

Price and Service Plan 5



1 July 2026 – 30 June 2030





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.

This Caleb Nichols-Mansell design takes inspiration from the nine river systems – Franklin, Gordon, Huon, Mersey, Pieman, South Esk, North Esk, Tamar and Derwent – that carve through country here in Lutruwita, and acknowledges the nine nations that called this land home prior to the effects of invasion and colonisation.

Surrounding these motifs and connecting all elements of the artwork is flowing water which represents our connection to the waterways that provided us with resources and food to sustain us. Water is life for all people, but particularly First Nations peoples who have relied on healthy waterways to survive for more than 60,000 years before the colonisation of our lands.

The artwork is designed for TasWater as a reflection of the caretaking for our precious waterways and as a reminder of our accountability to First Nations peoples, history and country throughout this island.

Contents

Acknowledgement of Country	03	13. Headworks and development services fees and charges	39
Foreword	05	14. Commercial trade waste charges	42
Executive summary	06	15. Miscellaneous fees and charges	45
Section 01.		Section 04.	
Context of PSP5	08	Customer contract and policies	47
1. About us	09	16. Customer contract	48
2. How has PSP5 been developed	10	17. Supporting policies	48
3. Our regulatory commitments	12	18. Appendices	51
4. The customer outcomes we will deliver	13		
Section 02.			
How our prices are set	15		
5. Our demand forecast	16		
6. Operating expenditure	18		
7. Capital expenditure	20		
8. Regulated revenue requirement	20		
Section 03.			
Prices, fees and charges	27		
9. Pricing zones, customer classes and renaming of charges	28		
10. Regulated water prices	30		
11. Regulated sewer prices	33		
12. Customer bill analysis	37		

Foreword

A message from the Chair and Chief Executive Officer

We welcome the Tasmanian Economic Regulator’s final determination on TasWater’s Price and Service Plan for the period 1 July 2026 to 30 June 2030. The determination follows the Regulator’s independent assessment of our fifth Price and Service Plan proposal and an extensive public consultation process. It provides regulatory certainty for the coming four years and enables us to move forward with a clear framework for prices, service standards and investment.

While the approved 5.7 per cent annual increase over the PSP5 period is lower than we proposed, our long-term direction remains unchanged. Our focus now is on delivering the outcomes approved in the determination, including the service standards and priority investments that are critical to maintaining safe, reliable and environmentally compliant water and sewerage services for Tasmania.

Our Price and Service Plan was shaped by our most comprehensive customer and stakeholder engagement program to date, with more than 8,000 interactions with Tasmanians participating through surveys, community events, panels, industry workshops and targeted discussions. Through this engagement, Tasmanians were clear in their expectations. They want reliable services, healthy waterways, secure water supplies and greater control over their bills. They also told us that delaying necessary investment would transfer risk and cost to future customers and is neither responsible nor fair.

We know cost-of-living pressures are real for many Tasmanians and we welcome the Regulator’s approval to increase support through our TasWater Assist program for customers who need it most. While the determination supports a gradual increase in the variable component of residential bills, this falls well short of the more fundamental tariff reform informed by our customer engagement, and does not deliver the step change in outcomes that customers have told us they are seeking.

The determination approved all the work TasWater proposed however the regulator has decided that we will have to take longer to do this critical work which will now stretch beyond the current regulatory

period and post 2030. While TasWater will have to defer approximately \$400 million worth of work it does not change the current reality and underlying challenges facing Tasmania’s water and sewerage infrastructure. Much of our asset base is ageing and underperforming, and without sustained investment the risks of service failures, environmental harm and customer interruptions will continue to increase. Our proposal set out the critical need for investment to meet environmental and public health obligations, improve network reliability, respond to climate change, reduce the frequency of water restrictions, and provide capacity to support social housing and future development.

Within the approved \$1.18 billion capital investment envelope, we will focus on delivering the most critical projects while carefully managing the timing of others. Through our engagement, customers have recognised the importance of continued investment in water and sewerage infrastructure to meet compliance and have expressed an understanding that addressing long-standing challenges requires sustained effort and financial support over time. We recognise that investing for the future comes at a cost. Our people are deeply proud of the work they do and are motivated by a shared commitment to unlock the full potential of Tasmania’s water and sewerage services to deliver lasting value for all Tasmanians.

We remain committed to balancing essential infrastructure investment and services with affordability, while acting in the long-term best interest of customers, the environment and Tasmania as a whole.

We will continue to work transparently with the Regulator, our owners and the community as we deliver this plan and work towards securing Tasmania’s water future.


Mr Kevin Young
Chair


Mr George Theo
Chief Executive Officer

Executive summary

This Price and Service Plan 5 (PSP5) sets out the approved framework for prices, service standards, operating expenditure and capital investment required to deliver safe, reliable and environmentally compliant water and sewerage services for Tasmania over the period of 1 July 2026 to 30 June 2030.

PSP5 builds on the delivery of outcomes and the lessons learned from previous regulatory periods. Over PSP4, TasWater continued to improve the reliability of core services, strengthened regulatory compliance across water quality, environmental performance and dam safety, and advanced 50-year long-term planning through regional master plans. TasWater also enhanced its engagement capability, using customer insights to inform service priorities and pricing reforms. These foundations have shaped the design of PSP5, ensuring it responds directly to known risks, performance gaps and customer expectations.

The approved \$1.18 billion PSP5 capital allowance enables TasWater to prioritise investment in the areas of greatest risk and need within the regulatory allowance determined by the Regulator. The program is predominantly compliance driven, reflecting the scale of investment required to meet statutory, environmental, public health and dam safety obligations. While some medium and lower priority projects will be deferred, the program maintains a clear focus on safeguarding essential services, improving environmental outcomes and supporting long-term resilience of Tasmania's water and sewerage infrastructure.

Operating expenditure in PSP5 supports the day-to-day delivery of essential services, including network reliability, the treatment of water and sewerage, customer service, regulatory compliance, keeping customer data safe and preventing cyber breaches and general corporate support. TasWater has applied a strengthened forecasting approach, incorporating Activity Based Costing and a base-trend-step

methodology, to ensure costs reflect prudent and efficient service delivery. The final determination includes an operating expenditure allowance that incorporates a 1.5 per cent ongoing productivity improvements while enabling TasWater to meet its operational and regulatory obligations.

The Regulator has approved a final price path for PSP5 that allows TasWater to recover the efficient cost of delivering contemporary water and sewerage services. Average prices will increase over the period by 5.7 per cent per annum. PSP5 includes reforms to tariff structures to increase the variable component of residential bills through the inclusion of a sewerage variable charge, giving customers increased ability to influence their bills through water use. Customer affordability remains central to all our decisions and we are pleased to have expanded and enhanced assistance available through the TasWater Assist program for customers experiencing financial hardship.

PSP5 has been shaped by TasWater's most comprehensive customer and stakeholder engagement program to date, involving widespread community participation, targeted stakeholder discussions and the Water Future Community Advisory Panel. Customers consistently emphasised the importance of reliable services, healthy waterways, secure water supplies and fairness in prices between current and future generations. We wish to express our gratitude to every Tasmania who engaged with us in the process to help shape our water future.



01. Context of PSP5

1. About us

Our purpose is to provide exceptional water and sewerage services for a thriving Tasmania.

We source, treat and deliver water to our customers to ensure they can live their lives, trusting that when they turn the tap on, they are getting high-quality water.

We also collect, transport and treat wastewater from homes and businesses, known as sewage, and safely return effluent to the environment, doing our part to ensure Tasmanian waterways are protected for future generations.

But our business is more than just taps and toilets.

The services we provide help Tasmania to thrive in lots of different ways.

From our homes to our businesses, our ecosystems to our economy, our health to our heritage – the delivery of high quality, reliable water and the safe, efficient treatment of sewage is fundamental to all aspects of our prosperity.

Each day, we provide more than 470,000 Tasmanians and Tasmanian businesses with water and sewerage services. To do this, we have a vast network of water and sewerage plants, pumps and pipelines across the State.

Figure 1.1. TasWater at a glance



Note: All numbers above are current as at February 2026, with the exception of sewage treated, recycled water supplied and dams and lagoons managed, which are current at June 2025.

To unlock water's full potential our Strategy is centred around delivery of four key customer outcomes.



Customer Value

Our customers are at the heart of everything we do.

From the day-to-day services we provide to the performance of our assets, we will cater to different needs and look at how we can innovate to provide true value.

We will involve the community in the decisions we make and give back to Tasmania.



Better Together

We know that by working together we can achieve great things.

We will help our people achieve their full potential through meaningful work, physical and psychological safety, personal growth, autonomy and purpose.

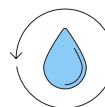


Healthier Environment

Tasmania is one of the most beautiful places in the world. We want to work with our precious environment, not against it.

We are looking at how to do things differently to regenerate and improve Tasmania's precious environment both today and for generations to come.

This includes improving assets, rethinking services, and going beyond minimising environmental harm.



Water Forever

We must ensure our infrastructure and our business is always able to support the delivery of high quality, reliable water, and the safe, efficient treatment of wastewater – whatever the weather or economic conditions.

Water is essential to life, so we must make sure all our water service are reliable, affordable, accessible and available at the right quality, for the right purpose and for the long-term. This also means striking the right balance between providing services now and into the future, at a price that is affordable yet keeps us open for business.

2. How has PSP5 been developed

As we are a monopoly provider of water and sewerage services in Tasmania, our pricing and service levels for certain services are regulated by the Tasmania Economic Regulator (TER) under the Water and Sewerage Industry Act 2008. This Act sets out the requirement for us to develop a Price and Service Plan for each regulatory period and investigation and approval requirements for the TER.

This PSP5 covers the fifth regulatory period 1 July 2026 to 30 June 2030.

In developing our submission we undertook our most comprehensive customer engagement to date.

Figure 2.1. Summary of TasWater community engagement

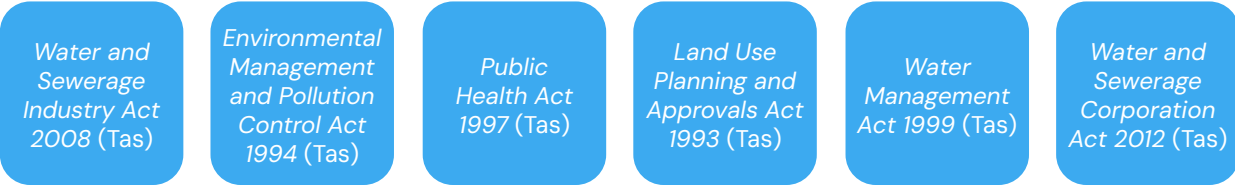


After the submission of our PSP5 proposal, on 30 June 2025 there has been an extensive investigation process that included a period of public consultation. The TER made its final determination on 30 April 2026 outlining the maximum prices, fees and charges that we may charge for our regulated services during the PSP5 period. This document reflects the outcome of the final determination.

