

Meter replacement



Digital meters are here

There is a sector-wide shift toward digital meters

Data + digital intelligence can help us get the best results for customers, our system and the environment





What are digital meters?

Digital meters measure the water you use. Paired with sensors, they can offer many benefits:



Earlier leak detection and fixes



Data-driven planning + service delivery



Avoiding bill shock + unnecessary costs



Better customer experience



Less treated water wasted



Improved water security



Keeping pace with the water industry



Helps meet regulator expectations for leak detection



Why now?

**Our mechanical meters will need replacement soon.
At the same time, we're facing increasing pressure to:**



make every drop count in a changing climate to enhance water security



manage ageing infrastructure with smart solutions



continue delivering reliable services at a reasonable cost



meet regulator expectations for leak detection





Why is this a dilemma for the People's Panel?

Our trial has shown us that digital meters are the way forward, but they do come at a cost.

Digital meters cost more to purchase, and more to manage to achieve maximum benefit for customers.

We want to work with our customers to understand how quickly we should implement our digital meter transformation program, so we can balance service delivery and keeping bills fair.





What have we considered?



Water network



Cost of water



Our capacity to roll
out digital meters





Briagolong digital meter trial: why Briagolong?

Why run the trial in the Briagolong system?

- Closed system with a small number of connections (346)
- Cost to treat water in the Briagolong system
- Rocky soil makes it harder to find leaks
- Historically there has been lower water security in Briagolong. It was on water restrictions for a short period in 2019-20.
- 20% of the water we treated in Briagolong in 2023/24 was lost through leaks in the network



Briagolong digital meter trial: why sensors?

Integrated digital meters offer more accurate technology

They go beyond billing to provide real benefits for us, and customers:

- Real-time pressure information across the whole network
- Vibration data that can support leak detection and network monitoring
- Improves understanding of network performance + customer demand patterns

