

A man and a young girl are kayaking on a river. The man is in the foreground, wearing a red jacket and a yellow life vest, holding a black paddle. The girl is behind him, also wearing a yellow life vest and holding a black paddle. They are both smiling. The water is dark blue with white foam from the paddles. The background shows a sunset with orange and yellow light reflecting on the water. The sky is blue with some clouds.

Our water future

Price and Service Plan 5 Proposal

Water. It's Tasmania's thing.





Since creation, the Palawa have lived here in Lutruwita – Tasmania. More than 2,000 generations of Aboriginal families have cared for this Country, looking after its lands, seas, skies and waterways.

In the spirit of respect and gratitude, TasWater acknowledges the Tasmanian Aboriginal community as the traditional and ongoing custodians. We pay our respects to them, their culture and to elders past and present.

TasWater commits to working collaboratively and respectfully with the Tasmanian Aboriginal community to protect and sustain the precious resources on this ancient land for future generations.

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Our water future

Planning for the future is never easy, especially when it comes to something as fundamental as clean drinking water, reliable sewerage systems, and the protection of Tasmania's environment. TasWater's fifth Price and Service Plan (PSP5) Proposal addresses a reality we can no longer ignore.

For decades, Tasmania's water infrastructure has been underfunded, leaving us with outdated and overstretched systems.

Despite serving just two per cent of Australia's population, TasWater manages 38 per cent of the nation's treatment plants run by major utilities – a legacy of fragmented planning before TasWater's formation.

We've made real progress. Boil-water alerts in 28 towns are now history, and water leakage rates have dropped from 29.2 to 24.5 per cent. But challenges remain; only nine per cent of sewage treatment plants meet all EPA licence conditions, and many of our water and sewer pipes still underperform.

Meeting these challenges requires investment, funded largely through customer bills. That's why we worked with more than 3,500 Tasmanians to find a fair balance between price and service. Their priorities – affordability, reliability, environmental protection, and support for vulnerable households – shaped this proposal.

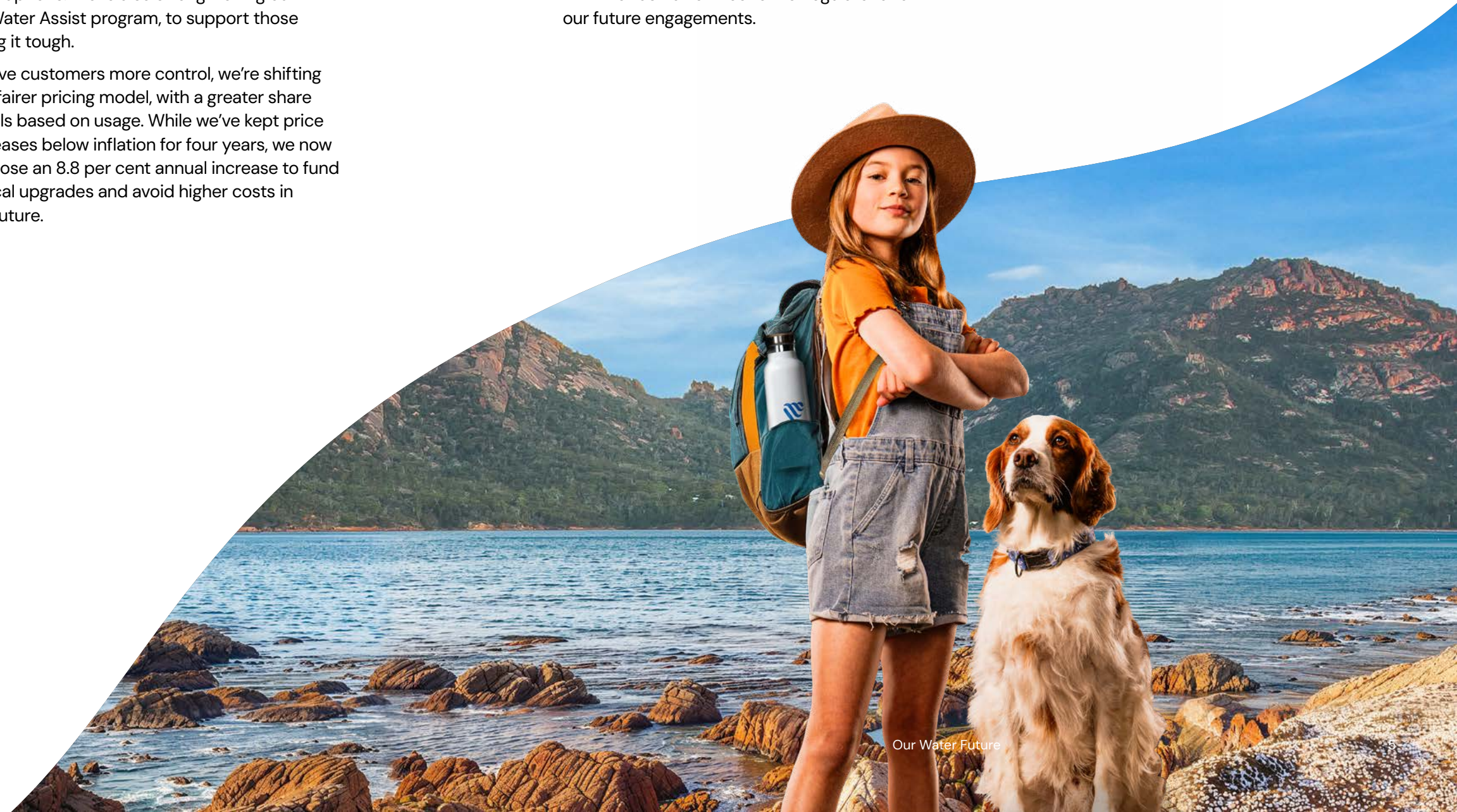
PSP5 focuses on sustainability, water security, and reliability. We're upgrading treatment plants, tightening environmental controls, and renewing infrastructure to reduce service interruptions. We're also strengthening our TasWater Assist program, to support those doing it tough.

