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7 September 2017

The Hon Rosemary Armitage MLC  
 Chair  
 Legislative Council Select Committee TasWater Ownership  
 Parliament House  
 Hobart TAS 7000

**Re: Legislative Council Select Committee TasWater Ownership**

Dear Chair

I write in order to provide West Tamar Council's submission on the ownership of TasWater and thank you for the opportunity to do so.

This matter has been at the forefront of Council's attention since the Minister made clear his intention to take control of TasWater in February this year. His brazen statement that:

*"The State Government has decided that the best way to resolve Tasmania's inadequate water and sewerage infrastructure is to assume ownership and control over TasWater. This will facilitate a faster solution to the problem and resolve the long term underinvestment that has led to the current unsatisfactory situation."*

demonstrates a clear lack of understanding of the current state of TasWater, its assets and its plans.

Following the Minister's announcement on the 16<sup>th</sup> of May 2017 West Tamar Council unanimously passed the following motion:

*Council confirms its intent to support the current ownership model of TasWater and its detailed capital works program.*

West Tamar Council also gave strong support and voted in favour of the Local Government Association of Tasmania motion:

*That Members confirm there is no water and sewerage crisis, reject the proposed State Government ownership of TasWater and, through LGAT, urge the State Government to work cooperatively with LGAT, Councils and TasWater on the optimal water and sewerage infrastructure upgrade program to achieve the best outcome for Councils and Consumers. It is the firm view of the West Tamar Council that there is no crisis facing TasWater. We believe the term crisis is one that has been coined by Government to give impetus to the proposed takeover which is being motivated for political purposes and is not in the best interests of Tasmanians.*

TasWater has a fully funded capital expenditure program which clearly articulates priorities for the next 10 years. This plan has been presented and endorsed by owner councils and should be allowed to proceed to full implementation. The State Government has not presented a capital investment plan or any associated financial modelling. It seems incongruous that any entity, could seek to take over another, in the complete absence of any business case being put forward. Council understands there are also serious questions about the legality of such a takeover and respectfully suggests that any legal question surrounding this hostile takeover must be resolved before the Legislative Council is in a position to consider legislation.

TasWater is run by an independent, skills-based board, employs a management team of experts in their field, and is subject to the requirements of a variety of independent regulators. It is free from political interference and makes decisions prioritised on the basis of need and long-term sustainability, not on political expedience. Under council ownership this model provides the best method of ensuring appropriate accountability and it must be allowed to continue.

It is difficult to understand how a state owned business, which could be easily manipulated to benefit the political whims of the government of the day, could be considered to provide a better governance and accountability model, especially if the proposal allowing for the recommendations of the independent economic regulator to be ignored is adopted.

Council ownership also provides direct benefits to the community through appropriate payment of dividends which go to funding community infrastructure such as parks and playgrounds, roads and footpaths and many other public facilities and community services. While the Government promises to continue to provide returns in the medium term there is no certainty of this after 2024/2025. This in effect denies a return from water and sewerage assets to the very communities who invested in them in the first instance.

In summary it would be irresponsible of Council to do anything other than oppose the takeover of TasWater in the absence of any evidence of the need or indeed the methodology that would support such an action. TasWater must remain in Local Government ownership in order to ensure that Tasmanians get the best deal possible and best considered outcomes in relation to water and sewerage infrastructure.

West Tamar Council is not seeking to make a presentation to the Select Committee but stands ready to do so if the Chair believes it would be of assistance.

Yours Sincerely



Christina Holmdahl  
Mayor