



Executive Director
National Competition Council
GPO Box 250B
Melbourne VIC 3001

8 April 2003

Dear Sir/Madam

2004 National Competition Council Policy Assessment Framework for Water Reform

The Tasmanian Conservation Trust would like to make the following comments on this assessment.

Rural water pricing

We have one outstanding issue with regards to cost recovery in rural water pricing. The Tasmanian Government has stated its intent to continue to fully subsidise Regional Water Management Officer costs with regards to dam permit assessments and water licence assessments from landholders. This is equates to approximately \$86,150 and \$50,255 annually, according to the DPIWE document *Review of fees payable under the Water Management Act 1999* (October 2003). We do not see how this proposal complies with NCP requirements.

Urban water and wastewater sector

It is difficult to comprehend why the NCC has continued to ignore the refusal of the 4 southern metropolitan councils (Hobart, Clarence, Kingborough and Glenorchy) to implement appropriate urban and wastewater reforms. In particular, the bulk water supplier for greater Hobart, Hobart Water, has recently embarked upon a pricing restructure that will further disadvantage those councils that have implemented consumption based pricing, and create further impediments for real water reform. The situation that currently exists in Hobart, where the 8 southern councils own the body that supplies them with residential water is fundamentally problematic. The separation of bulk and retail residential water supply, and the lack of a single wastewater entity also confuse this issue. Until the NCC addresses these fundamental issues, urban water and wastewater reform has not been properly implemented in greater Hobart.

Establishment of water entitlement systems

We are deeply concerned that the Tasmanian Government has no intention of separating land and water rights, and that it will present some half-baked public benefit justification to the NCC without any opportunity for other parties to contribute to this debate.

Please do not hesitate to contact Craig Woodfield in our office for more information on these or any related issues.

Yours sincerely

Michael Lynch
Director

