

waterworks

NEWS FROM TASMANIA'S WATER INDUSTRY

MAY 2010



First water industry report highlights challenges ahead

The Chairman of Tasmania's Water and Sewerage Corporations, Mr Geoff Willis recently released the first Tasmanian Water and Sewerage Industry Report which shows that important challenges lie ahead in the areas of customer relations, pricing reform, the roll out of meters and delivering a \$1 billion capital program over 10 years to bring infrastructure up to the required standard.

"Our first industry report provided an open and transparent snapshot of our first six months of operations and highlighted the many achievements and challenges the four new corporations face," Mr Willis said.

Owned by Tasmania's 29 councils, the water corporations have a combined asset base of more than \$2 billion and forecast annual revenue of around \$200 million, making them one of Tasmania's largest business sectors.

"This is a very important industry providing essential public health and environmental services for the Tasmanian

community and, more than six months after start-up, we feel confident and remain committed to the reform agenda," he said.

Recent water quality incidents, including more than 200 wastewater treatment plant spills between July and December 2009, served to highlight the need for reform.

"It is unacceptable that in the 21st century these events are occurring and the corporations are focussed on taking steps to address them," he said.

"We are committed to meeting the standards laid out by the Environmental Protection Authority and the Director of Public Health.

"The corporations are working to make water quality and infrastructure issues a thing of the past by embarking on a \$1 billion capital works program over the next 10 years," Mr Willis said.

"More than 30 capital projects are now underway across the state," he said.

The State Government's revised 5% price cap for customers was also

accompanied by an agreement to fund the corporations up to the original 10% level and so our operational and capital plans were not impacted by this change.

"We were pleased to report that many of our council owners also began receiving financial returns from the corporations before 31 December 2009," Mr Willis said.

The Water and Sewerage Industry Report revealed:

- 620 employees transferred to one of the new corporations on 1 July 2009
- 29 Enterprise Agreements, three awards and two Long Service Leave Acts and associated conditions were maintained
- 14 Lost Time Injuries were sustained and 225 hazards were identified
- 14 temporary boil water alerts were called
- So far \$40 million has been expended on capital works
- Over 68,000 calls were received by the three corporations' call centres in the first six months of operation
- Over 49,000 customers paid their accounts up front
- 38 towns were on boil water alerts.

Protecting the picturesque Huon River is a high priority for both community and Southern Water in the Huon Valley Regional Water Scheme.



Southern Water community consultation in the Huon Valley page 3



WELCOME to the first issue of *Waterworks*, a newsletter designed to inform our owners and stakeholders in government and industry about the progress of the newly reformed water industry in Tasmania.

Since opening our doors on 1 July last year, the water utilities and the business services firm they own, Onstream, have been busy establishing services across the sector.

With a capital works program valued at more than \$90 million underway this year and countless new systems, procedures and standards to introduce, the journey has been busy and productive for each business.

The industry recently released its first annual industry report, and together with these newsletters, we plan to keep you up to date on our progress in a range of business areas.

With the State Government election now behind us, we plan to engage constructively with communities and customers on pricing reform. Our initial qualitative research indicates that customers prefer water and sewerage charges to be based on an equitable, user-pays system.

With a three year journey set before us by the State Government to address pricing regulation, we are committed to ensuring that the communities of Tasmania understand the implications of different pricing systems and have their say about price equity. It is not possible to separate decisions about pricing from the need to invest in our future; the two belong together and underpin the need for reform.

Early estimates show that the investment needed may exceed \$1 billion over the next ten years, and this will need to be balanced with the corporation's responsibilities in returning dividends to its owners, the local councils of Tasmania.

There is still a great deal of work to be done. The project to develop a land information and billing system is underway and we hope, later this year, to relieve councils of the burden of needing to assist us.

With pricing at the forefront and water quality increasingly an issue in the media spotlight, the industry will be increasing its communications with communities and customers so that they are well informed and aware of the work underway by dedicated water professionals to ensure our water is of the highest quality and affordable for all.

Geoff Willis, Chairman, Tasmanian Water and Sewerage Corporations



Campbell Town Water Treatment Plant design underway

DESIGN WORK has begun on the new \$5.2 million Campbell Town Water Treatment Plant.

With a capacity of 2.7 megalitres per day (2,700,000 litres), the plant will supply treated water to almost 750 homes and businesses in Ross and Campbell Town.

The plant will use a dissolved air flotation over filtration or DAFF process with construction expected to take around 10 months once the design phase is completed.

Heavy rains in February caused flooding of the Elizabeth River which led to boil water alerts being announced for the Campbell Town and Ross townships.

Ben Lomond Water Chief Executive Officer, Barry Cash said he was pleased with the progress that had been made on the project.

"The water supplied to the townships will be fully treated to a very high standard ensuring that events like these are a thing of the past," Mr Cash said.

Above: Ray Wright, Ben Lomond Water's Manager Asset Creation and Shaun Madden, Victorian Manager of Water Treatment Australia Pty Ltd at the contract handover.

St Helens installation in hours not days

BEN LOMOND Water's east coast team worked around the clock to install a new Powder Activated Carbon system to treat St Helens water supply.

The new system was requested by the Director of Public Health following concerns raised about toxins in the St Helens water supply.

"This process is one which would normally have taken around two weeks," CEO, Barry Cash said.

"Our team was able to install the system within 12 hours," he said.

"We will continue to work closely with the Department of Health and Human Services in response to concerns raised about water quality in St Helens," Mr Cash said.