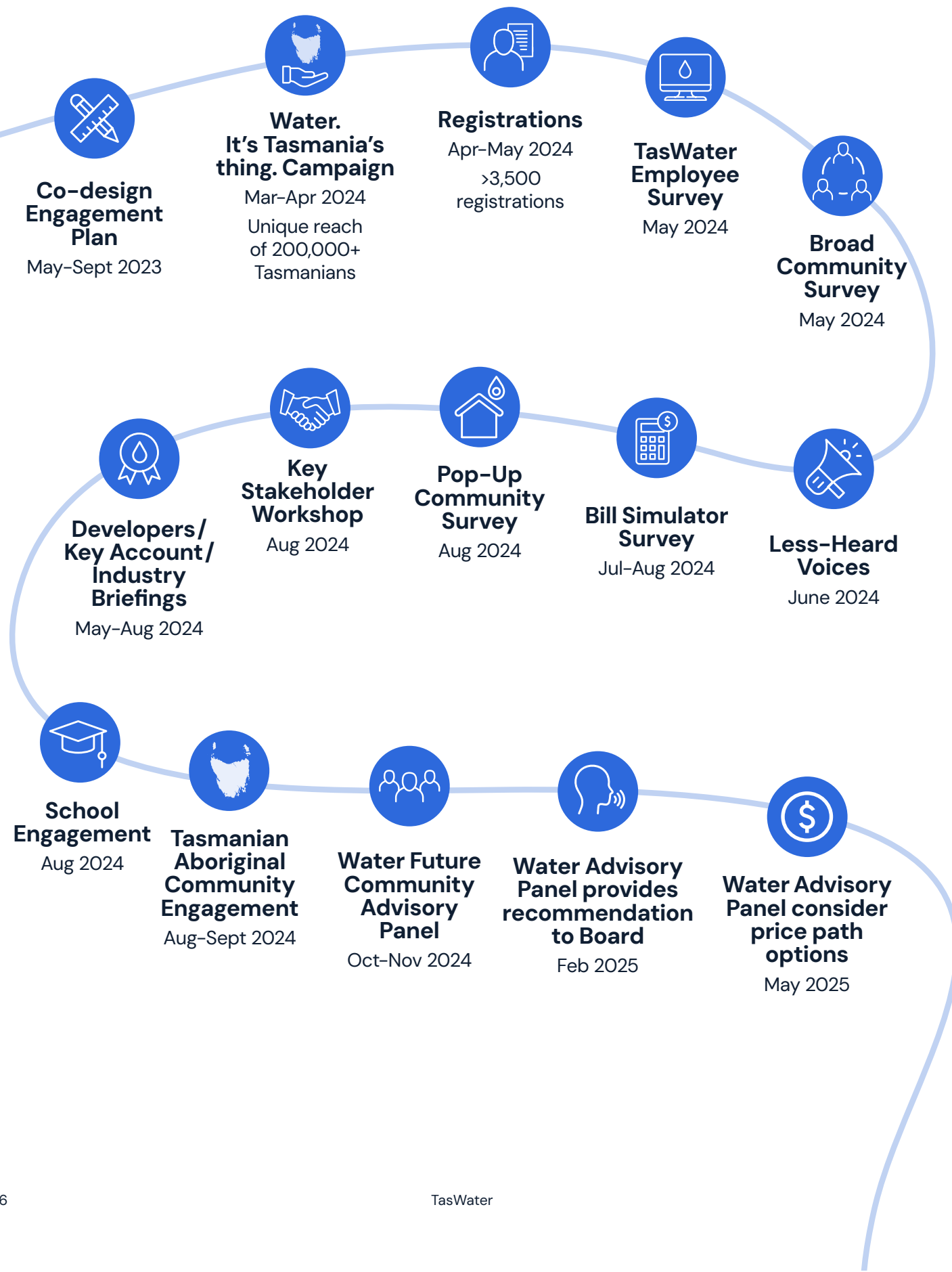
To give customers more control, we're shifting to a fairer pricing model, with a greater share of bills based on usage. While we've kept price increases below inflation for four years, we now propose an 8.8 per cent annual increase to fund critical upgrades and avoid higher costs in the future.

We believe this PSP5 Proposal, developed in collaboration with our customers, is in the long-term interests of the Tasmanian community. We have set new, clear, measurable customer outcomes to remain accountable. Striking this balance has not been easy, however one thing is clear, we cannot ask future Tasmanians to carry the cost of our inaction today.

We thank everyone who participated in our community engagement program to help develop this PSP5 Proposal and we encourage all Tasmanians to stay involved in this process with the Tasmanian Economic Regulator and in our future engagements.

Finally, this PSP5 Proposal isn't just about pipes and plants, it's about the kind of Tasmania we want to live in and leave behind for our children and grandchildren. One where clean water flows freely, where our waterways are healthy and clean, and where every Tasmanian, regardless of circumstance, can rely on a service that is fair, sustainable, and resilient.





A proposal shaped by what matters to Tasmanians

Like any essential service provider, we plan to ensure our infrastructure can meet the needs of Tasmanians – now and into the future. Every four years, we submit a detailed plan to our independent regulator that sets out the prices we'll charge and the service levels we'll deliver. This is called our Price and Service Plan.

