

AUSTRALIAN WATER REFORM ROADSHOW



TRANCHE 2 CURRENT STATE OF WATER
REFORM IN AUSTRALIA

MODULE 3 WATER SERVICES IN TASMANIA

- Please note **this session will be recorded**
- The recording and slide pack from this webinar will be made available to you following this webinar
- For the Panel Discussion please send your questions through the **Q&A** function
- Select to **“All Panellists”** when you are posing your questions
- SPICAE will provide written responses for unanswered questions
- SPICAE are happy for participants to contact us directly for clarifications or further information
- SPICAE have done individual sessions for councils in the past when they have asked us to
- Please provide SPICAE with feedback – this is important for us to continually improve future webinar sessions



Andrew Kneebone

- Managing Director, Tasmanian Irrigation
- Former GM Commercial & Strategy, Territory Generation
- Former Regional Manager at WaterCorp (WA)



David Hughes-Owen

- GM Service Delivery, TasWater
- Former Head of Asset Investment Planning and Regional Manager Great Southern at WaterCorp (WA)



Tony Willmott

- GM Project Delivery, TasWater
- Former Client Rep CDO, Department Manager in Service Delivery & Asset Management



Rules of Engagement / Code of Conduct

- SPICAE & our panel are cognizant of the NZ Reforms.
- These sessions are on the Australian Reforms & aimed at enabling a reference point for attendees to draw comparisons to the current reforms in New Zealand.
- SPICAE & our panel will endeavour to provide an **Unbiased View** of the water services in Tasmania.
- **Please align questions to the Module Topic.**
- While this is being done for the DIA & 3 Waters Steering Committee, please do not ask us question for either of them.

TRANCHE	TRANCHE THEME	MODULE TOPIC
1	REFORM & GOVERNANCE	WATER REFORM JOURNEY (VIC)
		WATER REFORM JOURNEY (TAS)
		GOVERNANCE (BOARDS, OWNERSHIP & LEGISLATION)
2	CURRENT STATE	CURRENT STATE OF WATER SERVICES - REGIONAL & IRRIGATION (VIC)
		CURRENT STATE OF WATER SERVICES - METRO VICTORIA
		CURRENT STATE OF WATER SERVICES - TASWATER
3	STORMWATER, ENGAGEMENT & THE FUTURE OF WATER	STORMWATER MANAGEMENT (VIC & TAS)
		THE FUTURE ROADMAP FOR WATER (VIC & TAS)
		COMMUNITY ENGAGEMENT & CUSTOMER EXPERIENCE
		INDIGENEOUS ENGAGEMENT (WA and VIC)
4	COUNCILS	THE COUNCIL REFORMS (VIC)
		THE CURRENT STATE OF LOCAL GOVERNMENT
		THE FUTURE ROADMAP FOR COUNCILS



Andrew Kneebone

Managing Director
of Tasmanian Irrigation

Tasmanian Irrigation



- To **own, operate and develop irrigation schemes** in Tasmania.
- Support State Government policy of increasing State agricultural output to **\$10b by 2050**.



- State Owned Company (limited by shares)
- Established in its current form 2011
- 2 Shareholder Ministers
 - Treasurer
 - Minister for Primary Industries and Water
- Independent Skills Based Board

Enabling State Legislation

- Water Management Act 1999
- Irrigation Clauses Act 1973
- Irrigation Company Act 2011



- **18 Operating Schemes** with a combined capacity of 154,000 ML
- **1 Self-managed scheme**
- 15 of these schemes have been constructed by TI since 2011
- **Tranches 1&2**
Capacity 133,000 ML
Capital Value \$421 m
- **Tranche 3** consists of 10 schemes
Capacity 135,000 ML
Capital Value \$1.0B

- Public Private Partnership Capital Investment Model
- To progress schemes must be:
 - Economically viable
 - Environmentally sustainable
 - Have broad community support
 - 100 year design life of scheme assets
 - 95% Average reliability of supply
- Operating cost recovery including Asset Replacement (No return on investment)