3. Our regulatory commitments

Owing to the essential nature of our water and sewage services, we are subject to a complex framework of legislation and regulation. This governs the quality of the products and services we provide, as well as ensures our customers and employees are appropriately protected as we operate our business. Figure 3.1. provides the legislation that applies to us.

Figure 3.1. Key legislation governing water and sewerage services



Independent regulators oversee our compliance with key legislation and regulations due to the technical nature of these obligations and their impact on customers. These regulators include:

- The Tasmanian Economic Regulator, who oversees regulated pricing and customer service standards.
- The EPA, which regulates environmental matters such as sewage treatment plant licensing and effluent and recycled water compliance.
- The Director of Public Health and Department of Health (DoH), which regulates drinking water quality.
- The Dam Safety Regulator and Natural Resources and Environment (NRE), which regulates water allocation, water licensing and dam safety¹.

The legislative and regulatory framework we operate within is subject to evolution by the State Government over time, so that it remains contemporary and adequately reflects the Tasmanian community's expectations for the quality of the services we provide.

In this way, the community can trust that the drinking water they receive and the sewage effluent that is discharged to the environment on their behalf is fit for purpose, of appropriate quality, and that we are meeting all of our other obligations to provide quality services.

TasWater and its regulators report on our performance against obligations, making this transparent and upholding our 'social licence' with Tasmanians².

In addition to the key legislative and regulatory framework governing water and sewerage services, there are also a number of other legislative, regulatory and policy obligations that drive our operations and investments. We must:

- Ensure the safety of our employees under workplace health and safety legislation.
- Meet the evolving requirements of the cyber security legislation.
- Comply with the Security of Critical Infrastructure Act 2018 (SOCI Act) to ensure we can protect our assets from external threats.
- Comply with the Privacy Act and the related obligations overseen by the Office of the Australian Information Commissioner.
- Support the State Government and local council's development and growth-related policies and forecasts for development.
- Comply, and work closely, with the Ombudsman Tasmania to resolve customer issues and complaints that we are unable to resolve directly with the customer.

4. The customer outcomes we will deliver

In our 30 June 2026 proposal, we put forward a revised framework and a new set of minimum service standards intended to better align with customer expectations and the outcomes of the engagement process. However, following assessment, these proposed standards were considered not to align with the TER assessment criteria and were therefore reverted to the service standards applied during PSP4.

In addition, three new customer service standards have been introduced:

- The percentage of customers accessing or who have accessed the TasWater Assist program who agree that the program is effective;
- The percentage of complaints responded to within 10 business days; and
- The percentage of drinking water supplied lost as leakage.

The minimum service standards and associated targets for PSP5 are set out in Table 4.1.

Table 4.1. PSP5 minimum service standards

Service standard	FY27	FY28	FY29	FY30
Water service standards				
Percentage of response times within one hour to attend Priority 1 bursts and leaks	90	90	90	90
Percentage of response times within three hours to attend Priority 2 bursts and leaks	90	90	90	90
Percentage of response times within three days to attend Priority 3 bursts and leaks	90	90	90	90
Number of water main breaks, bursts and leaks per 100 km of water main	40	40	40	40
Number of unplanned water supply interruptions per 1,000 properties	235	235	235	235
Percentage of unplanned water supply interruptions restored within three hours	84	84	84	84
Percentage of unplanned water supply interruptions restored within five hours	94	94	94	94
Percentage of planned water supply interruptions restored within five hours	70	70	70	70
Percentage of planned water supply interruptions restored within the time nominated to affected customers	78	82	86	90
Percentage of unaccounted for water (of total drinking water produced)	20.0	19.5	19	18.5
Percentage of drinking water supplied lost as leakage	18.0	17.5	17	16.5
Sewage service standards				
Number of sewer mains breaks and chokes per 100km of sewer main	60	60	60	60
Percentage of sewer spills, breaks and chokes responded to within one hour	80	80	80	80
Percentage of sewer spills, breaks and chokes rectified within three hours	95	95	95	95

¹ Previously known as the Department of Primary Industries, Parks, Water and Environment.
² Australian Institute of Company Directors defines 'Social licence' as the ongoing acceptance and approval of an organisation's activities by its stakeholders and the general public.

Service standard	FY27	FY28	FY29	FY30
Customer service standards				
Number of water complaints per 1,000 properties	7.0	7.0	7.0	7.0
Number of sewerage complaints per 1,000 properties	2.0	2.0	2.0	2.0
Percentage of calls resolved upon first contact	95	95	95	95
Customer satisfaction score	62	65	67	69
Percentage of complaints responded to within 10 business days	100	100	100	100
Percentage of customers who are accessing or have accessed the TasWater Assist program that agree the program is effective	80	80	85	85

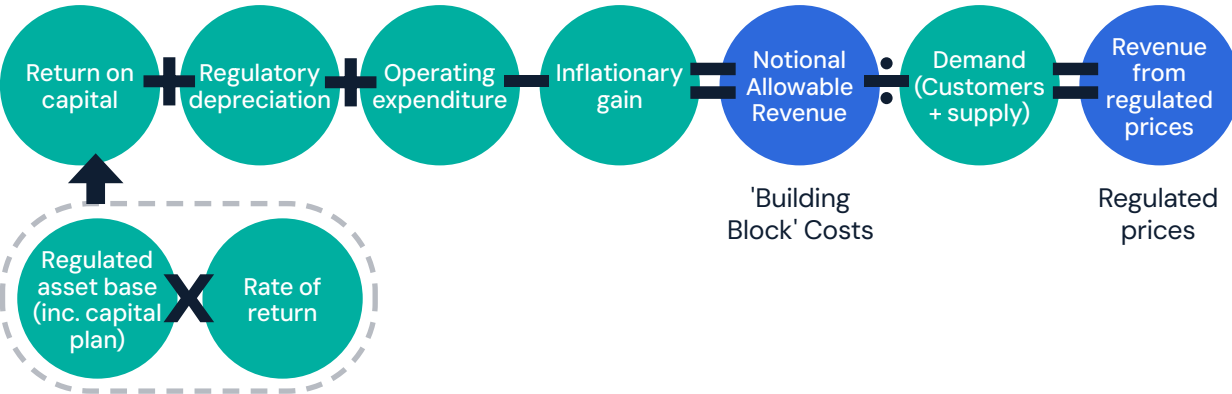


02. How our prices are set

We have used the TER's existing methodology to calculate our regulated business revenue requirement, known as the Notional Allowable Revenue (NAR). This is the revenue we need to recover our forecast prudent and efficient costs needed to provide services that meet customer expectations, our operating licence and other regulatory requirements.

The NAR is determined using the 'building block' approach. The maximum prices we can charge for regulated services is then determined by dividing our NAR by our customer connections and usage across our price structures. The elements that make up our NAR are our operating expenditure, regulatory depreciation and a return on our capital expenditure and an inflation factor. This is summarised Figure 4.2.

Figure 4.2. Schematic of how prices are calculated



Our NAR for the PSP5 period is provided in Table 4.2.

Table 4.2 Our revenue requirement for the PSP5 period, \$M

Building block component	FY27	FY28	FY29	FY30	PSP5 Total
Return on capital	241.5	258.0	275.6	295.1	1,070.2
Regulatory depreciation	116.9	125.3	134.1	143.0	519.4
Operating expenditure	247.5	250.5	257.2	263.5	1,018.8
Inflationary gain	-151.2	-159.8	-168.5	-178.0	-657.5
Total Notional Allowable Revenue	454.7	474.1	498.5	523.6	1,950.9

5. Our demand forecast

5.1. Method applied

Water and sewer connections

The key input for our water and sewer connection forecasting is TasWater's regional master plans. These have been developed and structured around several core components:

- Customer and stakeholder engagement
- System capability assessment
- Supply and demand forecasting
- System outlooks
- Options development and appraisal
- System action plans

We have employed a trend-based forecasting approach using various Australian Bureau of Statistics (ABS) census data and planning documents from local councils and regional planning forums. This approach aligns with the TasWater supplement to the Water Services Association of Australia (WSAA) Water Supply Code of Australia Melbourne Retail Water Authority (MRWA) edition, which sets standards for new connection demand.

We use a number of external planning resources to inform our population and property forecasts. Our regional master plans strategically align with other state-wide, regional, and local planning efforts. In this way, they support economic development and help local councils and planning authorities understand preferred development areas from a water and sewerage service perspective.

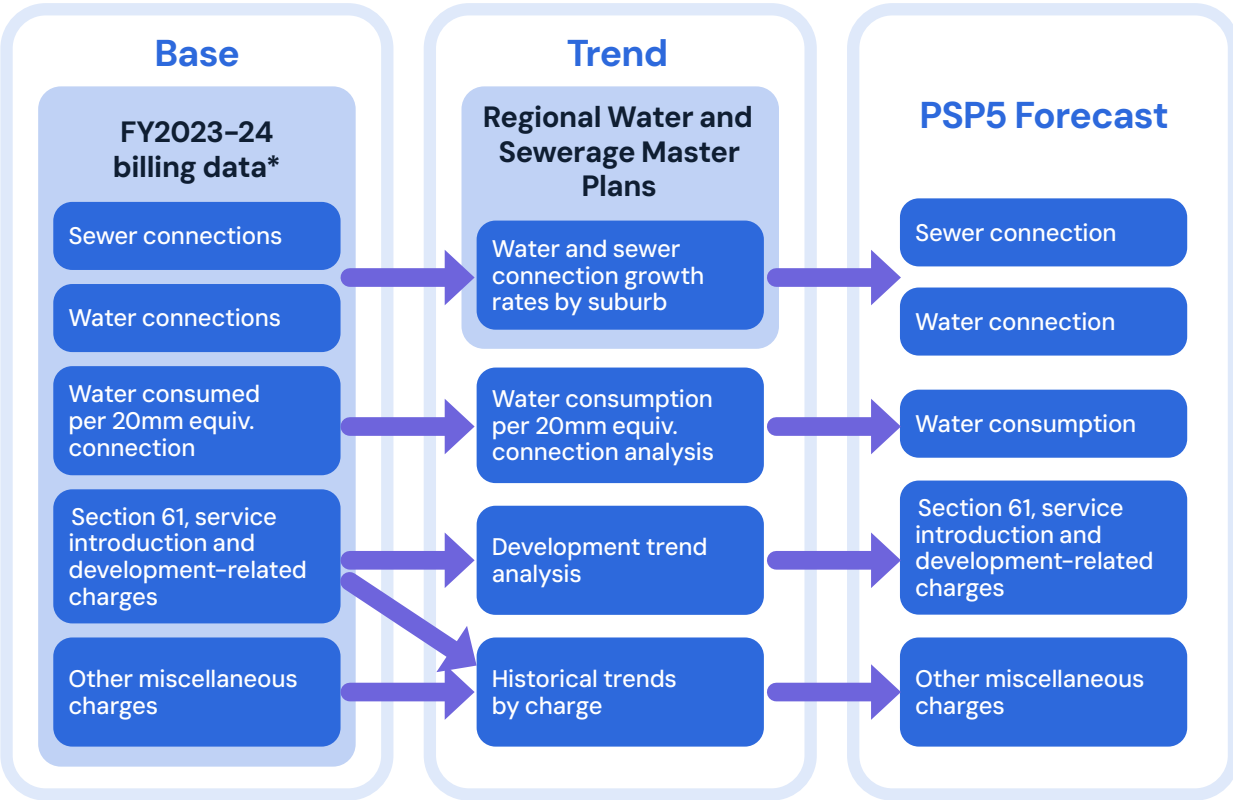
The demand forecast is also tested against growth rate data from the Australian Bureau of Statistics, the Tasmanian Department of Treasury and Finance, and Tasmanian regional land use strategies, in addition to our own connection data over the past five years.