PSP5 will cover the period from 1 July 2026 to 30 June 2030. It's a critical opportunity to take stock of our current performance, respond to the challenges we're facing, and map out the investments needed to improve.

To shape PSP5, we asked for your help – and thousands of Tasmanians answered the call. This was the biggest community engagement

we've ever done, reaching more than 200,000 people through advertising and involving more than 8,000 interactions with nearly 3,500 people in surveys, bill simulations and conversations about the future of water and sewerage services in our state.

Your feedback helped guide our thinking and shaped our plan. It all culminated in late 2024, when our Community Advisory Panel delivered its final report and recommendations – confirming the need for further investment and helping us set priorities that reflect what matters most to you.

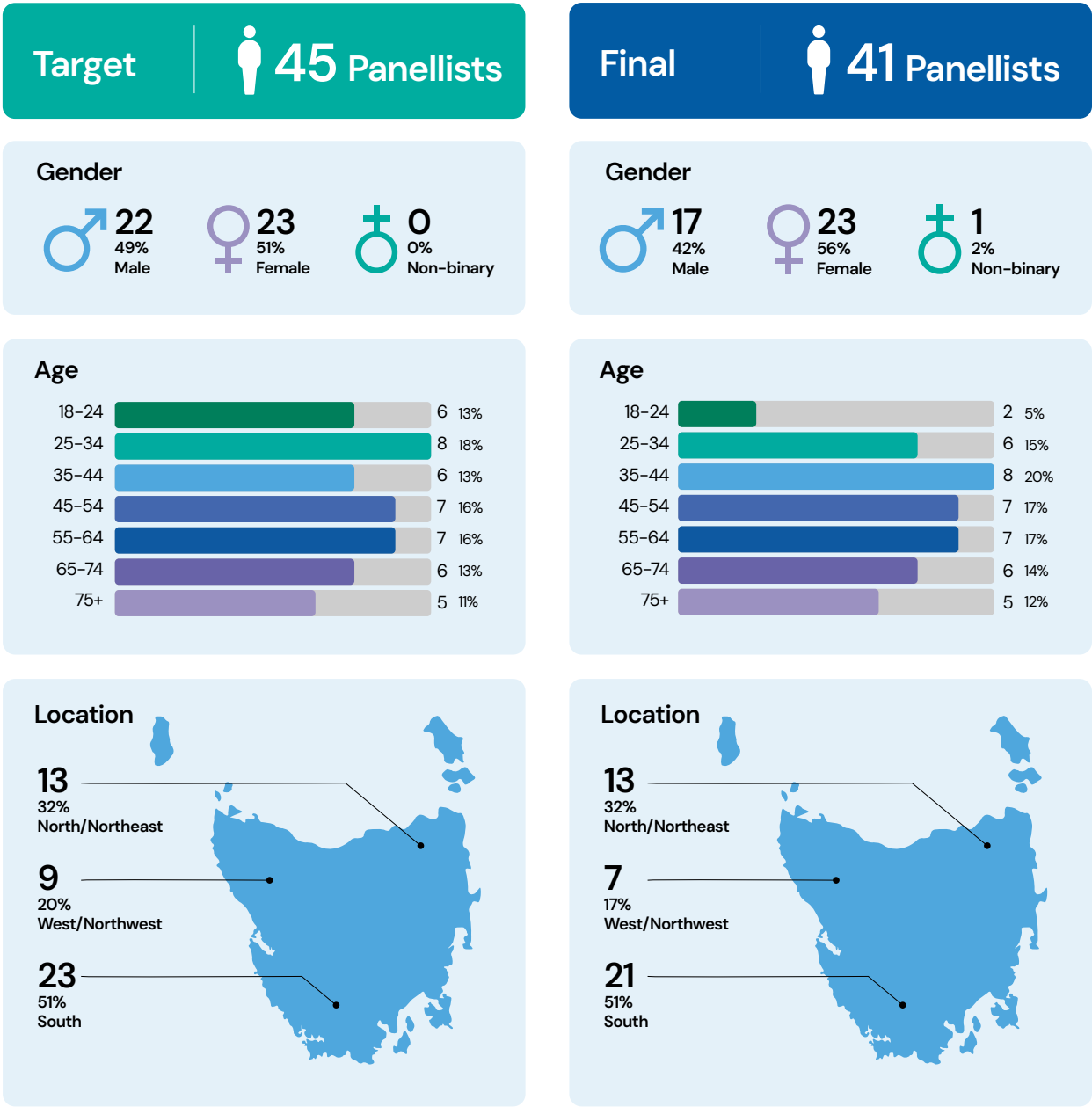
Customer testimonial

"I feel privileged to have been able to participate in such an important conversation regarding Tasmania's water future. Thank you for the opportunity to be involved. I have found the process really enlightening and enjoyed the collaborative approach that culminated in our report being presented to the TasWater Board on the final face-to-face day. I also enjoyed meeting and sharing perspectives with a diverse range of Tasmanians."

Community Advisory Panel member



About the Water Future Community Advisory Panel participants



Meeting our challenges head-on

The water and sewerage industry – across the country and around the world – is facing some of its toughest challenges yet. Rising living costs are putting pressure on households, making affordability more important than ever. At the same time, the need for investment is growing rapidly – driven by ageing infrastructure, population growth, climate change, and

increasing regulatory and community expectations. In Tasmania, these pressures are compounded by a legacy of underperforming assets and the need to modernise our systems. These are complex, long-term issues that can't be ignored – and PSP5 is our opportunity to start addressing them head-on.