Capital Costs

Scheme (capital) costs are funded

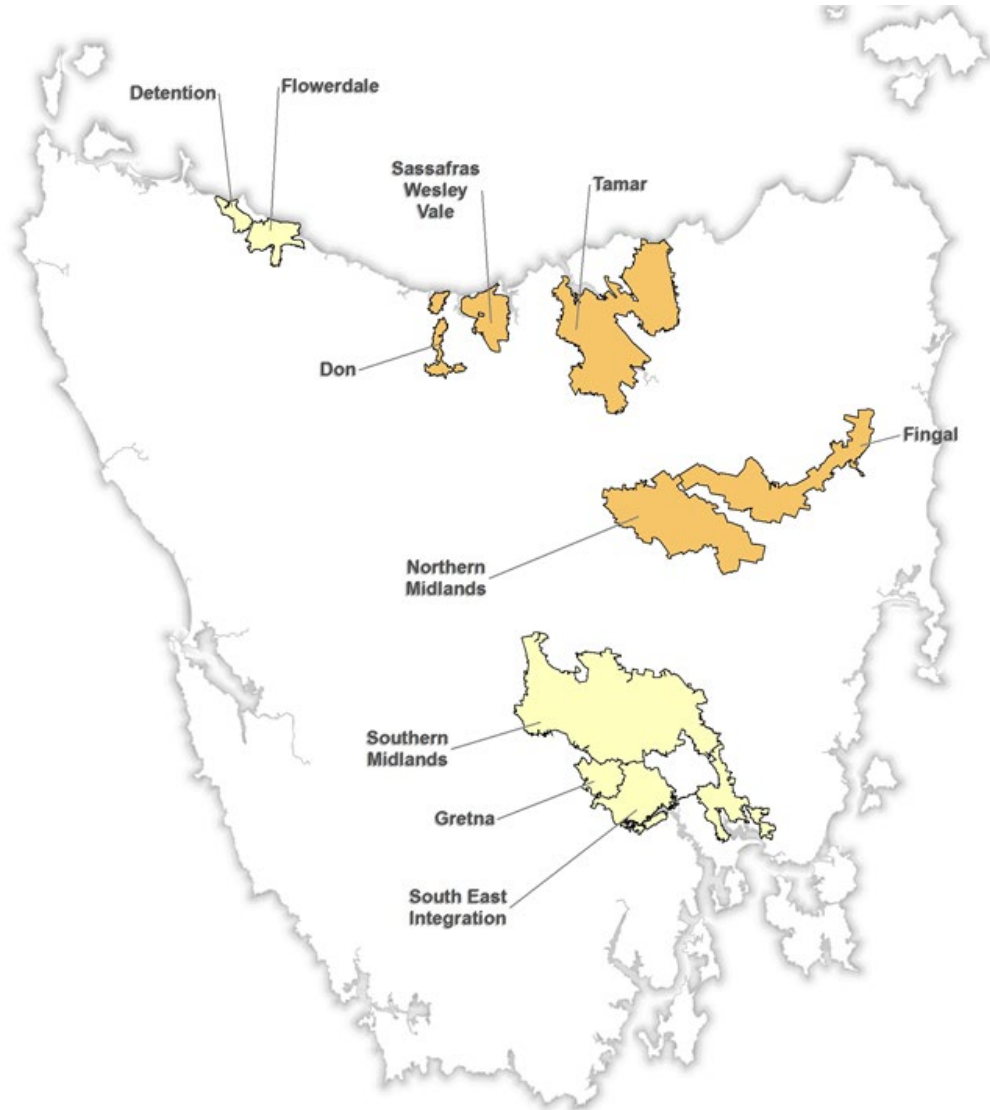
- ~49% Federal Funding
- ~26% State Funding
- ~25% Irrigators Contributions through purchase of Water Entitlements

Entitlements

(tradeable asset) consist of

- Volume (ML) over a season (no of days)
- Flow Rate (maximum daily rate)
- Location
- Reliability
- Term





10 Schemes

Phase 1

- 2 at detailed design & approvals
- 1 in Water sales
- 1 at Preferred option
- 1 at Prefeasibility assessment

Phase 2

- 3 in Prefeasibility assessment
 - Initial demand 78,000 ML
 - Current demand 135,000 ML
 - Initial Capital \$497m
 - Current Capital \$1.0 B