Water consumption

The water consumption demand that has been included in PSP5 is calculated based on forecast water connections and an average based on historical water consumption per 20mm standard connection.

Our proposed forecast also includes a climate correction factor (i.e. increased water consumption during periods of drought) to reflect our best estimate of future extreme climate events on the state. The method we employ is summarised in Figure 5.1.

Figure 5.1. Schematic of the demand forecasting method used for PSP5



*Unless otherwise noted

5.2. Forecast

Based upon the approach outlined above, Table 5.1. below summarises the forecasts for PSP5.

Table 5.1. PSP5 forecast demand

	FY26	FY27	FY28	FY29	FY30
Water connections and usage					
Water connections (standard connections)	316,287	336,584	339,778	343,011	346,281
% annual change		6.0%	0.9%	0.9%	0.9%
Water consumption (GL)	65.00	63.40	64.00	64.60	65.21
% annual change		-2.5%	0.9%	0.9%	1.0%
Sewage connections and usage					
Sewage connections (standard connections)	261,707	267,072	269,536	272,029	274,553
% annual change		2.0%	0.9%	0.9%	0.9%
Sewage discharge (GL)	N/A	44.80	45.20	45.60	46.00
% annual change			0.9%	0.9%	0.9%
Commercial trade waste					
Application fees	21	22	22	22	22
% annual change		4.8%	0.0%	0.0%	0.0%
Trade waste site constraint / heritage fee	0	0	0	0	0
% annual change		-	-	-	-
Trade waste catchment management fee	106	106	106	106	106
% annual change		0.0%	0.0%	0.0%	0.0%
Macerator charge	232	233	234	235	236
% annual change		0.4%	0.4%	0.4%	0.4%
Miscellaneous services transactions					
Miscellaneous services transactions	41,682	44,900	45,399	45,573	45,778
% annual change		7.2%	1.1%	0.4%	0.4%

6. Operating expenditure

Operating expenditure enables us to deliver the essential day-to-day services that underpin safe, reliable and environmentally responsible water and sewerage operations. It funds the operation and maintenance of treatment plants and networks, customer service functions, digital systems, regulatory compliance, and the corporate support required to run the business.

For PSP5, we have strengthened our cost forecasting approach through the introduction and application of Activity Based Costing, which provides a more robust, bottom-up assessment of the costs required to deliver regulated services, and results in a more accurate allocation of costs between regulated and unregulated activities.

In addition to this to this, we apply the base-trend-step framework, a recognised regulatory approach that ensures our forecasts reflect an efficient base year, appropriate forward cost escalation, an ambitious ongoing efficiency factor and only those new or changed operating requirements that cannot be avoided.

The TER final determination we have been provided \$1,018.8M for operating expenditure for PSP5. This allowance includes a productivity factor of 1.5 per cent per annum. The base-trend-step breakdown is provided in Table 6.1. and regulated cost category specific allowances is provided in Table 6.2.

Table 6.1. Base-trend-step breakdown of the PSP5 operational expenditure allowance, \$M nominal

	FY27	FY28	FY29	FY30	Total
Base	223.6	223.6	223.6	223.6	894.4
Trend	13.0	17.8	23.4	28.7	82.8
Step	11.0	9.2	10.3	11.2	41.63
Total	247.5	250.5	257.2	263.5	1,018.8

Table 6.2. PSP5 operational expenditure by regulated costs category, \$M nominal

Regulated cost category	FY27	FY28	FY29	FY30	Total
Salaries	118.9	121.1	124.0	126.6	490.6
Materials & Services	35.0	36.0	36.9	37.9	145.7
Chemicals	11.1	11.3	11.5	11.9	45.9
Power	14.0	14.7	15.0	15.0	58.6
Royalties	3.1	3.2	3.3	3.4	13.1
Facility Management	10.2	10.4	10.6	10.8	42.0
Information Systems	18.6	15.9	16.3	16.7	67.6
Administration Other	3.7	3.7	3.8	3.9	15.2
Motor Vehicles	3.8	3.9	4.0	4.1	15.9
Water Sampling	4.1	4.2	4.3	4.4	16.9
Consultancy	7.3	7.5	7.6	7.8	30.3
Regulator Costs	3.6	4.0	4.8	5.7	18.2
Customer Collection	3.9	4.0	4.0	4.1	16.0
Insurance	3.5	3.7	3.9	4.0	15.1
Governance	1.2	1.3	1.3	1.3	5.1
Community Relations	1.5	1.5	1.5	1.6	6.1
Strategic Initiatives	4.0	4.1	4.2	4.3	16.6
Total	247.5	250.5	257.2	263.5	1,018.8

7. Capital Expenditure

We proposed a capital investment program of \$1.7 billion for PSP5, reflecting the scale of investment required to address priority risks and performance gaps across our water and sewerage systems. The allowance provided by the regulator of \$1.18 billion enables us to direct investment to the areas of greatest need, with a clear focus on sewage treatment to improve environmental outcomes and begin closing the gap on

environmental compliance, and on improving water security, including the reduction of critical dam safety risks across the state.

This investment program has been developed using a robust, risk-based prioritisation framework and is aligned with our long-term planning objectives. Our forecast capital expenditure for the PSP5 period is outlined in Table 7.1.

Table 7.1. PSP5 capital expenditure by regulated costs category, \$M nominal

	FY27	FY28	FY29	FY30	Total
Capital expenditure	266.3	270.3	296.7	341.8	1,175.1

8. Regulated revenue requirement

The maximum prices we are permitted to charge for regulated services are determined by our Notional Allowable Revenue (NAR). The NAR represents the revenue required to recover our forecast prudent and efficient costs of providing regulated services in accordance with our operating licence and regulatory obligations. It is calculated using the building block approach, which is established best-practice in economic regulation. Under this approach, the NAR

comprises allowances for operating expenditure, regulatory depreciation, a return on capital, an inflation adjustment and a tax allowance.

Table 8.1 below sets out the NAR approved by the TER for the purpose of setting maximum prices for the PSP5 period.

Table 8.1. Our revenue requirement for the PSP5 period, \$M

Building block component	FY27	FY28	FY29	FY30	PSP5 Total
Return on capital	241.5	258.0	275.6	295.1	1,070.2
Regulatory depreciation	116.9	125.3	134.1	143.0	519.4
Operating expenditure	247.5	250.5	257.2	263.5	1,018.8
Inflationary gain	-151.2	-159.8	-168.5	-178.0	-657.5
Total Notional Allowable Revenue	454.7	474.1	498.5	523.6	1,950.9

Each component of the NAR is discussed in further detail in the sections below.

8.1. Regulated Asset base

The RAB represents the asset value that a business can earn a return on (return on capital), and the value that is returned to the business over the economic life of the assets as regulatory depreciation (return of capital). TasWater is required to establish, maintain and roll forward two separate RABs:

- RABEXISTING – assets transferred to the previous regulated entities before 1 July 2011
- RABNEW – “new” assets purchased or constructed by the previous regulated entities and the current regulated entity after 1 July 2009.

To determine the return on capital opening and closing RAB values are required. To calculate these, the two RABs need to be rolled-forward. As a starting point, the opening RAB value in each financial year is equal to the closing balance from the previous financial year. The RAB roll-forward is calculated by using the:

- Closing RAB from the second year of PSP4 (actual values at 30 June 2024)
- Plus forecast capex
- Minus forecast asset disposals
- Minus forecast third party contributions
- Plus forecast inflationary change
- Minus forecast regulatory depreciation.

The RAB for existing assets will therefore gradually decline over time due to regulatory depreciation and disposals reducing the value of those assets. However, the RAB for new assets fluctuates depending upon the quantum of increase from expenditure on capital projects and decreases from depreciation and disposals.



RAB Roll forward: Existing assets

Table 8.2. provides the PSP5 RAB roll forward for the existing asset base.

Table 8.2. RAB Roll forward: Existing assets, \$M nominal

	PSP4 FY26	PSP5 FY27	FY28	FY29	FY30
Opening value		2,689.7	2,699.7	2,707.7	2,722.3
Disposals		13.3	14.0	5.9	0.8
Escalation		86.7	87.0	87.3	87.8
Depreciation		63.3	65.0	66.8	69.1
Closing value	2,689.7	2,699.7	2,707.7	2,722.3	2,740.1

RAB Roll forward: New assets

Table 8.3. provides the PSP5 RAB roll forward for the new asset base.

Table 8.3. RAB Roll forward: New assets, \$M nominal

	PSP4 FY26	PSP5 FY27	FY28	FY29	FY30
Opening value		2,081.4	2,347.6	2,617.3	2,914.3
Capex		266.3	270.3	296.7	341.8
Disposals		2.0	1.9	1.9	2.1
Contributions		9.6	11.8	12.4	12.9
Escalation		67.1	75.7	84.4	93.9
Depreciation		55.6	62.6	69.7	76.4
Closing value	2,081.4	2,347.6	2,617.3	2,914.3	3,258.6

8.2. Return on Capital

Weighted Average Cost of Capital (WACC)

The return on capital provides us with a return on the assets we own including the capital we invest to build, renew and upgrade our assets. It is determined by calculating a Weighted Average Cost of Capital (WACC) which takes into account

the assumed cost of equity and cost of debt and the risk profile associated with our operations. Separate WACCs are determined for new and existing assets.

