

Legislative Inquiry TasWater Takeover (Greg Howard)

I hereby lodge this submission in my role as a personal customer of TasWater and as a councillor of the Dorset Council.

Apart from the occasional spot fire encountered by Council from time to time, I can confirm that the most common complaint I receive from community is about the performance of TasWater.

Most complaints refer to water quality, water pressure, failure to supply, sewerage issues and the attitude of TasWater staff especially at management level.

Examples of issues with TasWater

- The Ringarooma Valley water scheme was recently commissioned to supply water to 5 towns which is a positive. It should be noted however that TasWater had given a verbal commitment to residents and Council that this scheme would be operational by December 2016 but was only turned in August 2017.
 - When Dorset Council applied to host the Enduro World Series (EWS) Round 2 which ran from 7th to the 9th April 2017 in Derby, TasWater told Council that Derby would have potable water in place for the event. This claim was included in our submission to host the EWS and it is not hard to imagine how embarrassing it was for Derby and Tasmania to be on the world stage during the EWS, yet competitors, support teams and spectators forced to use bottled water or fill from a tank during the event.
- 2. Council has received considerable pressure from the township of Pioneer which had been on a "Do not consume "alert for a considerable time before TasWater decided to install tanks in 2013. It has taken until June 2017 to complete this project (only 30 odd residences) with some residences still not supplied. Pioneer is still using lead contaminated water for gardens and other purposes.
 - The process was unsatisfactory to say the least even given the accepted difficulties experienced with some of the residents. Communications were mixed and a continual source of complaint to council.
- Efforts to hold meetings with residents of Herrick and Gladstone regarding solutions to their "Do not consume" alerts were hampered because some residents were not notified of meetings by TasWater.
- 4. Bridport is the first town to go onto water restrictions every year in Tasmania. Last year in the wettest year for a long time the only town in Tasmania to be on water restrictions was Bridport. It is my understanding that the restrictions are caused by low flows in the Brid River combined with a drop in quality of the water in the Brid in the summer. Restrictions are often in place before Bridport grows from a permanent population of around 1200 to over 5000 over the holiday season and this huge jump in numbers only magnifies the problem. TasWater does not have a solution to this problem listed in their five year forward plan.



- 5. Many residents, including my family, in the higher areas of Scottsdale and surround suffer from low pressure or non-supply during the summer months when water usage increases. This problem has only arisen since the inception of TasWater. Local TasWater employees who are no longer employed swear that TasWater wound back the pressure in the Scottsdale system to protect the system from damage. This is denied by TasWater management however it seems more than coincidental that the problem only arose after the takeover by TasWater. Complaints from myself and others have fallen on deaf ears.
- 6. When TasWater took over some of my bills exceeded \$1000 per quarter about which I complained. Because town water flows into a header tank for stock water purposes on my property and is not connected to my house I found this to be excessive. At that rate each of my cows would need to drink between 400 and 500 litres of water a day.

 When I complained, TasWater suggested I had a leak, however I had checked, I didn't and after telling TasWater this they said they were only going off the readings on the meter so it must be right. When TasWater installed new meters in my area I had phone call from TasWater asking if I could tell them where my meter was located because they didn't know. When I asked how they were reading my meter if they didn't know where it was, they conceded they had been guessing my usage. After the new meters were installed, I asked TasWater what the reading on the old meter was, because I thought I would have a significant credit, however they informed me the old meters had been discarded.
- 7. The latest fiasco with grease traps shows an appalling lack of communication by TasWater staff and a total lack of understanding of basic business principles. To expect businesses in the food service industry to have to install a 200 litre grease trap at a cost of up to \$50,000, to comply with trade waste requirements which are not even required by the EPA is ridiculous. Many of these food outlets already have strainers in their sinks and don't dispose of oils via the sewerage system any way.

As you can see this is just a few examples of issues being experienced by Dorset residents and it seems there are no proposals in place to address most of these issues. On top of that the sewerage issues around the state including more than 1000 raw sewerage spills into the Tamar River per year are clearly unacceptable and TasWater appears to have no answers.

The management structure at TasWater appears excessively top heavy with a board of 7 which costs over half a million dollars in directors fees and superannuation, a CEO on \$464,000 and 8 general managers on \$230,000 to \$290,000 including superannuation. I am sure they do not need this many general managers and significant savings could be made in this area.

It was interesting that the Chairman Miles Hampton readily admits they could make savings of \$15 million in operations and possibly more per year. Begs the question of why such savings aren't already being made.

Of the 9 Dorset Councillors 6 are in favour of the State Government taking over TasWater. I believe that a takeover will deliver vastly improved services in water and sewerage, at a lower cost and in a



much shorter time frame. The fact that after 2025 under the Government proposal, distributions may be reduced should not be a factor. When councils ran water and sewerage, few councils made a profit from these operations and those that were making a profit were gouging their ratepayers in order to fund other services. Councils should not expect to receive distributions from assets that were built with ratepayers funds, it is lazy financial management. An inward look at their management levels and systems will undoubtedly deliver savings far greater than any distributions received from TasWater. Dorset Council has proven this point going from a half a million underlying deficit only a few short years ago to over a two million underlying surplus in 2016/2017.

In closing I implore the members of the Legislative Council to support the Government in legislating for the takeover of TasWater. It is clearly in the best interests of all Tasmanians.