estimated on their historical water usage data.
- Assessed customer impacts in both dollar and percentage terms and analysed the number of customers who would pay more or pay less under the proposed pricing structure.
- TasWater proactively wrote to 1,300 non-residential customers whose bills would increase by ten per cent or more, as well as engaging directly with 125 account managed customers.

Timeline of analysis

PSP4 Inquiry into Sewerage Charging (FY25)

- Following a response to customer feedback during the 2022 price determination investigation, the Tasmanian Economic Regulator conducted an inquiry into TasWater's sewerage charging methodologies.
- TasWater assessed the impact of alternative sewerage charging approaches to move away from the existing Equivalent Tenement (ET) methodology, which calculated sewerage charges based on the estimated demand on the sewerage network to the now approved methodology of fixed sewerage charges being linked to the water connection size.
- TasWater submitted a tariff reform proposal to the Tasmanian Economic Regulator in February 2024.
- The Regulator's finding and decision of the Inquiry required TasWater to:
    - introduce for the fifth regulatory period a fixed and variable charge approach for all regulated sewerage customers;
    - introduce a single set of fixed and variable charges for all regulated sewerage customers; and
    - undertake further analysis and consultation on its proposed discharge factors for non-residential customers (including Category 3 and 4 trade waste customers).

PSP5 Proposal (30 June 2025)

- TasWater completed a detailed account-level analysis of TasWater's PSP5 proposal, assessing the impact of the proposed tariff structure on every customer across their overall bill. This included analysis showing what a move to a lower fixed and higher variable component of the bill would do across customer cohorts.
- The analysis supported TasWater's PSP5 proposal, with the underlying model provided to TER as part of the review process.
- This analysis highlighted varying customer impacts across different customer cohorts which reflected the change in pricing methodology, in particular regarding the fixed sewerage charge.
- Under the new pricing methodology some customers would pay less and some would pay more however, overall increases under TasWater's proposal would have been lower. This is because TasWater proposed a lower fixed charge and a higher variable charge.
- Findings and methodology were subsequently discussed with TER during its assessment of TasWater's proposal.

Response to PSP5 draft report (March 2026):

- Following the TER releasing its Draft Determination, TasWater proposed revising the fixed sewerage charge approach for low discharge factor customers (customers who return minimal water to the sewerage network), such as sporting fields, to reduce significant bill impacts.
- The proposed changes to safeguard against unintended consequences formed part of TasWater's response to the TER's Draft Determination.
- This was not accepted by the TER.

PSP5 Implementation (June 2026)

- Following the TER Final Determination further modelling was undertaken on a per-account basis to determine the overall impact on individual customers.
- The dataset underwent quality assurance, with random samples of individual customer accounts manually checked to verify accuracy.
- This modelling was used to:
    - validate the accuracy of bills for the first two weeks of PSP5 billing after 1 July.
    - determine the lists of customers that TasWater wrote to individually to inform them of the changes to their overall bill. This included non-residential customers impacted by a bill increase of ten per cent or more, or a decrease in their bill of 50 per cent or more.

PSP5 Post-Implementation (September 2026)

On 2 October 2026, TasWater announced a review of non-residential customer cohorts, including sporting fields and customers with large water connections but relatively low sewerage discharge. The analysis currently underway will help identify potential changes to the current pricing methodology that could reduce the unintended bill impacts arising from the PSP Final Determination for these customers.

We estimate the reduction in revenue could be up to $10 million for each year for the remainder of PSP5.

3. **Clarify the information provided on page 8 of the TasWater response to questions on notice (dated 13 July 2026), where the average employee increase is stated to be 4.03 per cent, but the data break down averages out at 3.72 per cent.**

The previous response incorrectly showed annual Enterprise Agreement increases one year earlier than they applied. The correct average increase for FY2021–FY2025 is 3.28 per cent, not 4.03 per cent, as presented in the below table.

Table 3. General award increase FY21 – FY25

Financial year	General award increase	
	Previous version	Correct version
FY2021	2.50%	2.80%
FY2022	3.00%	2.50%
FY2023	3.00%	3.00%
FY2024	5.10%	3.00%
FY2025	5.00%	5.10%
FY2021-FY2025 average	**3.72%**	**3.28%**

4. The full-time equivalent staff establishment for the TasWater marketing, communication and public relations (or similar) staff for the past three years.

TasWater is required under the Water and Sewerage Act 2012 to promote water conservation. It is also a statewide 24-7 operation, delivering critical services across a diverse and ageing network.

TasWater's Communications and Marketing teams play a critical role in keeping customers and communities informed about service interruptions, capital works and other operational activities. At the same time, they are charged with improving water literacy, encouraging responsible water use, as well as raising awareness of support programs such as TasWater Assist.

The teams are also responsible for managing TasWater's communication channels, including paid and earned media, social media platforms, website content, the production of strategic documents including the Corporate Plan and Annual Report and direct customer communications. During emergencies, they provide timely and accurate information to keep TasWater customers, stakeholders and the wider community informed on incidents and progress to resolution, helping to protect public health and support community wellbeing.

The table below outlines the number of FTE equivalent over the past three years at 30 June.

Table 4. Communications and marketing FTE equivalent FY24 – FY26

Financial year	Strategic Communications / Public Relations	Brands/Marketing	TOTAL
FY2024	8	7	15
FY2025	8	5.6	13.6
FY2026	8	5	13

The FTE figures do not include the Community Engagement team, whose activities directly support the delivery of TasWater's capital investment and community programs across the state. This includes securing land access and acquisitions, notifying affected communities of planned works, and undertaking stakeholder and community engagement to support the social licence necessary for infrastructure delivery and services across the state.

If you have any further questions, please contact TasWater's Head of Communications, Brand and Engagement Liz Hafner at [redacted]

Yours sincerely

[redacted]

Kevin Young
Chair