

MOUNT RUMNEY WATER SCHEME PTY LTD

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The Secretary  
Legislative Council Select Committee – TWT  
Legislative Council  
Parliament House  
HOBART 7000

4 September 2020

Dear Secretary

Please find enclosed a submission to the Legislative Council Select Committee – TWT, which has been established ‘...to inquire into and report upon the operations of TasWater...’.

I make this submission as a Director and Company Secretary of the Mount Rumney Water Scheme (MRWS) Pty Ltd, on behalf of the MRWS Board, and with the Board’s approval.

The MRWS submission responds to the Select Committee’s stated Term of Reference 6: *the delivery and timeliness of water services to Tasmanian communities*.

The Board would be willing; indeed, we would request that we have the opportunity to present directly to the Select Committee at the appropriate time.

Yours faithfully



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**SUBMISSION TO:**  
**LEGISLATIVE COUNCIL SELECT COMMITTEE – TWT**  
made by:  
**MOUNT RUMNEY WATER SCHEME (MRWS) PTY LTD**

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**INTRODUCTION**

This submission is made by the Board of the Mount Rumney Scheme (MRWS) Pty Ltd with specific reference to the Legislative Council Select Committee inquiry into the operations of TasWater Term of Reference 6:

*‘The delivery and timeliness of water services to Tasmania communities.’*

While the submission has been prepared by the Company Secretary, the full Board, comprising six Directors, has approved the document.

As outlined in the cover letter, the Board would be interested in speaking directly to the Select Committee at the appropriate time.

The position of the MRWS Board is for TasWater to expand its network to include the provision of water to the area currently serviced by the MRWS.

The submission provides background information about the MRWS; details the Board’s engagement with TasWater and the Chief Representative of the TasWater Council owners; and proposes pertinent rationale for TasWater’s provision of water to the Mount Rumney area in the future.

**BACKGROUND**

The MRWS, which is operated voluntarily by a small number of MRWS members, provides potable water to properties in the Mount Rumney area. Property owners who own a share in the Company are entitled to purchase potable water from the MRWS.

In the mid-1960s, a group of residents approached the Clarence Council about supplying water to a relatively small number of residents of Mount Rumney. The Council indicated that it was not economical and therefore would not consider doing so. Not to be deterred, the residents decided to proceed with a private water scheme. A proprietary company with limited liability was established.

Much of the infrastructure installation was undertaken by the residents on a voluntary basis, and in 1969 began distributing reticulated water to its shareholders. To this day, all facets of MRWS’ operation are undertaken on a voluntary basis, including infrastructure maintenance and upgrades.

There are now 50 metered properties on the Scheme, which means it is ‘at capacity’. The MRWS Articles of Association limit the number of shareholders to 50.

The Scheme is financially sound. Shareholders are charged \$3.30 per kl for water usage, with an annual fee of \$60.00 to offset administrative costs and maintenance.

The Scheme purchases water from TasWater, drawing water from its reservoir at Tunnel Hill in the Clarence Municipal Area via a 50mm meter situated on Cambridge Road. The water gravity-feeds to two 22kl poly tanks near a dedicated pump shed. From here, water is pumped to two separate locations on Mt Rumney, utilising three 3 phase Lowara centrifugal pumps. Each pump has its own 64mm poly line. Two pumps fill a 22kl and 45kl concrete tank, which supplies 37 properties, whilst the other pump delivers water further up the mountain to two 22kl poly tanks. This line services 13 properties.

The reservoirs' water levels are relayed to the pumps using free-to-air 27 MHz Elsema coded radios. The water level transmitters' batteries are solar powered, regulated and utilising 12V 5W solar panels.

The water is tested monthly by TasWater, with no negative results to date.

### **CONTEXT TO MRWS POSITION**

As noted in the introduction, the MRWS' position is for TasWater to expand its network to include the area covered by the Scheme.

Over recent times, the Board has become increasingly aware that the operation of the MRWS is based on an unsustainable model.

Every aspect of the operation: governance, legal, financial, infrastructure capital works, updates and maintenance, technical and administration, relies on volunteers - a small number of MRWS members, most of whom are on the Board.

The majority are either in or approaching their 70s. Most have participated on the Board and in undertaking all the on-the-ground, day-to-day activities of the organisation for long periods of time: one helped build the Scheme in the 60s. He and his partner carried the Company Secretary and Honorary Treasurer roles for some 25 years during the life of the MRWS.

In an increasingly risk-averse world, the requirements of the Company have also become increasingly onerous.

In early 2015, it was decided to approach TasWater to ascertain whether TasWater would be interested in taking over the operation of the MRWS, essentially a transfer of operations from one entity to another.

