



Our water future

Price and Service Plan 5

July 2026

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.

Contents

Our water future is in all our hands	04
A proposal shaped by what matters to Tasmanians	07
Our challenges	09
Customer outcomes	12
Protecting the environment and waterways	13
Reducing water leakage	14
Securing our water future	15
Providing safe and reliable services	16
Better customer experience and support	17
More control over your bills	18
Major projects	20
Our prices	22
Doing more with what we have	23

Our water future is in all our hands

The Tasmanian Economic Regulator's Final Determination for our fifth Price and Service Plan (PSP5) sets the prices and service standards for 2026 to 2030.

Tasmania's ageing water and sewerage systems require sustained investment to protect public health, improve reliability, and lift environmental performance.

As we plan for Tasmania's future we will prioritise critical upgrades, pursue government grants and external funding and find efficiencies where we can to maintain safe, reliable day-to-day services across Tasmania. We will do this in a way that is fair for customers and supports the state's long-term needs.

We are committed to delivering on the six customer outcomes identified through the PSP5 Water Future Community Advisory Panel and our broader PSP5 engagement program. These outcomes reflect what Tasmanians told us matters most, and they continue to guide the choices we make: reducing water leakage; securing our water future; providing safe and

reliable services; protecting the environment and waterways; providing better customer experience and support; and giving customers more control over their bills.

Over the next four years, we will invest \$1.2 billion across the state to fix leaks, protect waterways, strengthen water security, and support growth – for our customers now and for generations to come.

We know cost-of-living pressures impact many households, and we have strengthened our TasWater Assist program so more help is available to customers who need it.

PSP5 also begins important reforms to give our customers greater control over their bills, including a shift toward more usage-based charges and a new variable sewer charge.

Over time, using less water will start to mean paying less.

This plan has been shaped for Tasmanians by Tasmanians. Our engagement reached more than 200,000 people. More than 3,500 people registered to have their say, and the program included more than 8,000 interactions, including the Community Advisory Panel's recommendations that helped set priorities. This summary explains what has been approved

and what has been deferred, what it means for you, and how we will remain transparent and accountable as we continue to deliver for all Tasmanians.



Our engagement process



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.

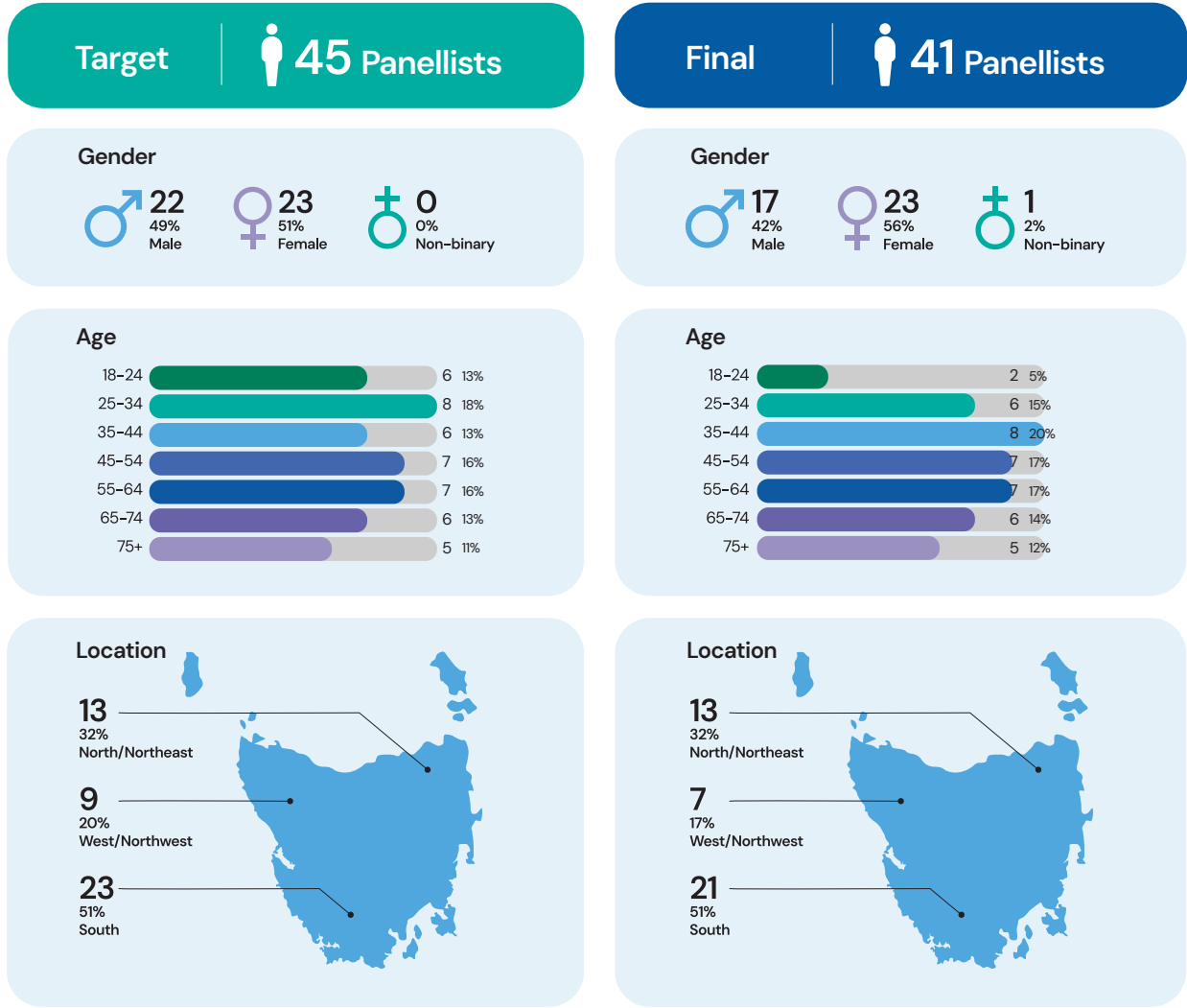
To shape PSP5, we asked for your help – and thousands of Tasmanians answered the call.

