

PLEASE QUOTE

Your Ref.

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BURNIE
CITY COUNCIL

11 January 2008

Ministerial Water and Sewerage Taskforce
Response to Preliminary Position Paper
GPO Box 147
HOBART TAS 7000

Dear Sir

**FUTURE REGULATION OF THE TASMANIAN WATER AND SEWERAGE
SECTOR
PART A – PROPOSED POSITION PAPER**

I refer to the above paper and note on page 13 the statement:

“The Part B Paper provides greater detail on the proposed regulatory changes outlined in Part A and includes further advice to the Taskforce on the recommended approach towards establishing the future regulatory framework relating to pricing and customer service standards for water and sewerage services.”

On that basis it is not intended to provide a detailed response to the Part A Paper at this time, before consideration of the detail of Part B is completed. However, a number of broad comments are offered for the Taskforce’s consideration, being:

1. Council is broadly supportive of the need for some regulatory reform of the sector. In fact, Council views the current failings in the provision of adequate services as a outcome of the current regulatory framework and in particular, of its inadequate enforcement by the State Government and its agencies.
2. Although the Paper outlines a Proposed Regulatory Framework, the number of Key Elements and Agencies involved appears overly complex and risks perpetuating the current regulatory framework’s lack of focus.
3. In relation to pricing and service standards, recognition needs to be given to the reality that there may be a range of service standards applicable across the state. The capacity of the community to pay, service standard desired, etc. must be considered. A “one size fits all” system should not be applied.

4. Local Government interaction within the Proposed Regulatory Framework is glossed over; rather it is advised that this matter will be addressed in future work. However, there are a number of matters raised in the document (or omitted) that need clarification.
 - a. **Level 1 activities** – It is proposed that “Environment” will review how these activities are regulated. The issues of regulation of on-site waste water disposal and private water supply arrangements are not discussed. While small issues they impact on council operations, especially for Environmental Health Officers.
 - b. **Land use planning integration** - Residential and industrial land use is inextricability linked to the services available. Most councils have established their planning schemes to reflect their proposed future investments in infrastructure, cognisant of regional plans. The investment decisions of any new water and sewerage body will have a significant impact on the planning and strategic work carried out to date, in particular with pricing for water, used for industrial purposes, trade waste, headworks charges, etc.
 - c. **Strategic direction** - Incompatibility between the strategic directions of a new water and sewerage body and councils may seriously disadvantage the future viability of some council areas. This could be especially relevant where recognition of the social and economic benefit to a community has been taken into account in the establishment of pricing regimes for a specific industry. Any Economic Regulator needs to have such issues factored into their processes.
5. There is discussion in the paper in respect to the role of a Technical Regulator. However the paper does not provide any detail as to the structure or nature of this body.

A further response will be provided by Council once its review of the Part B Paper is completed. In the meantime if you wish to obtain any further information or require any clarification of the comments above, please do not hesitate to contact Andrew Beswick, Corporate Secretary on 6430 5735.

Yours faithfully



Ald Alvwyn Boyd
MAYOR