



Date: 24 September 2017
Attn: News Editors, Producers
For publication immediately

Media Release

Productivity Commission Report highly critical of State Government TasWater takeover

The Productivity Commission's draft report on National Water Reform is highly critical of the Tasmanian Government's legislation drafted for the purposes of a TasWater takeover.

The draft report, issued this month, makes at least 14 references critical of the Government's legislation now before the parliament and describes it as "backtracking on reform" and a retrograde step contrary to the National Water Initiative agreed to by all States and Territories and the Federal Government.

The report flows from the inquiry ordered by Federal Treasurer Scott Morrison in February this year, into Australia's progress on water reform. The final report will be issued later this year.

TasWater Chairman Miles Hampton said the inquiry's draft findings send a clear warning to Tasmanians that the proposed State Government takeover was detrimental to water reform, and not in the community's best interests.

"The report criticises the Government's plans to cease price regulation and says this change is unlikely to promote the agreed National Water Initiative objectives, particularly the efficient use of water infrastructure," Mr Hampton said.

"In a damning criticism of political intervention in the regulatory process, it says the Tasmanian legislation will greatly constrain the role of the independent economic regulator and impact adversely on efficient service delivery.

"The Productivity Commission is very clear in its report recommendations saying that governments should not backtrack on water reform, and uses the Tasmanian Government's takeover legislation as an example of what not to do.

"The Commission says that recent policy efforts nationally have shown a greater focus on cost effectiveness and this focus should be maintained. This comment is completely at odds with the Tasmanian Government's approach.

"Further, the draft report outlines how local ownership of distribution services has improved productivity, accountability, long-term planning and responsiveness around Australia.

Mr Hampton said the 498-page report from the Productivity Commission made for salutary reading, coming from the Commonwealth's independent research and advisory body charged with helping governments make better policies.



He said it should be compulsory reading for Members of the Legislative Council who now had the responsibility to reject the takeover legislation.

“It shows that the State Government’s approach is contrary to reform, is the reverse of what is happening in the rest of Australia and would breach an agreement made with the Commonwealth and the other states and territories.

“It provides further compelling evidence to support the rejection of the State Government’s takeover bid.

“That the Commission would put its concerns in writing and repeat them through the report should send clear and strong warning signals to our parliamentarians and the community,” Mr Hampton said.

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Further information:

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