Table 8.4. shows the parameters that have been calculated using the PSP4 TER approved methodology to derive the WACC to apply to new and existing RABs.

Table 8.4. WACC parameters

Parameter	Estimate
Gearing	60%
Cost of debt	4.60%
Debt raising costs	0.08%
Cost of debt (w/ premium)	4.68%
RFR	4.75%
Equity Beta	0.65
MRP	6.00%
Cost of equity (new)	8.65%
Cost of equity (existing)	3.00%
WACC (new)	6.27%
WACC (existing)	4.01%

Calculation of return on capital

The relevant WACC is multiplied by an average of the opening and closing RAB value in each year of the regulatory period. This calculation is used to

determine the return on capital to be recovered during the PSP5 period. Our total return on capital is provided in Table 8.5.

Table 8.5. Return on capital, \$M nominal

Parameter	FY27	FY28	FY29	FY30	PSP5 Total
Return on capital: Existing RAB	108.0	108.4	108.8	109.5	434.8
Return on capital: New RAB	133.4	149.6	166.7	185.6	635.4
Total return on capital	241.5	258.0	275.6	295.1	1,070.2

8.3. Depreciation

The allowance for regulatory depreciation represents the recovery of capital invested by TasWater in its regulated assets. For PSP5, we proposed a change to how this is calculated. Following the completion of the *TER Inquiry* into the calculation of regulatory depreciation

allowance of TasWater's new assets, we proposed the following approaches to existing and new RAB regulatory depreciation.

Existing asset depreciation

For the existing asset base, we use a fixed depreciation rate of 2.28 per cent, equivalent to 43.86 years. This reflects the weighted average useful life of the existing asset base.

Total annual depreciation rate for the existing assets base is calculated in two stages to account for disposals from the asset base.

- 1. The depreciation of the existing asset base – this is calculated as the opening RAB value, escalated by inflation, and multiplied by the depreciation rate.

- 2. The net depreciation of the forecast disposals – applied the year after the disposal has been made.
- The updated methodology applies depreciation to the escalated opening RAB balance, ensuring that the existing asset base will be fully depreciated by 2069–70. The regulatory depreciation for the existing RAB is provided in Table 8.6.

Table 8.6. Existing asset depreciation amount for PSP5, \$M nominal

Asset base	FY27	FY28	FY29	FY30	PSP5 Total
Water	33.2	34.2	35.0	36.5	139.0
Sewer	30.1	30.8	31.8	32.7	125.3
Total	63.3	65.0	66.8	69.1	264.3

New asset base depreciation

To calculate the new asset base depreciation the assets have been split into 15 different asset categories. Depreciation will be calculated for each category to reflect the asset category value and a weighted average remaining asset life, as well as the new capex useful asset lives. The asset categories and remaining useful lives used to calculate depreciation for PSP5 is show in Table 8.7.

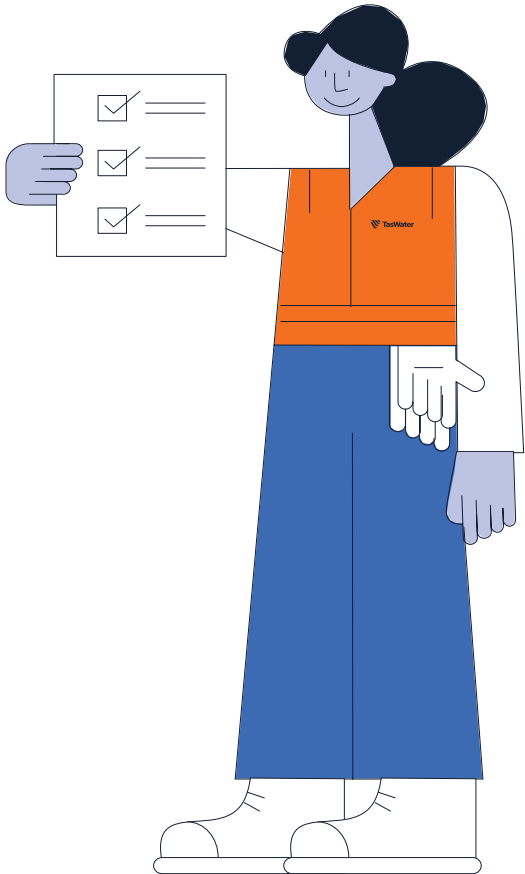


Table 8.7. New asset base categories and remaining useful life applied to PSP5 depreciation

Asset Category	PSP5 Weighted average remaining life	New Capex Weighted average remaining useful life
Dams	70.1	100.0
Easements	N/A	N/A
Intangible	4.6	10.0
Land	N/A	N/A
Land and building–Other	39.9	50.0
Leasehold	N/A	N/A
Minor other	22.6	35.0
Pipe Waste	61.3	80.0
Pipe Water	58.2	80.0
Pump Waste	51.2	60.0
Pump Water	49.2	60.0
Reservoirs	60.1	80.0
Treat Waste	35.7	50.0
Treat Water	46.3	50.0
Vehicles	5.2	10.0

- The calculation of the new asset base is completed in two stages:
- 1. The depreciation of the asset category base exclusive of net new capex and disposals – this is calculated as the opening RAB value multiplied by inflation and the asset category depreciation rate.
 - 2. The net capex of forecast new capex and forecast disposals – this depreciation amount commences the year after the net cost is

commissioned. As a result, we will apply depreciation for the new asset on an ‘as-commissioned’ basis.

The total depreciation allowance for new assets will be the sum of depreciation amounts of each of the asset categories depreciation calculations. The depreciation is provided in Table 8.8.

Table 8.8. New asset depreciation amount for PSP5, \$M nominal

Asset base	FY27	FY28	FY29	FY30	PSP5 Total
Water	33.2	36.4	41.4	45.3	156.3
Sewer	20.5	23.9	25.9	28.5	98.8
Total	53.6	60.3	67.3	73.8	255.1

8.4. Inflation adjustment

Forecast Consumer Price Index (CPI) is used for rolling forward the RAB into the future. Due to the use of a nominal rate of return and indexation of the RAB for inflation, the inflationary adjustment in the RAB is deducted from our NAR to eliminate

double counting. The method to forecasting CPI remains unchanged from PSP4. The CPI forecast is provided in Table 8.9.

Table 8.9. PSP5 forecast inflation index

	FY27	FY28	FY29	FY30
Forecast inflation (% annual change)	3.22%	3.22%	3.22%	3.22%

The final inflationary gain adjustment to NAR is provided in Table 8.10.

Table 8.10. PSP5 forecast inflation index

	FY27	FY28	FY29	FY30	PSP5 Total
Inflationary gain adjustment	151.2	159.8	168.5	178.0	657.5

8.5. Operating expenditure

Under the regulatory framework, we are able to recover the operating expenditure that is considered by the TER to be prudent and efficient. Total operating expenditure for the PSP5 period is provided in Table 6.1.

8.6. Tax allowance

From 1 January 2019, we were withdrawn from the National Tax Equivalent Regime (NTER) after the passing of the Water and Sewerage Legislation (Corporate Governance and Pricing) Amendment Act 2018. As such, we are no longer required to pay income tax and a tax rate equal to zero is applied. As a result tax allowance is not included in the NAR build up.

03. Prices, fees and charges



9. Pricing zones, customer classes and renaming of charges

Pricing zones

For PSP5 we will continue apply a postage stamp pricing approach whereby customers pay the same prices regardless of where they live in Tasmania, or where their business is located in Tasmania. Postage stamp pricing is proposed to be retained for PSP5 as:

- The concept of paying the same price for the same service is viewed by customers as equitable for essential services such as water and sewerage
- Uniform pricing is simple to understand, particularly given the many different prices that applied when services were supplied by Tasmanian councils

- Customers have paid postage stamp prices since 2015 – change would be likely to create customer confusion and administrative burden
- Operating our business as a single network minimises costs for all customers and
- Costing for regions would take time, incur cost, and be uncertain.

Customer classes

For the PSP5 period, our customer classes for regulated services are:

- Full-service (Water)
- Full-service (Sewerage)
- Limited water quality customers
- Limited water supply customers
- Combined limited water quality and limited water supply customers
- Fire service customers
- Commercial trade waste customers
- Septic Tank Effluent Disposal (STED) customers
- Industrial trade waste customers.

Serviced land

The Water and Sewerage Industry Act 2008 requires our PSP5 to include a description of the land, identifiable by individual title or locality, that is permitted to connect to our water infrastructure and/or sewerage infrastructure.

This description of land is referred to as ‘serviced land’. We have identified serviced land using individual land titles that meet the requirements in Table 9.1.

Table 9.1. Description of serviced land

Description of serviced land – Water

We identify serviced land based on servicing factors and the standards in the TasWater Supplement to WSAA Water Supply Code of Australia (MRWA Edition) (available on our website www.taswater.com.au). This Supplement details our minimum service pressure at peak hour demand and minimum flow rate as follows:

- Minimum service pressure at the connection point is 220kPa, static head of 22 metres
- Minimum flow rate at the connection point is 15 litres/minute

Land titles are defined as water serviced land when they meet all the following criteria:

- Can be supplied with treated water.
- Are within 30 metres of our water reticulation main.
- Can receive the minimum flow and pressure at the connection point as described in the Supplement.
- Connection to our reticulation would not cross a land title owned by a third party; and
- The physical characteristics or location of the property are not such as to require the application of unusual or unusually costly infrastructure, design, or installation techniques in order for the connection to be made.

Treated water means either fully treated water or disinfection-only water supplies. Raw water supplies are excluded.

Land titles that do not meet the criteria listed above are unserviced for water.

Description of serviced land – Sewer

We have a range of sewerage infrastructure around the state depending on local conditions and topography. Land titles are defined as sewer serviced land when they meet all the following criteria:

- Are within 30 metres of our sewer reticulation main and can be serviced via gravity connection.
- Connection to our reticulation main would not require installation of infrastructure on land owned by a third party beyond distances set out in the TasWater Supplement to WSA 02-2014-3.1 WSAA Gravity Sewerage Code of Australia.
- The physical characteristics or location of the land title are not such as to require the application of unusual or unusually costly infrastructure, design, or installation techniques in order for the connection to be made; and
- Are not otherwise considered unserviced land in accordance with the unserviced land section.

