



Media Release

Wednesday, 27 November 2013

## Local Government should return \$50 to \$100 annually to Tasmanian households

Economic modelling commissioned by the Property Council of Australia, Tasmania shows local government could give back between \$50 and \$100 on their water and sewerage bills to every household in the state each year as well as doing its bit to stimulate the local economy.

The savings range from \$51.16 in 2013/14 and \$78.84 in 2014/15 for households in the north of the state; and \$72.78 in 2013/14 and \$75.45 in 2014/15 for households in the south; while in the north-west the savings would range between \$90.89 in 2013/14 and \$101.99 in 2014/15.

The modelling, prepared by A'Ohlin Commercial Insights, shows water and sewerage bills would fall by \$50 to \$100 each year as well as headworks charges being abolished, if local government simply agreed to stop taking millions of dollars in annual distributions from TasWater.

Property Council of Australia Tasmanian Executive Director, Mary Massina, said the modelling showed the cost of living could be reduced and jobs could be created.

"When water and sewerage moved away from local government, we were told that council rates would fall, but they haven't, and neither have water and sewerage bills," Ms Massina said.

"This year local government is predicted to collect around \$29 million in distributions from TasWater, while the company struggles to bring neglected former local government water and sewerage infrastructure up to scratch.

"In order to cover these distributions and upgrade water and sewerage assets, it is the mums and dads who are forced to pay more by this local government-owned monopoly, which is just wrong.

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# The Voice of Leadership

P.O. Box 1614 HOBART TAS 7001  
[www.propertyoz.com.au](http://www.propertyoz.com.au)  
ABN 1300 8474 422



“With the stroke of a pen, not only could local government reduce the cost of living for all Tasmanian households, but they could also help create jobs and investment through the reduction in headworks charge.”

The Modelling was prepared in June 2013 (prior to the creation of TasWater) and considered four options, including the impact of reinvesting a predicted \$22 million in distributions to reduce fixed water and sewerage charges, as well as the abolition of headworks charges for a two year period.

It found that savings to households in their fixed water and sewerage charges would range between \$51.16 and \$101.99, depending on which part of the state they lived in as well as allowing the organisation to absorb all headworks charges.

**Attached: *Developer Charges Reform Program: Phase 1 – June 25, 2013*, prepared by A’Ohlin Commercial Insights and profile of Anna Searle, Managing Director, A’Ohlin Commercial Insights.**

**ENDS**

**For further information: Mary Massina 0408 594 312**