Powder Activated Carbon Systems are used widely across Australia to remove taste and odour compounds along with toxins.



Southern Water working with the community

TASMANIA'S largest water and wastewater service provider, Southern Water, is ensuring that the State's water and wastewater infrastructure meets future growth and development needs by undertaking a number of capital works projects over the next decade.

CEO of Southern Water, Mike Paine said, "These projects will help remove boil water notices, improve water quality, increase water storage capacity, improve wastewater processing, ensure sustainable water re-use and improve environmental health."

"This is a major investment in Tasmania's future with over \$41 million in capital works projects in the 2009/10 financial year alone.

"To ensure local issues are addressed and community expectations are met, our approach is to engage with the community before a project's start to strengthen involvement, improve decision making and build trust.

"The value of involving the

community in the early stages of a project can often affect project success and acceptance.

Southern Water's commitment to the community has been demonstrated with their extensive consultation work undertaken on the inherited Huon Valley Regional Water Scheme. The scheme will upgrade water supply infrastructure in the region by constructing one bulk water system from the Huon River, assisting both residential and economic development in the Huon region. The wide geographic area of the scheme has meant a series of community discussions to make sure the outcome meets current community needs.

Southern Water also manages a successful community relations project on the East Coast to keep residents up to date with the latest information about the \$8.5 million Swansea Water Project. The project will provide treated water for the area and



Southern Water's community public gathering in Franklin gave the water corporation valuable feedback.

remove boil water alerts for the community. It includes providing updates on the building of a 400 megalitre storage dam, over four kilometres of pipes and a water treatment plant.

"This engagement process gave us invaluable qualitative

and quantitative feedback which enables us to make considered decisions on environmental and economic outcomes, and enables us to better understand social impacts and community preferences," he said.



Queenstown to get crystal clear water

QUEENSTOWN, on Tasmania's west coast, is set to have fully treated water in coming months, with the installation of a new water treatment plant underway.

CEO of Cradle Mountain Water, Mr Andrew Kneebone said that the water will be filtered, pH adjusted, chlorinated and fluoridated to meet stringent Department of Health and Human Services requirements and Australian Drinking Water Guidelines.

"The tourism industry will

no longer need to explain the brown water in Queenstown's hotels and accommodation," Mr Kneebone said.

Water in Queenstown is sourced from four locations, all providing varying levels of quality and quantity. Apart from disinfection and fluoridation, none have ever been fully treated with only one source receiving basic filtration.

The project was initiated by West Coast Council before being taken over by Cradle Mountain Water last July.



Forth to Palooa water scheme commences

WORK on the \$6.5 million Forth to Palooa water scheme is underway with contractors on site and delivering pipe stock along the route.

This project will connect the Forth Scheme to the Palooa trunk main to supply the Palooa, Melrose, Eugenanna and Spreyton areas, all of which do not have access to treated water.

Currently, the water supply is sourced from the Palooa Dam and is un-filtered lake water which remains

subject to the prevailing lake conditions. It is delivered via the Palooa Reservoir, where it is disinfected, to Kelcey Tier Reservoir at Spreyton. While the water is tested regularly and fully disinfected it is not filtered and can become visually unattractive as drinking water. Despite this, the water remains completely safe for drinking. Once completed, the scheme will ensure quality clean drinking water to the community.

Customer Salvation

Salvation Army and Southern Water launch new Customer Assistance Program

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THE SALVATION Army has joined forces with Southern Water to launch a Customer Assistance Program for low income householders struggling to pay water and sewerage bills.

The new Southern Water Customer Assistance Program will be administered by the Salvation Army and its partners in the community sector.

Southern Water's CEO, Mr Mike Paine, said Southern Water greatly valued the assistance and support being provided by the Salvation Army as lead agency in administering the scheme.

Right: The Salvation Army's Divisional Commander for Tasmania, Major Graeme McClimont, and Southern Water's CEO, Mr Mike Paine, at the launch of the new Customer Assistance Program.

"We are trying to provide some measure of support to those homeowners who may be experiencing financial difficulties in paying their new water bills," he said.

The program will be reviewed in six months to ensure it is meeting the needs of the community in southern Tasmania.



Safety focus gets state-wide attention

SAFETY continues to be a major focus for the state's water industry after poor performance in last time injuries during the first six months of operations.

"The safety, health and wellbeing of our employees and those affected by our operations is our number one priority," Brian Bayley, the Chair of the industry's Safety, Human Resources, Environment and Public Health (SHREP) Committee said.

"One of our first initiatives was a state-wide safety audit of our water and sewage treatment plants which showed that standards varied across the state and that some installations require considerable work to ensure a safe working environment for our people.

"While the results from the first six months were disappointing, there have been signs of improvement in 2010 and the range of strategies that the corporations have

implemented appear to be having a positive impact," Mr Bayley said.

Some of the activities implemented so far include:

- The adoption of a 'No Harm' policy from day one by all four corporations
- The development of Safety Management Plans by each corporation
- Safety audits and remedial work for high risk chlorine and fluoride installations
- Increased emphasis on the reporting and elimination of safety hazards
- A Safety Steering Committee in each corporation, working with employee safety committees
- Safety reports are delivered monthly to each Board
- Capital programs are extensively addressing major safety issues
- All corporations are implementing specialised safety training
- Every employee meeting within each corporation is required to address and minute safety issues.

"The challenge is to focus on the three aspects that will take us forward: capital improvements, cultural change and through training and leadership, encouraging individuals to be accountable," Mr Bayley said.