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08 SEP 2017

Hon Rosemary Armitage MLC  
Legislative Council Select Committee TasWater Ownership  
Parliament House  
HOBART TAS 7000

Dear Rosemary

**The Government's Plan for reform of Tasmania's Water and Sewerage Industry**

I refer to the recent establishment by the Legislative Council of the Select Committee to inquire into and report on the concept of ownership of TasWater by Government and its invitation to make written submissions.

Please find attached the Government's submission. I trust it will provide sufficient information to inform the Committee as to the need for reform, the Government's plan to reform the water and sewerage industry, and the details of the expected outcomes of those reforms.

I would welcome the opportunity to appear before the Committee during its public hearings to elaborate on the Government's plan for reform of Tasmania's water and sewerage industry. However, I note that the current dates for public hearings coincide with sitting days for the House of Assembly, which will restrict my availability. I would be happy to attend during the Parliamentary lunch break on either day or at another time if that suits the Committee.

Furthermore, I am willing to arrange for a briefing from the Solicitor General for the Committee should that be required.

Yours sincerely

Hon Peter Gutwein MP

**Treasurer**

# The Government's Plan for reform of Tasmania's Water and Sewerage Industry

Submission to the Legislative Council Select Committee on TasWater Ownership

September 2017

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## Executive Summary

Since the reforms almost 10 years ago, the water and sewerage industry under council ownership has failed to meet community expectations. TasWater and its predecessors have made slow, and often delayed, progress in improving water quality. Over this time, many environmental outcomes have also declined. The number of towns on permanent boil water alerts remains unacceptably high and compliance with discharge to waters regulatory limits has worsened significantly since 2009.

The Chair of TasWater, Mr Miles Hampton, stated recently that Tasmania's water and sewerage assets are deteriorating faster than they can be replaced. The Tasmanian Economic Regulator also made this point in the *2015-16 State of the Industry Report*. It is little wonder that complaints against TasWater have been increasing, up by 24 per cent to a total of 2 892 in 2015-16.

The inability of TasWater and its predecessors to upgrade its infrastructure at an appropriate rate has been due, in large part, to the conservative approach to financial management and the profit-first approach of its owner councils. Since 2009, and despite the delays in removing boil water alerts and the substantial level of non-compliance with its environmental obligations, TasWater, and its predecessors, have paid councils around \$207 million in returns. All indications are that this would continue under council ownership. Another \$190 million of returns is planned over the remainder of TasWater's 10 year plan, which would result in almost \$400 million in payouts.

At the same time, the Local Government owners have recently said that they expect prices to increase by 30 per cent over the next six years and TasWater has proposed in its recently submitted third Price and Service Plan that a 4.6 per cent increase is planned for each of the three years to 2020-21, which is more than twice the expected rate of inflation. Customers are, in effect, facing water and sewerage prices that are higher than necessary to provide a flow of revenue to the owner councils.

The Tasmanian community deserves and demands better, which is why the Government is not prepared to allow the current arrangements to continue. Central to the Government's plan for the water and sewerage industry is the creation of a Government Business Enterprise directly answerable to the State Government and with the Shareholding Ministers having powers of direction over the business. The 29 council-owner model has clearly not worked; there will be much more effective accountability once the provider of water and sewerage services across Tasmania is answerable to a single owner subject to the scrutiny and accountability of Parliament.

Under council ownership, the councils as shareholders have received no independent advice on the performance of TasWater; they have been fully reliant on TasWater itself. Under the proposed reforms, the Government will receive advice from the Department of Treasury and Finance on the performance of the business. This is a far superior governance model as it will provide independent third party advice to inform the owners.

The new business will be responsible for accelerating infrastructure investment so that environmental outcomes and service reliability are improved, and it will be able to achieve this at lower prices to customers.

The Government is committed to ensuring that TasWater's 10 year \$1.5 billion infrastructure investment program, which commenced in 2016-17, is completed within five years of the Government taking ownership. Over the ten year period the Government will invest a further \$300 million to bring the total to \$1.8 billion. Infrastructure Tasmania has prepared a re-profiled infrastructure investment program to achieve this outcome, and has advised that it is deliverable. This finding was confirmed by pitt&sherry, a well-established and highly reputed engineering and construction business in Tasmania.



The Government is not seeking to profit from TasWater. The new GBE will not be permitted to make any dividend or income tax equivalent payments to the Government. It will also have a lower cost of debt as it will not be required to pay government guarantee fees. These measures are hardwired in the proposed legislation and are designed to ensure that the new business is able to maximise its capacity to invest in new infrastructure from its retained earnings, without requiring further large price increases to customers. In addition, the legislation includes anti-privatisation measures to prevent the Government from selling the new GBE.

To ensure that local government rates across Tasmania do not need to rise as a result of the acquisition, councils will receive payments directly from the Consolidated Fund equal to those planned by TasWater until 2024-25. The payments are enshrined in the legislation which provides, in effect, a legal guarantee; whereas TasWater's payments to councils can only be promises by its Board of directors as they are not guaranteed. The legislation requires the Government to make seven annual payments of \$20 million, or \$140 million over the seven year period. As no payments are to be made from the new business for the first seven years, all its earnings can be directed to support the accelerated infrastructure investment program.

From 2025-26, councils will receive payments from the new GBE equal to half of its net profit. This means that councils will enjoy a perpetual revenue stream, without any of the risk or responsibility that comes with ownership.

Under the Government's plan, the economic regulation will change. The Government will be in control of prices, on advice from the Tasmanian Economic Regulator. The Government has committed to price increases of between 2.75 per cent and 3.5 per cent per year under its ownership. For the first year of Government ownership, the proposed legislation sets a price increase of 2.75 per cent, which is a little over half the 4.6 per cent price increase proposed by TasWater.

High level modelling by the Department of Treasury and Finance confirms that the new business will be financially sustainable. The modelling shows that the new business can accommodate substantially more debt and remain profitable.

Ultimately, Tasmania's water and sewerage industry will continue to be owned by the people of Tasmania. It is the people of Tasmania who have built up the assets of the industry, not the councils, and their long term interests will be best served by transferring ownership to the State Government.

The Government's plan is achievable and will serve the best interest of the Tasmanian community. This is why the Government's plan is supported by TasCOSS, the Tourism Industry Council of Tasmania, the TCCI, the Property Council, the Master Builders Association, the Housing Industry Association, the Tasmanian Hospitality Association, developers, businesses and the broader Tasmanian community. It has become clear that the only stakeholders who do not support the Government's plan are those who have a vested financial or political interest in retaining the current arrangements.



## I Background

### I.1 Tasmania's water and sewerage industry up to 2009

Before 2009, councils across Tasmania were responsible for providing water and sewerage services within their municipalities. From 1993, 29 councils provided these services (down from 46 three years earlier).

Up to 1997, the State Government supplied bulk water to around half of Tasmania's councils, including all the urban councils (except Burnie City Council). Around 75 per cent of urban water consumed in Tasmania was sourced from schemes owned by the State Government. From 1997 to 1999, Hobart Water, Esk Water and the North West Regional Water Authority were transferred to these councils.

The collective value of these businesses was around \$290 million, according to a 1998 Government Prices Oversight Commission report (around \$460 million in 2016-17 dollars). In exchange for the transfer, the then State Government imposed a bulk water royalty, for which the transferred businesses were liable. This royalty was passed through to councils, and then customers, in water charges. As the royalty was paid by customers and not the councils, the three bulk water authorities were effectively gifted to the relevant councils. In the current discussion of the Government's plan, there has been no mention by TasWater or the councils of these earlier transfers.

Many councils were not allocating sufficient funding to support these services and manage their assets in a sustainable way. There was inefficient duplication of some infrastructure across the State, especially waste water treatment plants, yet much of the infrastructure was ageing rapidly and compliance with public health and environmental obligations was very low. It turned out that many councils were not aware of the very poor condition of many of their assets as detailed condition assessments had not been carried out.

At the same time, these councils had adopted a range of pricing mechanisms, several of which encouraged overconsumption of water, through the lack of metering, cross subsidies and very generous free water allowances.

It was also considered that the poor state of the water and sewerage industry in Tasmania was constraining economic growth and development in some parts of the State, particularly in key tourism areas.

In short, it had become clear that councils were generally not providing water and sewerage services efficiently and effectively and on a sustainable basis.

### I.2 The establishment of water and sewerage corporations

In 2008, the then Government implemented a suite of reforms in the water and sewerage industry as a result of the failure of councils to effectively manage the industry. The option of State Government ownership was considered at the time but was not acceptable to the councils. The agreed model retained ownership at the local government level.

The reforms, which were implemented on 1 July 2009, included the establishment of three regional water and sewerage corporations and Onstream, a common services subsidiary corporation. They were designed to address a number of key concerns, including:

- approximately 50 per cent of wastewater treatment plants in Tasmania were not compliant with their licence conditions;
- a significant number of council water supply areas were on permanent boil water alerts;



- half of Tasmania's 29 councils had not completed asset condition assessments for their water and sewerage infrastructure and 70 per cent did not have adequate asset management plans;
- water and sewerage pricing did not recover all costs and was highly inequitable and inconsistent across the State; and
- an estimated \$1 billion of new water and sewerage infrastructure was required over the following decade to address these issues and bring the industry to a sustainable position.

The three regional corporation model, with Onstream, was not successful. In part, this was because the three regional corporations were not prepared to transfer responsibility for some functions to Onstream. This was despite the statutory requirement in the *Water and Sewerage Corporations Act 2008* for the three regional corporations to obtain from Onstream any services which:

- exhibit economies of scale;
- support the management of business risk; or
- deliver consistency in the provision of water and sewerage services in all regions where this would result in a regulatory, planning or consumer benefit.

In 2012, councils agreed to the formation of a single state-wide water and sewerage corporation owned by all 29 councils. The objective was to deliver benefits such as improved planning and greater opportunity to capture scale economies. This was required, in part, because the regional corporations were not prepared to seek efficiencies, as required under their own legislation.

It was also expected that a single corporation would provide a stronger and more stable cash flow and strengthen the balance sheet with improved capacity to manage debt and greater flexibility to manage a significant capital expenditure program.

## 2 The need for reform

### 2.1 Lack of progress against initial reform objectives

The model, with 29 separate owners, has also not been successful. More than eight years after the reforms commenced, Tasmania's water and sewerage industry has not made acceptable progress in meeting the objectives of the 2008 reforms.

The Tasmanian Economic Regulator, in his *Tasmanian Water and Sewerage 2015-16 State of the Industry Report*, found that:

- delays in TasWater's capital works program meant that improvements to drinking water quality were not delivered as scheduled and Tasmania's water and sewerage assets are deteriorating faster than they can be replaced;
- 25 water systems were operated under a temporary or permanent boil water alert while another five systems had a public health alert (do not consume) in place;
- despite significant investment in terms of both expenditure and effort, drinking water quality and environmental compliance are not at the levels expected or required for contemporary water and sewerage networks;
- compliance with regulatory discharge limits for sewage effluent has worsened by around eight per cent over the past six years from 2009-10;
- only one of TasWater's 79 Level 2 sewage treatment plants was 100 per cent compliant in 2015-16; and
- the operating performance of the 13 largest sewage treatment plants that process approximately 70 per cent of treated volume remains well below expectations.



