

PUBLIC

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON TASWATER OPERATIONS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON FRIDAY, 5 MARCH 2021

Mr **GRAEME GILMOUR**, WAS CALLED, MADE THE STATUTORY DECLARATION, AND WAS EXAMINED VIA WEBEX.

CHAIR (Ms Rattray)- Welcome. I have with me as part of the Committee, honourable Ivan Dean, honourable Sarah Lovell and the honourable Jo Palmer. We also have in the committee room in Hobart, Christian Attfield who is the TasWater representative who is going to be listening in this morning. Mr Attfield would normally make contact with you but given he is in Hobart and you are on line, that is not possible but I feel sure he or somebody from TasWater will make some contact after this hearing.

Mr Gilmour, you haven't read the witness information then if you didn't have the declaration, is that correct?

Mr GILMOUR - I am afraid not. Maybe I did and I have forgotten it.

CHAIR - For your information, this is a public hearing and you are protected by privilege, but once you move outside of this hearing, then that privilege no longer comes into play.

If there is anything that you do not want in the public arena but you want the committee to hear, over and above your evidence that has been provided and is a public submission, please say so.

Mr GILMOUR - I do not have a problem with any of it being public.

CHAIR - You don't want any in public?

Mr GILMOUR - I said, I don't have a problem with any of it, all of it being public.

CHAIR - Thank you, it's always a little bit difficult with tele-hearings but we'll soldier on. Thank you very much and we appreciate that.

We've had a discussion and all members are aware that we are going to start straight off with questions because we have received your very extensive submission in regard to the matters you have raised. We'll start with questions. I believe that that is comfortable with you?

Mr GILMOUR - Yes, for sure, thank you.

CHAIR - I'm happy to start, Mr Gilmour. You raised a few issues, but I am interested particularly in the fact that you have been through the Ombudsman's office and this is a long-standing issue that you have been dealing with with TasWater. It is about being charged for unnecessary infrastructure right back, I believe, to around 2009 when council had agreed to take away the connection that you are saying that you don't want, don't need, and are not prepared to pay for.

PUBLIC

Can you tell me in your words why that didn't happen?

Mr GILMOUR - For exactly the same reason as problems we're having with TasWater - incompetence by council officers. Just total incompetence.

It goes right back to - I don't know how closely any of the members have read the document - 2003 when the council meeting agreed with the general manager at the time, who was Paul West, at the meeting in 2003. It's all documented there. I think I have it in the file but I know it's in the file.

It was documented that this piece of infrastructure should be taken away from our control because if it burst, for instance. It's a four-inch water pipe. There was also a 375 millimetre pressured sewerage main, both of which could cause serious damage to my property and my buildings. They were in fact not my property. It was then said that it needed to be moved off the property and a couple of councillors at the meeting agreed with that. One was one seconding it. They said that Mr and Mrs Gilmour must be informed and must get their consent and then make this happen.

After that nothing was done. We've never had any communication from the council. They moved one of the pieces of infrastructure. They moved the pressurised sewerage main but did not move the 100 millimetre water pipe.

CHAIR - Can you share with the committee the TasFire Service role in the removal of this piece of infrastructure. I think that's an important aspect as well.

Mr GILMOUR - No, not at all. In fact, this is one of our big gripes with TasWater. They don't understand any of the regulations or the laws surrounding any of these issues.

They've tried for 10 years and this is where the whole battle has been. They've tried for 10 years to tell us that we need this fire infrastructure pipe as part of our regulations for running a caravan park. It's completely untrue.

I'm guessing most members might have read the detail of this but to summarise, the legislation that TasWater operates under here is the National Construction Code. The National Construction Code, which we've had proven to them by building surveyors, says that we do not need any fire infrastructure in the caravan park. Therefore this can be removed.

TasWater, through complete incompetence and people not understanding their jobs, and not understanding the legislation under which they work, TasWater has come back to us and ultimately, after 10 years, said, you may be right with the construction code, but we believe that the fire brigade would like it to stay.

We said it does not matter whether the fire brigade wants it. This is not the law, and we do not need it. Other caravan parks, nobody has it, so we do not need it.

Over the years, instead of going straight back to the building surveyor's report, and the National Construction Code - which is the code that controls it - they have come back to us and keep charging us and say they have these stories. They keep telling stories and documentation

PUBLIC

saying we believe you have had buildings built on the property, which only went up because you had access to this firefighting equipment.

We have asked them to publish these stories and publish these items. They said they had come from the local council. We have asked the general manager to publish them. Nobody has come up with anything at all over the years, but they still continue to say that we need this four-inch pipe.

