



Hon. Sue Smith MLC

Legislative Council

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Electorate: Montgomery

NORTHERN REGIONAL WATER (ARRANGEMENTS) BILL 1997

Second Reading

Mrs SUE SMITH (Leven) - Thank you, Mr President, and may I pre-empt my comments on water tonight - and it certainly appears that we are surrounded by water; we have just had a port authority discussion. When we solve this particular problem we are to get into the more dangerous waters of the Hydro, with power and water mix, so I hope that does not mean that the Legislative Council is in some way drowning. May I pre-empt my remarks by, in the first instance, congratulating you, Sir, on your rise to the presidency in this Chamber and offering you my support during your time in the Chair. To all those members who have welcomed me so well to this Chamber and who have been of great assistance, may I also say thankyou to you all.

To my fellow members for Emu Bay and Mersey, I also acknowledge the custodianship of the community of Leven that they did look after in such a fine manner until such time as we were rightly given our appropriate place within the community of Tasmania.

And finally to my community of Leven, I must acknowledge with thanks the support that they have given me in putting me into this Chamber of the upper House in Tasmania.

I certainly believe that the honourable Leader of the Government would have been very disappointed if I did not rise to make some comments on the northern water bill and I do that with great pleasure because I certainly will be totally supporting this particular bill. I believe it is a catch-up to what we have seen in the north-west up until this time and the north-west water scheme certainly was instrumental under a past President of this House, the then Warden Hope of the City of Devonport and the Premier of the day, Bill Neilson.

I take on board the comments made by the honourable member who spoke before me when he talked about harnessing communities and I make the point that the communities of the north-west coast have been harnessed as a common entity for many, many years and I express my disappointment at the situation that now arises on the north-west coast in the fact that the Government of the day refuses to continue negotiations with those of the north-west coast when the Premier has made particular comments about a blueprint, when he put a media release out on the Hobart Water Board issue. A blueprint to me means that you take over something and that sets up a role for the next process. One would have made a presumption then that the blueprint

of the south in which the southern councils took over the total entity of the Hobart Regional Water Board would have been transposed into the north-west and as such we would have seen a takeover of the North- West Regional Water Board by the councils in that area. That is not to be because the blueprint has been changed and the goalposts have been shifted by the insistence of the inclusion of Burnie in those particular areas.

It has been no secret for many years that the people of the north-west coast always considered that the regional water scheme actually belonged to the people in that area, that they were only linked to a State government authority by a bill of the House in years gone past. At the time that that happened the Premier of today, Mr Tony Rundle, made a comment, and I quote from Hansard, during the second reading debate on the State Authorities Financial Management Bill. The Premier of today stated then, as a member for Braddon:

'I think that the inclusion of the North West Regional Water Scheme and other schemes in this bill is really beyond the pale ...'

How times change and things move on.

I do have some concerns, Mr President, about the water authorities and their make-up in Tasmania. It is no secret that the Government has insisted, and I think all areas have agreed at this stage, that there will be commercially-experienced directors. It is my interpretation in the south that this was hard to achieve. I believe it will be just as hard in the north and it is going to be even harder when you move away from the seat of power, when you move into the north-west area.

I relate to an advertisement on 23 April 1997 in the *Examiner* where the Esk water scheme advertised for directors with the skills of business management, financial management and management in the water industry, and I ask the question of this House when you look at the supply of water around Tasmania over the past twenty years or so, who other than people in local government have any experience in the water industry and yet the Government of today makes comments that that could be seen as a pecuniary interest if they sit on a management board in these particular areas. I would make the comment particularly on the north-west coast and perhaps in the north that if you look for anybody with experience in the water industry external to local government you may possibly only find it in large businesses which, one could say, have exactly the same pecuniary interest perhaps as local government does itself.

The other comment that I wish to make is on the water resource tax, and I call it a water resource tax regardless of what the bill calls it. It is a tax on a resource and I think everybody sitting in this Chamber should be forewarned that this is perhaps a tax that will extend past the urban users of water schemes in Tasmania and in time, if you interpret this bill and what the water tax is related to be, may even extend to the capacities of our rural industries. I do understand that the minister of the day, Mr Bonde, has quite categorically denied that that will happen in his day but we are all aware that ministers come and go, as do governments, and I see some severe concerns in that particular area.

In introducing the bill the honourable Leader spoke about a lowering of costs under this new entity. I would bring the House's attention to an article by Steven Dally in the *Mercury* which talks about charges to rise for major water users:

'Major industrial water users in the state's south are facing a 33% rise in charges over two years under the new council-owned water authority.'

The comments made were that the Government has insisted the new authority pay a royalty worth about \$1 million a year. The legislation setting up the new body had removed its ability to subsidise large industrial customers. I think when we have a government in power which is talking about support for industry it is rather sad and disturbing, but I would say predictable, to note that there has already been the predicted rise in taxation for water users in the south and one can only hope and presume that that does not happen in the north and the north-west when the situation that is at a stalemate at this particular time does arise.

So I do say to you members that I have some concerns with this particular bill. I ask the question, if a water resource royalty tax is collected by a level of government, does that government then have to take some moral obligation for the supply of that water at its base, and that is at the water resource base in the mountains. If we get into a particularly dry year, is the Government of the day going to have to play God in some way because they are collecting a tax for a water resource that they are claiming that they own. I think the community out there around Tasmania can have some expectation that if a tax is to be applied and it is for water resources and the Government are acknowledging that they are the owners of that particular resource, they are going to have to take on some future responsibility.

I have done some figures in my particular area and I have no doubt that the councils in the northern area have done the same. The projected \$26 a megalitre will add a \$9 cost per year to people in my community in a residential area, just to pay the water tax. To a company like Simplot, and I have no doubt if one moved into the Tamar Valley the same would apply perhaps in the area of George Town among some of the major industrial users, it will be a \$23 000 impost to Simplot in the community of Leven. That is an impost again that this Government is going to extract out of business in an attempt to prop up, through their Treasury benches, the finances of Tasmania.

So it is with great support for the Northern Regional Water Authority which has finally seen the coming together of what one would say has rather been a mishmash of water authorities in that particular area. It is an area that was acknowledged in the London Economics process under the Hand committee that did have some capacity to certainly find some efficiencies in that particular process and I think this Northern Regional Water (Arrangement) Bill does recognise that those efficiencies are possibly best handled by local government, which the Premier again in his media media release has said are really the proper custodians of the water supply delivery. On the day that he handed the Southern Regional Water Board over, he said that local government should look after that particular area and allow the Government of Tasmania to do what it rightly does in the areas of police, health and education, et cetera.

I congratulate the Government on actually facilitating the Northern Regional Water (Arrangements) Bill. As I have said, I will support the bill at this particular stage. I certainly hope it is a forerunner to us seeing the solving of the problems that are in the north-west coast.