In December 2016, TasWater and the EPA signed a Memorandum of Understanding on public wastewater management. The MOU explicitly acknowledges the inadequate performance of TasWater:

*“TasWater and the EPA recognise that three years on from the corporation’s formation, the rate of progress towards securing acceptable environmental outcomes from the public wastewater management network is inadequate and does not meet community expectations. By TasWater’s metric, environmental compliance is currently at 42 per cent while EPA analysis shows a downward trend in compliance for the last five years.”*

It is evident from the lack of progress since the initial reforms that council ownership of Tasmania’s water and sewerage industry has not been effective. TasWater’s assets are deteriorating faster than they can be replaced. Drinking water quality and environmental compliance are not at the level expected or required of contemporary water and sewerage networks.

## 2.2 Water quality and environmental compliance

Criticism of TasWater’s water quality and environmental compliance has been severe and regular. The following charts, created with data sourced from the independently prepared State of the Industry Reports, demonstrate that the key performance measures for TasWater have not progressed at an adequate pace, or in some cases, continue to decline.

Chart 1: History of boil water alerts

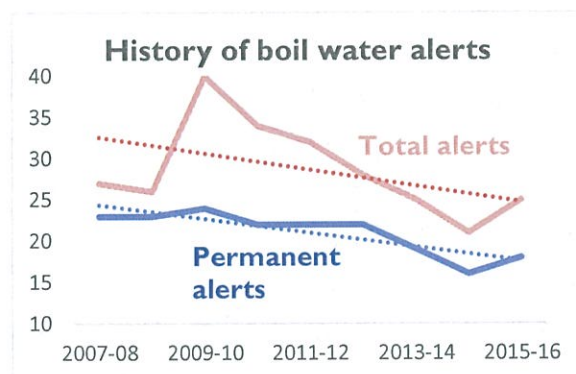


Chart 2: Compliance with discharge to waters regulatory limits

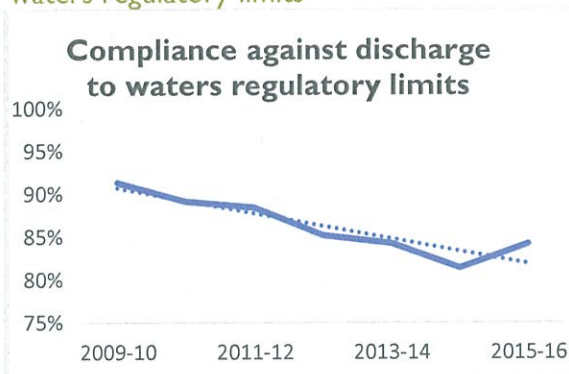


Chart 1 demonstrates that the number of boil water alerts in the State remains unacceptably high, and that progress in removing alerts has been slow. The number of permanent boil water alerts fell from 23 in 2007-08 to 18 in 2015-16. However, the total number of alerts has seen little improvement being, 27 in 2007-08 and still 25 in 2015-16. There has been a recent reduction in the number of permanent boil water alerts since the Regulator’s report was issued but the Government does not consider that reducing the number of boil water alerts at a rate of less than one per year has been adequate progress.

Chart 2 demonstrates the long term decline of TasWater’s compliance with discharge to waters regulatory limits. The following passage from the 2015-16 State of the Industry Report summarises the concern of the Regulator:

*“EPA Tasmania’s analysis shows that compliance with regulatory discharge to waters limits has generally declined over the last five years, with a small uplift in this reporting period. In addition, it is evident compliance levels worsened during the seven years from July 2009, when the water and sewerage reforms began and responsibility for the management of sewage infrastructure was transferred firstly to regional corporations and subsequently to TasWater.”*



Chart 3: Unplanned water interruptions

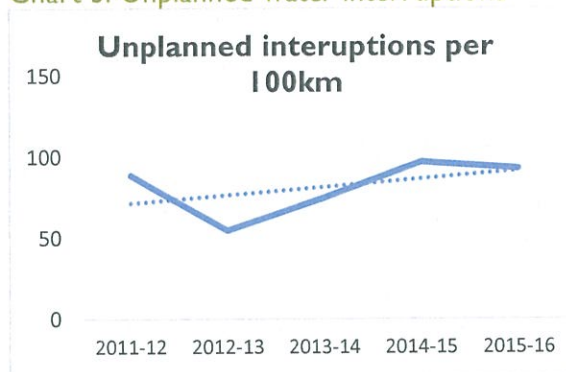
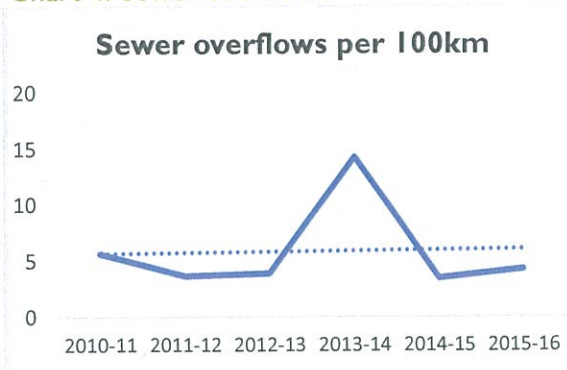


Chart 4: Sewer overflows



Charts 3 and 4 demonstrate that TasWater has also performed poorly in other key performance areas. The long term trend for unplanned water interruptions is increasing, and there has been no progress in reducing the rate of sewer overflows, which remain significantly above the number reported by comparable interstate providers.

There are many other alarming facts that highlight the poor environmental compliance of TasWater. In 2015-16, TasWater's sewer spills were up to eight times the national average, and only one of its 79 sewage treatment plants was fully compliant. Only 24 of the 79 sewage treatment plants met the benchmark of 90 per cent compliance.

Another facet to the poor compliance and environmental outcomes is the number of reported sewage spills. Since 2014 there have been 370 incidents reported to the EPA. A full listing of these incidents is attached at Appendix I.

Water losses were found to be significantly higher in 2015-16. Only two litres out of every three litres of treated water were accounted for, such that 25 295 mega litres of water were treated by TasWater but was either lost or not charged to customers. This water would fill over 10 000 Olympic-sized swimming pools. More importantly, the costs of treating this water had to be recovered from TasWater's customers, resulting in prices being higher than necessary.

The full condition of TasWater's environmental compliance and water quality can be found in the Tasmanian Economic Regulator's *2015-16 State of the Industry Report* which includes, as a summary:

*"drinking water quality and environmental compliance are not at the levels expected or required for contemporary water and sewerage networks."*

In addition to the unsatisfactory environmental performance, it appears that TasWater has a range of cultural and procedural issues in relation to customer service. The *2015-16 State of the Industry Report* stated that customer complaints against TasWater have been increasing, up by 24 per cent in 2015-16, with the largest group of complaints in relation to water quality. More recently, TasWater's trade waste policies and its attitude to small businesses has come under increasing public scrutiny. There have been numerous reports from small businesses that TasWater is being inflexible and imposing significant costs on small businesses by insisting on its 'one size fits all' high cost solution to pre-treating trade waste.



## 2.3 Prioritisation of payments to councils over infrastructure investment

Councils have received \$207 million in distributions from the water corporations since the regional corporations commenced in 2009. Ordinarily this would be a sign of success for a commercial business. However, unlike an ordinary business, the objectives of TasWater extend beyond providing its owners with a revenue stream.

The *Water and Sewerage Corporation Act 2012* requires TasWater to:

- efficiently provide water and sewerage functions in Tasmania;
- encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis,
- be a successful business and, to this end:
  - operate its activities in accordance with good commercial practice; and
  - deliver sustainable returns to its members; and
  - deliver water and sewerage services to customers in the most cost-efficient manner.

The efficient provision of water and sewerage services is a principal objective of TasWater, and is of equal importance with its commercial functions. However, there is ample evidence that this objective has been prioritised below the payments of returns.

Since 2008, it has been well documented that TasWater, and its predecessors, have been facing significant infrastructure challenges. Indeed, in the past year, both the Chairman of TasWater and the Tasmanian Economic Regulator have stated that TasWater's assets are deteriorating faster than they can be replaced. In 2015-16 TasWater reported that its overdue renewals backlog, namely those assets that have passed their useful life but have not been replaced, had reached \$665 million.

The Government has been very concerned that, over a period where a major increase in investment has been needed, TasWater has adopted a financial strategy that has severely constrained TasWater's infrastructure investment.

TasWater has adopted a very conservative financial strategy, which has kept its borrowings, and therefore its interest costs, very low. The Regulator reported that TasWater's net debt to equity ratio was 27 per cent in 2015-16, which was very low compared to equivalent mainland utilities. A ratio of around 60 per cent is considered quite usual in this industry, and the Regulator assumed this ratio in its previous price determination for TasWater, for the period from 1 July 2015 to 30 June 2018.

The result is that TasWater has had lower levels of investment, and therefore lower interest costs, than would be expected given the investment challenges it faces.

At the same time, TasWater has been paying generous dividends to the councils. The Tasmanian Economic Regulator's *2015-16 State of the Industry Report* notes that TasWater's return to councils in 2015-16 was over 80 per cent of its profit after tax and its dividend payout ratio was much higher than those of equivalent mainland utilities. Rather than use its earnings to support its infrastructure investment and improve its performance, since it was formed TasWater has been supporting the balance sheet of its owner councils. This included \$20.3 million in dividends in 2015-16.

TasWater's dividend policy is neither good commercial practice, nor does it make adequate provision for expected future capital requirements. No commercial enterprise would pay dividends of such a significant level when the assets it relies on to deliver its services are deteriorating faster than they can be replaced.

Likewise, it cannot be reasonably argued that provision for future capital has been made before these dividends were paid, as required under TasWater's legislation. TasWater had sought



\$400 million from the Australian and Tasmanian Governments to undertake some capital projects over a 10 year period. When this funding was not forthcoming, TasWater did not cease paying its dividends. Instead, it reduced its planned infrastructure spend from \$1.8 billion to \$1.5 billion. The future capital requirement did not decline because external funding was not available, it was just prioritised below the payment of dividends.

Ordinarily, dividend policy is the responsibility of a board. However, the Board of TasWater must also have regard to the Shareholders' Letter of Expectations when formulating its dividend policy. The Letter of Expectations states that the Board is to set a dividend policy in consultation with the Owners' Representatives' Group. Accordingly, as the Board serves at the councils' pleasure, ultimately the responsibility for the payment of dividends, when those funds should have instead been spent upgrading infrastructure assets, lies with the councils.

TasWater continues to prioritise dividends over infrastructure spending in its 10 year plan. Between now and the end of the plan, TasWater plans to pay \$59.1 million in dividends to councils as part of \$190 million of total distributions. At the end of the plan, TasWater's renewals backlog is expected to be \$425 million. Over a 20 year period, the expected renewals backlog is still very large, at \$236 million.

Under council ownership, TasWater plans to rely extensively on assets that are well past their use by date, and yet it also plans to allow very substantial dividends to flow out of the business to owners. This is cash that could have been used to decrease this backlog, or fund other capital expenditure programs.

## 2.4 Unacceptable price increases to water and sewerage customers

The Tasmanian Economic Regulator is responsible for setting prices in Tasmania's water and sewerage industry. The Regulator is required to apply the pricing principles in the *Water and Sewerage Industry Act 2008*. The process for conducting price determination investigations is set out in the *Water and Sewerage Industry (Pricing and Related Matters) Regulations 2011*.