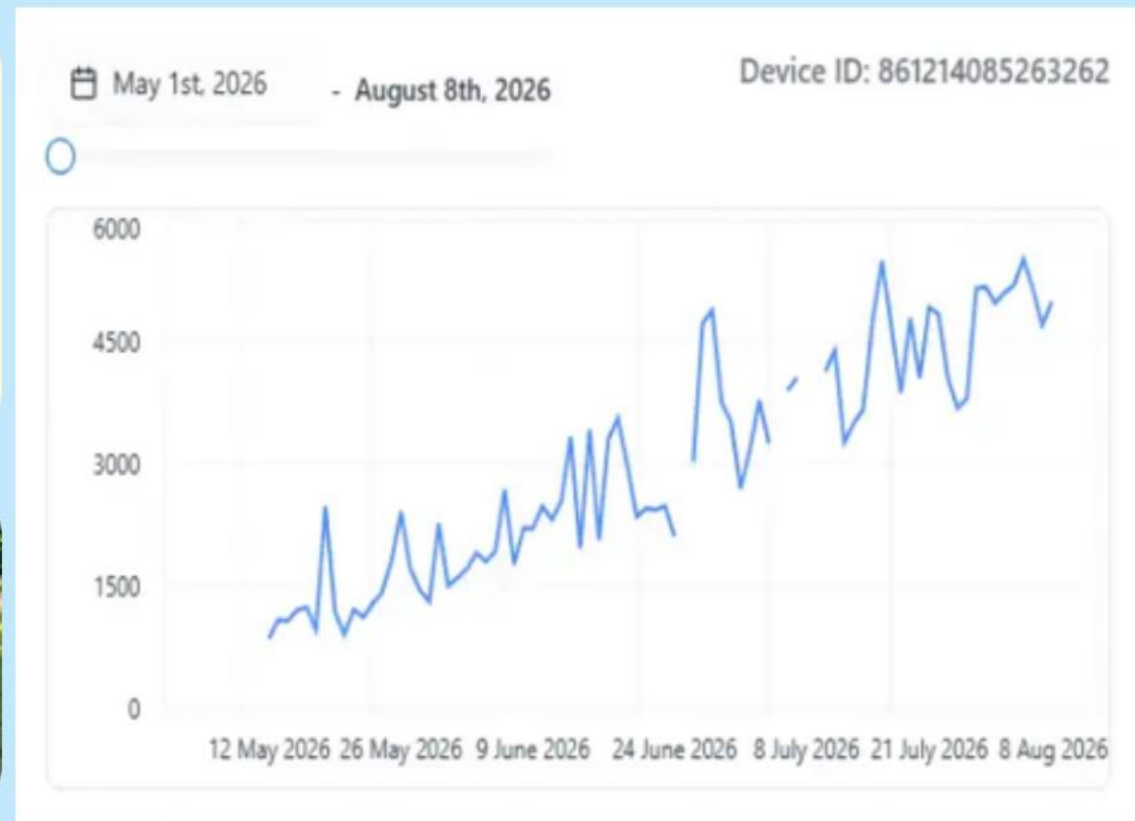


Briagolong digital meter trial: leak example

We monitored vibration levels for this meter

There was no obvious sign of a leak at ground level

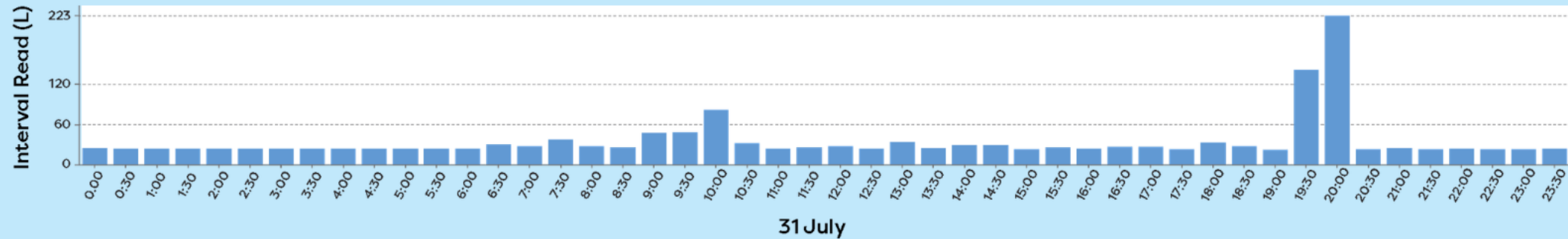
Our Field Services team attended and found a leak on the water main



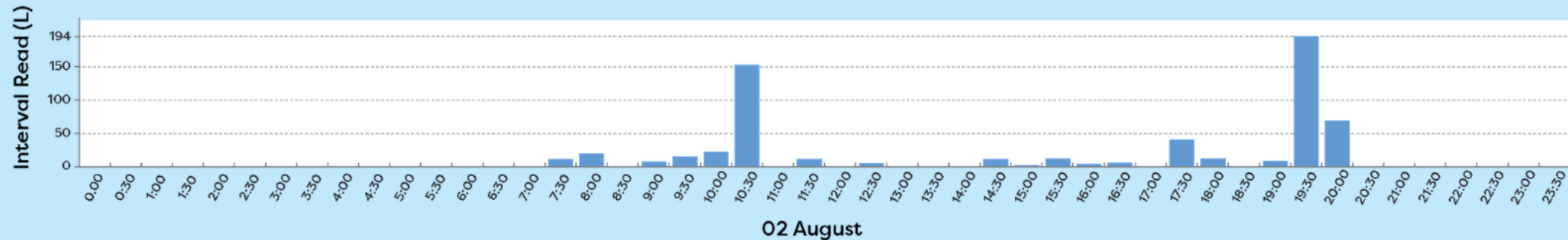


Briagolong digital meter trial

Evidence of a customer leak:



Usage pattern after the leak is fixed:





