



MARCHMENT HILL

- consulting -

Developing a cost benefit study for Smart Water Metering in Victoria (Australia)

the challenge

The Department of Sustainability and Environment (Victoria) engaged Marchment Hill to undertake a study to investigate the potential costs and benefits of implementing Smart Water Metering in Victoria. This study, essentially part of a due diligence exercise, was driven by the need to respond to challenges arising from climate change, declining infrastructure investment and population growth.

Smart Water Metering has the potential to play an important role in stimulating innovation in water management and the achievement of longer term Victorian water industry reform objectives. The opportunity to potentially leverage the infrastructure being provided for Victorian Smart Electricity Metering was also investigated.

Further challenges included the need to significantly improve delivery of urban water services and enhance other water efficiency initiatives through increasing customer awareness of their water use, empowering customers to better manage their consumption and providing valuable demand information to the Victorian Water Authorities.

what Marchment Hill did

Through extensive consultation with the water and electricity industries, Government Departments, Water Services Association of Australia, Essential Services Commission, Victorian Water Trust and various consumer groups, Marchment Hill developed a Cost Benefit Study for Smart Water Metering that recognised the qualitative and quantitative drivers and environment in which the urban water sector across Victoria operates. A key aspect of the Cost Benefit Study was incorporating the optional elements of the Customer Interface and Water Retailer Metering Management in the analysis.

engagement profile

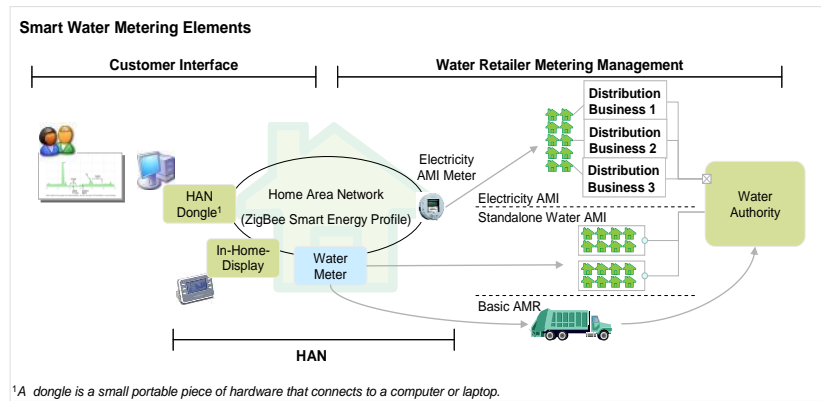


Figure 1: Smart Water Metering Framework

The Smart Water Metering Infrastructure would include a wide array of activities that are far wider than simply the existing distribution network.

To support the cost benefit analysis, Marchment Hill considered the relevance of smart metering to resolving the challenges faced by the Victorian Urban Water Sector in terms of security of supply, efficient water allocation and usage, and regulatory and institutional arrangements. An evaluation of the potential impacts on the ongoing development of the Victorian Urban Water Sector complemented this analysis.

the benefit

The outcomes of this Study will be used to review the framework in which the urban water sector operates.

Marchment Hill’s report provided the Department of Sustainability and Environment with the information and insight necessary to understand the opportunities and implications associated with the implementation of Smart Water Metering in Victoria.