TasWater's recently submitted draft Price and Service Plan (June 2017) for the third regulatory period provides the best guide to the price increases customers can expect under the existing economic regulatory arrangements. TasWater has recommended price increases of 4.6 per cent each year for the three years from 1 July 2018 and is projecting annual price increases of 3.7 per cent for the fourth and fifth Price and Service Plans. However, the owners stated during a Government Businesses Scrutiny hearing in December 2016 that they expected price increases of 30 per cent over the next six years, which results in a higher average price increase.

The Government considers that Tasmanian households and businesses should not have to face price increases around twice the rate of increases in the Consumer Price Index, especially when the level of service they receive is not meeting expectations and when TasWater is providing generous returns to its owner councils. For 2016-17, for example, for every \$100 TasWater collected from its customers, around \$10 was passed on to its owner councils.

By contrast, the Government has committed to a price increase of 2.75 per cent for 2018-19 and for annual price increases of no more than 3.5 per cent thereafter.

The price increases that TasWater is currently seeking may be approved by the Regulator under the current pricing regulatory framework. This is because the Regulator is required to allow TasWater to earn a commercial rate of return on its assets. This is set out in the legislated pricing principles.

However, this can result in significantly higher prices for customers, who have already faced very substantial price increases in recent years. Very substantial earnings could be made over a period when investment is projected to increase and the water and sewerage industry becomes even more capital intensive.





The table below shows the extent of water and sewerage price increases since 2011.

**Table 1: Average residential water and sewerage bills in Tasmania**

<b>Average residential bill</b>				
	<b>Southern Water</b>	<b>Cradle Mountain Water</b>	<b>Ben Lomond Water</b>	<b>State-wide average residential bill</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2010-11	787	638	602	<b>703</b>
2011-12	893	756	722	<b>813</b>
2012-13	946	936	943	<b>943</b>
2013-14*	981	1037	967	<b>990</b>
2014-15*	1022	1081	959	<b>1017</b>
2015-16**	1062	1062	1062	<b>1062</b>
<b>Average State-wide Increase since 2010-11 (%)</b>				<b>51</b>

Source: State of the Industry Reports 2010-11 to 2015-16, Tasmanian Economic Regulator

\*Although the three regional corporations had merged into TasWater, pricing continued to be regional in accordance with the 2012 Price Determination

\*\* State-wide pricing commenced on 1 July 2015, in accordance with the 2015 Price Determination

It is unfair to expect Tasmanian households and businesses to face unnecessarily large increases in water and sewerage charges because the investment needed to meet environmental and other obligations is allowed to earn a commercial rate of return.

For these reasons, under the Government's plan, the Treasurer will be responsible for pricing in Tasmania's water and sewerage industry under amended pricing principles that do not refer to a commercial rate of return on assets.

This does not imply the new government business established by the Water and Sewerage Tasmania Bill 2017 will operate unsustainably by not earning a commercial rate of return on its assets. The Bill sets out as an objective of the new business, to ensure 'sustainable, efficient and effective investment'. In addition, the business' 10 year infrastructure plan is required to achieve the lowest sustainable cost of providing water and sewerage services. Furthermore, the pricing principles which will apply to the new business require prices to cover all costs. The requirement to operate on a sustainable basis will also be included in the Ministerial Charter for the new government business.

## 2.5 Current governance arrangements

The ownership and governance model for TasWater has limited the ability of the business to meet the objectives of the initial reforms.

The model of 29 separate owners of one publicly-owned business was always likely to present challenges. It is clear that several councils have had very few dealings with TasWater in their capacity as owners.

The members of the Owners' Representatives' Group, to which TasWater is accountable, do not have the required expertise or access to independent advice on a regular basis to assist in monitoring the performance of the business or to undertake detailed investigations when policy issues arise. This is in contrast to businesses that are owned by the State Government, where regular advice is provided to the Shareholding Ministers by the Department of Treasury and Finance.



In addition, the agency with portfolio responsibility also provides advice to the Government. For example the Department of Primary Industries, Parks, Water and Environment provides advice on matters relating to government businesses in the irrigation industry, such as Tasmanian Irrigation Pty Ltd.

There is no equivalent expertise that councils or the Owners' Representatives' Group has turned to for advice and analysis, even though the Tasmanian Government had offered councils the opportunity to obtain shareholder advice from the Department of Treasury and Finance on matters such as TasWater's corporate plan. This offer was not accepted by the Owners' Representatives' Group.

Consequently, TasWater has not been subject to the level of scrutiny required to ensure the objectives of the legislation are met. This was evident at the Government Businesses Scrutiny Committee hearing on 6 December 2016, when the Chief Representative and Deputy Chief Representative of the Owners' Representatives' Group made several inaccurate statements regarding the governance and regulatory arrangements and the performance of TasWater. For example, the Chief Representative of the Owners' Representatives' Group stated that, under the regional corporation model, "The State Government controlled the four bodies and were not answerable at all to local government".<sup>1</sup> This is wholly incorrect.

The Chief Representative also stated, regarding TasWater's progress in fixing its infrastructure problems, "I believe it is a very good story as to what is being achieved at the moment".<sup>2</sup> It is inconceivable that anyone with a sound understanding of the challenges facing TasWater could have made that statement, which was almost immediately undermined by the Chair of TasWater who admitted that, "The simple fact is much of our infrastructure has been deteriorating faster than we have been fixing it".<sup>3</sup>

The owners increasingly look to the State Government and the Australian Government to address the financial problems of their own business, rather than identify options to address the problems themselves. When the request for external funding of \$400 million was not forthcoming, it took the initiative of the Board, and not the owner councils, to reduce yearly distributions by \$10 million from 2018-19.

At the time, this decrease was opposed by members of local government. The Local Government Association of Tasmania president, Mr Doug Chipman, said that councils were "shocked at the unilateral decision by TasWater to slash annual distributions"<sup>4</sup>. This further demonstrates that councils see TasWater as a source of revenue, rather than an organisation they control, which should best serve the people of Tasmania.

Perhaps the most alarming indication of councils' incapacity or lack of desire to act in the best interests of the Tasmanian community has been their willingness to take no action when faced with the long standing inadequate performance of the water and sewerage industry, and more recently the demonstrated deterioration of that performance. The Treasurer has consistently raised TasWater's poor environmental performance since 2015, and it was a key feature of his address to the LGAT conference in 2016. When the Treasurer met with the Local Government Association of Tasmania on 24 February 2017, the poor state of the water and sewerage industry was discussed. At that time all possible options were being considered by the Government to address the crisis in the industry.

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<sup>1</sup> Tasmanian Parliamentary Debates, Government Business Scrutiny Committee A, 6 December 2016.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> <http://www.examiner.com.au/story/4115590/taswaters-grand-plan/>



The councils did not propose any new measures to address the well documented and systemic issues facing the industry. They were content to allow the poor performance to continue over an extended period, while continuing to receive substantial returns. This approach was unacceptable to the Treasurer, and to the Government as a whole, and it was apparent that State Government intervention was required.

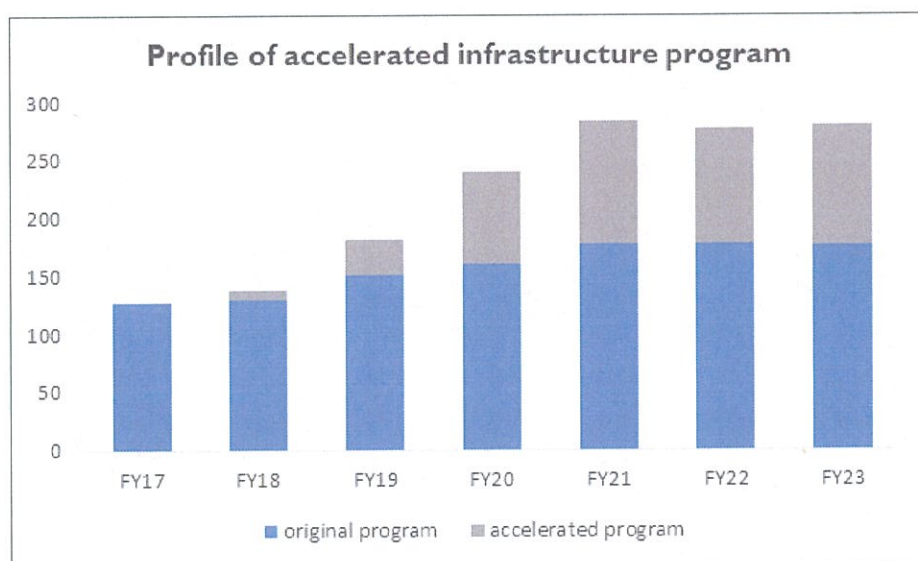
### 3 Achieving an accelerated infrastructure investment program

A key reason for the Government's plan to take control of Tasmania's water and sewerage industry is to accelerate investment. The Government has committed to complete the remainder of TasWater's 10 year investment plan in the five years immediately after taking control of the business from 1 July 2018, and therefore achieving TasWater's 10 year investment plan, totalling around \$1.5 billion, over a shorter accelerated period of seven years from 2016-17. Over a decade, the planned investment is around \$1.8 billion.

Infrastructure Tasmania has released a report titled, *Accelerated infrastructure investment delivery in Tasmania's water and sewerage sector* that assesses the feasibility of the Government's plan to accelerate infrastructure investment in Tasmania's water and sewerage industry. Infrastructure Tasmania engaged with a number of local and national water industry stakeholders and experts, including representatives of consulting and contracting firms, peak bodies and other relevant stakeholders. A link to the report is available on the website of the Department of Treasury and Finance at <http://www.treasury.tas.gov.au/water-and-sewerage>.

Infrastructure Tasmania reviewed TasWater's original 10 year plan and re-profiled the investment to cover seven years to 2022-23, as shown below. The extra investment ramps up from 2018-19 and reaches its peak, at around \$110 million, in 2020-21.

Chart 3: Profile of accelerated infrastructure investment



Infrastructure Tasmania and independent consultants pitt&sherry have reported that the accelerated infrastructure investment plan is achievable. Infrastructure Tasmania found that, while there will be challenges, there are numerous precedents for the delivery of a program of this size over a similar timeframe by other water utilities and other capital intensive businesses in Tasmania, across Australia and internationally.