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.

Engagement type	Dates	Number of Participants
Co-design Process	May–Sept 2023	119 participants 15 'critical friends'
Water. It's Tasmania's thing. Campaign	March–April 2024	> 3,500 registrations
Broad Community Survey	14–31 May 2024	1,898 responses
Less-Heard Voices	18–27 June 2024	19 conversations
Bill Simulator Survey	24 July – 4 August 2024	1,311 responses
Pop-Up Community Survey	3 August 2024	> 650 people reached 146 survey responses
Key Stakeholder Workshop	9 August 2024	14 participants
Schools Engagement	22–30 August 2024	> 223 survey responses 17 creative entries
Developers / Key Account / Industry Briefings / Local Government engagement	Industry briefings (May) Developer forums (June) Business forums (Aug) LGAT Conference (Sep)	314 attendees 86 attendees 31 attendees 40 attendees
Total		8,333 interactions

About the Water Future Community Advisory Panel participants



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



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, and the reality of operating a large, geographically dispersed network. These are complex, long-term issues that can't be ignored, and our approved \$1.2 billion capital program is our opportunity to start addressing them head-on.



Poorly performing assets

Our current reality is:

- We still lose around 19 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 2024-25, we recorded more than 63 sewer main breaks and chokes per 100km – more than double the national median of 26.
- We also had more than 33 water main bursts per 100km, compared to the national median of 18.
- Only 55 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 over the next four years to modernise Tasmania's sewerage systems. We're starting with major upgrades in key urban areas, focusing on the projects that deliver the greatest benefits for customers, the environment, and long-term cost savings.

These improvements will help us streamline our infrastructure, reduce the number of ageing treatment plants, and deliver better environmental and public health outcomes.

Looking further ahead, we know these challenges are solvable with the right planning, funding, and focus. That's why we've developed nine [Regional Master Plans](#) to guide our investments over the next 50 years.

We've shown we can deliver large, complex infrastructure programs, and we're 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 PSP4, we kept our annual price increases to 3.5 per cent and even froze prices during the COVID years. Unlike most water utilities across Australia, we were not able to fully recover

inflation through our prices. At the same time, the cost of materials, labour and services has risen much faster than our approved price increases.

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 will deliver

We have a set of ambitious but achievable service standards to measure our performance across PSP5 and track how we deliver these customer outcomes.

These outcomes are supported by our approved capital and operating investment plans.