Water Services in Tasmania

David Hughes-Owen

General Manager Service Delivery
at Tasmanian Water and Sewerage

Safety

There are still too many safety incidents occurring

Culture

Culture will be different and force decisions upwards, few chances are taken, innovation is stifled, and our people do not feel valued for their contribution to overall business outcomes

Inconsistency

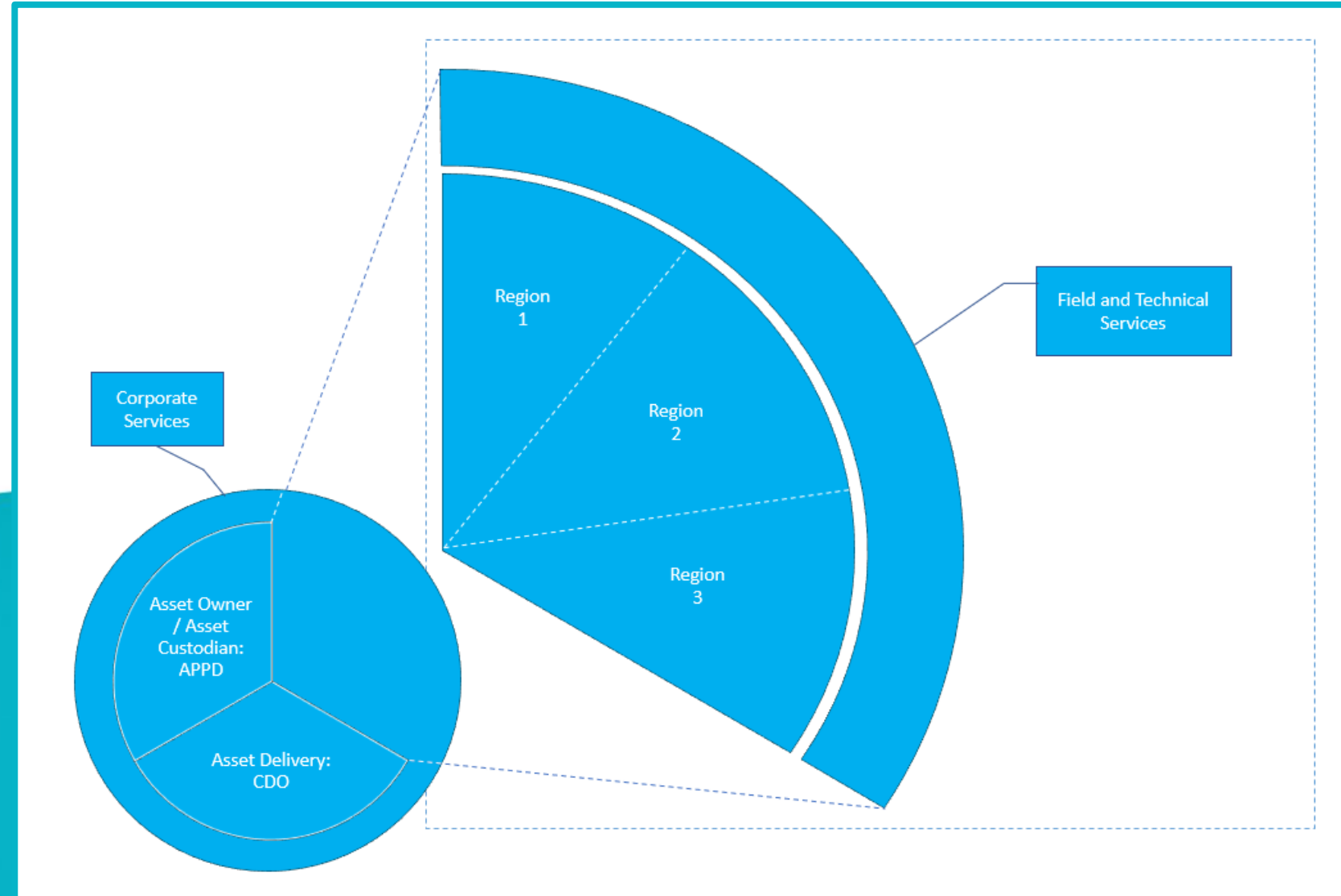
We are not consistently maintaining and operating our assets leading to heightened water quality risk, environmental harm, premature asset failure and poor customer outcomes and

Costs

Costs and service delivery are variable and unknown continue to increase whilst pressure to cap price increases for our customers remains.