Further, the planned increase in investment, while significant, represents only a small percentage of total capital expenditure planned for the State. Chart 4 below shows the extent of the increase in construction activity in Tasmania resulting from the accelerated program. This was projected

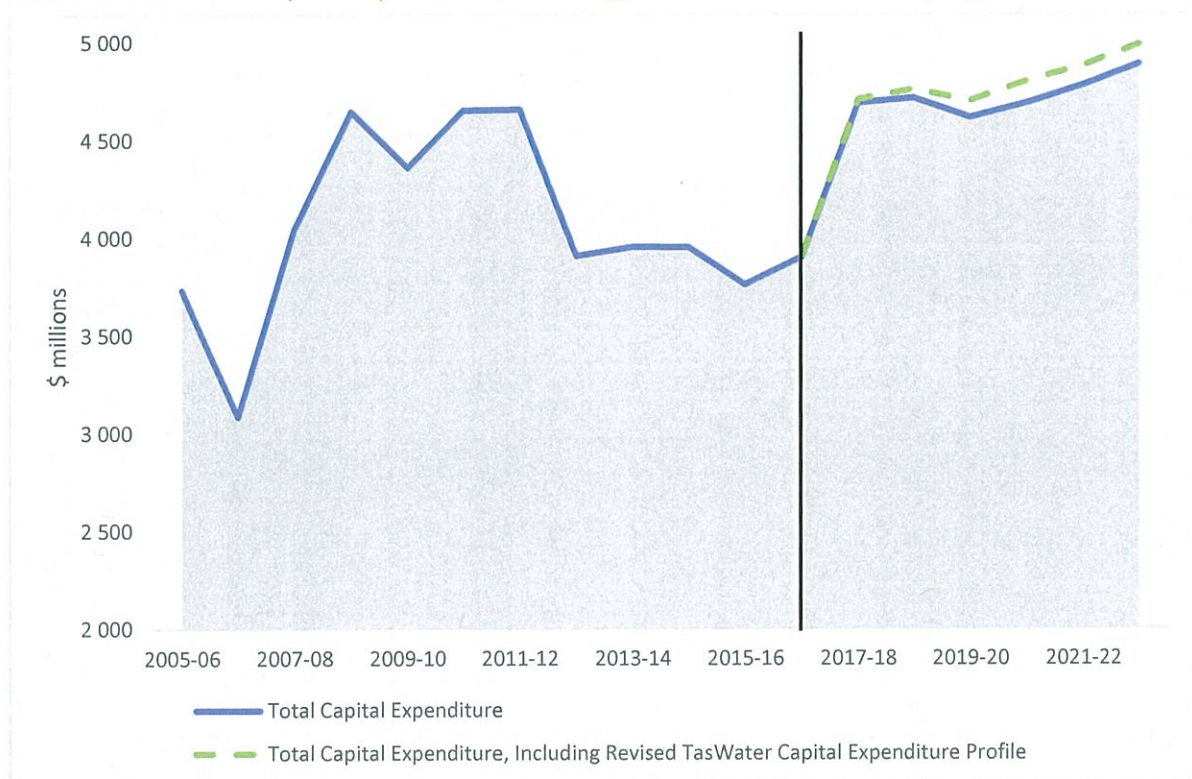


to be no more than 2.4 per cent in any year. An analysis by the Department of Treasury and Finance found that Tasmania's economy has the capacity to absorb significant variations in the level of public and private investment.

Furthermore, the Department of Treasury and Finance also reported that in periods when public investment has increased sharply, this has not resulted in private investment falling away. In the past decade, when public investment grew strongly, private investment also increased, as did employment.

The Department of Treasury and Finance found that, based on past experience, it is expected that the economy can absorb this additional economic activity without major disruption of other private investment in the State.

**Chart 4: Tasmanian capital expenditure, including accelerated investment program**



Source: 2005-06 to 2016-17 data - *Australian National Accounts: National Income, Expenditure and Product*, ABS Cat No 5206.0. 2017-18 & onwards - Treasury calculations; 2017-18 Tasmanian Budget: Budget Paper No 1

TasWater has stated that it is not possible to complete the required investment more quickly than it currently proposes without resulting in inflated prices and having to rely on mainland contractors. This is contrary to the finding of Infrastructure Tasmania. It is also inconsistent with a statement in April 2017 from Mr Hampton, Chair of TasWater, when he accepted that the 10 year program of investment could be completed within eight and a half years.<sup>5</sup>

More importantly, just one year ago, TasWater had prepared a 10 year program for investment of \$1.8 billion, which is around the same level the Government has committed to over 10 years.

This demonstrates that both TasWater's Board and its Chairman considered that it was possible to deliver infrastructure investment at that level. The only factor that prevented TasWater from continuing with this more ambitious program was that it was dependent on external funding of \$400 million from the Australian and Tasmanian Governments, due to prioritising returns to councils over investment in infrastructure.

<sup>5</sup> Presentation to the Local Government Association of Tasmania, May 2017



Infrastructure Tasmania reported that feedback from stakeholders suggests that the settings in TasWater are inhibiting delivery of the capital projects. For example, some of TasWater's most important processes to facilitate the rollout of capital, such as procurement, have been described by stakeholders and participants as problematic, difficult to navigate effectively, inconsistent and lengthy. Infrastructure Tasmania also reported that stakeholder feedback suggests that a highly risk averse approach by the Board does not lend itself to enabling the timely development of projects.

The Regulator, in his report titled *2015-16 State of the Industry Report*, found that a number of TasWater's investment projects experienced delays against their approved schedule. The issues identified by Infrastructure Tasmania appear to be impeding the delivery of TasWater's current capital plan. Without an effective governance structure and effective procurement arrangements and project management, the rollout of major capital projects is likely to continue to experience delays. Under Government ownership, these barriers to the delivery of an accelerated infrastructure program will be removed.

The Government has previously promised to utilise all the resources available to deliver the accelerated program, including the expertise held within its government business portfolio. To this end, engagement with Entura and Tasmanian Irrigation has commenced. These business have confirmed they have the capacity and capability to assist with development and delivery of an accelerated infrastructure program, in the form of skills, experience and physical resources.

TasWater's 10 year financial plan identifies a significant renewals backlog. The remaining asset renewal backlog at 2026 is estimated to be \$425 million. TasWater's 10 year plan states that the backlog is impacting on the quality and reliability of its services. This demonstrates that there is an ongoing need to make substantial capital investment beyond the current ten year plan period. The Government's commitment to spend an additional \$300 million over the ten year plan period will assist in addressing the substantial asset renewal backlog or potentially contributing to additional investment in major projects that are not currently included in the TasWater 10 year plan such as Launceston's combined system, the Macquarie Point sewage plant removal, the Cameron Bay upgrade or other projects that may emerge.

It is worth pointing out that the State Government has already demonstrated the leadership that has been lacking in terms of moving these projects forward by implementing a taskforce to determine the most appropriate solution for Launceston's combined system and agreeing to effectively underwrite any shortfall in the costs associated with the removal of the Macquarie Point sewage treatment plant once developer and other parties contributions including TasWater is understood.

## 4 The Government's plan for Tasmania's water and sewerage industry

### 4.1 Establishment of a new government business

The Government plans to create a new Government Business Enterprise to which all the assets, liabilities, rights, obligations and employees of TasWater will be transferred. The business would be established in early 2018 and, with the assistance of the Department of Treasury and Finance, will begin planning for the business transition and an accelerated infrastructure program. The transfer of all assets, rights and liabilities will occur on or before 1 July 2018 and the new business will begin operations on that date.

A Government Business Enterprise has been chosen as this model provides the Government with more control over the entity than if it were a State-owned company. With greater control,



the Government can ensure that the business is focussed on improving water and sewerage services at affordable prices for the Tasmanian community.

The Water and Sewerage Tasmania Bill 2017 sets out a robust governance framework for the new business. This includes allowing the Shareholding Ministers, the Treasurer and the Minister for Primary Industries and Water, to jointly issue directions to the business, which may include priorities for infrastructure investment. This is not unusual, however, as currently all State-Owned Companies have provisions in their constitutions that allow Shareholding Ministers to direct these businesses, whilst GBEs are subject to a range of direction powers as well. These directions will be published on the business' website. The business will also be issued with a Ministerial Charter in which the Shareholding Ministers will set the entity's financial performance objectives.

TasWater employees will be transferred to the new business on their existing employment terms and conditions and no employee will lose their job as a result of the transfer. The Government will appoint the board of the new business, under the same arrangements as the boards of other Government Business Enterprises are appointed.

The Bill prohibits the privatisation of the new business. The business itself also cannot sell, lease or otherwise dispose of its water or sewerage infrastructure or its land except in cases where its assets are being maintained, replaced, repaired or upgraded.

## 4.2 Focus on investment

The new business will be required to prepare a 10 year infrastructure investment plan, which will require the approval of the Treasurer and the Minister for Primary Industries and Water. The business' four-year corporate plan is to be consistent with its 10 year infrastructure investment plan. The infrastructure investment plan will be published on the business' website, which provides for much greater transparency than under the current arrangements as TasWater has not publicly released its 10 year plan, nor since 2008 have either TasWater or the predecessor regional corporations released any long term infrastructure plans publicly.

The new business will not be permitted to make any dividend or income tax equivalent payments to the Government at any time. It will also have a lower cost of debt as it will not be required to pay government guarantee fees. Under the current arrangements, councils receive government guarantee fees. The legislation does not require the new GBE to pay guarantee fees to the Government, which reduces the overall borrowings costs for the GBE. This allows more cash to remain in the business to support its accelerated infrastructure program. These measures, which are in the Water and Sewerage Tasmania Bill 2017, are designed to ensure that the new business is able to maximise its capacity to invest in new infrastructure from its retained earnings, without requiring further large price increases to customers.

For the period to 2024-25, which includes the period of accelerated investment, the business will be able to use all its retained earnings to support its investment program. The Government has also committed to providing additional financial support to the business, to assist it to deliver infrastructure projects, should that be required, though this is not anticipated. This is in stark contrast to the approach of the current owners, as it is highly unlikely that they would agree to provide equity support to TasWater.

The legislation provides no mechanism for the State Government to receive any returns either now or into the future from the new business. This demonstrates that the Government is not taking over TasWater for its revenue stream. Unlike the current arrangements, no future government can prioritise a financial return above providing adequate water and sewerage services. Instead, the focus of the new business will be on addressing the issues in Tasmania's water and sewerage industry as quickly as possible, and at the lowest sustainable cost to customers.



## 4.3 Payments to councils

### *First seven years of Government ownership - transition period payments*

The Government understands that councils hold concerns about losing their revenue stream from TasWater. To mitigate any financial pressure, from 2017-18 to 2024-25, councils will receive annual payments that total \$20 million, paid from the Consolidated Fund. This is precisely the same revenue stream that councils would have received under TasWater's 10 year financial plan.

Each payment will be allocated to the 29 councils according to the shares in the current TasWater distribution policy, which range from 13.62 per cent in the case of Launceston City Council to 0.05 per cent in the case of Tasman Council. The percentage shares and allocation of the \$20 million annual payment is in Schedule 1 of the Water and Sewerage Tasmania Bill 2017.

The final \$20 million annual payment from the Consolidated Fund will be made in the 2024-25 financial year. It is estimated that \$20 million will comprise only around 2 per cent of councils' aggregate operating revenue, on average.

### *Post transition period payments*

From 2025-26 onwards, councils can expect to receive annual payments from the business equivalent to one half of the business' profit. These payments will be made in April of the year after the financial year to which the profits relate. For example, the payments that councils receive in 2025-26 will be based on the profit of the business in 2024-25. These payments will also be allocated to the 29 councils according to the shares in the current TasWater distribution policy.

Part 3 of the Water and Sewerage Tasmania Bill sets out the process by which payments will be determined, and then made to councils. Firstly, the annual report of the business will include an amount designated as the 'total payment to councils.' This amount will be equal to one half of the profit of the business and be determined from the financial statements that will be subject to audit by the Auditor-General. As a GBE, the business must publish its annual report by the end of October each year.

If the Board considers that this payment would prevent the business from achieving its objectives under the legislation or meeting the requirements of its corporate plan or its statutory obligations, or it would result in the liabilities of the business from exceeding its assets or materially prejudice its ability to pay its creditors, the Board can also specify an 'adjusted total payment to councils' in its annual report. If an adjusted total payment is specified, it must be accompanied by a statement of reasons for the adjusted payment.

