

Submission for the TasWater Ownership Select Committee  
Tasmanian Chamber of Commerce and Industry  
Liverpool Street, Hobart, TAS

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The Tasmanian Chamber of Commerce and Industry (TCCI) supports the State Government takeover of TasWater. The decision follows long and detailed discussions with both parties and extensive feedback from chamber members.

The TCCI approached the issue with an open mind during meetings with TasWater and government, including the meeting direct with Treasurer Peter Gutwein. We also received a number of contacts from our members - all of whom were calling for change.

While we support change, Tasmania can do better than simply create another State Government run bureaucracy.

We believe that the opportunity exists to create a best practice Government Business Enterprise (GBE) by benchmarking against mainland counterparts and learning from the highly regarded existing State GBE's such as Tasmanian Irrigation. Such entities are more responsive, have a whole of state view and are customer service driven.

Much of the frustration from members regarding the current TasWater model stems from the difficulty of working with some TasWater employees. Our feedback suggests that many officers simply do not seem to who understand the needs and wants of business and developers at all levels. Their approach appears to be bureaucratic and at times, confrontational.

We believe that one of the fundamental problems of the current TasWater structure is a legacy of its ownership model. Running a business can be difficult enough with one or two owners, but the conflicting needs and opinions of over 20 owners must be extraordinarily problematic.

We see glimpses of the issues that TasWater management must face with their owners play out in the media. One glaring example was a Mayor saying live on ABC radio that it was totally unfair for his council to have to support funding for another council's projects. His opinion was that his ratepayers should not have to "foot the bill" for the "lax historical investment" of other councils in the state.

Clearly the intention of the creation of TasWater was to ensure a whole of Tasmania approach to water and sewage. This critical aim appears to be a point of contention at the ownership level.

Another local Mayor when asked live on ABC radio about Launceston City Council's support of the change in ownership of TasWater commented that "Launceston has more to gain by the change in ownership because of their third world sewage system". All we can glean from this comment is that there is clearly no acceptance of the need for a view beyond the owners own municipality.

The TCCI supports the need for local government to be protected from the financial impact of a change in ownership. We support Government continuing to pay councils their dividends for several years. We would also point out that this presents an opportunity for local government to restructure and cut their cloth accordingly. It was troubling to hear a Hobart alderman say on ABC radio that they would "simply increase their rates" at the end of the dividend period. The dividend buffer must be used by councils as an opportunity to review their business model and reduce cost.

We believe a new model would improve TasWater's ability to lift the capacity of Tasmanian businesses. Under a GBE model TasWater would be able to think and act on a broader state level. This is particularly relevant regarding skills growth. We must ensure that the majority of work contracted by TasWater in the planned upcoming \$700million plus projects is undertaken by Tasmanian businesses.

Currently the model is driven by the need to provide a return to councils. Part of the charter of a new ownership model should be built around capacity building of individuals and industries. We must ensure that strategies and targets are in place for the development of apprentices and training through Tasmanian contractors.

The last thing our economy and workforce needs is to lose contracts to national companies because we don't have the skills and capacity in Tasmania. We recognise there are times when specialists are needed from interstate, but it should be the exception not the rule. Strategies must be fundamental in a new GBE to ensure that Tasmanian businesses are supported to build capacity and win such contracts.

Our policy in this area is not isolated to TasWater, it is considered a necessity for all GBE's and private enterprises to ensure we educate and provide employment opportunities for Tasmanians. By working in partnership with UTAS and vocational training providers, we are confident that the construction, engineering, science and business skills in our state will increase.

Let us aim high. Let us build an organisation that has a true focus on all of Tasmania. An organisation that builds skills and capacity. An organisation that is responsive and customer minded.

The TCCI sees enormous benefits for Tasmania in the creation of such an entity and therefore supports the proposed change.