

### WATER AND SEWERAGE UPDATE

The Hobart City Council is concerned that ratepayers are likely to experience unnecessary confusion with the introduction of the State Government's water and sewerage reform.

Last year, the State Government enacted legislation that will see Council lose direct control over the distribution of water and treatment of sewage.

For ratepayers, this will mean that future Hobart City Council rates notices will not include charges for water and sewerage. Water and sewerage charges have traditionally been included with the rates notice.

Instead, a further notice will be sent to ratepayers on behalf of the new water and sewerage organisation with charges for water and sewerage.

Council believes the State Government has

not explained these changes effectively and wishes to draw the issues to our ratepayers' attention to ensure, when our rates notices are issued, the community is aware the new water and sewerage authority will issue further charges for water and sewerage services.

The current lack of clear communication is concerning to the Council with respect to the operation and management of future services in this sector.

The Tasmanian community has already seen legislation creating the new authorities passed through parliament with little, if any consultation.

As the status quo was not acceptable to the Government, Hobart City Council had little option but to hand over 40 per cent of city assets to the new body, but will only command eight per cent of the say in its governance. Further, in the first few years

of its operation, it is unclear when the new corporation will make a profit.

So while a large share of the new organisation is made up from assets built up by Hobart City Council ratepayers over many years, the community risks being short changed by the loss of direct control of these assets and the distinct possibility of no significant return on that investment in the first few years of the operation of the new authority.

The Council is also concerned that the assets being transferred to the new authority have been underestimated by the State Government by as much as 10 per cent. As a result, the Council's share of any profits from the new organisation may be significantly reduced and Hobart residents penalised for the investment they have made over many years in water and sewerage infrastructure. Council intends to strongly contest this inequity.

The Council has also called upon the Government and Treasurer, Michael Aird to confirm that no ratepayer will be financially worse-off as a result of the reform, especially in light of the current economic crisis.

The Council has sought an assurance from the Government to guarantee any losses the Council may suffer as a result of the reforms. To date, no guarantee has been provided.

It is very important that ratepayers are informed on this matter and as a result, Council will continue to provide updates throughout the transition to the new water and sewerage authority.

Council also encourages you to contact the State Government, Department of Treasury and Finance, to find out more about the new water and sewerage authority in order to ensure you are fully informed prior to being asked to pay for the services it will provide. ►