A good example of why the Board may seek to alter the payment mechanism could be in the case of the receipt of grant funding, either from State or Australian Government programs, for water and sewerage infrastructure projects. If this occurred, it would be recorded as revenue and increase its reported profits. In the absence of specifying an adjusted payment, the new GBE would be paying potentially one half of these funds directly to councils as returns. If this were to prevent the GBE from achieving its infrastructure investment plan or complying with a direction, it is clearly appropriate and legitimate that the GBE should propose a modified return to the councils. This would also apply in the case if the GBE records a large profit as a result of an upward revaluation of its assets.

If no adjusted total payment to councils is specified, the councils will receive, in the following April, one half of the business' profit from the previous financial year.

If an adjusted total payment to councils is specified, the Treasurer must, within three sitting days after the end of October each year, make and table an order that includes the adjusted total payment and the statement of reasons.

This order cannot be considered by Parliament until March in the following year. This allows members of the Government Businesses Scrutiny Committee, which holds hearings in December, to examine this issue and question the business on a range of matters including, if relevant, the



adjusted total payment. The Committee then has the opportunity to inform members of both Houses of its findings before the order can be considered in each House of Parliament.

If the order is disallowed by either House, the councils receive the standard total payment. If the order is not disallowed, the councils receive the adjusted payment. The Bill allows for no parliamentary sitting days in March, which may occur due to an election, by allowing the whole process to be deferred until there are sufficient sitting days, including the date when payments to councils are due.

This process ensures that councils will receive half the profits of the business each year, unless both Houses of Parliament agree to the lower payment.

Councils may argue that they are entitled to significantly higher returns than under this arrangement. Firstly, it is clear that the recent level of returns they have been receiving have been artificially high. Had they been receiving more appropriate returns in past years, the returns they can expect under the new arrangements may not be significantly different. Secondly, as discussed above, a significant part of the infrastructure was gifted to the councils from former governments. Thirdly, the business will expand over the next two decades with the increase in investment, so the absolute size of its profits can be expected to increase over the longer term. Finally, the councils will be receiving a perpetual revenue stream, without any of the risks or responsibility that comes with ownership.

## 4.4 Economic regulation for the new government business

To ensure that prices for water and sewerage services remain in line with community expectations and are in the best interests of the State, the Government's plan includes new arrangements for regulating the prices of services provided by the new business. These are set out in the Water and Sewerage Tasmania (Consequential and Transitional Provisions) Bill 2017.

The Bill allows the Regulator's current Price and Service Plan investigation to continue and the Regulator will still approve the Price and Service Plan to apply for three years from 1 July 2018. In its investigation, the Regulator is to investigate the financial sustainability of the new business and its operating and capital expenditure requirements.

The Bill requires the Price and Service Plan to contain price increases of 2.75 per cent in the first year, and 3.5 per cent per year for the second and third years. These increases will apply to the vast majority of customers who pay the target prices for their water and sewerage services. The price increases of 3.5 per cent per year for the second and third years can be subsequently reduced by the Treasurer, after considering advice from the Economic Regulator.

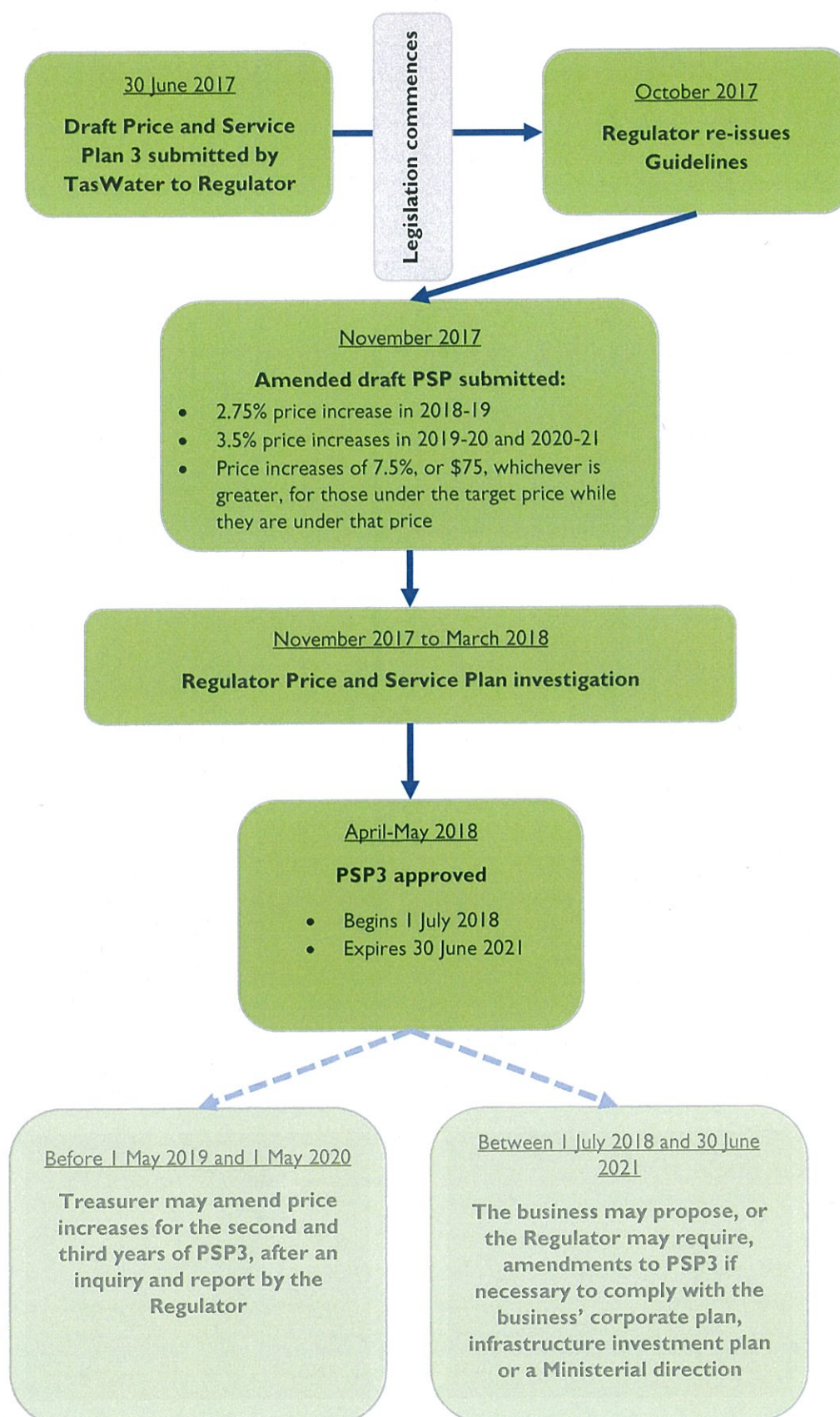
The target prices are set by the Regulator at a rate that allows all costs to be recovered. Around 7 500 customers are currently charged prices below the target price, as a result of the very low prices they were charged when councils set water and sewerage charges directly. These customers have benefited from lower water and sewerage bills compared to the rest of the community for many years.

Under the current legislation, all customers must reach the target prices by 1 July 2020. However, some customers would face very large annual price increases, exceeding 20 per cent in some cases. To address this issue, the Bill requires the next Price and Service Plan to set an annual price increase of 7.5 per cent, or \$75, whichever is the higher, until these customers reach the target price. This prevents the very high price increases some customers would otherwise face. A small number of customers will remain under the target price by the end of the third Price and Service Plan.

Figure 1 below sets out how the Price and Service Plan investigation process operates in the Bill.



Figure 1: Transitional economic regulatory framework - third Price and Service Plan





After the expiry of the third Price and Service Plan on 30 June 2021, prices for water and sewerage services are to be set by the Treasurer under a pricing order setting maximum prices, following an investigation by the Regulator.

As is the case now, the Regulator is required to consider the legislated pricing principles in preparing recommendations for maximum prices. Almost all of the current pricing principles will continue to apply, such as the requirement for efficient prices, the prohibition on free water allowances and the requirement for customers of the same class to face the same prices to prevent cross subsidies. One difference, however, is that while the prices set by the new business are required to recover all costs, they no longer need to include a commercial rate of return on the business' assets. As discussed above, the Government considers that this would lead to unreasonably high prices for customers given the current condition of much of the infrastructure, however, as discussed above, there are a range of provisions in the legislation to ensure that it is operated in a sustainable manner.

During the investigation, the Regulator will release a draft report which will be made publicly available and undertake a consultation process that will include submissions and may include hearings. The Regulator will investigate the efficiency of the business' operations and, most likely, its prospects for achieving its objectives, including its requirements under the infrastructure investment plan.

The Regulator's final report will contain recommended maximum prices for the range of water and sewerage services provided by the business. The final report is to be provided to the Treasurer and laid before Parliament.

The business is then required to prepare a Price Control Instrument which will set the prices for these services, within the maximum prices in the prices order.

This process is similar to the model of economic regulation for the Motor Accidents Insurance Board and includes the release of a draft report and public consultation, including submissions.

For the first price investigation, the requirement from the Shareholding Ministers to undertake the investigation, which includes the terms of reference, must be issued before 1 May 2020. For subsequent investigations, the requirement is to be issued 14 months prior to the expiration of a pricing order. The Bill sets the first pricing period at four years, from 1 July 2021 to 30 June 2025, and for subsequent pricing periods to be up to five years.

These arrangements are set out in Figure 2 below.

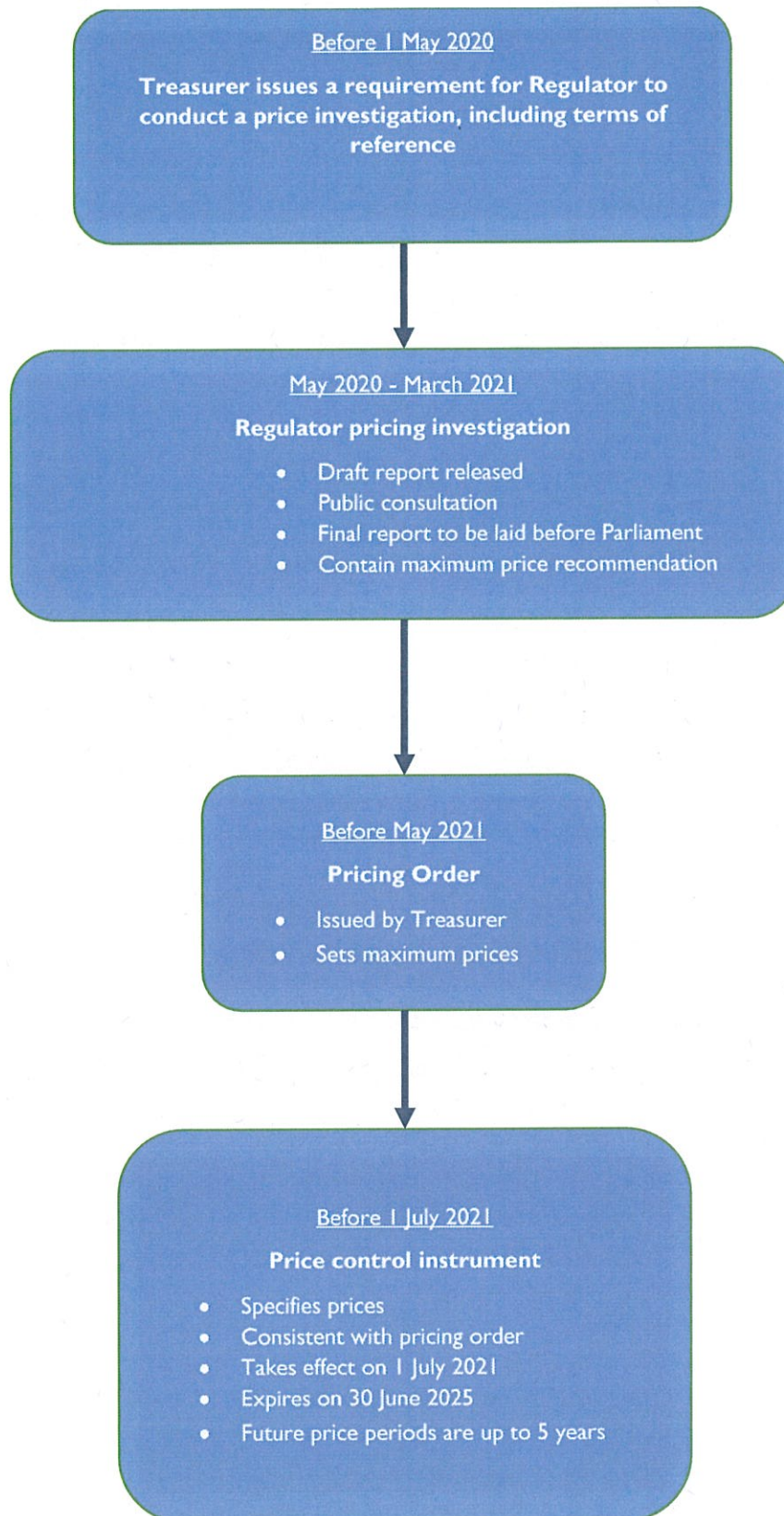
There is no change to the current arrangements where the Regulator licenses entities in the water and sewerage industry. The Bill also requires the Regulator to continue to be responsible for all non-price economic regulation in the water and sewerage industry. For the new business, this includes its customer service code, its policies for infrastructure extension and expansion, connections, service introduction charges, developer charges, trade waste charges and sub-metering.