We know the law, and we have talked with the chief of the fire brigade service on a number of occasions. They are not a regulatory body as far as we are concerned. They can make suggestions about what they would like regarding infrastructure, but it is not anything that can be worked upon or acted upon.

The only thing we need to comply with is the National Construction Code, and it clearly says that this is not required.

CHAIR - Thank you very much. It appears, from what you have said, that TasWater thinks Tasmania Fire Services believes it is nice to have it there, but in your view it is not compliant.

Mr GILMOUR - It is nice to have, and again, we don't mind. We have had this discussion with TasWater and with the fire service. We do not mind if it stays from their point of view, but we should not be paying \$2500 a quarter, which is what we are being charged for this bit of fire infrastructure.

When you get down to the nub of it, it is a very simple problem. Why will TasWater not look logically? It is as if they don't want to lose the argument for some reason, and we are heading off to court I guess, because they won't.

We know we are going to be laughed out of court, because you put it very succinctly: follow the National Construction Code. We do not even mind, and we have said this in all our discussions with TasWater from day one, because they took the sewerage pipe and left the water pipe. The water pipe runs under a road in the park, and it does not cause us any problem at all, and we are quite happy for it to stay there in the longer term. We should not be paying \$2500 per quarter as a firefighting piece of equipment.

CHAIR - So, \$2500 per quarter for something that the Tasmania Fire Service believes is useful to leave there, rather than remove it. Mr Gilmour, I will ask my colleagues if they would like to follow up on any questions before we move to another area of your submission.

Mr DEAN - Can I get a clear understanding, making sure it fits in the terms of reference, with the infrastructure you are talking about, does that provide the water into your property?

Mr GILMOUR - Yes, it does. This is something that TasWater cannot seem to get a handle on. This caravan park was a council caravan park for 50 years. The road that runs through it has been there for even longer. It is asphalt, a proper main road; it has street lights and all the facilities.

Over the years, because it was on the beach front - the road comes about 100 metres back from the beach - they took over the road and started developing camping spots around it. It

PUBLIC

was Crown land at that point. We bought the property, and everything developed around this road. The road had the infrastructure of the 100 ml pipe, the street lights, and in fact it also had this 375 ml sewerage main. It was just a piece of council infrastructure.

Over the years, the council started off with a small camping ground, and gradually developed it up with some cabins and a manager's office. It became a caravan park, and 20 years ago we bought it. It had been leased out to another local operator for some years, and we bought it from this operator in 1999. In the legal documents that were passed over, there was no documentation about any of this infrastructure being on the park. It wasn't anything to do with our lawyers not doing the thing properly. There was absolutely nothing. There was just a blank. It was a blank piece of paper.

The first time I came to do some work on the property, I went to the council office and said, could I please have a plan of the underground infrastructure on the park for water pipes and sewage, et cetera. The young lady, who was quite new there - I had only been there for 12 months, so we did not know each other - said leave it with me and I will get somebody to help you. Half an hour later I got a call from her saying we cannot find any documentation on your property; can you tell us who owned it before you.

I had a bit of a wry laugh and said well, actually, the council did. This was the start of a long saga of total incompetence from what had gone on in the past. The general manager at the time, Paul West, called me up and said, look Graeme, sorry about this, but it is one of those things historically with councils, we just did not do the proper paperwork. We do not have any plans for the park for the underground services, but I will get one of our engineers, Roy Reed, to come out and walk around and try to help you out with where things are.

That is where it all comes from. What has happened, because they built around the council road, nobody thought about the fact that there was infrastructure under there.

As I said, I bought the business from another local operator, and the land was Crown land. The Crown agreed to sell the land to me, to make it a more viable option for a caravan park; that took place about 2001, the transfer of the land to me. Again, nobody knew anything about this underground piping, either sewerage or water, or nobody brought it to anybody's attention.

The land was transferred to me, so it became private property. One day, in 2003 when this council meeting took place - I had been there since 1999, so I had been there three or four years - I applied to put in little cabins, the temporary houses you put in caravan parks. The engineer or somebody suddenly - I don't know where they found the documentation - but he came out to see me and said, I think we have a problem here. You have infrastructure under here, like the sewerage main and whatever. We would have to move it for you.

It all stemmed from there. The sewerage main got moved, but the water pipe did not. Sewerage mains run along the front of the beach now, six metres under the beach.

Mr DEAN - Mr Gilmour, can I just hold you there, because we are going to run out of time if we do not get fairly clear answers to our questions. I suspect they might fit under any other incidental matters there too, Chair. What length of pipe are you talking about?

