



Queensland's Home WaterWise Rebate Scheme (B)

On 13 June 2006, Queensland Premier Peter Beattie announced the Home WaterWise Rebate Scheme (HWRS)¹ to encourage and reward water saving. It would start on 1 July, and would operate until 30 June 2009 “or until funds run out, whichever is sooner.” Seventy-nine million dollars was set aside for the rebates. Initially they were only available to residents of South East Queensland, now in the grip of the worst drought for 100 years.

The HWRS offered residents rebates for the purchase and installation of specified water-efficient devices such as rainwater collection tanks (for which up to \$1000 could be refunded); washing machines with a four star or better energy rating (\$200) and dual-flush toilet suites using a maximum of six litres of water. Outside, there were rebates for pool covers and approved systems to divert grey water – already used in the shower or laundry – for second uses such as irrigation.

Through the parallel Home WaterWise Service, operated by local government, property owners could pay only \$20 to have a qualified plumber call at the house to give up to \$150 worth of water-saving products and advice. This was the only “rebated” plumbing service.

The Queensland Water Commission

Three days later, the Premier announced the appointment of John Bradley as

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¹ Media release, Queensland Government.

Chief Executive of the newly-established Queensland Water Commission (QWC).² The QWC would be charged with maintaining security of future supply for the state. Within the year, on the QWC's recommendation, the state would take control of all bulk water assets such as dams and pipelines, recompensing existing owners such as councils for their assets.

For South East Queensland the Premier would announce a \$9 billion fast-tracked plan to create a grid linking all major catchments, and the provision of new water sources through recycling and desalination plants.³

QWC, established under Chapter 2A of the *Water Act 2000*, also had the responsibility of driving immediate reduction in water demand. It was the sole judge of water restrictions. The Act was later amended to make provision for the Water Supply Emergency Regulation, designed to increase alternative water sources such as recycled water. The primary responsibility for South East Queensland water infrastructure was moved to the Department of Infrastructure. The former Department of Natural Resources and Mines became the Department of Natural Resources and Water (NRW), retaining the operational role of preparing regional water plans. Further legislative amendment would support water demand management measures.

Applications flooding in

NRW's then Director-General, Bob McCarthy, volunteered his department to administer the HWRS. It would be NRW's first experience of managing customer transactions and making payments. As television and newspaper advertisements promoted the new water savings scheme, the department moved from a standing start to be in business on 3 July, 2006.

A consultant was engaged to get the scheme up and running. The 20 people initially recruited included a few from NRW but were mainly new hires. At first they worked from a variety of locations, sometimes in corridors and sometimes sharing desks. It was a new venture for the Department, but it quickly proved to be an idea whose time had come.

To qualify for a HWRS rebate, householders had to fill out an application form, with a receipt showing that the item was newly purchased, and post it to NRW. Rebates were paid once the receipt was sighted and the purchase verified as qualifying.

Just seven applications arrived in the first week of operation. One thousand and thirty dollars in rebates, mostly for washing machines, were promptly paid out.

By 17 July, two weeks after the scheme began, the processing team had opened 1131 applications for washing machine rebates, 102 for rainwater tanks, and 96 for dual flush toilets. Two applications had been made for the \$500 available for greywater systems and 18 for pool covers. In what Premier Peter Beattie described as

² Thompson, T, 'Water lord appointed', *Courier-Mail*, 16 June 2006, downloaded from <http://www.news.com.au/couriermail/story/0,20797,19480055-3102,00.html> on 12 May 2008.

³ Wardill, S, 'State seizes water assets', *Courier-Mail*, 25 May 2007, downloaded from <http://www.news.com.au/couriermail/story/0,23739,21789767-952,00.html> on 12 May 2008

“phenomenal uptake”⁴ there had been 7000 calls to the hotline; whitegoods manufacturers and tank importers were struggling to boost their supplies.⁵

Two weeks later, 62 percent of the citizens of Toowomba rejected the use of recycled water to top up drinking water supplies in their dam.

With postal applications piling up, demand for rebates quickly overwhelmed the capacity of existing staff, and processing staff numbers were increased to 42. The Premier’s office, reporting on the outstanding success of the scheme, focussed on the number of applications coming in. Increasingly, however, the media and others were looking at the lag in providing rebates. By October 2006 32,000 applications, to the value of \$28 million had been received, the great majority for rainwater tanks, and only \$4.2 million had been paid out.

In October, the HWRS scheme got its own base with one floor at Gabba Towers in Woolloongabba. When former NRW Executive Officer Kel Holmes was appointed to manage the scheme, which was fast becoming a victim of its own success, he brought more staff from the city. With the staff centralised in one location, twice as many applications (400)⁶ could be processed each day.