Land titles that do not meet the criteria listed above are unserviced for sewer.



10. Regulated water prices

Water fixed charge – full-service

The fixed component of our water price is applied to the size of the water meter connection point, and shown in Table 10.1. All connections greater than 20mm are derived by applying a multiplier to the 20mm connection price.

This accounts for the cost of providing extra system capacity needed to supply water to connections of a larger size.

Table 10.1. Water fixed charge per connection size for full service customers, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	412.92	435.83	460.00	485.52
25	1.56	645.19	680.98	718.75	758.62
30	2.25	929.07	980.61	1,035.00	1,092.41
32	2.56	1,057.08	1,115.71	1,177.60	1,242.92
40	4.00	1,651.68	1,743.30	1,840.00	1,942.06
50	6.25	2,580.75	2,723.91	2,875.00	3,034.47
65	10.56	4,361.47	4,603.40	4,858.75	5,128.26
75	14.06	5,806.70	6,128.79	6,468.75	6,827.57
80	16.00	6,606.72	6,973.20	7,360.00	7,768.25
100	25.00	10,323.03	10,895.63	11,500.00	12,137.90
150	56.25	23,226.78	24,515.16	25,875.00	27,310.26
200	100.00	41,292.06	43,582.50	45,999.99	48,551.58
250	156.25	64,518.85	68,097.66	71,874.99	75,861.85

Water fixed charge – limited supply

Limited water supply customers do not receive the minimum pressure and flow that is guaranteed to customers under our serviced land definition.

These customers pay 90 per cent of the fixed component for full-service customers to reflect the lower pressure and flow service levels provided in Table 10.2.

Table 10.2. Water fixed charge per connection size for limited supply customers, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	371.63	392.24	414.00	436.96
25	1.56	580.67	612.88	646.87	682.76
30	2.25	836.16	882.55	931.50	983.17
32	2.56	951.37	1,004.14	1,059.84	1,118.63
40	4.00	1,486.51	1,568.97	1,656.00	1,747.86
50	6.25	2,322.68	2,451.52	2,587.50	2,731.03
65	10.56	3,925.33	4,143.06	4,372.87	4,615.43
75	14.06	5,226.03	5,515.91	5,821.87	6,144.81
80	16.00	5,946.06	6,275.88	6,624.00	6,991.43
100	25.00	9,290.71	9,806.06	10,350.00	10,924.11
150	56.25	20,904.11	22,063.64	23,287.50	24,579.24
200	100.00	37,162.86	39,224.25	41,399.99	43,696.42
250	156.25	58,066.96	61,287.90	64,687.49	68,275.66

Variable water charge

The variable component of the water price covers the cost to pump and treat water for delivery to customer properties. Limited water quality customers pay 80 per cent of the variable water price to compensate for measures they need to take as result of not receiving our standard water quality, such as boiling water for drinking purposes provided in Table 10.3.

Table 10.3. Variable water charge per kilolitre of water, \$

Parameter	FY27	FY28	FY29	FY30
Full service (i.e. water of drinking water quality)	1.41	1.50	1.60	1.71
Limited water quality	1.13	1.20	1.28	1.37

Fire service charge

Fire service charges recover the cost of supplying customers with water for fire sprinklers and/or fire hydrants that meet Australian Building Code requirements. They include a mix of fixed and miscellaneous price components.

Consistent with PSP4, the fire service charge for the PSP5 period will continue to be set at 25 per cent of the fixed water price for the relevant connection size provided in Table 10.4.

Table 10.4. Water fixed charges – fire service charges, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	103.23	108.96	115.00	121.38
25	1.56	161.30	170.24	179.69	189.65
30	2.25	232.27	245.15	258.75	273.10
32	2.56	264.27	278.93	294.40	310.73
40	4.00	412.92	435.83	460.00	485.52
50	6.25	645.19	680.98	718.75	758.62
65	10.56	1,090.37	1,150.85	1,214.69	1,282.07
75	14.06	1,451.67	1,532.20	1,617.19	1,706.89
80	16.00	1,651.68	1,743.30	1,840.00	1,942.06
100	25.00	2,580.75	2,723.91	2,875.00	3,034.47
150	56.25	5,806.70	6,128.79	6,468.75	6,827.57
200	100.00	10,323.02	10,895.63	11,500.00	12,137.90
250	156.25	16,129.71	17,024.42	17,968.75	18,965.46

Water service charge for unconnected properties within serviced land

A charge is levied on properties that are within water serviced land area but are not connected to the network. If this was not the case, properties currently connected would carry the burden of those not currently connected. This charge represents the fixed 20mm water price

and is designed to share more broadly the cost of our infrastructure in areas that may benefit from our services provided in Table 10.5.

Table 10.5. Unconnected property service charge – water, \$

Parameter	FY27	FY28	FY29	FY30
Unconnected property service charge – water	412.92	435.83	460.00	485.52

11. Regulated sewer prices

Sewerage fixed charges for full-service customer

For PSP5, we will transition to fixed and variable sewerage charges. As part of this change, we will cease using Equivalent Tenements (ETs) as the basis for sewerage fixed pricing.

Where multiple residential dwellings or units are serviced by a single water connection, the total fixed charge will be apportioned across each customer at that installation.

From 1 July 2026 the sewerage fixed charges will be applied on a consistent basis across residential and non residential customers, whereby sewerage fixed charge will be scaled to reflect the size of the customer's water meter connection size, using a 20 mm standard connection as the base and applying the regulated connection size multipliers.

This is consistent with the current water charging framework, where fixed charges are applied per property and apportioned where a single connection services multiple properties.

The sewerage fixed charge for full service is set out in Table 11.1.

Table 11.1. Sewerage fixed charge per water connection size for full-service, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	795.46	839.58	886.15	935.31
25	1.56	1,242.90	1,311.85	1,384.61	1,461.42
30	2.25	1,789.78	1,889.06	1,993.84	2,104.44
32	2.56	2,036.37	2,149.33	2,268.55	2,394.39
40	4.00	3,181.83	3,358.33	3,544.61	3,741.23
50	6.25	4,971.61	5,247.38	5,538.45	5,845.67
65	10.56	8,402.03	8,868.08	9,359.99	9,879.18
75	14.06	11,186.13	11,806.61	12,461.52	13,152.75
80	16.00	12,727.33	13,433.30	14,178.44	14,964.91
100	25.00	19,886.45	20,989.54	22,153.81	23,382.67
150	56.25	44,744.51	47,226.46	49,846.08	52,611.01
200	100.00	79,545.80	83,958.15	88,615.25	93,530.68
250	156.25	124,290.32	131,184.61	138,461.33	146,141.68

Sewerage fixed charge for unconnected properties within serviced land

A charge is levied on properties that are within serviced land area but are not connected to the network outlined in Table 11.2.

These customers will be charge 60 per cent of a minimum service charge.

Table 11.2. Unconnected property service charge – sewer, \$

Parameter	FY27	FY28	FY29	FY30
Unconnected property service charge – sewer	477.27	503.75	531.69	561.18

Sewerage variable charges for full-service customer

The sewerage variable charge will be applied to an assumed volume (kL) of customers’ discharge to the sewer network. This assumed volume is calculated by multiplying the customer’s metered water volume (kL) by a sewerage discharge factor.

For residential customers, the sewerage discharge factor is 90 per cent of metered water usage.

For non-residential customers, we propose to apply category-specific sewerage discharge factors, as outlined in Table 11.4.

The new proposed sewerage variable charge is \$0.22 per kL outlined in Table 11.3.

Table 11.3. Variable sewerage charge, \$ kL

	FY27	FY28	FY29	FY30
Sewerage variable charge	0.22	0.23	0.25	0.27

Trade waste discharge factor discount

For customers subject to a trade waste charge, a 40-percentage point discount will be applied to the sewerage discharge factor, except for Category 0 customers. In limited circumstances where the application of a revised discharge factor would result in a negative value, the discharge factor will be set to zero.

Table 11.4. Variable discharge factors by customer categories

Customer category	Discharge factor
Residential	
Residential	0.9
Residential – septic tank	0.5
Residential – Vacant / unserviced land	0.0
Non –residential	
Accommodation	0.9
Aged Care	0.9
Business	0.9
Caravan Park	0.75
Child Care Centres	0.8
Commercial – beverage	0.83
Commercial – fabrication and manufacturing	0.9
Community – indoor	0.9
Concrete	0.05
Educational	0.8
Fire station	0.0
Hospitality	0.9
Medical	0.9
Mixed use – Commercial and Services	0.85
Mixed use – Industrial and Primary Production	0.85
Mixed use – Other	0.85
Mixed use – Sporting facilities	0.4
Retail – indoor	0.9
Sporting Clubs	0.1
Sporting fields/ Reserves/ Horticulture	0.1
Swimming Pools	0.7
Non-residential – Vacant / unserviced land	0.0
All other non-residential customers	0.9