PUBLIC

Mr GILMOUR - It is a normal firefighting pipe that is underneath any road in the suburb. It's a four-inch pipe and it's about 200 metres long, the section that runs through the park. It runs off the Bass Highway, which is at our gate. This used to be a side road. It runs through the front gate and runs out the back.

Mr DEAN - Are you saying that the cost of just that piece of infrastructure is \$2500 a quarter?

Mr GILMOUR - Yes. This is where it gets a little confusing. If you just bear with me for five more minutes. I know I speak a lot but -

Mr DEAN - Mr Gilmour, I am not sure we have five minutes so I just need to ask -

Mr GILMOUR - This is the most crucial aspect of it. For the first 10 years that this issue took place the general manager of the council at that time was still Paul West.

Paul called up and said, 'The easiest thing to do with this bit of infrastructure, because you need to control the water on your property, is we'll put a valve on one end of the property so you can switch it off when you want to do some work'. Instead of putting a valve on it they put a meter on it, a four-inch meter. The first bill we had from the council, back in 2004 or 2003, was for a four-inch meter, which is \$2500 for a quarter.

I contacted them and I said, 'This is not something we need for the park. You've done this to make it easier for council'. He said, 'You are absolutely right, Graeme. Don't worry about that you'll never get a four-inch bill again'. For the next 10 years we were charged for the normal water pipe that comes onto the property, which is about a 35-millimetre or 40-millimetre pipe, which only costs a few hundred dollars.

It was only when Cradle Mountain Water came into existence after 10 years that somebody decided. They didn't even come to me. They just sent me a letter saying, 'You have been undercharged for your water for last 10 years. You are now going to pay \$2500 a quarter'.

That was it. They just shut the doors. They said, 'We're not discussing it with you. We don't care'. I said, 'Just go and talk to the council'. They said, 'We don't discuss any of this with council. It's your problem'.

Mr DEAN - That \$2500, I take it from what you're saying, covers water use at the caravan park as well.

Mr GILMOUR - No, it's just for the water meter. It's just for reading the water meter once a quarter.

Mr DEAN - And the water that runs through that meter.

Mr GILMOUR - The water runs through the meter, yes.

Mr DEAN - So it's water that you're really paying for plus infrastructure costs is that it?

PUBLIC

Mr GILMOUR - No, no. The water bill is generally no more than a few hundred dollars a quarter because we don't use any water at all in the park. It is just about dead. It is just simply for the infrastructure, to read a meter. That's what do with big organisations.

Again, if TasWater had done their due diligence they would know that we use no water at all so there's absolutely no requirement for us to have a four-inch pipe feed. We could have a 30-millimetre pipe and it would be absolutely perfect.

Ms LOVELL - Mr Gilmour, I want to clarify a couple of the things that you have been talking about there. I am just getting my head around this situation. The meter that we're talking about the water that comes through that infrastructure is used by the caravan park?

Mr GILMOUR - Yes.

Ms LOVELL - But your argument is that piece of infrastructure is not necessary and you could deal with a normal water connection that would be -

Mr GILMOUR - That is the first off-take it then runs to another 35-millimetre meter and everything runs through that, so it's downsized to another smaller meter just 10 metres away.

Ms LOVELL - Do you know what the cost comparison would be if you had a normal connection, a normal meter and not this?

Mr GILMOUR - Yes. The motel next door - I've written all this at length to TasWater - the motel next door has a 35-millimetre meter at \$300 a quarter for the piece of infrastructure.

Ms LOVELL - Thank you.

Ms PALMER - I had a similar question to Sarah. I just wanted clarification around that as well. So, about \$300 is what it would be outside of this \$2500?

Mr GILMOUR - A quarter, yes.

CHAIR - Mr Gilmour, you've also talked about the fact that there hasn't been a water leak remission. My understanding is TasWater's policy is that you only have one opportunity to take up a water rate leak remission. Have you taken up that, or is this -

Mr GILMOUR - I have.

CHAIR - You have a constant one, so you would have to be doing it every quarter.

Mr GILMOUR - That is right. Again, this is where you have an organisation that is a monopoly, you are completely nailed to the wall. Because this was a council park, unfortunately because they developed the property over a period of time haphazardly, a lot of the underground plastic piping is what is called rural piping, it was not town pressure piping.

That was maybe acceptable when council did it all those years ago, but I have a big leak once a month. We have had this discussion, we are right on beach sand, right on the beach front. What often happens is that a big leak can go undetected for weeks on end until suddenly

PUBLIC

it comes out. Within days, you can have thousands of dollars worth of water disappear if you have a big pipe leak and you don't even know it's happening.