Delivering these PSP5 outcomes will be an important step towards putting us on a more sustainable footing for the future.

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



Price and Service Plan – Customer outcomes

With ageing infrastructure, a changing climate, and rising customer expectations, PSP5 sets out a clear path forward. By balancing the need for significant investment as outlined below, with fair and sustainable pricing, we will ensure we deliver reliable, high-quality water and sewerage services for all Tasmanians, now and into the future.

Outcome	Investment	What it means for you
Protecting the environment and waterways	\$505.6M To improve environmental performance and compliance	We will focus our efforts on our sewerage network, reducing the amount of nutrients discharged to waterways. We will advance our 50-year long-term planning through Regional Master Plans to unlock capacity for future growth.
Reducing water leakage	\$161.7M In leak reduction	We will continue to reduce the amount of water lost in our network down to 16.5 per cent by 2030. That'll see us save an additional 12,000 Olympic swimming pools of water.
Securing our water future	\$216.5M To improve water security, including dam safety upgrades and water treatment plant improvements Continued water conservation campaigns	Fewer customers will be impacted by water restrictions. Through education and water literacy programs, we will help you reduce your daily water use an average of 217 to 170 litres per person, contributing to a more sustainable water future.
Safe and reliable services	\$337.8M In renewals for water and sewer networks, treatment plants, reservoirs and pump stations Continued electrical, SCADA and meter upgrades	We will invest in our treatment plants, pump stations and pipelines. There will be fewer disruptions to services, with fewer water main breaks and sewer breaks and chokes.
Better customer experience and 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 water charges on your bill from 16 per cent to 19 per cent	If you use less, you'll pay less — thanks to a slight increase in the variable portion of your bill from 16 to 19 per cent over the four years. This step change is a positive step in giving customers more control.

Protecting the environment and waterways



Improving environmental outcomes is a key focus of our capital program. 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 **\$505.6 million** 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:

\$96 M
Upgrading sewerage pipelines across the state

\$409.6 M
Upgrading sewage treatment plants across the state

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 and plan to begin work on six more in PSP6
- Focus on reducing nitrogen and phosphorous discharges and increasing beneficial reuse of treated water

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 19 per cent, we know there's more to do.



What we'll invest in:

\$161.7 M

Dedicated programs to reduce water leakage, including extensive water mains upgrades across the state

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 **\$216.5 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.**

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:

\$261.5 M

Improving water security, including dam safety upgrades and water treatment plant improvements

\$114.8 M

Upgrading the Ridgeway Dam

\$45.2 M

Upgrading the Pet Dam

\$10 M

Improving water treatment barriers for St Marys

\$10.9 M

Improving water treatment barriers for Kunyuni/Mt Wellington catchments

\$17.2 M

Regional Towns Stage 4 Program (Upgrades to the Bothwell, Tullah, Oatlands, Yolla, Ellendale and Dvoer water treatment plants)

What we'll do:

Upgrade our infrastructure

- Upgrade high-risk dams at Ridgeway, Pet, and Mikany
- Improve water quality in St Marys
- Secure future water licences and allocations
- Investigate new supply options for Orford, Triabunna, and Lady Barron
- Upgrade capacity at Prosser Dam

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 **\$337.8 million** 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.

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 **\$65.2 million** to maintain and improve drinking water safety. This includes treatment plant upgrades and new water treatment barriers.

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:

\$337.8 M

To improve water and sewerage reliability across Tasmania.

\$65.2 M

Renewing water treatment plants

\$17.9 M

Renewing sewage pump stations

\$87.4 M

Renewing electrical systems and SCADA (our monitoring and control technology)

\$45.1 M

Upgrading water meters

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

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. We're committed to strengthening this support.

What we'll invest in:

\$3 M

To deliver a self-service platform

\$2.4 M

Additional funding, to strengthen our TasWater Assist Program

\$38 M

In digital upgrades to better keep our customer's data safe

What we'll do:

Support our customers

- Launch a new customer self-service platform during 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, the variable portion of the average residential bill will increase from **16 per cent** to **19.2 per cent**.

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

What it means if projects are deferred

Some projects originally proposed for PSP5 will have to be deferred to the next pricing period, PSP6. Deferral is a change in timing, not a change in need. It reflects the fact that the Regulator's approved price path is lower than what we proposed, which means some work must be rescheduled.

