

HOBART CITY COUNCIL

Hobart City Council calls on the State Government to come clean on Water and Sewerage reform

The Hobart City Council has called on the State Government to come clean on the overall impact of its plans for the transfer of water and sewerage assets from councils to the new water and sewerage authority.

According to the Council, since the State Government announced that it was to take control of water and sewerage assets last year, there has been little real communication on what will happen in the future.

The Council says the community needs to know what is happening with water and sewerage and what the impacts are of the reforms on the ratepayers.

It is simply not good enough to dream up an initiative and expect another level of government to pay for its implementation.

The Council said in the coming months, each council will be sending out their rates notices and many people will simply assume that it covers the costs of water and sewerage.

However this is not the case. Ratepayers will be paying an additional charge at a later date for water and sewerage services, but to date this has not been explained.

In these difficult economic times, people quite rightly need to understand why they face these new charges, who it is that has instigated it and why it is so necessary. It is simply not good enough to say nothing.

Unnecessary confusion and angst is likely to be caused as a result of the way this matter has been handled, by failing to provide sufficient funding to ensure no council will be detrimentally impacted as a result of the reform process.

There has been undue haste rushing this legislation into Parliament without proper consultation with Aldermen.

Council is also concerned that the valuation of our assets conducted on behalf of the State government is flawed.

The Council is also concerned that a recent valuation undertaken by a State Government appointed consultant has grossly underestimated the value of the Council's assets to be transferred to the new water and sewerage authority. The consultant has normalised the value of the Council's assets, meaning that the assets are undervalued to the amount of \$49M.

This means the share of any profits is greatly reduced and Hobart residents are being penalised for the investment they have made over many years in water and sewerage infrastructure.

The Council intends to strongly contest this inequity.

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

Now the writing is on the wall and despite their rhetoric, it is clear that not only has the Government rushed through the creation of a new water and sewerage authority, it is likely the ensuing implementation and initial operation will be similarly treated.

It is time for the State Government to explain to the people of Tasmania what is occurring and tell the community it is the Government asking the community to pay additional charges for water and sewerage services and why.



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CITY COUNCIL



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