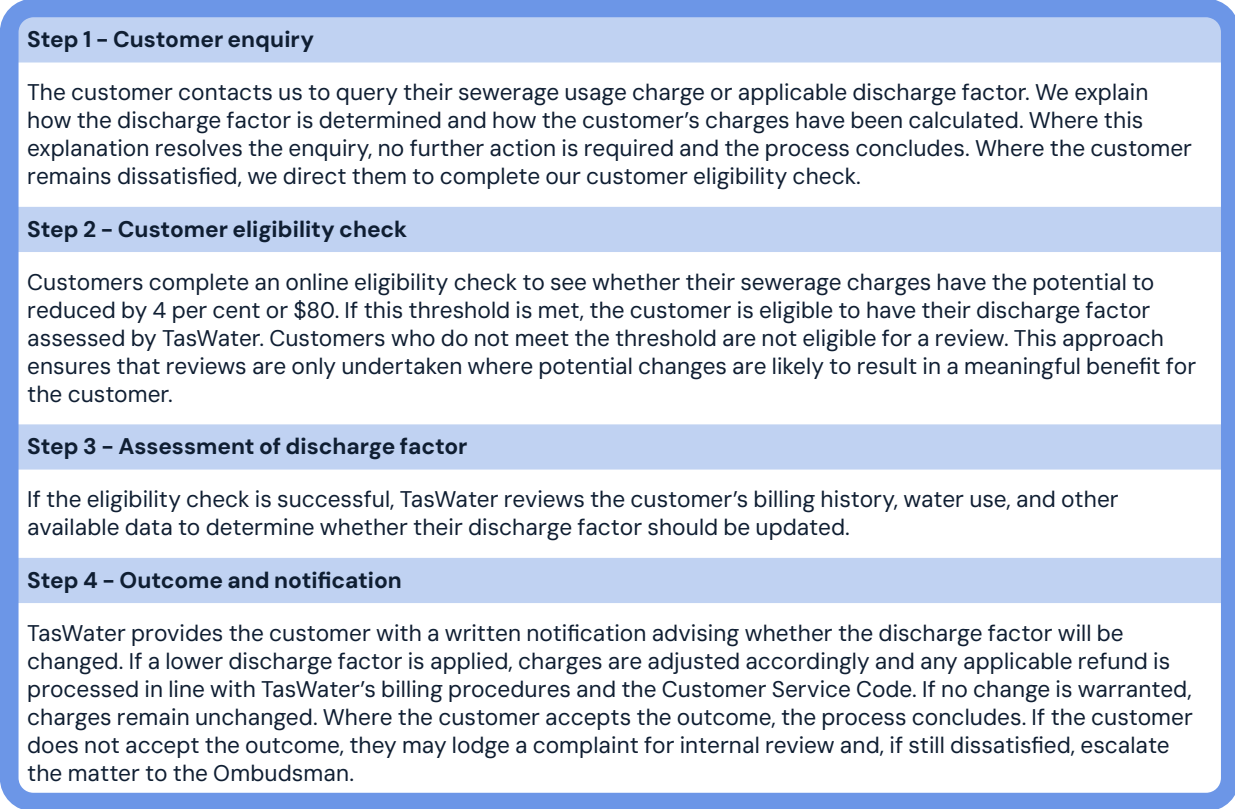


Sewerage discharge factor review

Where customers consider that their assigned sewerage discharge factor materially overstates the volume of wastewater they discharge to the sewer network, they may request that TasWater undertake a review of their discharge factor.

The proposed process for reviewing discharge factors is set out in Figure 11.1. This process has been informed by the practices adopted by other water businesses.

Figure 11.1. Sewerage discharge review process



Fixed sewerage charges for motor home dump points

The portion of the fixed sewerage charge for motor home dump points is set out in Table 11.5.

Motor home dump points are considered to be equivalent to one 20mm full-service customer.

Table 11.5. Fixed sewerage charge per connection size for motor home dump points, \$

Parameter	FY27	FY28	FY29	FY30
Motor home dump points	795.46	839.58	886.15	935.31

Septic Tanks Effluent Disposal (STED) schemes – sewerage charge

We operate a small number of STED schemes that take liquid waste from customers’ septic tanks through the network to a treatment plant. Customers in these areas buy and maintain their own septic tanks and engage a contractor

to undertake maintenance, such as desludging. Properties within STED scheme areas are charged at 70 per cent of a 20mm full-service connection. These prices are provided in Table 11.6.

Table 11.6 STED scheme sewerage prices, \$

Parameter	FY27	FY28	FY29	FY30
STED scheme	556.82	587.71	620.31	654.71

12. Customer bill analysis

Table 12.1. below presents illustrative bills for customers over the PSP5 period, reflecting a 5.7 per cent per annum increase relative to charges in PSP4. The analysis considers the

impact on customers across a range of water consumption levels, including average residential consumption of 173 kL per annum.



Table 12.1. Customer bill analysis over the PSP5 period, \$

PSP4		PSP5			
FY26		FY27	FY28	FY29	FY30
Water consumptions	50 kL/annum				
Water – fixed	407.33	412.92	435.83	460.00	485.52
Water – variable	63.06	70.50	75.00	80.00	85.50
Sewer – fixed	781.69	795.46	839.58	886.15	935.31
Sewer – variable	0.00	9.90	10.35	11.25	12.15
Total bill	1,252.08	1,288.78	1,360.76	1,437.40	1,518.48
Water consumptions	100 kL/annum				
Water – fixed	407.33	412.92	435.83	460.00	485.52
Water – variable	126.12	141.00	150.00	160.00	171.00
Sewer – fixed	781.69	795.46	839.58	886.15	935.31
Sewer – variable	0.00	19.80	20.70	22.50	24.30
Total bill	1,315.14	1,369.18	1,446.11	1,528.65	1,616.13
Water consumptions	173 kL/annum				
Water – fixed	407.33	412.92	435.83	460.00	485.52
Water – variable	218.19	243.93	259.50	276.80	295.83
Sewer – fixed	781.69	795.46	839.58	886.15	935.31
Sewer – variable	0.00	34.25	35.81	38.93	42.04
Total bill	1,407.21	1,486.56	1,570.72	1,661.88	1,758.70
Water consumptions	250 kL/annum				
Water – fixed	407.33	412.92	435.83	460.00	485.52
Water – variable	315.30	352.50	375.00	400.00	427.50
Sewer – fixed	781.69	795.46	839.58	886.15	935.31
Sewer – variable	0.00	49.50	51.75	56.25	60.75
Total bill	1,504.32	1,610.38	1,702.16	1,802.40	1,909.08
Water consumptions	400 kL/annum				
Water – fixed	407.33	412.92	435.83	460.00	485.52
Water – variable	504.48	564.00	600.00	640.00	684.00
Sewer – fixed	781.69	795.46	839.58	886.15	935.31
Sewer – variable	0.00	79.20	82.80	90.00	94.20
Total bill	1,693.50	1,851.58	1,958.21	2,076.15	2,202.03

13. Headworks and development services fees and charges

Headworks charge

For PSP5, we will continue to apply a developer charge to recover the efficient costs associated with providing shared network capacity required to service new developments. As part of PSP5, the Shared Infrastructure Contribution Charge applied in PSP4 has been renamed the Headworks charge, reflecting both contemporary regulatory terminology and refinements to the charging methodology.

Separate water and sewerage Headworks charges have been calculated for PSP5. These charges are derived using building block components specific to the water and sewerage networks, rather than the blended approach applied in PSP4. This refinement improves cost reflectivity and ensures charges more accurately align with the underlying drivers of infrastructure investment.

The Headworks charges will be applied as follows:

- The water Headworks charge is calculated and applied on a per 20mm standard water connection basis. For larger connection sizes, the regulated multiplier is applied to the standard charge, reflecting the increased demand placed on the water network.
- The sewerage Headworks charge is calculated on a per 20mm standard water connection basis. For larger connection sizes, the regulated multiplier is applied based on the size of the water connection.

The Developer Charges Policy has been updated to reflect these refinements to the Headworks charging methodology and to provide transparency and clarity for developers and other stakeholders. The Headworks charges applicable for PSP5 are set out in Table 13.1 and 13.2.

Table 13.1. Water Headworks charges for PSP5, \$/20mm standard water connection

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	3,024.50	3,122.00	3,222.63	3,326.51
25	1.56	4,725.79	4,878.12	5,035.36	5,197.68
30	2.25	6,805.13	7,024.49	7,250.92	7,484.66
32	2.56	7,742.73	7,992.31	8,249.94	8,515.88
40	4.00	12,098.01	12,487.99	12,890.53	13,306.05
50	6.25	18,903.14	19,512.48	20,141.46	20,790.71
65	10.56	31,946.31	32,976.09	34,039.06	35,136.30
75	14.06	42,532.07	43,903.07	45,318.28	46,779.10
80	16.00	48,392.04	49,951.94	51,562.13	53,224.22
100	25.00	75,612.56	78,049.91	80,565.83	83,162.84
150	56.25	170,128.26	175,612.30	181,273.11	187,116.40
200	100.00	302,450.24	312,199.64	322,263.31	332,651.37
250	156.25	472,578.50	487,811.94	503,536.41	519,767.77

Table 13.2 Sewer Headworks charges for PSP5, \$/20mm standard water connection

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1.00	1,797.03	1,854.96	1,914.75	1,976.48
25	1.56	2,807.86	2,898.37	2,991.80	3,088.24
30	2.25	4,043.32	4,173.66	4,308.20	4,447.07
32	2.56	4,600.40	4,748.70	4,901.77	5,059.78
40	4.00	7,188.13	7,419.84	7,659.02	7,905.90
50	6.25	11,231.46	11,593.50	11,967.21	12,352.97
65	10.56	18,981.16	19,593.01	20,224.59	20,876.52
75	14.06	25,270.78	26,085.37	26,926.23	27,794.19
80	16.00	28,752.53	29,679.36	30,636.06	31,623.61
100	25.00	44,925.83	46,374.00	47,868.85	49,411.89
150	56.25	101,083.11	104,341.49	107,704.91	111,176.75
200	100.00	179,703.30	185,495.99	191,475.40	197,647.55
250	156.25	280,786.41	289,837.48	299,180.31	308,824.30

Development services fees and charge

We apply development services fees and charges to recover the costs of managing applications related to new developments and their connection to water and sewage services. This includes assessing the impact of subdivisions on infrastructure, ensuring compliance with regulations and providing guidance on planning, building, and plumbing aspects related to our services.

These charges are calculated on a cost build-up basis, based on the estimated average time to provide the service.

For PSP5 we have made changes to these development services charges, these are:

- Move some existing miscellaneous charges to under the heading of development services.
- Remove the charge: Legacy certificate of compliance for applications made before 1 July 2018 application

- Implement two new charges, being:
 - Amendments to Certificate of Certifiable Works (CCW) and Engineering Design Approval (EDA) fees and Reassessment of expired EDAs (new charge for PSP5)
 - Restructure the CCW and Certificate of Compliance ("CCW and CoC") and Engineering Design Approval and Permit to Construct ("EDA and PTC") charge structure, moving from three to four charges for customer and administrative simplicity.
- A 'Connections Applications Administrative Fee', including loose supply applications (new charge for PSP5)

A comprehensive list of development service fees and charges are provided in Table 13.3.