This does not mean the underlying challenges facing Tasmania's water and sewerage infrastructure have suddenly vanished.

Deferring investment can extend the time it takes to address some known issues. It can also increase longer-term costs and risks, as ageing assets continue to deteriorate over time. For that reason, deferral is not the preferred outcome but is sometimes necessary to balance affordability with essential investment.

Even with these changes, PSP5 includes \$1.2 billion of investment across Tasmania. We will prioritise delivery of the most critical work, including projects linked to public health, environmental compliance, and high-risk assets, while maintaining safe and reliable day-to-day services.

These priorities reflect regulatory requirements and what Tasmanians told us matters most through our community engagement.

Our commitment remains the same: to plan responsibly, be transparent about what can and cannot be delivered, and keep working toward a safer, more reliable, and more sustainable water future for Tasmania.

What deferral is not

- **A cancellation.** Deferred projects remain needed, but will be delivered later, subject to future funding and regulatory approval.
- **A sign the challenges have been solved.** The underlying issues with ageing infrastructure do not go away because some work is delayed.
- **A reduction in our commitment to safe day-to-day services.** Regardless of project timing, TasWater will continue to maintain essential services and prioritise critical public health, environmental and high-risk works.
- **A decision made lightly.** Deferring investment can increase longer-term costs and risks, which is why deferral is not a preferred outcome, but may be necessary within the approved funding envelope.