The Regulator is still required to prepare a State of the Industry Report, to be issued within 18 months before a pricing investigation, or more frequently if required by the Treasurer and the Minister for Primary Industries and Water.

There are no changes to environmental, health and public safety regulatory requirements which apply to the new GBE.



Figure 2: Price regulation after the third Price and Service Plan





## 5 Business Financial Sustainability

It is expected that the new government business will target long term financial indicators of interest coverage of 2.0 times and a gearing ratio of between 60 per cent and 70 per cent. This demonstrates prudent financial management that balances the financial sustainability of the business with the need to deliver an accelerated capital program at the lowest sustainable costs to customers. These measures are also in line with the averages of comparable mainland water utilities.

Treasury has undertaken high level financial modelling of the Government's plan on the financial sustainability of the business. The modelling incorporates information from TasWater's original 10 year plan and Infrastructure Tasmania's report that re-profiles the capital expenditure. The modelling also reflects the annual price increases announced by the Government.

The results are based on the information contained within the original TasWater 10 year financial plan, noting that the quantum of investment over 10 years has now been marginally reduced in the recently submitted 10 year plan as a part of the draft TasWater third Price and Service Plan. Furthermore, the detailed, up to date financial position of TasWater cannot be known before the transfer of all assets and liabilities to the new business. As a result Treasury has had to rely on information contained within the draft TasWater 10 year plan and that which is publicly available, and has made a number of assumptions where necessary for the purposes of its modelling.

The long term financial model, however, provides a guide to the future performance of the business, based on current estimates of future costs.

The high level projections are shown in Charts 5 to 8 below.

Chart 5: indicative net profit projections

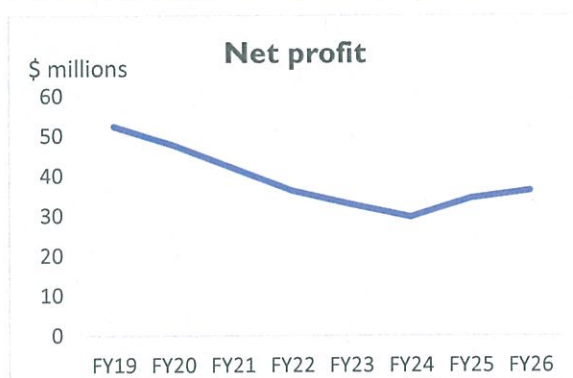
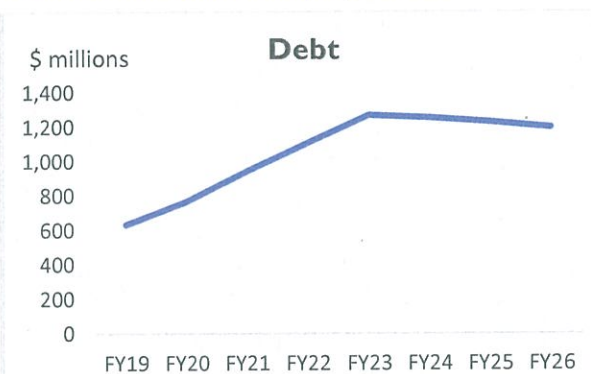


Chart 6: indicative debt projections



Net profit for the business is projected to decline for the first six years of Government ownership. This is partly due to increased interest costs for its additional borrowings. From 2024-25, net profit begins to increase as debt is repaid and interest costs fall. In 2025-26 net profit is projected to be around \$36 million.

The total debt of the business is projected to increase significantly from 2018-19 to 2022-23, as the business uses the capacity in its balance sheet to undertake an accelerated infrastructure program. Debt peaks at \$1.27 billion in 2022-23. This debt then declines over the next three years to \$1.2 billion in 2025-26 as surplus net cash from operating and investing activities is used to repay borrowings.



Chart 7: Indicative gearing projections

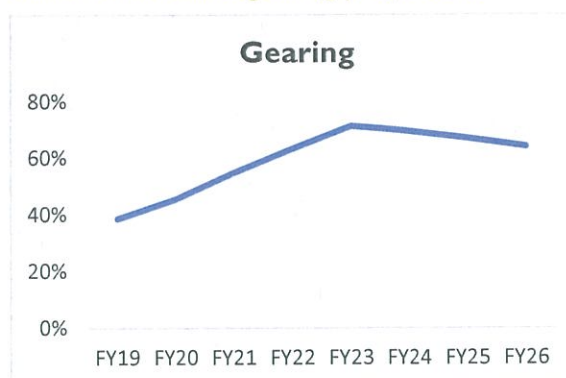
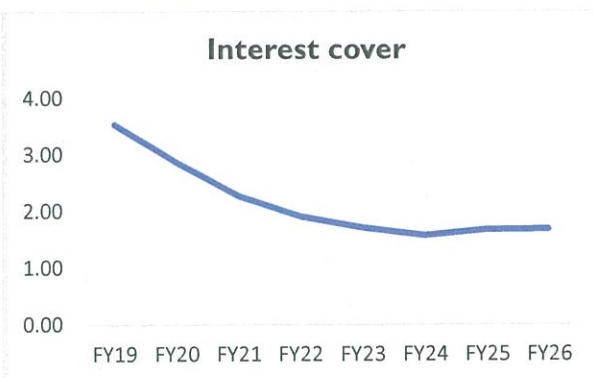


Chart 8: Indicative interest cover projections



Under this high level financial modelling, the gearing for the business is projected to increase for the first five years of Government ownership. This is consistent with an increase in borrowings as the business undertakes the accelerated infrastructure program. Gearing is projected to peak at around 71 per cent in 2022-23, at the same time as debt peaks. This gearing level is consistent with the average of many comparable mainland water utilities as reported by the Tasmanian Economic Regulator. The decline in both borrowings and gearing from 2023-24 indicates that the business is sustainable in the longer term.

TasWater is likely to have an interest coverage ratio of greater than three times at the time of the transfer, reflecting its very conservative financial strategy. In line with the increase in borrowings and interest costs, interest coverage for the organisation is projected to decline over the first six years of Government ownership. The projected interest coverage ratio falls to just below 1.6 times in 2023-24, before increasing over the following two years to just below 1.7 in 2025-26.

Although these high level estimates of interest coverage are below a target of 2.0 times, this is considered appropriate in the short term to allow prices to remain low for customers and to deliver the accelerated infrastructure program. It is also important that the Government has committed to provide additional financial support to the business, should this be needed, which allows the business to accept a lower interest coverage ratio.

Importantly, the projections reveal an upward trend in interest coverage in later years, which suggests that in the longer term it will reach the 2.0 target.

This improvement in the later years, following the period of accelerated investment, appears in all the projected measures. This indicates the business has the financial capacity to deliver an accelerated program of infrastructure and maintain financial sustainability.

The modelling covers a 10 year period, as do the financial plans of TasWater. The longer the period covered by the modelling, the more unreliable are the results from the modelling because economic conditions, including factors such as interest rates and inflation, are subject to greater variation over the longer term. Demographic conditions can also change significantly. In addition, technological change, which may include waste treatment technology, metering and opportunities for productivity gains, becomes increasingly difficult to predict.



## 6 Economic impacts of the accelerated investment program

The Department of Treasury and Finance has undertaken an assessment of the economic impact of accelerating investment in Tasmania's water and sewerage industry. The full paper is presented in Appendix 3 of the Infrastructure Tasmania report titled *Accelerated infrastructure investment delivery in Tasmania's water and sewerage sector*. The key points of the paper are contained below.

The re-profiling of TasWater's capital expenditure program by Infrastructure Tasmania results in additional investment of around \$440 million in the five years to 2022-23. This would generate a significant additional level of economic activity in the State. Relative to the level of infrastructure investment each year in TasWater's original 10 year plan, the re-profiled program would lead to higher levels of employment, particularly in the construction industry, over this period.

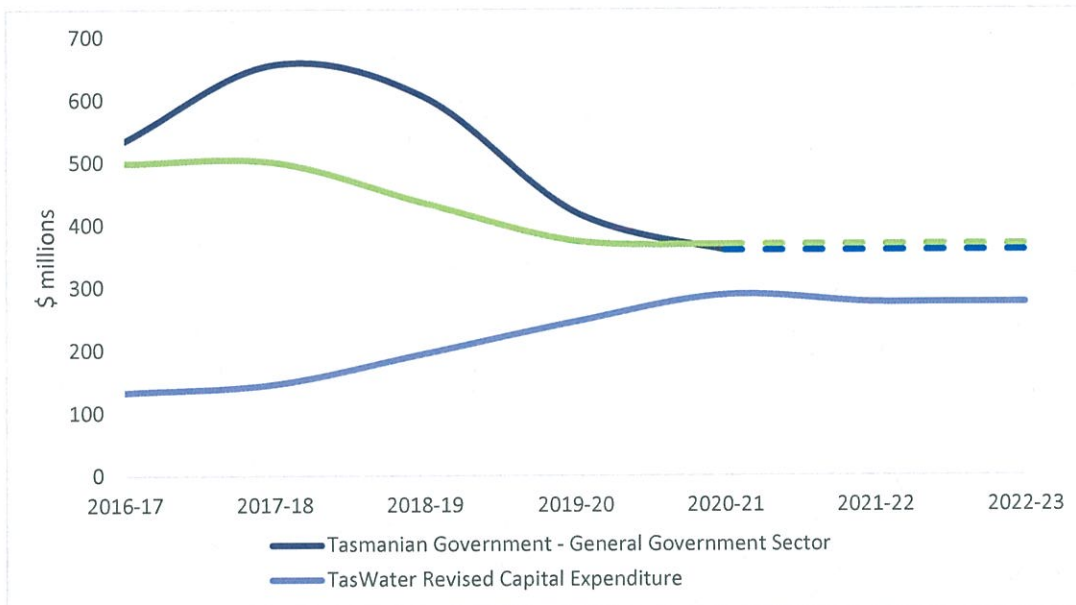
It is expected that this additional employment will largely be sourced from within Tasmania, noting that pitt&sherry has pointed out that around 70 per cent of the projects included in TasWater's 10 year plan are less than \$5 million in value and that the entire program will require considerable support from the local water industry. If TasWater is able to align its projects and its contracts over the five year period to provide a sustained high level of work for the major construction firms in the State, this will encourage these firms to expand their workforce, including taking on more apprentices. It is expected that the greater the longer term certainty for these businesses, the less TasWater will have to source firms from interstate for its infrastructure projects and programs.