Poorly performing assets

Our current reality is:

- We still lose around 24 per cent of the water we produce, down from nearly one-third in recent years.
- About 23 per cent of our 110 sewage treatment plants pose a high risk to the environment, and only nine per cent meet all environmental licence conditions.
- In 2023-24, we recorded more than 64 sewer main breaks and chokes per 100km – more than double the national median of 26.
- We also had more than 43 water main bursts per 100km, compared to the national median of 18.
- Only 48 per cent of customers are served by systems that meet our proposed water security standard.



Regulations have tightened and communities expect more

Understanding what our customers and communities care about is key to how we tackle the challenges ahead. It's also important that we meet the changing – and increasingly strict – requirements set by health, environmental, and

dam safety regulators, who are there to protect the interests of the public. As the rules become tougher and expectations rise, we need to make sure our plans reflect what matters most to the people we serve.



Smart investment today means better services tomorrow

We're taking important steps to modernise Tasmania's sewerage systems, starting with major upgrades in key urban areas. These long-term improvements will allow us to streamline our infrastructure, reduce the number of ageing treatment plants, and deliver better environmental and public health outcomes.

They'll also help support population growth and development in our major regions.

We know these challenges are solvable with the right planning, funding, and focus. That's why we've developed a 50-year roadmap to guide our investments. For the next four years, we've prioritised the most critical projects – those that offer the greatest benefits for customers, the environment, and long-term cost savings. We've shown we can deliver large, complex infrastructure programs and are on track to exceed our long-term investment goals.



External factors are forcing prices higher

Like many Tasmanians, we're feeling the impact of rising costs and higher interest rates. These external pressures are making it more expensive to deliver essential water and sewerage services.

During the current pricing period (PSP4), we kept annual price increases to 3.5 per cent and even froze prices during the COVID years. But the

cost of materials, labour, and services has risen much faster than that. We've absorbed these increases as much as possible, but it's no longer sustainable if we want to keep investing in the infrastructure Tasmania needs.



What we propose to deliver

We have developed a comprehensive set of ambitious, yet achievable, service standards to measure our performance across PSP5 as we strive to deliver these customer outcomes.

The achievement of these outcomes is reflected in our proposed capital and operating investment plans.

Achieving these PSP5 outcomes is an important step towards getting us on a sustainable footing for the future.

Through our proposal, we aim to deliver long-term value for the Tasmanian community and protect the environment for future generations.

We propose to achieve this by:

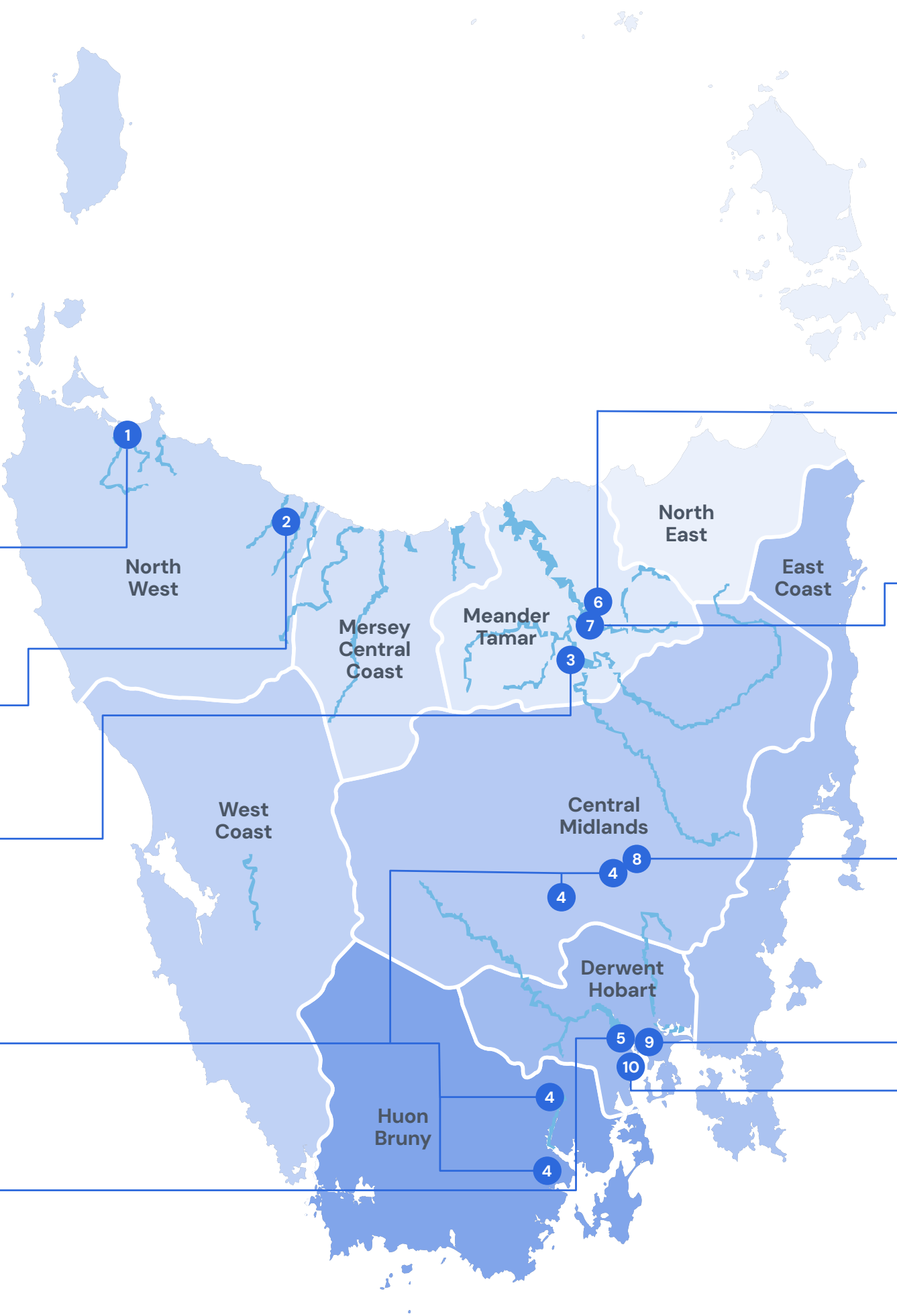
1. Reducing water leakage
2. Securing our water future
3. Providing safe and reliable services
4. Protecting the environment and waterways
5. Providing better customer experience and support
6. Giving you more control over your bills