There were some initial discussions and investigation about the potential for this to occur; however, in October 2015, the MRWS was advised that the TasWater Board decided on a 5 year moratorium on the transfer of any private water schemes to TasWater.

The MRWS, while disappointed, abided by the decision, but made contact from time to time to ensure that there had been no change in the decision, and to maintain a profile with TasWater.

In early 2019, with the expiry of the moratorium period due in October 2020, the Board scaled up its activities, firstly by approaching the owner representative for the Clarence Council owner representative (on TasWater), who was also the Chief Owner Representative - Mayor Doug Chipman. He and the Council's General Manager Mr Ian Nelson were very supportive. Mayor Chipman raised



the MRWS' concerns with the TasWater CEO, and over the next two months TasWater engineers investigated the Scheme infrastructure and operations, including a site inspection in mid-September 2019.

This was a timely exercise, as TasWater was in the process of developing a policy for asset transfers – an equitable and consistent approach for requests such as ours. It would seem that the draft policy assessment criteria were trialled on the MRWS.

It became clear after the site inspection that an asset transfer would be unlikely, given the need to bring the infrastructure up to current standards; the cost for doing so and ongoing costs associated with pumping water to a header reservoir.

The infrastructure would need to be laid across public land as the cost of easements for infrastructure, currently located on private property, would be prohibitive to TasWater.

The TasWater staff who had been working directly with MRWS members were willing to come to the upcoming MRWS AGM, in October 2019, to outline the situation and to explain the next stage in the assessment process - to gauge members' interest in becoming TasWater customers. It was decided at the TasWater senior management level in the interim however, to cease the assessment process before that stage commenced.

Again, while disappointed, the Board understood the rationale. A number of MRWS members were however, more than disappointed.

Some alternative options for Scheme operations were suggested and followed up by the MRWS, albeit with an unsatisfactory outcome. The Board continues to look at ways to reduce the load on the few who carry it.

In the interim, Clarence City Council engineers investigated the capacity of the Mount Rumney Road reservation for infrastructure installation. They advised that the road reservation has the capacity, although there would be structural and topographical challenges, and it would be costly...but it would be possible.

#### **AN EXPANSION OF THE TASWATER NETWORK TO INCLUDE THE AREA SERVICES BY THE MRWS**

The MRWS is aware of the challenges for TasWater in providing water services across the Tasmanian community. There are some significant demands, and some big projects in hand and planned. There are many calls for their service across the State. We understand this. We are also well aware that an expansion of the network to include the area covered by the MRWS would be challenging and costly both in establishment and for its ongoing operation.

However:

- Mount Rumney is little more than 10km from the CBD of a capital city, yet much of the area relies on tank water or a privately operated water scheme. It seems improbable that such a situation exists.
- Communities well beyond the Mount Rumney point are serviced by TasWater.
- Should MRWS Pty Ltd cease to operate, 50 property owners would need to revert to rainwater tanks. With increasingly lower annual rainfall, higher fire danger and the cost of

buying water, this would seem more than a retrograde step, as well as a great discourtesy and disservice to those who showed initiative in the 1960s, and those who continue to operate the Scheme to the present day.

- Development in the foothills of Mount Rumney and surrounds – Glebe Hill, Rokeby, Cambridge, Mornington to name a few, is going ahead at a pace. This generates potential for a significant increase in TasWater customers.
- Despite requests from some of these new property owners to access water from the Scheme, the MRWS is unable to provide this service, as we are at the maximum number shareholders, as noted above.
- There is a precedent for private scheme takeovers – in the early 2000s, Clarence City Council took over the operation of Mount Canopus Water Scheme Pty Ltd 'pre-TasWater', due to this company's governance failings. It seems that operating well could be placing MRWS at a disadvantage!

These points have been raised with TasWater to no avail.

However, the Board wishes to stress at this point that it has little issue with TasWater as a TasWater customer. Communication, responsiveness, and support has been, and is, excellent. Our only complaint, on an operational level, would be that there seems to be a lack of awareness of the MRWS' existence and that the monthly water testing regime had a significant cost increase last year, with no warning.

But overall, we have found TasWater staff professional and respectful...and helpful. The engineers and community engagement who we worked with in 2019 were exemplary.

Our concern lies with strategic decision-making and effective future planning.

We do not expect that our request could be dealt with in short-term, but we see no reason whatever for it not to be considered in the medium term.

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Penny Saile  
Director / Company Secretary  
Mount Rumney Water Scheme (MRWS) Pty Ltd  
4 September 2020