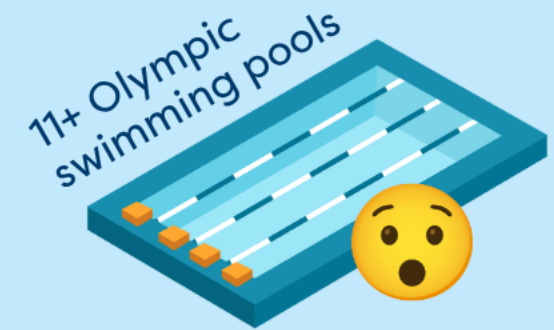
Briagolong digital meter trial

15%

of properties had
leaks detected
(that's 54 properties!)



up to
28ML
per year



11+ Olympic
swimming pools



average daily
leakage: 77.86kL
(that's 77,860 litres,
which is a loss of
\$197 value per day)



customer cost: \$69,984 per year
production cost (for Briagolong):
\$72,850 per year



Options for the panel to consider

We've explored a huge range of options for how digital meters *could* be implemented

We've outlined four different options that are sensible and achievable

Each option considers:

- the water network
- the cost of treating water
- operational capacity
- customer access





Options for the panel to consider

1

10 year roll-out



Prioritises smaller systems with high cost of water and water loss. Scales organisational capabilities with rollout



Allows time to validate technology and improve processes before targeting our large, complex systems

2028-2033

2033-2038

predicted



impact

Owner
occupiers Yearly bill impact: \$0.25
One-off bill impact: \$0.71

Landlords Yearly bill impact: \$0.18
One-off bill impact: \$0.52

Tenants Yearly bill impact: \$0.07
One-off bill impact: \$0.19

Owner
occupiers Yearly bill impact: \$3.23
One-off bill impact: \$10.15

Landlords Yearly bill impact: \$2.35
One-off bill impact: \$7.39

Tenants Yearly bill impact: \$0.88
One-off bill impact: \$2.77



Options for the panel to consider

2

8 year roll-out



Increased pace provides benefits earlier than the ten-year roll-out plan.



Going faster requires additional resourcing and slightly increases risk.

2028-2033

2033-2038

predicted



impact

Owner occupiers
Yearly bill impact: \$1.54
One-off bill impact: \$4.40

Landlords
Yearly bill impact: \$1.12
One-off bill impact: \$3.20

Tenants
Yearly bill impact: \$0.42
One-off bill impact: \$1.20

Owner occupiers
Yearly bill impact: \$3.59
One-off bill impact: \$14.00

Landlords
Yearly bill impact: \$2.61
One-off bill impact: \$10.18

Tenants
Yearly bill impact: \$0.98
One-off bill impact: \$3.82



Options for the panel to consider

3

8 year roll-out | Warragul + Drouin system prioritisation



Prioritises the network that requires us to purchase water from Melbourne system



Going faster requires additional resourcing and slightly increases risk

2028-2033

2033-2038

predicted



impact

Owner occupiers
Yearly bill impact: \$1.05
One-off bill impact: \$3.00

Landlords
Yearly bill impact: \$0.76
One-off bill impact: \$2.18

Tenants
Yearly bill impact: \$0.29
One-off bill impact: \$0.82

Owner occupiers
Yearly bill impact: \$3.91
One-off bill impact: \$13.88

Landlords
Yearly bill impact: \$2.85
One-off bill impact: \$10.09

Tenants
Yearly bill impact: \$1.06
One-off bill impact: \$3.78



Options for the panel to consider

4

6 year roll-out



Fastest meter instalment rate with earliest potential benefit realisation



Additional staffing and resource requirements



Challenge to realise benefits at scale and implement learnings due to speed of roll-out

2028-2033

2033-2038

predicted



impact

Owner occupiers
Yearly bill impact: \$2.30
One-off bill impact: \$6.55

Landlords
Yearly bill impact: \$1.67
One-off bill impact: \$4.76

Tenants
Yearly bill impact: \$0.63
One-off bill impact: \$1.79

Owner occupiers
Yearly bill impact: \$2.81
One-off bill impact: \$13.32

Landlords
Yearly bill impact: \$2.04
One-off bill impact: \$9.69

Tenants
Yearly bill impact: \$0.77
One-off bill impact: \$3.63