



TW HPE ref: 20/9269

3 February 2020

Owner's Representative
Via email

Dear Owner's Representative

TasWater's draft Corporate Plan FY2021-25

We are pleased to present our draft Corporate Plan FY2021-25 (Plan) for your review and feedback by Tuesday, 3 March 2020.

Our customer promises, priorities and outcomes remain an important part of our draft Plan and are in keeping with those outlined in our Corporate Plan FY2020-24. While these key areas remain the same, we acknowledge that we must continue to adapt to the changes in the environment we operate, and our initiatives continue to reflect our ability to respond with our sights firmly remaining on Vision 2023.

The section on measuring our success in the draft Plan includes refinements to our key performance indicators to ensure you and our other key stakeholders remain informed on our progress to achieve our defined outcomes. We have also identified some additional owner performance indicators in Table 1 below for your review and feedback. The list of additional owner performance indicators has been guided by areas noted as important in our quarterly meetings with owners. As these are additional owner performance indicators and operational in nature we do not intend on including them within the published Plan and would instead propose that we provide a quarterly update on our performance in the Owners' Representatives Group Quarterly Report.

Table 1 – Owner performance indicators

Strategic theme	Proposed additional indicators for Owners
Customer and Community – Deliver a positive customer experience to you	<ul style="list-style-type: none"> • Total complaints • First point resolution percentage for calls • Percentage of calls answered by an operator within 30 seconds • Percentage of response times within 60 minutes to attend Priority 1 bursts and leaks
Commercial and Economic – Give you value for money	<ul style="list-style-type: none"> • Productivity savings realised • Increased revenue initiatives • Overdue debtors

Strategic theme	Proposed additional indicators for Owners
Water and Environment – Provide you with safe drinking water and responsibility manage your sewage	<ul style="list-style-type: none"> • Number of BWAs and DNCs throughout the year • Percentage of customers where microbiological compliance has been achieved • Percentage of trade waste volume covered by a meaningful agreement (under review) • Number of industrial customers on a long term agreement (under review)
People and Culture – Build culture and skills for the long term benefits of Tasmania	<ul style="list-style-type: none"> • LTIFR • number of LTIs • Number of reportable incidents • Number of FTE

Consistent with last year, the Financial Forecast sections of the Plan have not yet been updated and currently include the operating and capital financial information from the current Corporate Plan FY2020-24. We are currently working through the financial projections to ensure there are adequate resources assigned in the appropriate timeframes to allow us to deliver on our commitments to our stakeholders. This includes addressing existing and emerging risks and leveraging new opportunities so that TasWater remains financially sustainable in the long term.

We are currently considering a number of additional investments that have the potential to better position TasWater for long term success, reflect an increased understanding of our key risks, provide better outcomes for customers and address any emerging Regulator concerns. The additional investments would likely result in revisions to the financial projections for each of the years covered under the existing Corporate Plan FY2020-24; however, it is our intention to still meet or better the financial targets set in the 2018 Memorandum of Understanding with the State Government. Our productivity program is an example of an area that we have identified as needing more investment to generate additional outgoing savings.

In finalising our financial targets, we are cognisant that the Plan will need to provide for continued investment in our capital program, allow for agreed dividend levels to owners and meet our minimum interest cover ratio of 2.0 times. All financial information will be updated in the final version due for presentation to the General Meeting in May 2020 following approval by the Board.

We look forward to receiving your feedback on our draft Plan **by Tuesday, 3 March 2020**. The Board will consider all feedback received from Owners' Representatives and will provide its response to each matter in accordance with the process under section 8.4 of the Shareholders' Letter of Expectations.

Please submit your feedback to Ailsa Sypkes, Company Secretary, via email at ailsa.sypkes@taswater.com.au. If you have any queries regarding this matter, please contact Ailsa directly.

Yours sincerely



Dr Stephen Gumley AO
Board Chairman