Principle	Principle guidance	How we have aligned with the principle
<p>Creating ownership</p>	<p>How we are organised to take ownership and accountability of activities in a region</p>	<p>Geographic Operations Leaders are the conduit between the business and the customers and stakeholders in the provision of services.</p> <p>Regional Operations Leaders are accountable for activities undertaken in the Region (both internal and external resources) and are accountable for entire water or wastewater system.</p> <p>Regions are organised to provide clear lines of accountability and responsibility for delivery of services to customers, with a particular emphasis on continuously assessing risk and responding quickly and effectively to reduce risk as necessary.</p> <p>Where reasonably practicable Regional Operations Leaders are present in key regional centres to embed a positive, achievement centred culture.</p>
<p>Safe, capable & reliable services</p>	<p>How we are organised and work in a region to deliver a safe, capable and responsive service to customers in a Region</p>	<p>Regions are organised to undertake a key set of activities associated with the delivery of operational services to communities in a geographical area. This is achieved by leading and managing a geographically based workforce (or having service arrangements in place) that can safely:</p> <ol style="list-style-type: none"> 1. Undertake operation and maintenance activities of water and wastewater assets 2. Respond decisively to incidents or situations which threaten our ability to deliver service to customers. <p>Regions are organised and resourced to provide supporting activities which:</p> <ol style="list-style-type: none"> 1. Enhance the ability and effectiveness to deliver operational services to customers in a regional area 2. Provide the best method to deliver business objectives if they are undertaken in the regional area.

Principle	Principle guidance	How we have aligned with the principle
<p>Adaptable to community & environmental conditions</p>	<p>Adaptable to community and environmental conditions</p>	<p>The level of service being provided is continuously monitored, and service delivery strategy and resource allocation adjusted to reflect:</p> <ol style="list-style-type: none"> 1. Number or volume of activities being undertaken 2. Geographic location of activities 3. Complexity or specialisation of activities 4. Specific risks or opportunities identified within a region or geographical area <p>In addition, specific activities are undertaken as required to reduce local or regional risks, and to create mutual value to the TW and our customers.</p>
<p>Consistent systems methods & process</p>	<p>State-wide functions are managed using consistent systems and processes.</p>	<p>Functions which support delivery of services are organised to consistently deliver standard processes, responses and outcomes across operational areas including but not limited to,</p> <ol style="list-style-type: none"> 1. Operational Contract management and delivery 2. Operational Process Expertise 3. Specialised Maintenance Expertise 4. Operational Control Management 5. Ancillary Services (Fleet, Facilities)



-  Sewage Treatment Plants
-  Water Treatment Plants





Tony Willmott

General Manager Project Delivery
at Tasmanian Water and Sewerage

TasWater Capital Delivery Program

- To provide an overview of **TasWater's Capital Program**
- How we manage the \$200-\$300M capital program each year
- To provide an overview of our Capital Delivery Alliance and our internal project delivery functions