Major Projects

Over the four years of PSP5, we proposed to deliver a \$1.7 billion capital program, which will help future-proof our infrastructure.

This map shows some of our major projects and how much is proposed to be spent on them in PSP5.

- 1 Smithton – STP recycled water scheme **\$23.2M**
- 2 Burnie – Pet Dam Ridgley safety upgrade **\$97.1M**
- 3 Hadspen and Carrick to Longford pipeline **\$34.2M**
- 4 Regional Towns Stage 4 – upgrades in Bothwell, Oatlands, Franklin and Dover **\$13.5M**
- 5 Selfs Point Sewer Transformation **\$31.5M**



- 6 Launceston Sewer Transformation – Ti tree Bend Sewage Treatment Plant upgrade **\$355.5M**
- 7 Launceston Sewer Transformation – Hoblers Bridge STP rationalisation **\$24.8M**
- 8 Oatlands – Blackman River Dam upgrades **\$22.6M**
- 9 Bowen Bridge to Risdon Brook bulk water main upgrade **\$17.6M**
- 10 Hobart – Ridgeway Dam upgrade **\$143.8M**

Price and Service Plan – Customer outcomes

TasWater is at a critical juncture. With ageing infrastructure, a changing climate, and rising customer expectations, our fifth Price and Service Plan (PSP5) sets out a clear path forward. PSP5 balances the need for significant investment as outlined below, with fair and sustainable pricing—ensuring we deliver reliable, high-quality water and sewerage services for all Tasmanians, now and into the future.

Outcome	Investment	Measure
 Reducing water leakage	\$100.6M In leak reduction \$95.2M Water main renewals \$45.1M Water meter upgrades \$87.4M In electrical and SCADA upgrades	To help protect our Tasmanian resources, water lost through leaks will be reduced from 24.5 per cent to 14.4 per cent or less.
 Securing our water future	\$367.7M To improve water security, including dam safety upgrades and water treatment plant improvements Continued water conservation campaigns	Fewer customers (three per cent or less) will be impacted by water restrictions. Through education and water literacy programs, the aim is to help you reduce your daily water use from 217 litres to 170 litres per person, contributing to a more sustainable water future.
 Safe & reliable services	\$228.1M In renewals for water/sewer networks, treatment plants, reservoirs, and pump stations Continued electrical, SCADA and meter upgrades	There will be fewer disruptions to services, with water main breaks reducing from 42.8 to 16 per 100km; sewer breaks and chokes from 63.9 to 20 per 100km by 2030. You can rely on safe and healthy water.
 Protecting the environment & waterways	\$655.8M To improve environmental performance and compliance	Our waterways will be cleaner, carbon emissions will be lower, and more water will be recycled. Major upgrades to sewage treatment facilities, including investment in Hobart and Launceston will consolidate smaller treatment plants into single state-of-the-art facilities, reducing environmental pollution by 50 per cent.
 Better customer experience & support	\$3M Self-service platform \$2.4M Boost to TasWater Assist	You will have easier access to your account(s), payments, issue reporting, and service tracking via the online system. There will be more support for vulnerable customers in our community, through our TasWater Assist program.
 More control over your bills	Increasing variable charges on your bill from 16 per cent to 33 per cent	If you use less, you'll pay less — thanks to an increase in variable charges from 16 per cent to 33 per cent.

TasWater



Reducing water leakage

Our customers have made it clear: reducing water leakage is a top priority. Feedback from the Water Future Community Advisory Panel and our surveys shows strong support for proactive maintenance and long-term infrastructure upgrades. In fact, 78 per cent of Bill Simulator respondents said they'd be willing to pay more to fix leaks and faults faster. Customers told us ageing infrastructure is a major concern. They want us to tackle water waste now and not delay.

Reducing leakage is a key part of our strategy. We have historically had the highest water loss rate in the country, with approximately 30 per cent of treated water going unaccounted for in recent years. These losses come from leaks, overflows, unauthorised use, and metering errors. While we've reduced this to 24.5 per cent, we know there's more to do.

What we'll invest in:

\$100.6 M
Dedicated programs to reduce water leakage

\$95.2 M
Renewing water mains – a **600% increase** from PSP4

\$45.1 M
Upgrading and replacing water meters

\$87.4 M
Renewing electrical systems and SCADA
(our monitoring and control technology)

What we'll do:

Reduce real water losses

- Replace old pipes and assets based on risk and priority
- Use technology to monitor the network and find hidden leaks
- Manage water pressure to reduce strain on the system

Reduce apparent water losses

- Prevent water theft
- Replace and maintain water meters
- Test and use new metering technology

Use water more efficiently in operations

- Improve how we use water in treatment and day-to-day operations
- Install new technology to reduce water use during operations

Build a smart, sustainable water network

- Create a system that constantly monitors for leaks, pressure changes, and faults
- Automatically trigger repairs, maintenance, or upgrades when issues are found

Securing our water future



Our customers have told us that securing a reliable water supply is a top priority. We're responding with targeted investments to protect long-term access to safe, sustainable water across Tasmania.

