



MEDIA RELEASE

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State Government Continues to Peddle Half Truths and Misleading Information

“The relentless beat up of councils and TasWater is all about politics and appears to be about getting re-elected, and has nothing to do with the facts,” said Local Government Association of Tasmania President, Mayor Doug Chipman today.

Mayor Downie said councils are working closely with TasWater and have endorsed its \$1.55 billion fully funded 10-year capital plan.

“The fact is councils have proven they are willing to make the tough decisions, already foregoing dividends worth \$150 million,” added Chief Owner Representative for TasWater, Mayor David Downie.

“In the last year of TasWater’s current 10-year plan, the total dividends paid to council owners will be \$3.178 million, an average of less than \$110,000 per council,” said Mayor Chipman.

TasWater, along with State Government Business Enterprises, is required by law to pay tax equivalents and loan guarantee payments to its owners.

“We have adopted the same approach that the State Government has applied to its Government Business Enterprises,” he said. “Whilst dividends have been reduced, like the State Government, we continue to receive loan guarantee and tax equivalent payments.”

Mayor Chipman said the State Government does not hand back its tax equivalent payments and guarantee fee receipts to their businesses, even when they are facing significant challenges such as the recent energy crisis, and yet that is what the State Government is demanding of councils.”

Mayor Downie said all the Tasmanian Liberal Government seems to deliver is scaremongering.

“They ignore the fact that the final decision on TasWater prices is made by an independent regulator and they distort the possible price increases for consumers,” said Mayor Chipman.

Mayor Downie said the projected price increases for water and sewerage services are an average of 4.1% per annum over the next six years. “When you subtract projected inflation, the real increase in water bills will be 1.7% per annum.

“A substantial capital works plan is now funded without a single dollar being contributed by either the Federal or State Government,” he said. “Over the next two years all boil water alerts will be removed”.

“It is not a matter of money, it is simply how long it takes to do the work” he said.

All the core sewerage improvement works will be delivered over the next ten years under our current plan, but the Owners note that with an additional injection of State or Federal Government funding, TasWater could accelerate that work to be completed in around eight and a half years.

Mayor Chipman said the State Government needs to stop attacking TasWater and its owners with half-truths and misleading information, and work with councils to fix the problems.

Ends....

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