CAPITAL DELIVERY OFFICE



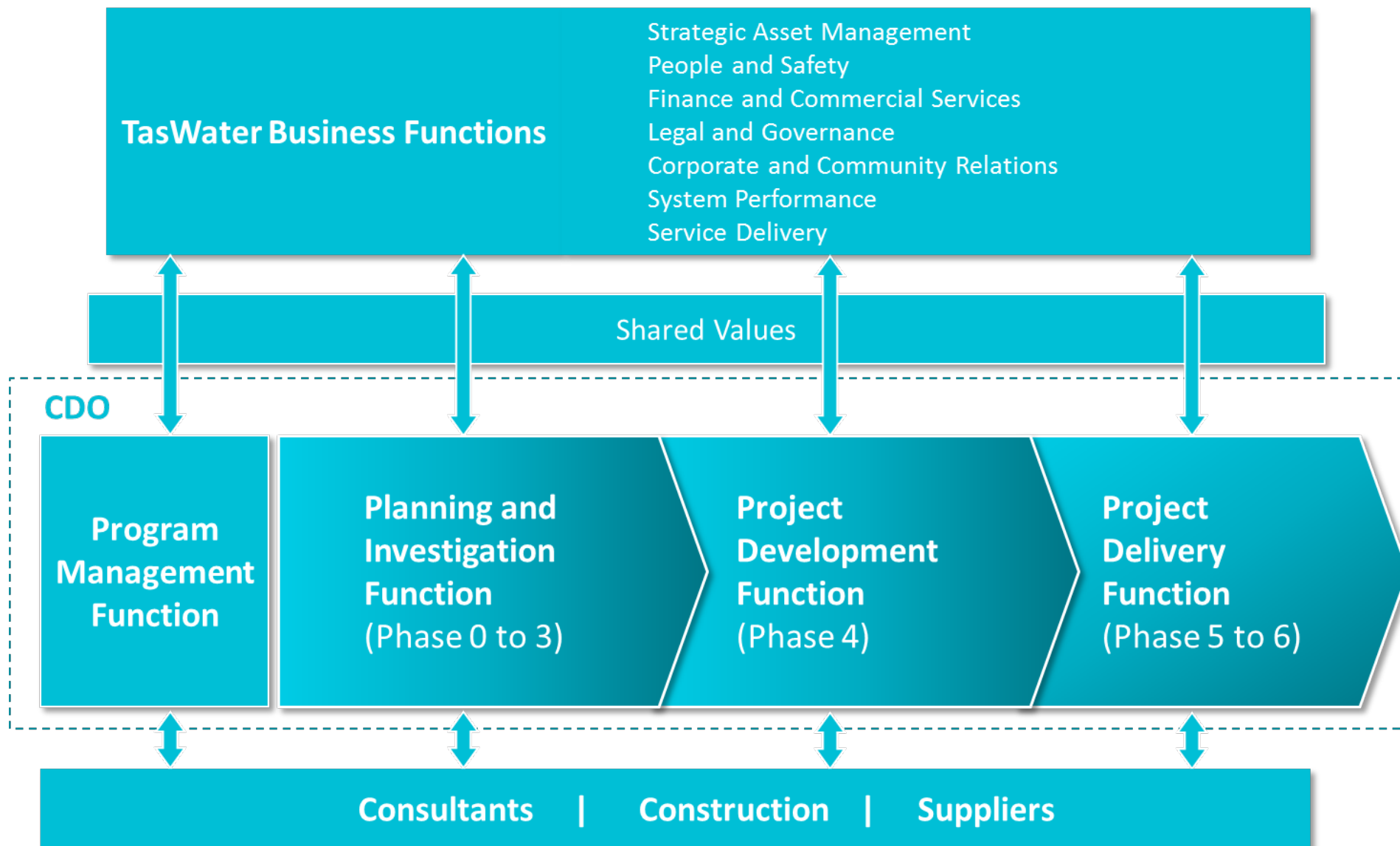
Our objective

- *To best position TasWater to fulfil its customer promises for improved service levels by efficiently and effectively delivering an accelerated capital program.*

We also wanted to achieve

- Opportunities for our people to grow and develop
- Economic benefits and growth opportunities for local industry
- Improved Project Safety and Quality outcomes
- Build capacity and capability over the life of the Alliance to transition the program back to TasWater post-alliance.

- The program includes a significant amount of infrastructure planning, asset management and detailed investigation processes
- Substantial strategic and master planning has been completed to identify, evaluate and prioritise the actual infrastructure required to be delivered and as reflected in the Long Term Strategic Plan (LTSP)
- However, detailed infrastructure planning, asset management, operational improvements, feasibility studies, concept design, and detailed engineering and design activities form an integral component of the overall program. This was our challenge that the CDO addressed.
- A large number of projects are now either complete or in the delivery phase.



- We continue to support local industry through the CDO. We intend to ensure local construction contractors, consultants and suppliers continue to be an important part of program delivery
- We are continuing to work with our Alliance partners to ensure we have mechanisms to support local industry involvement.
- Until recently we were achieving a 95% local content in all contracts being delivered by the market.



Bryn Estyn Water Treatment Plant



Fenton Line
Trunk Water Main Upgrade

Henderson Dam,
Flinders Island
Full Reconstruction



AUSTRALIAN WATER REFORM ROADSHOW



THANK YOU FOR JOINING US TODAY



Recording & Slide Pack will be available soon:

<https://www.spicae.com.au/about-spicae/nz-roadshow/>