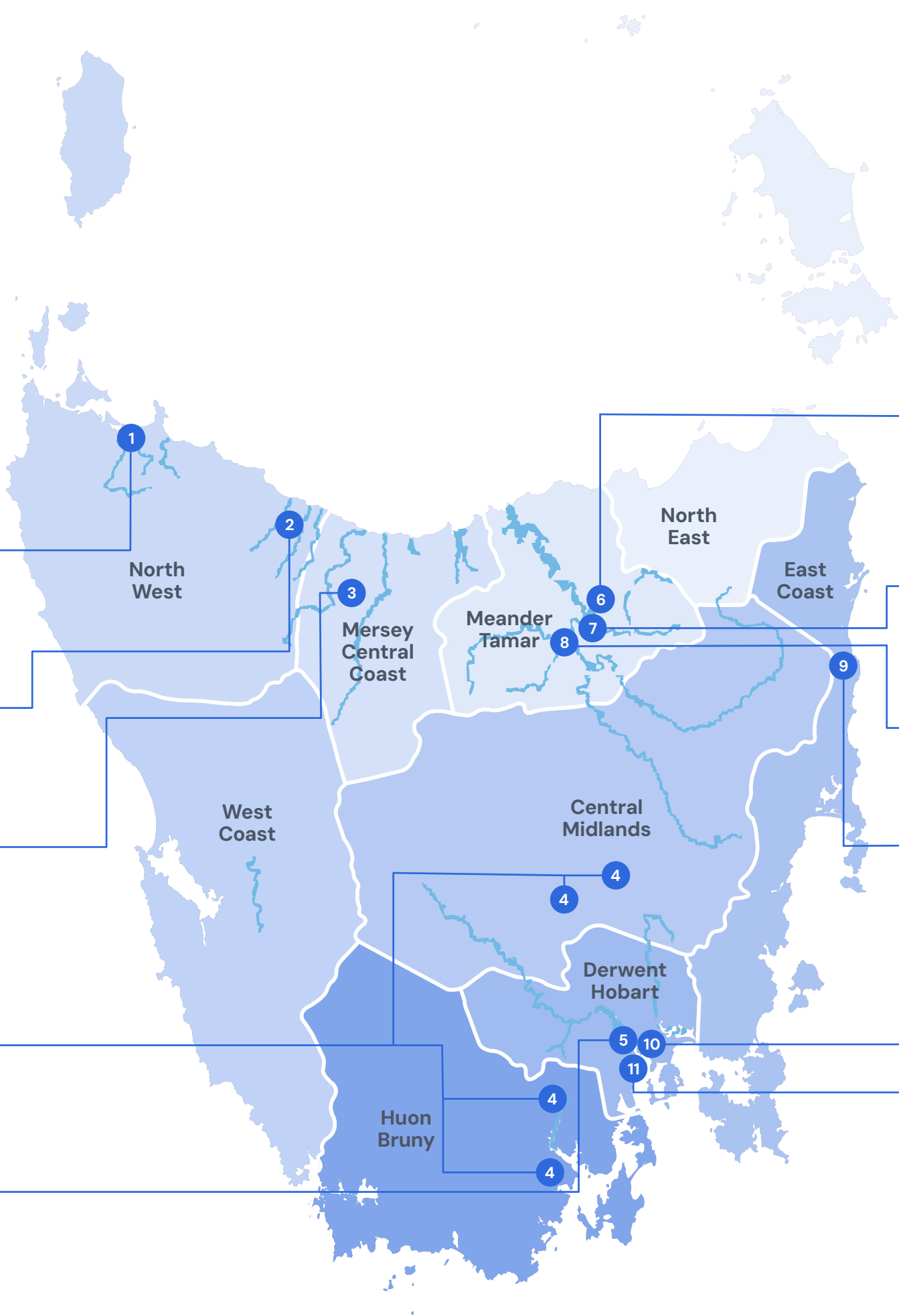


Major Projects

Over the four years of PSP5, we will deliver a \$1.2 billion capital program, which will help future-proof our infrastructure.

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

- 1 Smithton – STP recycled water scheme **\$31.2M**
- 2 Burnie – Pet Dam Ridgley safety upgrade **\$45.2M**
- 3 Sheffield Environmental Improvement Project **\$18.M**
- 4 Regional Towns Stage 4 – upgrades in Bothwell, Oatlands, Franklin and Dover **\$17.2M**
- 5 Selfs Point Sewer Transformation **\$81.3M**



- 6 Launceston Sewer Transformation – Ti Tree Bend Sewage Treatment Plant upgrade **\$140.8M**
- 7 Launceston Sewer Transformation – Hoblers Bridge STP rationalisation **\$1.2M**
- 8 Launceston Sewer Transformation – Prospect Vale Sewage Treatment Plant Transformation **\$36.7M**
- 9 St Mary's Water Quality Improvement Project **\$10.2M**
- 10 Bowen Bridge to Risdon Brook bulk water main upgrade **\$17.5M**
- 11 Hobart – Ridgeway Dam upgrade **\$114.8M**

Our prices

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

We want to change this, and in PSP5 we begin to make progress towards a fairer balance for customers.

By 2030, we will increase the variable portion of the average residential bill from 16 per cent to 19.2 per cent. A modest improvement, but a 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	--	5.7 per cent	5.7 per cent	5.7 per cent	5.7 per cent
Average annual residential water and sewerage bill	\$1,407.21	\$1,486.56	\$1,570.72	\$1,661.88	\$1,758.70

	FY26	FY27	FY28	FY29	FY30
Fixed water charge					
20mm	\$407.33	\$412.92	\$435.83	\$460.00	\$485.52
40mm	\$1,629.32	\$1,651.68	\$1,743.30	\$1,840.00	\$1,942.06
200mm	\$40,732.89	\$41,292.06	\$43,582.50	\$45,999.99	\$48,551.58
Fixed sewerage charge					
Minimum charge	\$781.69	\$795.46	\$839.58	\$886.15	\$935.31
Variable water charge					
Full service (\$/kL)	\$1.26	\$1.41	\$1.50	\$1.60	\$1.71
Variable sewerage charge					
Full service (\$/kL)	\$0.00	\$0.22	\$0.23	\$0.25	\$0.27

*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>.

Doing more with what we have

We know every dollar matters. Alongside the prices approved under PSP5, we will keep working to reduce the burden on customer bills and deliver more infrastructure, by pursuing alternative funding and improving how we work.

Finding additional funding

We actively pursue external funding to help deliver major projects sooner and reduce pressure on customer bills. Over the last four years, we have secured more than \$323 million in government grant funding.

We maintain a structured approach to identifying and matching funding opportunities to major projects and we will keep building these funding partnerships, so customers are not asked to carry more of the cost than necessary.

Improving productivity and reducing costs

We are also committed to finding efficiencies inside TasWater as we continue to improve delivery performance and planning maturity. Our broader financial improvement work includes cost reduction and productivity savings.

Together, these efforts help us deliver the most important work first, even when some projects need to be deferred, while continuing to focus on safe services, healthy waterways, and long-term reliability for Tasmania.





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