

Julie Thompson

From: Philip Sumner [REDACTED]
Sent: Tuesday, 5 September 2017 5:49 PM
To: two
Subject: Taswater Ownership

I am writing as a concerned Tasmanian resident, taxpayer, ratepayer and elector about the proposed government takeover of Taswater ownership.

Historically the current government has proved inept and indeed almost deceitful in running other government business enterprises examples of which were publicly stated by Clarence Mayor Doug Chipman in the Mercury newspaper in May 2017. These included secrecy about the aborted sale of Hydro's gas fired power station, the misappropriation of some \$80million from TT-Line to prop up the government's bottom line, dodgy cross subsidisation between TasNetworks and Hydro as well as taking \$30million from TasNetworks to prop up a failing forestry Tasmania.

(If the government were to be successful and take control of Taswater based on the above documented evidence just how much confidence could Tasmanians have that they would not raid the balance sheets and surpluses, run Taswater effectively and efficiently without political interference and the potential for pork barreling with a state election on the horizon looming large.

According to Tony Foster, Brighton Mayor, the government released a highly biased report from Infrastructure Tasmania supporting the government takeover bid. He said the government is offering just six cents in the dollar for an asset valued by treasurer Peter Gutwein at \$3billion and that he will then borrow a further \$600million for a highly questionable speeding up of Taswater's upgrading program. Engineering and financial experts have questioned the wisdom of this plan. Taswater says modelling of the information provided by Treasurer Gutwein will not only burden Tasmanians with future and unnecessary debt it will also undermine the viability of the corporation.

You seriously have to question the complete reversal of three years of government attacks on councils for taking dividends from their investment in Taswater and then suddenly announcing they, the government, will guarantee the same dividends for a further seven years just coincidentally as a state election looms ever closer.

(At the moment according to Miles Hampton, Chair of Taswater, Taswater has a 10-year \$1.5billion fully funded plan to address infrastructure shortcomings, a plan that does not rely on government handouts and one that is already well under way and delivering results.

Under the draft legislation currently before Parliament the new-look Taswater will not be obliged to be operated and managed in a financially sustainable manner. Further, Treasurer Gutwein stated that the legislation would lock in lower price rises than Taswater could have offered, would ensure that there could never be any privatisation of the business and would provide councils with their dividends secured until 2024-25 and after that 50% on any profit from the GBE.

Based on the performance of other GBEs controlled by this government I have strong doubts a takeover of Taswater would be to the benefit of Tasmanian rate payers as we would lose any hope of influencing decisions supposedly made in our interests by and on behalf of the GBE. I firmly believe local government is best placed to continue to own and oversee Taswater and it remain a corporation directed by a board of directors and run by professional managers. Local government is the sector closest to the community and I think it best knows and understands community needs.

I urge you to reject the Taswater Ownership Bill when it comes to the upper house.