We'll invest **\$367.7 million** in PSP5, including major dam upgrades and treatment plant improvements to improve water security outcomes across the state. Our goal is to reduce the number of customers affected by water restrictions **from 16.5 per cent to less than 3 per cent by 2030**.

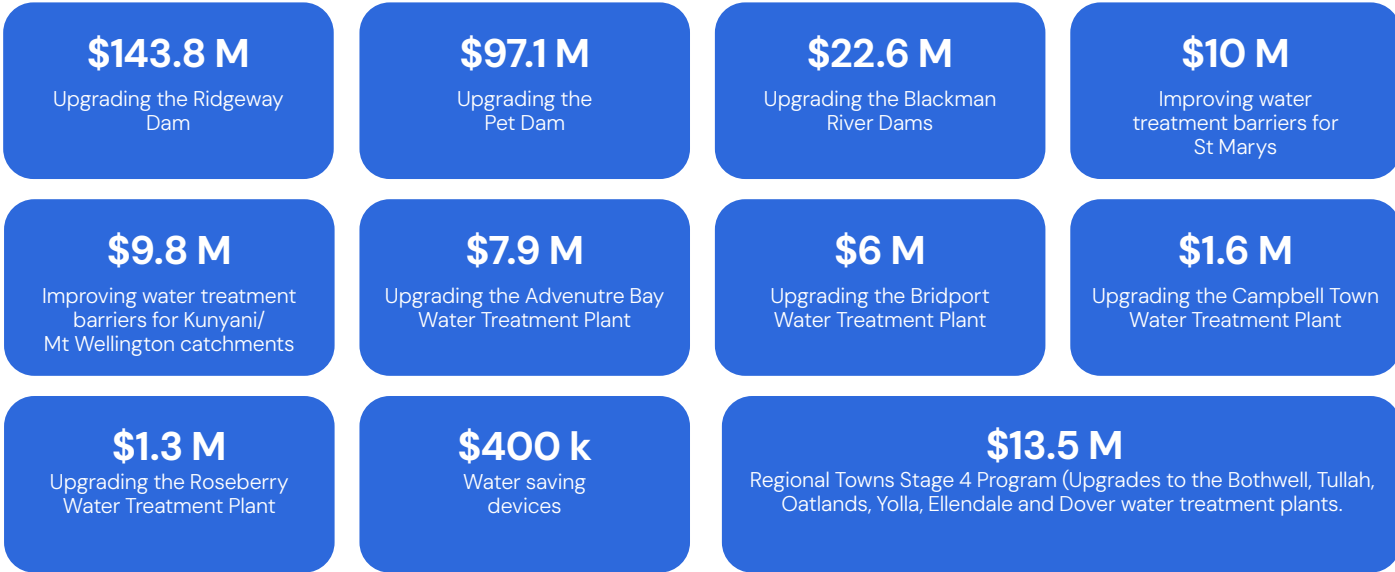
In addition, safe drinking water remains one of the most important services we provide — and our customers consistently tell us it's a top priority. We've achieved 100 per cent microbiological compliance for the past six years, and we're committed to maintaining this strong performance.

We will invest **\$65.1 million** in PSP5 to maintain and improve drinking water safety. This includes treatment plant upgrades and new water treatment barriers.

We will also help customers use water more efficiently, it is essential for long-term sustainability. By reducing demand, we can delay costly system upgrades, protect our water sources, and respond to the challenges of a changing climate. Our Water Future Community Advisory Panel strongly supported this, recommending more education, incentives, and support to help customers save water.

We're aiming to reduce average residential water use from **217 litres to 170 litres per person per day by 2030**.

What we'll invest in:



What we'll do:

Upgrade our infrastructure

- Upgrade high-risk dams at Ridgeway, Pet, and Blackman River
- Improve treatment plants at Lake Fenton, Adventure Bay, Bridport, Mathinna, and Tunbridge
- Strengthen system connections, including the Waverley Pump Station and Mt Leslie to Upper Brougham pipeline
- Secure future water licences and allocations
- Investigate new supply options for Orford, Triabunna, and Lady Barron
- Progress planning for the North-West Water Supply Strategy

Water Conservation

- Continue investing in water conservation campaigns and education programs
- Help customers monitor and manage their water use to lower bills
- Provide subsidised water-efficient products and water audits for vulnerable customers
- Promote recycled water as a sustainable alternative for non-drinking uses
- Work with state and local governments to design and deliver water-saving programs

