

Key LGAT Activity – August 2016

Issue in Focus

On the 22nd August the TasWater Board announced they would reduce annual distributions to councils to \$20 million for a period of 7 years from 2018 (representing \$150M across the sector over that period). LGAT's Members were shocked and disappointed this decision was made without consultation given the significant impact to their revenue. Councils understand the need to resolve the issue of boil water alerts as quickly as possible but are concerned about the cost of living impacts to communities through the acceleration of the capital program, especially in light of a lack of partnering investment by State or Federal Government. A meeting of the TasWater Owner Representatives is scheduled for 6 October. LGAT is hosting a workshop for Mayors, General Managers and Owner Reps on 6 September to map key issues and questions and aid in determining a way forward.

The image below represents some key messages from GMC to councils which was circulated last week.

What does the announcement by TasWater mean for councils?

1. Under council ownership, TasWater has significantly improved the quality of water and sewerage services in recent years and now has plans to ensure all Tasmanians have potable drinking water within the next two years.
2. Under the continued ownership of councils, TasWater is well placed to serve the future needs of communities across Tasmania.
- 3 Local Government fully supports a program of works which will ensure drinking water for all.
4. Councils are owner/shareholders of TasWater. However, the TasWater Board makes decisions on programs, pricing and returns to shareholders.
6. Distributions to councils are to be reduced and capped at \$20M/year from 2018-2025.
7. The Local Government sector is disappointed that normal consultation protocols were not followed and will be following up with TasWater to ensure appropriate practices in future.
8. Prior to the Federal Election, councils had agreed to a freeze on dividends, provided additional support was available from the other two spheres of Government.
9. The decision by Taswater does place financial pressure on councils and we are keen to understand the full impact of TasWater's decision.
10. The first step is for councils to meet with TasWater and this will happen as soon as practicable.

(23/8/16).



Elected members may also be interested in the following points made by Chief Owner Representative, Mayor David Downie, in an Opinion Piece submitted to the newspapers.

- There are a number of factors which have influenced the state of the assets at the time of reform. In Tasmania, as is current practice across many other states, there has been considerable Federal and State investment in water and sewerage infrastructure in recognition that such assets were simply beyond the reach of many councils.
- For many years, the State-owned Rivers and Water Supply Commission, provided financing to councils to construct infrastructure and, not surprisingly, this was when most water and sewerage schemes were built.
- Further, by the time of water and sewerage reform, many systems had reached design capacity and new and more stringent standards were introduced. There had been a long lag between any changes in legislated standards, meaning the catch up is significant, but this is not the fault of councils. The limited ability of councils to fund major infrastructure projects is not new, particularly in the context of keeping downward pressure on rates.
- The 2006 reform of councils' water and sewerage systems was initiated in response to the Federal Government's \$10 billion national water initiative funding. Councils agreed that with funding linked to reform there was an opportunity to modernise assets. However, the investment back into water and sewerage never occurred, although some was allocated to irrigation.

Policy/Project Activity

- Cheque presentation to RSPCA Tasmania from the funds raised at the Annual Conference
- Compilation of conference feedback, staff debrief and other post conference activities
- Development of September *LGAT News* magazine
- Finalised LGAT Governance Framework, Strategic Communications Plan and Risk Assessment for GMC endorsement
- Finalisation of Annual Plan
- Liaison with the State regarding federal reforms for relief and recovery funding for emergencies.
- National Council Twitter Day (3 August)
- Development of animated videos in house, to load onto the LGAT website, to support the 'Better Councils Better Communities' television campaign
- Sought quotes for design of additional web pages, to enable content supporting the 'Better Councils Better Communities' television campaign to be loaded on the LGAT site
- Review of the LGAT Assist Rules
- Submission on the *Review of the Emergency Management Act 2006*
- Provided input into an Australian Regional Tourism Network study to profile Local Government's role in tourism
- Review of TORs for the update of the *Tasmanian Alcohol Action Framework*
- Letter of support for Tasmanian Constitutional recognition of Aboriginal People
- Input into research project on local government and economic development being conducted by the University of Technology, Sydney

- Released next Tranche of the Workplace Behaviours Toolkit
- Provided feedback on State Grants Commission review of whether there is council capacity to provide bridge and culvert data as part of the CDC
- Feedback to the EPA and their Local Government training program
- Produced discussion paper on the Sharing Economy, limited to accommodation
- Provided input into draft ALGA Regional Development Policy

Training and Workforce Development

- Development of Elected Members' Professional Development Weekend (25-26 February 2017)
- Finalisation of October Breakfast forums
- Finalisation of workshops for Audit Panel Members
- Finalisation of workshop for GMs

Media and Communications

- *The Pulse* e-newsletter - (1st, 11th & 24th August)
- Media Release - Retirement of Mayor Deirdre Flint (17 August)
- Media Release - Councils to Shoulder Burden of Water and Sewerage Reform (23 August)
- Media on AirBnB, TasWater, Council Rates

Meetings

- Audit Office re changes to Accounting Standards/Related Parties.
- CEO Performance Review
- General Management Committee
- Interview Panel Director Local Government
- Interview panel for iplan Business Analyst and Change Coordinator
- LG Professionals Tasmania Communications Special Interest Group
- LGAT Strategic Communications Planning Meeting
- Local Government Professionals Tasmania Board Meeting
- Local Government Representatives State Fire Commission
- Marc White re electricity
- Meeting with LGAT representatives on the State Fire Commission
- Municipal Association of Victoria Insurance Board
- Northern Council street lighting project

- Outputs steering committee meeting Justice review implementation project
- Planning Reform Taskforce
- Review of the Local Government Act Steering Committee
- Road Safety Advisory Council
- Tasnetworks Customer Council Meeting
- Workshop with southern municipal emergency management coordinators regarding Review of *Emergency Management Act*.
- Wrest Point - planning for 2017 Conference
- Alcohol Advisory Group meeting
- EPA regarding the Tasmanian Waste Strategy
- State Growth and Justice regarding the Sharing Economy
- Page Seager to discuss next steps with the Workplace Behaviours Toolkit
- SES regarding Natural Disaster Resilience Funding
- Office of the Coordinator General regarding accommodation on the East Coast
- Tasmanian Planning Commission and Planning Policy Unit regarding the Tasmanian Planning Scheme