Disproportionate amounts of their time, Holmes discovered, were taken up with opening and sorting the applications, up to 50 percent of which were incorrectly filled in. Staff spent hours on the phone contacting people to correct application details. Arriving for his first Saturday overtime, Holmes found another time trap in having to photocopy all receipts before applications could be processed.

He instituted a number of business process improvements. These included outsourcing the opening of mail to a government shared-service provider, so that applications arrived already sorted by product type (such as a tank or shower head) and getting clearance from the Queensland Audit Office that, to gain approval, it would suffice to stamp that a receipt had been sighted instead of photocopying it. A major time-saver was the new gateway process to identify and return incorrect or incomplete applications, providing applicants with a checklist showing what needed to be done. At the same time, application forms (*Exhibit 2*) were simplified and streamlined.

Swamped by success

With up to 5,000 applications now arriving each week, the state government was delighted with the success of the scheme. Demonstrable changes in water use behaviour suggested the public had embraced the need for more aggressive water conservation measures in the face of the continuing drought. On 1 November 2006, as South East Queensland moved to level 4 water restrictions, Premier Beattie announced an additional \$20 million for Stage Two of the scheme, to pay rebates

⁴ Courier-Mail 17-7-06.

⁵ On 26 July, the QWC relaxed its “buckets only” rule to allow people over 70 to water their gardens with hand-held hoses one hour a week. ‘Cold water; on this one’, Gold Coast Bulletin, 26 July 2006.

⁶ ‘Approvals double for government Water Wise Rebates’, Queensland Government, Ministerial Media Statements, the Honourable Craig Wallace, Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland (hereafter Hon Craig Wallace), 13 November 2006.

anywhere in the state on water-efficient devices purchased since 16 August. He told Parliament:

“My government is committed to helping Queenslanders save water and save money....The community’s response to the severe drought has been fantastic. The water saved in the south-east corner since the introduction of water restrictions in May last year is now more than 130,000 megalitres. By saving water, residents are not only sustaining our water supplies but also saving themselves local council water charges.”⁷

In December, the \$5 million Home WaterWise Garden Scheme was announced, with rebates for drought-resistant native plants and composting bins. As with the first stage of the scheme, there was a sunset clause, in this case two years.

The downside of the scheme’s overwhelming success was the continuing delay in payment. People were waiting more than 60 days for their rebates to be paid out. Questions were being asked by the media and in parliament; in response to requests from Holmes the government quickly provided more people, further accommodation, and additional funding. By mid-December 2006, there would be 70, and late December, 90 processing staff, able to process 1000 approvals each day.

“No options”

South East Queensland was scheduled to hold a referendum on the use of recycled water for drinking. In early 2007, Premier Beattie cancelled the referendum, saying “The drought is now so bad there are no options.”⁸

As the region headed towards level 5 water restrictions (instituted on 10 April 2007), the QWC launched its “Target 140” campaign aimed at cutting individual water use, already down to 180 litres per person per day, to less than half the May 2005 levels. The Premier’s suggestion that people should limit themselves to four-minute showers⁹ prompted another round of angry comments in the media, though householders were quick to install the free timers distributed by the QWC.

More popular was the announcement that 25 more staff would be recruited and trained for the HWRS scheme which had been “deluged with applications as Queenslanders make an unprecedented effort to save water in the worst drought on record.”¹⁰ A further \$100.8 million was made available to the scheme in the annual State Budget.

Kel Holmes’ team now numbered 156 and were making inroads into the backlog and the 6000-7000 applications coming in each week. They had had seven successive

⁷ Home WaterWise Rebate Scheme, Queensland Parliament, Questions without Notice, 1 November 2006, p 373.

⁸ <http://www.abc.net.au/news/newsitems/200701/s1834978.htm> downloaded 28/5/08

⁹ South-east Queenslanders spent an average of seven minutes in the shower. Reducing to 4 minutes would save 90 million litres of water a day.(Poster – WATER: Living with level five, *Courier-Mail*, 31 March 2007)

¹⁰ ‘25 more staff to assist in processing home water wise rebates’ Queensland Government, Ministerial Statement, Premier and Minister for Trade, the Hon Peter Beattie, 8 April 2007. \$50m paid out in Home Waterwise rebate scheme’ Queensland Government, Ministerial Statement, the Hon Craig Wallace, 1 May 2007.