Providing safe and reliable services



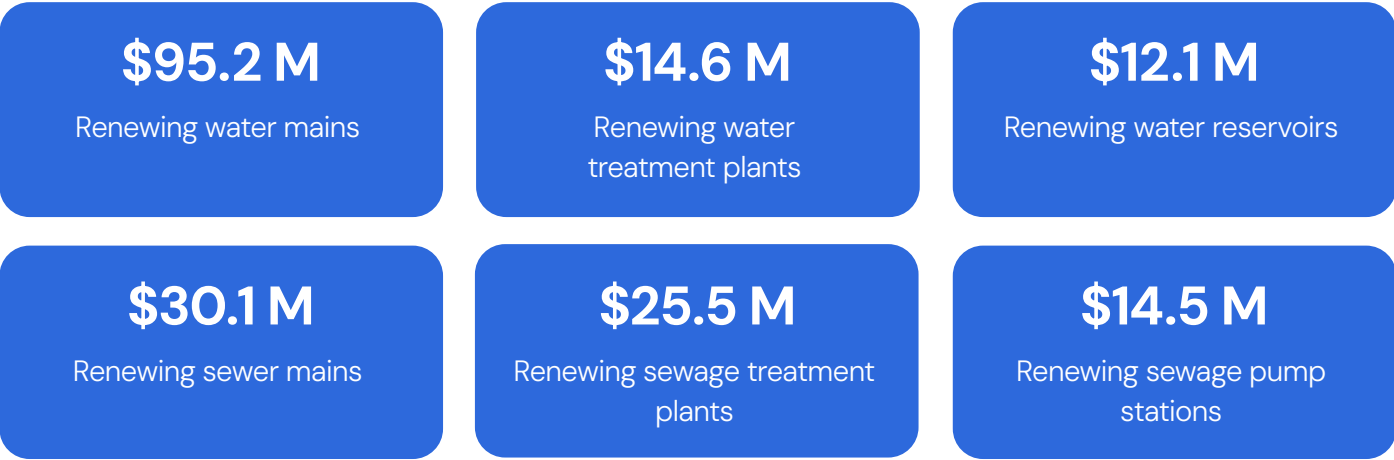
Customers have told us that unplanned water outages and sewer overflows are frustrating and disruptive. These issues are more common in Tasmania than in most other states, and we know we need to do better.

We will invest **\$228.1 million** in PSP5 to improve the reliability of water and sewerage services across Tasmania. This includes major upgrades to pipes, treatment plants, and supporting infrastructure. By 2030, we aim to reduce water main breaks from **42.8 to 16 per 100km**, sewer main breaks from **63.9 to 20 per 100km**, and limit repeat interruptions to **less than 0.5 per cent of customers**.

We know customers also expect fast, reliable responses when services are disrupted. While we're close to meeting our targets for unplanned water outages and sewage spills, we know there's room to improve – especially for planned water outages, where only 62 per cent are restored within five hours.

By 2030, we aim to meet or exceed **92 per cent** of our response and rectification targets across water and sewerage services, ensuring faster, more consistent service restoration.

What we'll invest in:



What we'll do:

Renew our infrastructure

- Invest in targeted upgrades to ageing water and sewer pipes
- Use smarter monitoring to detect and fix issues before they become major problems
- Focus on areas with the highest rates of complaints and failures
- Invest in technology to support faster, data-driven decision-making

Improve our response time

- Standardise and streamline operational processes
- Improve performance tracking, accountability, and escalation procedures
- Enhance data reporting and use activity-based costing to improve efficiency
- Focus on 'nailing the basics' through a dedicated operational improvement program
- Improve response times and reduce repeat service interruptions
- Continue listening to customer feedback to guide service improvements

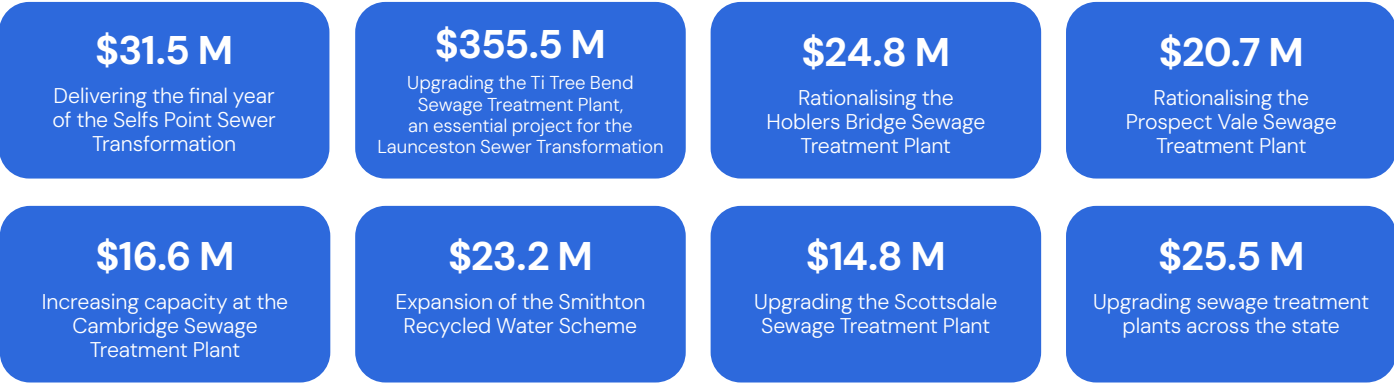
Protecting the environment and waterways



Improving environmental outcomes is a key focus of PSP5. Our customers have told us they value clean waterways and healthy ecosystems; “protecting and enhancing waterways and catchments” was their third highest priority in our broad survey. Our Water Future Community Advisory Panel also recommended we take stronger action to protect the environment.

We’re starting a long-term program to upgrade sewage treatment and reduce pollution, investing **\$655.8 million** in PSP5 to improve environmental outcomes and meet compliance obligations. While this work will take several pricing periods, starting now is essential to avoid growing environmental risks and passing the burden to future generations.