I cannot get any sympathy out of TasWater. Since October, I have spent about \$6000 on pipe repairs and replacing pipes. We are talking about a failing business here. I turn over about \$150 000 a year. That is my turnover. TasWater says it doesn't matter, you must fix the pipes quicker. I said I cannot fix them any quicker and I can't find them.

I have got them reading the meter once a month instead of once a quarter, but that is still not enough. With one of these 50-millimetre or 30-millimetre pipes, whatever they are, once they start leaking water in a big way, you have used thousands of kilolitres in 24 hours and you have a \$1000 bill for water usage.

What I have said to them over the years is, 'Please have some empathy with your client and help. We are trying to run a business and bring some money into the economy. All that happens with these water leaks is you fine me as if I am a bad customer who is not trying to fix things. You know I am trying to fix it. I am spending tens of thousands of dollars on plumbers to fix pipes every year'.

CHAIR - You have used your one only rate remission for leaks at this point in time?

Mr GILMOUR - Yes.

CHAIR - Okay, thank you.

Mr DEAN - What is the position with communication between yourself and TasWater?

Mr GILMOUR - It is absolutely hopeless, as it has always been, unfortunately. If you have read the letter, we have had to do all of the writing about this, all the negotiations. We have had absolutely no help from them at all. All we get is responses to our letters which do not help, because they go down a track where they do not want to help you.

It is hard to understand. Unless you are dealing directly with them every day on these things, it is very hard. My best description of the organisation is that they are a bullying organisation. The bullying comes from a lack of knowledge and a lack of accountability.

I honestly cannot understand how they have developed this mentality so quickly in their life. It must come from the top. Even when I have written letters over the years to the chief executive officers, none of them get back to me. They get somebody at a lower level to come back and all they do is quote misinformation. They never fix anything.

I have had to now employ a solicitor. That solicitor has been struggling for three months to get anything from TasWater, to actually talk with her and do things sensibly. She leaves messages with them and nobody gets back. I thought it was just us as a client they didn't care about, but even when you are at the level of solicitors dealing with them, they ignore your emails, do not get back to you and put you off constantly.

PUBLIC

I am resigned to the fact that this will have to go to court unless they have a complete catharsis within their organisation and suddenly realise, we are willing to give our customers a bit more help than we are.

Are you about to wind me up?

CHAIR - Yes, we allocated around 30 minutes.

Mr GILMOUR - Can I give you some ideas for some possible solutions for what is going on?

CHAIR - You have given us quite a list in your submission of things that you see need to be an outcome, Mr Gilmour.

Mr GILMOUR - Can I read you a little statement. It will be recorded, will it?

CHAIR - Yes, it will be.

Mr GILMOUR - Can I read this then, because this is basically where it all comes from -

It is incumbent on a monopoly organisation to have excellent morals and empathy and set the best of all standards at the highest level of the organisation.

How do you instil a moral compass in the leadership of TasWater? At the moment, it is very similar to the problem the federal government is battling. They have no moral compass as the highest level and it feeds right through the organisation.

The only real control you can ever get from an organisation like this, is competition; and we know living in Tasmania, that is not going to happen. Perhaps the only thing that can be done is put them back under council control, and at least we will have a bit more local scrutiny on them - because being an amorphous organisation, they are at the moment without a moral compass.

My wife and I are both university degree educated from way back in the 1960s. We feel so helpless with them that we feel despair. We feel like these robodebt people. You feel nobody is ever going to help you and nobody is actually going to [inaudible] the basic law and the principles they should be operating under.

CHAIR - Mr. Gilmour, you are aware that your local government are shareholders. They own TasWater. Have you made contact with your local representatives there?

Mr GILMOUR - Yes, and guess what? The word I get from my General Manager - Shane Crawford is the new one, and it was Robbie Walsh - I have asked them several times to help sort this out and they say, we don't get involved with TasWater. I actually said - but you are shareholders. Robbie Walsh said, for this reason, I have to keep myself a bit aside from these things. I said, somebody needs to be doing something. Oh gosh, he said, we have so much trouble working as well, so it is very hard for us to help you. Those were his words.

PUBLIC

CHAIR - Thank you very much, Mr Gilmour. This is a real challenge for you to put this on the public record. We very much appreciate it. We will certainly do whatever we can as a Committee, to bring forward your matter to TasWater's direct attention.

We thank you and we now stop the broadcast.

Mr GILMOUR - I appreciate that very much, thank you.

THE WITNESS WITHDREW.