“million dollar days” with at least \$1 million returned in rebates. The end seemed to be in sight for the “long wait for a state government rebate” described by a contributor to the *Courier-Mail*’s comments page: “We installed in January (2007) and did not receive our money until 7 June (2007) but we did get a lovely letter from the premier reminding us to be waterwise.”¹¹

Then, on 14 June, Brisbane City Council announced that it would no longer pay rebates (of up to \$750) on rainwater tanks unless the tanks were plumbed in to the home supply. Fully plumbed tanks would attract higher rebates, up to \$850 for tanks over 5000 litres.

“There was evidence that some people were using town water supplies to top up their tanks for watering their gardens, and thus, in a roundabout way, seeking to avoid the restrictions,” said former NRW Director-General Terry Hogan, now working for Brisbane City Council. Only two percent of the 27,000 tanks now installed in Brisbane homes had been plumbed to the internal water supply, a process which could cost individual households \$1000 or more.

Almost immediately, Premier Beattie assured the public that no changes were planned for the State rebate scheme.¹² Equally quickly, demand for State rebates almost doubled, rising from 7000 to 8000 each week to 13,000 at the peak of demand in August and September 2007, and again pressuring the processing time that had been reduced to 54 days.

A new tsunami of applications

The new tsunami of applications prompted some negative media coverage. On 17 August 2007 the *Courier-Mail* reported that \$90 million had been returned to nearly 90,000 households, but people were still facing long waits. On 2 September, the *Courier Mail* described confusion about the different eligibility for rebates from the city and the state.

However, the improved staffing levels and revised business processes at the HWRS were beginning to pay off. More and more “million-dollar” payout days were recorded, with over \$20 million in rebates flowing out each month. In October 2007, there were 13 consecutive days where over \$1,000,000 was processed each day.

By 17 October, a month after former Deputy Premier and Infrastructure Minister Anna Bligh had replaced Peter Beattie as Queensland’s Premier, \$150 million in rebates had been paid out, for 130,829 rainwater tanks (85 percent of the total), 74,842 washing machines, 17,753 dual flush toilets, 1851 greywater systems, 13,362 pool covers and 19,321 shower heads.¹³

¹¹ Posting by Libby of Gaythorne, 9.32 am 15 June 2007, <http://www.news.com.au/couriermail/comments/0,23836,21906535-3102,00.html>. Downloaded 12 May 2008.

¹² ‘Applications double for state government water tank rebates’ Queensland Government, Ministerial Media Statements, Joint statement: Premier Peter Beattie and the Hon Craig Wallace, 1 July 2007.

¹³ \$150 Million paid out in rebates for water-saving products,’ Queensland Government, Ministerial Media Statements, the Hon Craig Wallace, 17 October 2007.

The scheme, a risky enterprise for the Department of Natural Resources and Water at the outset, had proved itself a resounding success and played a significant part in turning around public perceptions of priorities in a time of extreme drought. It had become Australia's, if not the world's, biggest consumer rebate scheme, a source of considerable pride for those working with it.

While the scheme offered more money for more water-efficient appliances than alternative local government schemes had done, most observers suggest that the moral imperative to make savings was at least as important as the financial rewards.

It was an idea that came at the time when the people of South East Queensland were ready and willing to make water savings for the community good, and constantly encouraged to do so through the high-profile "140 litre a day" promotion by the QWC. School-kids competed to see who could take the shortest shower and still emerge clean; at barbecues and social gatherings, adults could also compare notes, thanks to the government requirement that water bills should show how much each household was using.

Changed behaviours

"The scheme has contributed to the fact that people's behaviours have changed, and changed dramatically," Kel Holmes said.

To Ken Smith, then Director-General of the Department of Infrastructure and now head of the Department of the Premier and Cabinet:

"It demonstrated that the community was willing to embrace new policy solutions in an environment where there were significant challenges. An issue that back in 2001 was hardly on the agenda, suddenly emerged as a major issue, with the community expecting government to provide speedy workable solutions for the issues they were facing. It's important that there is some leadership within government that says, 'this is a major issue we must address, and in addressing that issue we need to re-prioritise the way that we invest and respond to the issues at hand.'

Importantly, Smith said, there was a need to engage the community in understanding what the challenges were, and why the responses were worthwhile, as well as providing a solution.

"It's an issue where we don't necessarily have the luxury of operating in the pure policy process that we may have been used to in times past – the wonderful process of carefully considering policy options and alternatives and producing green papers for discussion. There is still room for shifts in important public policy through approaches like that, but more and more what I am seeing is issues emerging very quickly, then requiring a considered but urgent response. And sometimes that response is out of the norm in terms of how we would traditionally have responded to those issues in the past."

The media, as well as the QWC website, made sure that the savings were front and centre. Average dam levels also featured in daily newspapers and evening news bulletins.