Table 13.3. Development service fees and charges, \$

	FY27	FY28	FY29	FY30
Connections, including relocations, disconnections and meter only				
Standard 20mm or non-standard water connection/relocation/disconnection charge	POA	POA	POA	POA
Standard 100mm or non-standard sewer connection/relocation/disconnection charge	POA	POA	POA	POA
Water metering fees				
Meter downsizing (40mm to 20mm)	463.22	488.92	516.04	544.66
Meter downsizing (all others)	POA	POA	POA	POA
With development application				
Certificates for Certifiable Works and Certificate of Compliance (DA – CCW and Coc)				
Minor	664.53	721.00	777.46	833.93
Medium	1,093.20	1,306.14	1,519.07	1,732.01
Major	1,762.51	2,201.38	2,640.25	3,079.12
Significant	2,278.29	2,545.23	2,812.18	3,079.12
Engineering Design Approval and Permit to Construct (includes inspections) (DA – EDA and PTC)				
Minor	886.57	1,168.38	1,450.19	1,732.01
Medium	2,228.69	3,260.57	4,292.44	5,324.31
Major	4,816.82	7,145.64	9,474.47	11,803.30
Significant	8,592.42	13,426.09	18,259.75	23,093.41
Without development application				
Certificate for Certifiable Works and Certificate of Compliance (CCW and CoC)				
Minor	395.84	434.95	474.07	513.19
Medium	603.57	744.51	885.44	1026.37

	FY27	FY28	FY29	FY30
Major	823.83	1,126.56	1,429.28	1,732.01
Significant	926.22	1,194.82	1,463.41	1,732.01
CCW Exemption	115.53	183.94	252.34	320.74
Engineering Design Approval and Permit to Construct (includes inspections) (EDA and PTC)				
Minor	617.87	882.34	1,146.80	1,411.26
Medium	1,739.06	2,698.94	3,658.81	4,618.68
Major	3,878.14	6,070.82	8,263.50	10,456.18
Significant	7,577.14	12,749.23	17,921.32	23,093.41
Amendments to CCW's and EDA's and Reassessment of expired EDA's – new charge for PSP5				
Minor	292.11	301.65	311.20	320.74
Medium	934.74	965.29	995.83	1026.37
Major	2,395.27	2,473.54	2,551.81	2,630.08
Other development fees and charges				
Consent to register a legal document	345.04	422.47	499.9	577.34
Section 56W Consent Fee	121.56	187.96	254.35	320.74
Inspection Costs	73.00	75.35	77.78	80.29
Additional Planning Assessment Fee	80.83	83.44	86.13	88.9
Connections Applications Administrative Fee, including loose supply applications (new charge for PSP5)	233.69	241.32	248.96	256.59
Right of information request	49.29	50.88	52.52	54.21
Land Information Certificate (56ZQ) request	48.26	49.81	51.42	53.08
Pressure and Flow Testing – new connection. For multiple test points the additional time (field and administration) will be charged at 'Field inspection and supervision fee' rate.	129.76	133.94	138.26	142.71
Pressure and Flow Testing – Existing connection, single point (where a no-charge test has been previously provided)	194.34	200.60	207.07	213.74
Field Inspection and supervision fee – \$per hr	85.12	99.51	113.90	128.30

14. Commercial trade waste charges

Trade waste is the component of sewage that is not residential or domestic by its nature. It is generated by industrial or commercial processes and discharged to our sewerage system. Due to its nature and strength, trade waste can represent a greater load on our sewerage network and sewage treatment plants and consequently drive additional costs in our systems.

Due to the additional costs trade waste incurs on our operations, we apply trade waste charges with the aim to recover costs associated with trade waste treatment. In this way, trade waste charges are a practical application of the accepted 'polluter pays' principles.

Our approximately 3,900 commercial trade waste customers are price regulated. Commercial trade waste customers carry out business activities such as restaurants, cafés, hairdressers and bakeries. A smaller number of larger industrial trade waste customers are not price regulated.

We continue to consider that a fixed and variable charging framework represents best practice and would improve alignment between charges and the efficient costs of providing commercial trade waste services. Over the PSP5 period, we will therefore seek to further develop the supporting evidence and regulatory justification to enable a transition to this charging approach at the commencement of PSP6.

Pricing approach for PSP5

Prices for trade waste services are designed to recover the efficient costs associated with the collection, conveyance, treatment and disposal of trade waste, including the management of any biosolids generated through treatment processes.

Charges are applied on a risk based basis, consistent with the Water Services Association of Australia (WSAA) Australian Sewage Quality Management Guidelines 2012, which represent the accepted industry framework for managing trade waste discharges to sewerage networks and treatment plants.

Customers are required to obtain a consent to discharge trade waste into the sewerage system in accordance with section 56ZL of the Water and Sewerage Industry Act. Trade waste may only be accepted where both the volume and quality of the discharge are suitable for the sewerage infrastructure. Conditions of acceptance and applicable charges are determined having regard to the risk posed by the discharge.

Trade waste prices may be regulated or unregulated, depending on the customer category. Prices for commercial customers in Categories 0, 1 and 2 are fully regulated. These customers typically undertake activities such as hairdressing, hospitality and motor mechanical services. While their discharges are generally greater in volume or strength than those from a typical residential customer, they present a lower risk profile than industrial trade waste.

Categories 3 and 4 comprise industrial trade waste customers and are subject to unregulated pricing. Trade waste services provided to these customers involve a higher level of risk due to the nature, strength or volume of the discharge.

The PSP5 price structure is consistent with that of PSP4.

Application fee

The application fee relates to the cost imposed by us for assessment of an application and making a determination about accepting trade waste into our sewerage infrastructure, the PSP5 prices are shown in Table 14.1.

Table 14.1. Trade waste application fee, \$

	FY27	FY28	FY29	FY30
Application fee	184.78	195.03	205.84	217.26

Any customer that fails to submit a trade waste application, will also be subject to this application fee. This fee will be in addition to any non-compliance fees mentioned in Tables 14.3 and 14.4.

Annual management fee

The annual management fee for commercial trade waste customer for PSP5 is shown in Table 14.2.

Table 14.2. Annual management fee, \$

	FY27	FY28	FY29	FY30
Category 0	No trade waste charges, customers pay sewerage charge only.			
Category 1	713.88	753.48	795.27	839.39
Category 2A	1,170.23	1,235.14	1,303.65	1,375.97
Category 2B	1,642.12	1,733.21	1,829.35	1,930.82
Category 2C	2,462.81	2,599.42	2,743.60	2,895.79

Non-compliance fees

We may apply non compliance fees to trade waste customers where they fail to comply with the conditions of their Trade Waste Consent. Non compliance fees are designed to reflect the increased risk and costs imposed on the sewerage system as a result of non compliant discharges. Charge levels vary according to the customer's risk category and the actual volumes of trade waste discharged.

Expected trade waste loads are determined based on the typical discharge characteristics of different business types. These expected loads are used as the basis for assessing the level of risk associated with a customer's discharge and for determining the applicable non compliance charges.

Where a customer is found to be non compliant, a multiplier is applied to the annual trade waste charge, depending on the nature and severity of the non compliance. For a minor non compliance, the annual trade waste charge is multiplied by two outlined in Table 14.3. For a major non-compliance, the annual trade waste charge is multiplied by three outlined in Table 14.4.

Minor non compliance includes circumstances where a customer fails to maintain required pre treatment, operates outside the conditions of their consent, or fails to install adequate pre treatment for a period of up to 12 months. In the case of a minor non compliance, the charges applied to the customer invoice comprise the standard annual trade waste charge plus a minor non compliance fee, with the combined amount equal to two times the annual charge.

Table 14.3. Annual trade waste non-compliance (minor) fee, \$

	FY27	FY28	FY29	FY30
Category 0	No trade waste charges, customer pay sewerage charge only.			
Category 1	713.88	753.48	795.27	839.38
Category 2A	1,170.23	1,235.14	1,303.65	1,375.97
Category 2B	1,642.12	1,733.21	1,829.35	1,930.82
Category 2C	2,462.81	2,599.42	2,743.61	2,895.80

Major non compliance occurs where pre-treatment is inadequate and the customer has failed to take reasonable steps to upgrade pre-treatment systems, or where substances are discharged that pose an unacceptable risk to the sewerage system or to the health and safety of people.

standard annual trade waste charge plus a major non compliance fee. The combined charges are equal to three times the annual trade waste charge, reflecting the significantly higher risk and potential cost impacts associated with major non compliant discharges.

In cases of major non compliance, the charges applied to the customer invoice comprise the

Table 14.4. Annual trade waste non-compliance (major) fee, \$

	FY27	FY28	FY29	FY30
Category 0	No trade waste charges, customers pay sewerage charge only.			
Category 1	Not applicable	Not applicable	Not applicable	Not applicable
Category 2A	2,340.46	2,470.28	2,607.31	2,751.94
Category 2B	3,284.24	3,466.41	3,658.69	3,861.64
Category 2C	4,925.61	5,198.83	5,487.21	5,791.58

Catchment management fee

In PSP5 we will continue to apply the catchment management fee. This is a site constraint fee that applies to trade waste customers who are unable to fully comply with trade waste requirements due to heritage constraints or other site specific limitations at their property. This fee is applied in addition to the standard annual trade waste charge and recognised circumstances where full compliance was not reasonably achievable. The catchment management fee also applies to certain food businesses where the cost of purchasing and installing a grease trap is considered unreasonable, including

circumstances where installation costs are significantly higher than those for comparable properties.

Where a customer refuses to pay the applicable catchment management fee, they will be deemed non compliant with their trade waste requirements and may be subject to the relevant non compliance fees outlined above.

Table 14.5. outlines the catchment management fee for PSP5.

Table 14.5. Catchment management fee by kL of trade waste, \$

Customer Category	FY27	FY28	FY29	FY30
High and medium volume: 500 – 1,000 kL per annum	1,489.69	1,572.32	1,659.54	1,751.59
Low volume: up to 499 kL per annum	2,498.41	2,637.00	2,783.27	2,937.66

Macerator fee

In PSP5 we will continue to apply the macerator fee. This applies to aged care and healthcare facilities that use disposable paper bedpans

which are shredded by macerator devices prior to discharge to the sewerage system. The macerator fees for PSP5 are provided in Table 14.6.

Table 14.6. Annual trade waste macerator fee, \$

	FY27	FY28	FY29	FY30
All trade waste categories	66.26	69.94	73.82	77.91

15. Miscellaneous fees and charges

In addition to water, sewerage, development and commercial trade waste prices, we need to recover the costs of any ad-hoc activities connected to those services.

This is done through miscellaneous fees and charges. The miscellaneous service fees and charges are outlined in Table 15.7.