What we’ll invest in:



What we’ll do:

Upgrade our infrastructure and improve efficiency

- Upgrade or rationalise sewage treatment plants with high-risk discharges
- Complete the Selfs Point Transformation Project and begin the Launceston Sewer Transformation projects
- Reduce the number of treatment plants in larger population centres to improve efficiency
- Address nine high-risk sewage treatment plants in PSP5 and begin work on six more in PSP6
- Focus on reducing nitrogen and phosphorous discharges and increasing beneficial reuse of treated water

Provide better customer experience and support



Our customers have told us that being easy to deal with is a top priority. While our customer satisfaction scores are strong, we know expectations are changing — especially around digital services and faster, more convenient support.

Using our existing operating budget, supported by a **\$3 million** investment for a self-service platform, we aim to lift overall customer satisfaction from **72 per cent to 80 per cent**, reduce complaints, and improve response times across all key service channels.

Supporting vulnerable customers is a core part of our role. We understand that price increases can have a greater impact on those experiencing hardship and, while broader social supports exist, TasWater has a responsibility to help where we can.

Our Water Future Community Advisory Panel reinforced this, recommending we raise awareness of the TasWater Assist program and ensure it provides flexible payment options – especially as we shift more of the bill to usage-based charges. We’re committed to strengthening this support.

What we’ll invest in:



What we’ll do:

Support our customers

- Launch a new customer self-service platform before the start of PSP5, allowing customers to manage accounts, make payments, report issues, and track requests online
- Improve transparency, reduce effort, and increase convenience for customers
- Continue refining our customer service systems and processes to improve response and resolution times
- Focus on key customer moments, including first contact resolution and timely complaint handling
- Boost support through TasWater Assist through tailored case management, account reviews, financial health checks, water efficiency support and support for customers experiencing family violence.
- Awareness campaign to ensure our customers know that support is available

More control over your bills



TasWater has the highest proportion of fixed charges in the country, meaning most of the bill doesn't change based on how much water is used. This makes it harder for customers to control their bills by using less water.

To address this, we're shifting to a more usage-based model. By 2030, we aim to increase the variable portion of the average residential bill from 16 per cent to 33 per cent, giving customers more control and encouraging water-saving behaviour.

What we'll do:

Reduce our fixed charges

- Reduce fixed charges and increase the variable water charge
- Introduce a variable sewerage charge, in line with the Tasmanian Economic Regulator's 2024 review
- Deliver a customer education program to explain the changes and support customers, especially those with higher water use
- Fund this transition within our existing PSP4 operating budget



Our proposed prices:

We’ve heard from our customers that they want more control over their water and sewerage bills. Right now, 84 per cent of the average residential bill is made up of fixed charges – the highest proportion of any major water provider in Australia. That means customers have very little ability to influence their bills through how much water they use.

In response, our PSP5 Proposal introduces a fairer balance between fixed and usage-based charges.

For the average residential customer, this means shifting to 67 per cent fixed and 33 per cent variable charges.

This is a significant step forward in making water and sewerage pricing in Tasmania more responsive and equitable.

Tariff	FY26	FY27	FY28	FY29	FY30
Regulated water and sewerage price increase including inflation	--	8.8 per cent	8.8 per cent	8.8 per cent	8.8 per cent
Average annual residential water and sewerage bill	\$1,407.33	\$1,497.64	\$1,629.43	\$1,772.82	\$1,928.83

	FY26	FY27	FY28	FY29	FY30
Fixed water charge					
20mm	\$407.33	\$345.73	\$376.15	\$409.25	\$445.27
40mm	\$1,629.32	\$1,382.91	\$1,504.60	\$1,637.01	\$1,781.06
200mm	\$40,732.89	\$34,572.64	\$37,615.04	\$40,925.16	\$44,526.57
Fixed sewerage charge					
Minimum charge	\$781.69	\$667.54	\$726.28	\$790.19	\$859.73
Variable water charge					
Full service (\$/kL)	\$1.26	\$1.81	\$1.97	\$2.14	\$2.33
Variable sewerage charge					
Full service (\$/kL)	\$0.00	\$1.10	\$1.20	\$1.30	\$1.42
Residential sewerage discharge cap (kL)					
kL	0	240	240	240	240

*Most common pipe connections listed. For the complete list of fixed water charges, visit <https://www.taswater.com.au/accounts-and-billing/fees-and-charges/water-and-sewerage-charges>

Pathway to pricing

30 June 2025: TasWater submits its PSP5 Proposal to TER

Our PSP5 Proposal was formally submitted to the Tasmanian Economic Regulator on 30 June 2025. The proposal outlines our intended pricing structures, service standards, and investment plans for the four years from 1 July 2026.

July – December 2025: TER Investigation and consults on TasWater’s PSP5 Proposal

Between July and December, the TER will undertake a comprehensive investigation and consultation process to assess the PSP5 Proposal. This phase includes detailed analysis of TasWater’s financial and operational assumptions, as well as public consultation with customers, industry groups, and government bodies. The goal is to ensure the proposal aligns with regulatory requirements and delivers fair, efficient, and sustainable outcomes for Tasmanians.

February 2026: TER Draft Report and Draft Determination

In February 2026, the TER will release its Draft Report and Draft Determination, presenting its preliminary findings and proposed decisions regarding TasWater’s PSP5. This document will outline the regulator’s assessment of TasWater’s proposed prices and service levels, including any recommended adjustments. Stakeholders will have the opportunity to review and comment on the draft, contributing to a transparent regulatory process.

30 April 2026 – TER Final Report and Final Determination

By 30 April 2026, the TER will publish its Final Report and Final Determination, concluding the regulatory review of PSP5. This final decision will set the approved pricing, service standards, and investment parameters for TasWater over the next regulatory period. The determination ensures that TasWater operates within a framework that balances affordability, service quality, and long-term sustainability for the benefit of all Tasmanians.



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