By November 2007, each person in South East Queensland was consistently using less than the QWC target, an average of 132 litres a day. On some days, usage had dipped as low as 118 litres. In the continued absence of any rain, it was still necessary to bring in the highest level of water use restrictions, level 6. This banned the use of town water to fill pools or rainwater tanks, and introduced penalties such as fines and flow restrictions for households using what was deemed to be excessive amounts of water.

In December 2007, the Minister for Natural Resources and Water, Craig Wallace announced that \$196 million in rebates had been paid out for nearly 172,000 tanks, 93,000 washing machines, 23,000 dual flush toilets, 2400 greywater systems and 24,000 showerheads.

World class water savers

At the same time, the Minister announced “fine-tuning of the Queensland government’s highly successful water saving schemes” and \$4 million extra to ensure that “an extra 18,000 homes in the south-east corner can be fitted with water-saving devices as part of the Home WaterWise Service program.”¹⁴ Tank rebates would be increased, but as in Brisbane City earlier, this would be contingent on the tanks being plumbed into the household supply.

This prompted another rush for rebates while unplumbed tanks were still eligible. However the peak of applications seemed to have passed and the reduced processing team was easily able to handle the increase in applications.

It was not until February and March 2008 that South East Queensland had some significant rainfall which filled the dams tantalisingly close to the 40 percent level at which the Queensland Water Commission said it would reduce the level of usage restrictions.

The QWC publicised its drought exit strategy, and as an acknowledgement of people’s frugal use of water, allowed a “free weekend” when people could use as much water as they liked.¹⁵

Within a few weeks, however, there was no more rain and dam levels began to slip back again.

The Home WaterWise Rebate Scheme remained in business; with one in eight homes now having rainwater tanks, there should still be demand if at a lower level. On 22 May 2008, HWRS celebrated its 200,000th rainwater tank customer.

Early in June 2008 – normally the start of winter and the height of the dry season in South East Queensland – the region received downpours of up to 150 mm in 24 hours, causing flooding and at last filling the dams over 40 percent. On 31 July 2008, the Queensland Water Commission announced a new individual target of 170 litres a day, and high level (as opposed to extreme) usage restrictions, saying

¹⁴ “Fine-tuning for State government waterwise services” Queensland Government, Ministerial Media Statements, Hon.Craig Wallace, 13 December 2007.

¹⁵ Williams B and Patrick Lion, ‘Wet weekends to soak up savings’, Courier Mail, 11 February 2008.

“Thanks for being world-class water savers. Because of recent rainfall, increasing dam levels and your continued commitment to water saving, we can cautiously step back from Level 6 water restrictions.

We’re asking residents to Target 170 litres a day but use only what you need. As long as we continue with our water wise habits, it’s highly unlikely we’ll ever need to return to extreme restrictions and Target 140 again.”¹⁶

The region would, however, be considered in drought until dam water levels reach 60 percent or beyond.

On Wednesday 10 September 2008 the Home and Garden WaterWise Rebate Schemes passed \$280 million in rebates to the people of Queensland (*Exhibit 1*). Each week, between 3,000 and 3,500 applications were still being received, with demand continuing for the full range of products on offer. By the same date, rebates for the new plumbed-in tanks had exceeded \$3 million, and more than \$33.6 million had been paid for over 168,000 four-star rated washing machines.

The Home and Garden WaterWise Schemes were scheduled to officially end on 30 June 2009, by which time the Queensland Government will have allocated \$320 million to the schemes, over ten times the original budget for demand reduction.

The investment has been a catalyst for significant cultural and behavioural change by residential water users, resulting in enduring reductions in demand for potable water. Despite the fuller dams, the easing of restrictions and the increased daily water allocation, people in South East Queensland and across the state maintained the thrifty water habits they had developed. For the five weeks ending 12 September 2008, average daily personal water consumption was 128 litres.

¹⁶ Queensland Water Commission: High Level Restrictions, <http://www.qwc.qld.gov.au/high-level-restrictions> downloaded 4 September 2008.

Exhibit 1: Rebates paid out for un-plumbed rainwater tanks

Date	Total paid out	Number of tank rebates
17 July 2006		102
6 Feb 2007	\$14.86M	15,307
8 April 2007	\$34.17M	34,933
1 May 2007	\$41.55M	42,433
14 June 2007	\$60.29M	61,506
2 July 2007	\$67.79M	69,151
7 August 2007	\$87.75M	89,538
5 Sept 2007	\$101.38M	103,464
17 October 2007	\$129.68M	132,463
13 Dec 2007	\$168.82M	172,515
15 May 2008	\$217.42M	222,322

Source: Home and Garden WaterWise Rebate Scheme Database