

HOBART CITY COUNCIL

What will Water Reform mean for Hobart Ratepayers

What is happening?

As of 1 July 2009, water and sewerage services in Tasmania will be combined into three service-based organisations which will be charged with delivering water and sewerage services throughout the three regions of Tasmania. For Hobart, a new organisation called Southern Water will be responsible for water and sewerage services.

What will this mean for me?

For Hobart ratepayers, this means that your water and sewerage charges will no longer be included in your rates notice. Instead, you will receive a separate bill from Onstream, the common service provider for the new water and sewerage organisation, Southern Water.

Will I be charged more or less for water and sewerage services?

In the past, the cost of water and sewerage services was included as part of your rates notice. The Interim Pricing Order issued by the Treasurer indicates that prices are likely to increase because your water and sewerage costs will be used to form a network of water and sewerage services throughout the State.

Is this fair?

The Hobart City Council has argued since water reform was proposed, that ratepayers in the municipal area would be significantly disadvantaged by this move. We believe Hobart ratepayers are being punished for having an efficient water and sewerage system, when other areas failed to do anything about having efficient water and sewerage infrastructure. The laws have been passed however and this is now a matter for the State Government to defend.

What will happen to my rates?

The Hobart municipal area has recently gone through an independent revaluation of all properties by the Valuer General. This affects the calculation of rates charges, which is based on the 'assessed annual value' of a property or, in more simple terms, the rental return if that property was in the rental market. To the average residential ratepayer, the result of water and sewerage reform after the effects of the property revaluation will be a decrease in council rates. There will be some ratepayers however, approximately 20 per cent, who, due to the large increases in their assessed annual value of their property, will experience rate increases.

What about the savings Council will make from not operating Water and Sewerage?

The Hobart City Council will pass on as much as possible the savings made from the handing over of water and sewerage to Southern Water, but suggesting all costs can be transferred over is just too simplistic. The impacts of the global financial crisis and a full city revaluation; combined with the desire of the Council to maintain an appropriate level of services to our community (some of which were subsidised by water and sewerage) will all impact adversely on the Council's budget.

In simple terms, it means that there may be savings as a result of the transfer of water and sewerage, but much of these savings will be offset by outside factors beyond the Council's control.

How will these reforms impact on Pensioners?

A recent media release from the President of the Local Government Association of Tasmania, Councillor Mike Gaffney, stated that "If this proposal goes ahead there will be a lot of pensioners who are out of pocket". Council cannot comment on individual cases, but if you have concerns you are urged to contact Service Tasmania on 03 6236 5731.

