



MEDIA RELEASE

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Headworks Charges – a necessary impost

The Local Government Association of Tasmania (LGAT) has requested the Economic Regulator that in reviewing the methodology and associated pricing arrangements for headworks charges, that it ensures that they are fair, equitable and transparent. In undertaking this task, however, it must do so within the timelines associated with the pricing determination which does not come into effect until 2015.

LGAT President, Mayor Barry Easter said despite suggestions by the Premier that LGAT should write to the regulator to see if this could be brought forward, the facts of the matter are that the regulator is bound by the present timeframes and regardless of any desire on the part of the LGAT, it has no capacity to influence the arrangements presently in place.

“Headworks are a one-off fee for the provision of water and sewerage for land development or subdivision. While developers maintain that the cost of headworks is unfair, the charges are integral to addressing capacity and upgrade pressures from those developments, and maintaining infrastructure standards within the community,” Mayor Easter said.

“It is equitable that developing areas and new developments contribute towards expanding infrastructure capacity to maintain current service levels. Existing properties have all paid some form of headworks charge at some time.”

“The burden should not be left to those that have already paid to fund the aspirations of those wishing to build and develop new projects. There are a range of cost inputs to the development process but developers have latched onto this one as the big evil,” he said. “All states have similar arrangements in place. Headworks charges are but one of the costs of doing business.”

Mayor Easter said Local Government owns TasWater but the requirement to levy headworks charges is legislated as part of the machinery of operation of the organisation. “This was a specific requirement of the State Government as part of the water and sewerage reform process.”

“Local Government does not shy away from its responsibilities to ensure that TasWater has in place the appropriate mechanisms to price these charges correctly but it also does not shy away from the fact that the broader community should not have to put its hand in its pocket to fund these charges on behalf of the select few,” he said.

**For media enquiries, please contact
LGAT President, Mayor Barry Easter on 0408 334 936.**