In cases where an accelerated expenditure program simply brings forward investment that would otherwise have occurred over a longer period, the overall level of economic activity is unchanged. Such a program leads to a sharp reduction in investment when the program ends, which detracts from economic activity in the State in the latter years. In the case of the re-profiled TasWater investment program, however, this outcome does not arise because the business will still need to invest at historically high rates from 2023-24 onwards. It will still have, for example, an asset renewals backlog of around \$425 million at the end of the five year program. In addition, the Government will spend around \$1.8 billion over the 10 year period, \$300 million more than TasWater has identified in its plan, and it is likely that new infrastructure demands will emerge. For the decade from 2016-17, the overall level of investment under the re-profiled program is therefore greater over the period of TasWater's original 10 year plan.

An important issue to examine is the timing of this additional investment relative to other public investment expected over the same period. This can be assessed by examining forecast investment by the General Government Sector of the State Government and by the State Government's businesses over this period. As Chart 9 shows, over the next four years, investment at the General Government Sector level, and by the State Government's businesses, is forecast to be substantially greater than the new business' investment under the re-profiled program. Importantly, at the time when investment in water and sewerage infrastructure begins to ramp up, investment in these other two sectors is forecast to ease.



Chart 9: Forecast and projected public investment in Tasmania, in current prices, 2016-17 to 2022-23



Source: 2017-18 Tasmanian Budget: Budget Paper No 1; TasWater 10 year plan as re-profiled by Infrastructure Tasmania; projections by the Department of Treasury and Finance.

While there is always some level of uncertainty in projecting public investment in later years, this analysis does suggest that overall levels of public investment by the State Government and its businesses is likely to be more stable over this period as a result of the additional investment in the water and sewerage industry. Such an outcome is highly favourable to Tasmania's construction and engineering sector, which prefers a steady level of public investment activity.



## APPENDIX I - TasWater incidents from January 2014 to July 2017

Source: Environment Protection Authority Tasmania

Date of incident	Premises	Incident type
25/7/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
21/7/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage spill
18/7/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
14/7/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
10/7/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
4/7/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
4/7/2017	WYNARD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
3/7/2017	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
3/7/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
2/7/2017	ROSNY WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
1/7/2017	ROUND HILL WASTEWATER TREATMENT PLANT UPGRADE	Sewage treatment plant
25/6/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
20/6/2017	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
19/6/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
13/6/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage spill
13/6/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
30/5/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/5/2017	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
28/5/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
23/5/2017	PARDOE TREATMENT PLANT	Sewage treatment plant
21/5/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
21/5/2017	SOMERSET WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
21/5/2017	ST HELENS WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
15/5/2017	CAMPBELL TOWN WASTEWATER TREATMENT PLANT	Sewage spill
12/5/2017	ROSNY WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
3/5/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill



Date of incident	Premises	Incident type
24/4/2017	PARDOE TREATMENT PLANT	Sewage spill
10/4/2017	LEGANA WASTEWATER TREATMENT PLANT	Sewage spill
10/4/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage treatment plant
10/4/2017	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
4/4/2017	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
31/3/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
16/3/2017	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage treatment plant
14/3/2017	SCAMANDER WASTEWATER TREATMENT PLANT	
2/3/2017	HOBLEERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage spill
17/2/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
7/2/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
30/1/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
20/1/2017	ST HELENS WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
16/1/2017	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
11/1/2017	BICHENO WASTEWATER TREATMENT PLANT	Sewage spill
1/1/2017	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
30/12/2016	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
8/12/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
7/12/2016	PARDOE TREATMENT PLANT	Sewage treatment plant
6/12/2016	SCAMANDER WASTEWATER TREATMENT PLANT	
1/12/2016	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
25/11/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
22/11/2016	RIVERSIDE WASTEWATER TREATMENT PLANT	Sewage spill
15/11/2016	SELS POINT WASTEWATER TREATMENT PLANT	

<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
14/11/2016	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill
13/11/2016	BRIGHTON WASTEWATER TREATMENT PLANT.	Sewage spill
9/11/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
2/11/2016	MACQUARIE POINT WASTEWATER TREATMENT PLANT	
31/10/2016	LEGANA WASTEWATER TREATMENT PLANT	Sewage spill
24/10/2016	SOMERSET WASTEWATER TREATMENT PLANT	Sewage spill
22/10/2016	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
22/10/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
18/10/2016	RANELAGH WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
12/10/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
7/10/2016	WYNWARD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
3/10/2016	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
2/10/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
2/10/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
30/9/2016	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
30/9/2016	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/9/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
27/9/2016	HOBBS BRIDGE WASTEWATER TREATMENT PLANT	Sewage spill
23/9/2016	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
16/9/2016	GEEVESTON WASTEWATER TREATMENT PLANT	Sewage spill
15/9/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
15/9/2016	ORFORD WASTEWATER TREATMENT PLANT	Sewage spill
15/9/2016	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
15/9/2016	ROSNY WASTEWATER TREATMENT PLANT	Sewage treatment plant
14/9/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
12/9/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
7/9/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage treatment plant



<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
7/9/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage treatment plant
29/8/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
25/8/2016	CRADLE MOUNTAIN WASTEWATER TREATMENT PLANT	Sewer leak
22/7/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
18/7/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
15/7/2016	RANELAGH WASTEWATER TREATMENT PLANT	Sewage spill
12/7/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
11/7/2016	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
10/7/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
6/7/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewer leak
2/7/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
2/7/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
15/6/2016	ORFORD WASTEWATER TREATMENT PLANT	Sewage spill
6/6/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
6/6/2016	ROUND HILL WASTEWATER TREATMENT PLANT UPGRADE	Sewage pumpstation overflow
6/6/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
6/6/2016	BRIGHTON WASTEWATER TREATMENT PLANT.	Sewage spill
6/6/2016	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
6/6/2016	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill
5/6/2016	ST HELENS WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
5/6/2016	HOBBS BRIDGE WASTEWATER TREATMENT PLANT	Sewage treatment plant
5/6/2016	NORWOOD WASTEWATER TREATMENT PLANT	Sewage treatment plant
3/6/2016	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
2/6/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	
2/6/2016	ULVERSTONE WASTEWATER TREATMENT PLANT	

<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
23/5/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
23/5/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewer leak
18/5/2016	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
17/5/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
16/5/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
11/5/2016	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
10/5/2016	HOBLERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
10/5/2016	HOBLERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
10/5/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
10/5/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
9/5/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
9/5/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
4/5/2016	EVANDALE WASTEWATER TREAT. PLANT	Sewage spill
3/5/2016	HOBLERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage spill
3/5/2016	ROUND HILL WASTEWATER TREATMENT PLANT UPGRADE	Sewage pumpstation overflow
3/5/2016	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage spill
29/4/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
29/4/2016	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
26/4/2016	PARDOE TREATMENT PLANT	
9/4/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	
9/4/2016	PRINCE OF WALES BAY WASTEWATER TREATMENT PLANT	
9/4/2016	MACQUARIE POINT WASTEWATER TREATMENT PLANT	
31/3/2016	PRINCE OF WALES BAY WASTEWATER TREATMENT PLANT	Sewage spill
5/3/2016	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
29/2/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
24/2/2016	CRADLE MOUNTAIN WASTEWATER TREATMENT PLANT	Sewage spill



<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
8/2/2016	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
3/2/2016	PARDOE TREATMENT PLANT	Sewer leak
29/11/2016	TL-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/11/2016	ST HELENS WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/11/2016	BICHENO WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/11/2016	LATROBE WASTEWATER TREATMENT PLANT	Sewer leak
29/11/2016	CAMPBELL TOWN WASTEWATER TREATMENT PLANT	Pump failure at sewage p/s
28/11/2016	BICHENO WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
27/11/2016	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
23/11/2016	WYNYARD WASTEWATER TREATMENT PLANT	Sewer leak
20/11/2016	RAILTON WASTEWATER TREATMENT PLANT.	Sewage spill
16/11/2016	TAROONA WASTEWATER TREATMENT PLANT	Odour
7/11/2016	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
18/12/2015	GEORGE TOWN WASTEWATER TREATMENT PLANT	Sewage spill
17/12/2015	SELS POINT WASTEWATER TREATMENT PLANT	
17/12/2015	SELS POINT WASTEWATER TREATMENT PLANT	
8/12/2015	ROKEBY WASTEWATER TREATMENT PLANT	Sewage spill
8/12/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage treatment plant
3/12/2015	SMITHTON WASTEWATER TREATMENT PLANT	Sewer leak
22/11/2015	NEW NORFOLK WASTEWATER TREATMENT PLANT	Sewage spill
11/11/2015	CAMBRIDGE/AIRPORT WASTEWATER TREATMENT PLANT (REPLACEMENT)	
7/11/2015	WYNYARD WASTEWATER TREATMENT PLANT	Sewer leak
29/10/2015	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill
21/10/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewer leak
19/10/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill

Date of incident	Premises	Incident type
11/10/2015	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
11/10/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
11/10/2015	SMITHTON WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
30/9/2015	CRADLE MOUNTAIN WASTEWATER TREATMENT PLANT	Sewage treatment plant
24/9/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
24/9/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
13/9/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
12/9/2015	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
9/9/2015	RISDON WASTEWATER TREATMENT PLANT	Sewage spill
9/9/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage treatment plant
1/9/2015	ORFORD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
1/9/2015	CYGNET WASTEWATER TREATMENT PLANT	Pump Station sewage spill
1/9/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
1/9/2015	ORFORD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
1/9/2015	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
31/8/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
28/8/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
25/8/2015	RISDON WASTEWATER TREATMENT PLANT	Sewage spill
10/8/2015	WYNYARD WASTEWATER TREATMENT PLANT	Sewer leak
10/8/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
4/8/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
3/8/2015	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
2/8/2015	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
28/7/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage spill
27/7/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
24/7/2015	PRINCE OF WALES BAY WASTEWATER TREATMENT PLANT	Sewage treatment plant