Table 15.1. Water Metering fees, \$

	FY27	FY28	FY29	FY30
Special meter reads	74.32	76.72	79.19	81.74
Meter testing – onsite	97.45	100.59	103.84	107.18
Meter testing – offsite	POA	POA	POA	POA

Table 15.2. Sundry fees, \$

	FY27	FY28	F29	F30
Restriction charge	128.93	133.08	137.37	141.80
Account establishment	30.66	31.65	32.67	33.72
Account administration bounced payments (per transaction)	8.71	8.99	9.28	9.58
Fire service installation, \$	POA	POA	POA	POA
Service locator fee, \$	116.29	120.04	123.91	127.90
Backflow Prevention Management, \$	POA	POA	POA	POA

Table 15.3. Private filling stations – variable charge, \$/kL

	FY27	FY28	F29	F30
Variable charge, \$/kL	1.41	1.50	1.60	1.71

Table 15.4. Private filling stations – fixed, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1	412.92	435.83	460.00	485.52
25	1.56	645.19	680.98	718.75	758.62
30	2.25	929.07	980.61	1,035.00	1,092.41
32	2.56	1,057.08	1,115.71	1,177.60	1,242.92
40	4	1,651.68	1,743.30	1,840.00	1,942.06
50	6.25	2,580.75	2,723.91	2,875.00	3,034.47
65	10.56	4,361.47	4,603.40	4,858.75	5,128.26
75	14.06	5,806.70	6,128.79	6,468.75	6,827.57
80	16	6,606.73	6,973.20	7,360.00	7,768.25
100	25	10,323.02	10,895.63	11,500.00	12,137.90
150	56.25	23,226.78	24,515.16	25,875.00	27,310.26
200	100	41,292.06	43,582.50	46,999.99	48,551.58
250	156.25	64,518.85	68,097.66	71,874.99	75,861.85

Table 15.5. Public filling stations

	FY27	FY28	FY29	FY30
Variable charge, \$/kL	2.05	2.17	2.29	2.41
Security deposit, \$, one off fee	61.29	63.27	65.31	67.41
Account keeping fee, \$, per account	7.70	8.13	8.58	9.06

Table 15.6. Portable metered standpipes – variable charge, \$/kL

	FY27	FY28	FY29	FY30
Variable charge, \$/kL	1.41	1.50	1.60	1.71

Table 15.7. Portable metered standpipes – fixed charge, \$

Connection size (mm)	Multiplier	FY27	FY28	FY29	FY30
20	1	412.92	435.83	460.00	485.52
25	1.56	645.19	680.98	718.75	758.62
30	2.25	929.07	980.61	1,035.00	1,092.41
32	2.56	1,057.08	1,115.71	1,177.60	1,242.92
40	4	1,651.68	1,743.30	1,840.00	1,942.06
50	6.25	2,580.75	2,723.91	2,875.00	3,034.47
65	10.56	4,361.47	4,603.40	4,858.75	5,128.26
75	14.06	5,806.70	6,128.79	6,468.75	6,827.57
80	16	6,606.73	6,973.20	7,360.00	7,768.25
100	25	10,323.02	10,895.63	11,500.00	12,137.90
150	56.25	23,226.78	24,515.16	25,875.00	27,310.26
200	100	41,292.06	43,582.50	45,999.99	48,551.58
250	156.25	64,518.85	68,097.66	71,874.99	75,861.85

04. Customer contract and policies

When a customer receives water or sewerage services from TasWater, section 60 of the Water and Sewerage Industry Act 2008 provides that a customer contract is taken to be in place between the customer and us in respect of those services. This customer contract establishes the rights and obligations that apply to the provision of regulated water and sewerage services.

In addition to the customer contract, we maintain a suite of supporting policies that set out how we give effect to legislative and regulatory requirements and the decisions we have made in relation to matters such as connection to our networks, land development and the delivery of our services.

For the PSP5 period, we have made a number of changes to both the customer contract and the supporting policies. The sections below summarise the key features of these documents and outline the material changes that have been implemented.

16. Customer contract

The customer contract is a key part of the regulatory framework. It clearly sets out the rights and responsibilities of customers and TasWater, as well as the services customers can expect to receive. As part of PSP5, we have refined the contract to ensure it aligns with pricing arrangements, service standards, and supporting policies, while improving clarity and accessibility for customers and stakeholders.

The PSP5 customer contract is provided in Appendix A – Customer Contract.

17. Supporting policies

The application of our regulated prices are supported by a number of policies. These policies help clarify how and when certain prices can be applied and provide guidance on the approach to apply prices and charges. The reference list of these policies are provided in Table 17.1.

Table 17.1. List of supporting policies

Appendix	Appendix Name
Appendix B	Connections Policy
Appendix C	Unconnected Property Service Charges Policy
Appendix D	Sub-Metering Policy
Appendix E	Service Extension and Expansion Policy
Appendix F	Service Introduction Charges Policy
Appendix G	Service Replacement Process
Appendix H	Trade Waste Policy
Appendix I	Developer Charges Policy

The below sections outline the purpose and changes made to the supporting policies.

17.1. Connections Policy

The purpose of the connections policy is to outline the circumstances, terms, and conditions under which a landowner may connect, relocate, or adjust a connection to our water infrastructure and/or sewerage infrastructure.

The Connections policy saw minor wording amendments from the version approved as part of PSP4.

For the full policy please refer to Appendix B – Connections Policy.

17.2. Unconnected Property Service Charges Policy

The Unconnected Property Service Charges policy outlines the circumstances when we will impose unconnected property service charges for both water and sewerage services in relation to serviced land and the amount of, or the method of determining the amount of, the unconnected property access charges.

For the full policy please refer to Appendix C – Unconnected Property Service Charges Policy.

17.3. Sub-Metering Policy

The purpose of the Sub-Metering policy is to outline our approach to water metering and billing of existing and new multi-unit properties and strata schemes. This Policy applies to all residential dwelling and non-residential buildings including multi-unit properties and strata schemes.

The PSP5 sub-metering policy reintroduces sub-metering. The reintroduction of sub-metering is to support customers being charged on a ‘user-pays’ approach. The intent is to avoid future situations where customers share master meter reads on a basis that does not reflect individual customer usage (i.e. customers billed based on a shared meter configuration). The PSP5 sub-metering policy generally aligns to the previously applied sub-metering policy

from the PSP3 period. The importance of sub-metering has increased due to the introduction of variable sewerage charges and the tariff changes, which are increasing the variable proportion of a customer bill overall. TasWater has received strong community support for an increase in ‘user pays’ charging, which PSP5 sub-metering policy now supports.

For the full policy please refer to Appendix D – Sub-Metering Policy.

17.4. Service Extension and Expansion Policy

The purpose of the Service Extension and Expansion policy is to specify the circumstances, and the terms and conditions, under which we will extend and expand our water infrastructure and/or sewerage infrastructure, including at the request of a person.

Changes to the Service extension and expansion policy was primarily due to simplifying the development application process for our customers. It will also allow developers and TasWater more time to determine detailed design and construction matters, including works internal, external (extension and expansion). Changes made align with the Victorian Model of Developer Agreements which are deemed best practice.

For the full policy please refer to Appendix E – Service Extension and Expansion Policy.

17.5. Service Introduction Charges Policy

The Service Introduction Charges policy outlines the circumstances and the terms and conditions that must be met for us to introduce water services and/or sewerage services (service introduction) to an area not previously receiving those services and the charges that will apply.

We note that no service introduction projects are proposed for the PSP5 period. The Service Introduction Charges policy has not been amended from the version approved as part of PSP4.

For the full policy please refer to Appendix F – Service Introduction Charges Policy.

17.6. Service Replacement Process

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

We note that no service replacement projects are proposed for the PSP5 period. The Service Replacement Process has not been amended from the version approved as part of PSP4.

For the full process please refer to Appendix G – Service Replacement Process.

17.7. Trade Waste Policy

The Trade Waste policy outlines our commitment to the efficient and effective management of liquid trade waste and sets out how we levy trade waste charges. Minor changes have been applied to aligned the policy to the approved PSP5 trade waste pricing approach.

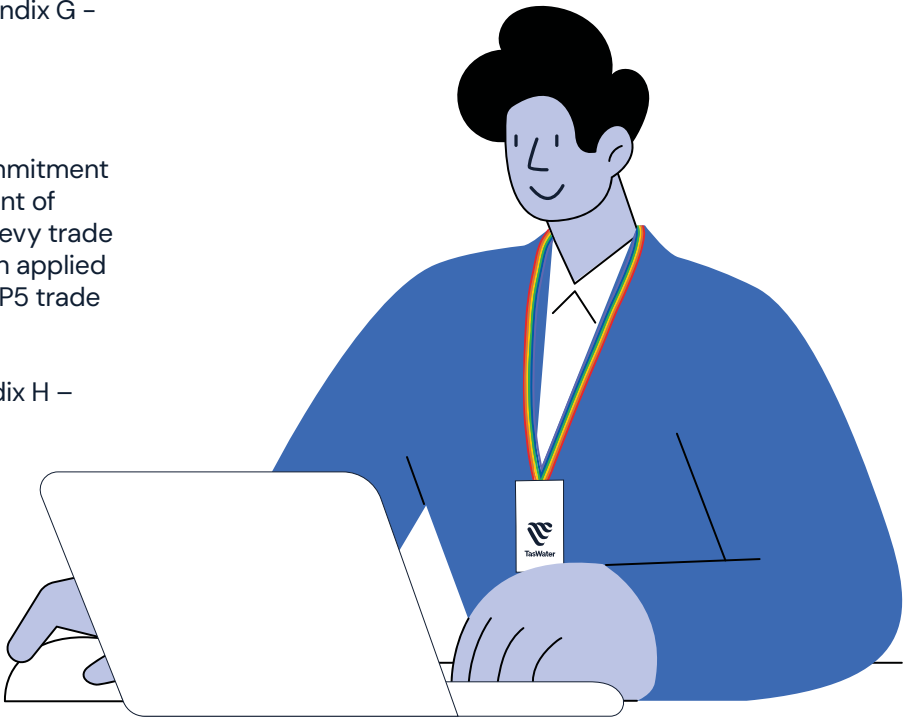
For the full policy please refer to Appendix H – Trade Waste Policy.

17.8. Developer Charges Policy

The aim of the Developer Charges policy is to specify the application of developer charges in the case of a new development and/or use that requires a new or larger water or sewer connection.

In comparing the PSP5 Developer Charges Policy to the PSP4 policy, one key change has been made. The bulk charges that were provided for under PSP4 have been removed. Although these bulk charges were included in PSP4, they have not been applied since their introduction. Under PSP5, we will continue to apply a single statewide Headworks Charge, previously referred to as the Standard Charge.

For the full policy please refer to Appendix I – Developer Charges Policy.



18. Appendices

Appendix. A	Customer Contract
Appendix. B	Connections Policy
Appendix. C	Unconnected Property Service Charges Policy
Appendix. D	Sub-Metering Policy
Appendix. E	Service Extension and Expansion Policy
Appendix. F	Service Introduction Policy
Appendix. G	Service Replacement Policy
Appendix. H	Trade Waste Policy
Appendix. I	Developer Charges Policy



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