



CIRCULAR HEAD COUNCIL

Please quote our ref: ECM 390200
Your ref:
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LCSC/TW030.

1 September 2017

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

Dear Ms Armitage

LEGISLATIVE COUNCIL SELECT COMMITTEE TASWATER OWNERSHIP

Thank you for the opportunity to provide a submission on ownership of TasWater.

This is a matter of considerable concern for our Council and Circular Head voted in support the LGAT Motion of May 11 2017: *That Members confirm there is no water and sewerage crisis, reject the proposed State Government ownership of TasWater and, through LGAT, urge the State Government to work cooperatively with LGAT, Councils and TasWater on the optimal water and sewerage infrastructure upgrade program to achieve the best outcome for Councils and Consumers.*

Circular Head Council resolved at our meeting of 27 April 2017: "that Council as a whole have discussed the proposed takeover by the Tasmanian Government and is opposed to this happening; the Council fully supports the current TasWater arrangements".

Council believe the proposed State Government ownership is both conceptually and technically flawed and we are concerned at the lack of consultation with key stakeholders and at the lack of data and modelling to substantiate the claims being made by the Government. Further we note the change in ownership would have significant long-term impacts to our communities as a consequence of the loss of the distribution payment to Council.

Our specific concerns are raised in the attached pages.

Circular Head IS NOT seeking to present to the Select Committee through the hearing process. For any further information please contact General Manager Mr Tony Smart.

Sincerely,

Cr Daryl Quilliam
MAYOR

CIRCULAR HEAD COUNCIL

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General Comments

- Circular Head Council strongly believes there is no crisis in water and sewerage upgrades in Tasmania and this has been stated repeatedly by TasWater
- TasWater has successfully implemented a 10 year fully funded plan in place that is open and transparent to its shareholders
- TasWater – under Council ownership – directly benefits local communities with dividends funding local roads, footpaths, parks and playgrounds, sports centres and cultural events, public facilities and community services.

Local Impact

Local Funding

- The loss of this funding will place our council under significant pressure.
- Council distributions from 2018-2025 are forecast to be \$158,000.00 annually.
- This funding represents 2.37% of general rates or 3.30% of our capital infrastructure program.
- The funding projected to be paid to our Council until 2024-25 represents a return of only \$0.01 cents in the dollar (based on initial asset value).
- Councils are increasingly under pressure to keep rates down yet provide more services and infrastructure.
- The return on investment by communities in water and sewerage assets has only partially been recognised by the State Government who thinks councils can adjust for this loss in only five years, while increasing leaving local service gaps in areas such as preventative health and economic development and increasing the statutory compliance burden across a range of areas.