Date of incident	Premises	Incident type
24/7/2015	LATROBE WASTEWATER TREATMENT PLANT	Sewage treatment plant
23/7/2015	HOBLEERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage treatment plant
23/7/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewer leak
15/7/2015	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
15/7/2015	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
15/7/2015	PARDOE TREATMENT PLANT	Sewer leak
10/7/2015	WYNYARD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
30/6/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewer leak
29/6/2015	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
23/6/2015	SMITHTON WASTEWATER TREATMENT PLANT	Sewer leak
16/6/2015	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
6/6/2015	WYNYARD WASTEWATER TREATMENT PLANT	Sewage spill
6/6/2015	WYNYARD WASTEWATER TREATMENT PLANT	Sewer leak
2/6/2015	ST HELENS WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
24/5/2015	CYGNET WASTEWATER TREATMENT PLANT	Sewage spill
19/5/2015	EVANDALE WASTEWATER TREAT. PLANT	Sewage lagoon overflow
15/5/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
15/5/2015	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
13/5/2015	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
12/5/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	
12/5/2015	RANELAGH WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
12/5/2015	ORFORD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
12/5/2015	RISDON WASTEWATER TREATMENT PLANT	
12/5/2015	CAMERON BAY WASTEWATER TREATMENT PLANT	
11/5/2015	SELS POINT WASTEWATER TREATMENT PLANT	
11/5/2015	PARDOE TREATMENT PLANT	Sewage spill
9/5/2015	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
		Sewer leak

<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
5/5/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage spill
1/5/2015	BRIDGEWATER WASTEWATER TREATMENT PLANT	
30/4/2015	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
30/4/2015	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
19/4/2015	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
7/4/2015	PRINCE OF WALES BAY WASTEWATER TREATMENT PLANT	Sewage spill
26/3/2015	PARDOE TREATMENT PLANT	Sewage spill
25/3/2015	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
24/3/2015	CAMBRIDGE/AIRPORT WASTEWATER TREATMENT PLANT (REPLACEMENT)	Sewage spill
23/3/2015	DELORAIN WASTEWATER TREATMENT	Sewage spill
17/3/2015	BICHENO WASTEWATER TREATMENT PLANT	Pump Station sewage spill
12/3/2015	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
12/3/2015	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
10/3/2015	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
7/3/2015	PRINCE OF WALES BAY WASTEWATER TREATMENT PLANT	Sewage spill
4/3/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
2/3/2015	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
20/2/2015	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewer leak
14/2/2015	SWANSEA WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
7/2/2015	MARGATE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
23/1/2015	PARDOE TREATMENT PLANT	Sewage spill
15/1/2015	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
14/1/2015	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
14/1/2015	DOVER WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
14/1/2015	SELFS POINT WASTEWATER TREATMENT PLANT	



Date of incident	Premises	Incident type
14/1/2015	BRIGHTON WASTEWATER TREATMENT PLANT.	
14/1/2015	ROSNY WASTEWATER TREATMENT PLANT	
14/1/2015	BRIDGEWATER WASTEWATER TREATMENT PLANT	
14/1/2015	SELS POINT WASTEWATER TREATMENT PLANT	
14/1/2015	SELS POINT WASTEWATER TREATMENT PLANT	
14/1/2015	ORFORD WASTEWATER TREATMENT PLANT	
11/1/2015	PARDOE TREATMENT PLANT	Sewer leak
11/1/2015	PARDOE TREATMENT PLANT	Sewage spill
9/1/2015	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
7/1/2015	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
6/1/2015	CYGNET WASTEWATER TREATMENT PLANT	Sewage spill
6/1/2015	PARDOE TREATMENT PLANT	Sewage spill
4/1/2015	BICHENO WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
3/1/2015	BICHENO WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
1/1/2015	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage spill
29/12/2014	EVANDALE WASTEWATER TREAT. PLANT	Sewage lagoon overflow
27/12/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
24/12/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage treatment plant
24/12/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage treatment plant
13/12/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
10/12/2014	BRIGHTON WASTEWATER TREATMENT PLANT.	Sewage spill
7/12/2014	STANLEY WASTEWATER TREATMENT PLANT	Sewage treatment plant
5/12/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
4/12/2014	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill
4/12/2014	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill
27/11/2014	HOBBLERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage spill
26/11/2014	BRIDGEWATER WASTEWATER TREATMENT PLANT	Sewage spill

<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
24/11/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
6/11/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
30/10/2014	LEGANA WASTEWATER TREATMENT PLANT	Sewage spill
27/10/2014	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
21/10/2014	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
16/10/2014	RANELAGH WASTEWATER TREATMENT PLANT	Sewage spill
11/10/2014	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
10/10/2014	TAROONA WASTEWATER TREATMENT PLANT	Sewage spill
7/10/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
6/10/2014	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
6/10/2014	WYNYARD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/9/2014	RANELAGH WASTEWATER TREATMENT PLANT	Sewage spill
22/9/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
18/9/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewer leak
14/9/2014	RANELAGH WASTEWATER TREATMENT PLANT	Sewage spill
10/9/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
9/9/2014	LEGANA WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
9/9/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
9/9/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
8/9/2014	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
7/9/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
6/9/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
3/9/2014	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage spill
29/8/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
28/8/2014	TAROONA WASTEWATER TREATMENT PLANT	Sewage spill
25/8/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow



Date of incident	Premises	Incident type
25/8/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
20/8/2014	LEGANA WASTEWATER TREATMENT PLANT	Sewage spill
13/8/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage treatment plant
12/8/2014	ELECTRONA WASTEWATER TREATMENT PLANT	Sewage treatment plant
4/8/2014	BEAUTY POINT WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	WESTBURY WASTEWATER TREATMENT PLANT	Sewage treatment plant
31/7/2014	DELORAINÉ WASTEWATER TREATMENT	Sewage treatment plant
31/7/2014	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	CAMBRIDGE/AIRPORT WASTEWATER TREATMENT PLANT (REPLACEMENT)	Sewage treatment plant
31/7/2014	CAMBRIDGE/AIRPORT WASTEWATER TREATMENT PLANT (REPLACEMENT)	Sewage treatment plant
31/7/2014	HOBLETS BRIDGE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	HOBLETS BRIDGE WASTEWATER TREATMENT PLANT	Sewage treatment plant
31/7/2014	RANELAGH WASTEWATER TREATMENT PLANT	Sewage treatment plant
31/7/2014	CYGNET WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	SELFS POINT WASTEWATER TREATMENT PLANT	Sewage treatment plant
31/7/2014	DELORAINÉ WASTEWATER TREATMENT	Sewage spill
31/7/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
31/7/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	LATROBE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	PARDOE TREATMENT PLANT	Sewage pumpstation overflow
31/7/2014	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
30/7/2014	SMITHTON WASTEWATER TREATMENT PLANT	Sewer leak
29/7/2014	NORWOOD WASTEWATER TREATMENT PLANT	Sewage treatment plant
29/7/2014	GEORGE TOWN WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/7/2014	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewer leak
28/7/2014	BICHENO WASTEWATER TREATMENT PLANT	Sewage spill
28/7/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill
28/7/2014	ROSNY WASTEWATER TREATMENT PLANT	Sewage spill

Date of incident	Premises	Incident type
26/7/2014	ROKEBY WASTEWATER TREATMENT PLANT	Sewage spill
25/7/2014	SELS POINT WASTEWATER TREATMENT PLANT	
22/7/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
18/7/2014	DOVER WASTEWATER TREATMENT PLANT	Pump Station sewage spill
18/7/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
18/7/2014	HOBLEERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
18/7/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
18/7/2014	RIVERSIDE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
17/7/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage treatment plant
16/7/2014	BRIDGEWATER WASTEWATER TREATMENT PLANT	Pump Station sewage spill
11/7/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
9/7/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
8/7/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
7/7/2014	RISDON WASTEWATER TREATMENT PLANT	
6/7/2014	CAMBRIDGE/AIRPORT WASTEWATER TREATMENT PLANT (REPLACEMENT)	Sewage treatment plant
4/7/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage spill
4/7/2014	HOBLEERS BRIDGE WASTEWATER TREATMENT PLANT	Sewage spill
28/6/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
28/6/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
26/6/2014	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
24/6/2014	SMITHTON WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
23/6/2014	CAMERON BAY WASTEWATER TREATMENT PLANT	Sewage spill
23/6/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
19/6/2014	ROKEBY WASTEWATER TREATMENT PLANT	Sewage spill
16/6/2014	RISDON WASTEWATER TREATMENT PLANT	Sewage spill
13/6/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
11/6/2014	DELORAIN WASTEWATER TREATMENT	Sewage spill
7/6/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill



<b>Date of incident</b>	<b>Premises</b>	<b>Incident type</b>
6/6/2014	LEGANA WASTEWATER TREATMENT PLANT	Sewage spill
6/6/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
4/6/2014	MACQUARIE POINT WASTEWATER TREATMENT PLANT	Sewage spill
31/5/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
29/5/2014	GEEVESTON WASTEWATER TREATMENT PLANT	Sewage spill
26/5/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
23/5/2014	BLACKMANS BAY WASTEWATER TREATMENT PLANT	Sewage spill
23/5/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
22/5/2014	CAMPBELL TOWN WASTEWATER TREATMENT PLANT	Sewage spill
20/5/2014	MIDWAY POINT WASTEWATER TREATMENT PLANT	Sewage treatment plant
11/5/2014	PERTH WASTEWATER TREATMENT PLANT	Sewage spill
9/5/2014	EXETER WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
2/5/2014	SWANSEA WASTEWATER TREATMENT PLANT	Sewage spill
1/5/2014	CAMPBELL TOWN WASTEWATER TREATMENT PLANT	Sewage spill
1/5/2014	PROSPECT VALE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
1/5/2014	TI-TREE BEND WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
29/4/2014	MARGATE WASTEWATER TREATMENT PLANT	Sewage spill
26/4/2014	BEAUTY POINT WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
25/4/2014	PERTH WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
14/4/2014	PARDOE TREATMENT PLANT	Sewage spill
5/4/2014	SHEFFIELD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
24/3/2014	TAROONA WASTEWATER TREATMENT PLANT	Sewage spill
17/3/2014	TAROONA WASTEWATER TREATMENT PLANT	Sewage spill
12/3/2014	SELS POINT WASTEWATER TREATMENT PLANT	Sewage spill
12/3/2014	LONGFORD WASTEWATER TREATMENT PLANT	Sewage spill

Date of incident	Premises	Incident type
27/2/2014	STIEGLITZ WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
26/2/2014	ULVERSTONE WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
30/1/2014	LONGFORD WASTEWATER TREATMENT PLANT	Sewage pumpstation overflow
26/1/2014	ROUND HILL WASTEWATER TREATMENT PLANT UPGRADE	Sewage spill
17/1/2014	NORWOOD WASTEWATER TREATMENT PLANT	Sewage spill



## Julie Thompson

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**From:** Craigie, James (DPaC) <James.Craigie@dpac.tas.gov.au>  
**Sent:** Friday, 8 September 2017 3:22 PM  
**To:** two  
**Subject:** Government submission  
**Attachments:** Cover letter re Govt submission to TW inquiry.pdf; Government Submission to the Legislative Council Select Committee -FINAL.pdf

Dear Natasha

Please find attached a cover letter and detailed submission from the Government in relation to the Legislative Council Select Committee on TasWater Ownership.

Can you please confirm receipt of the submission materials and contact me directly if there are any issues

Thanks in advance

Regards  
James

**James Craigie**  
Chief of Staff  
Office of the Treasurer  
Minister for Planning and Local Government  
The Hon Peter Gutwein MP  
Level 9, 15 Murray Street HOBART TAS 7000  
Phone: (03) 6165 7675 | mobile: 0414 336 639



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