

# AUSTRALIAN WATER REFORM ROADSHOW

**TRANCHE 4: COUNCIL REFORMS**  
**MODULE 1: HOW DID TASMANIAN  
COUNCILS MANAGE REFORMS**





## Mayor Doug Chipman

- Elected Member at Clarence City Council since 2000
- Mayor at Clarence City Council since 2011
- Chief Owner Representative of TasWater (2018 – 2021)
- President of Local Government Association of Tasmania (2015 – 2019)
- Former Vice President of Australian Local Government Association



## Paul West

- Former GM (equivalent to NZ CEO) at Devonport, Kingborough & Waratah Wynyard Councils.
- Was on Board & Executive Committee of LGP, LGMA (National),
- Former National President of LGMA
- Former member of Local Government Board of Tasmania



## Andrew Wardlaw

- Former GM (equivalent to NZ CEO) at Burnie, King Island & West Coast Councils
- Former National President of LGPA (LG Professionals Australia)
- Former Director of LGPA Tasmania
- On multiple boards – Burnie Airport, Tas Communications, etc.

# **FUNCTION** – What do Councils in Australia do?

# Functions - Australia



## Federal

- Medicare
- Social Welfare
- Defence
- Immigration
- Foreign policy
- Communications



## State and Territory

- Public Housing
- Prisons
- Public transport
- Police, fire and ambulance
- Power and gas



## Local

- Town Planning and Building
- Rubbish Collection
- Stormwater
- Community services
- Recreation and cultural facilities

Roads

Education

Health

Libraries

Water & Sewerage

Environment

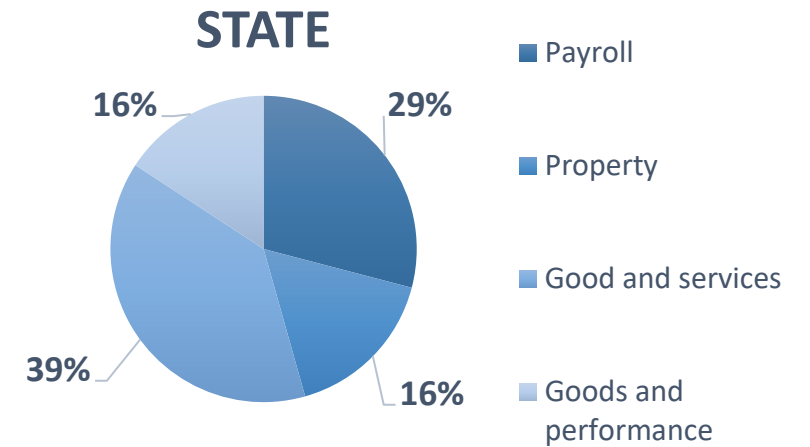
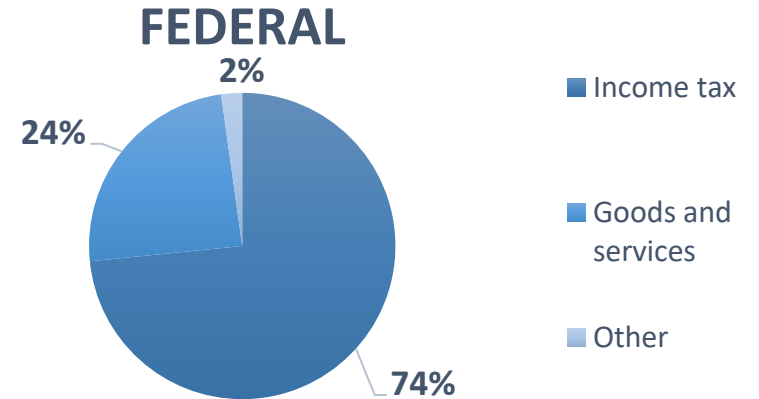
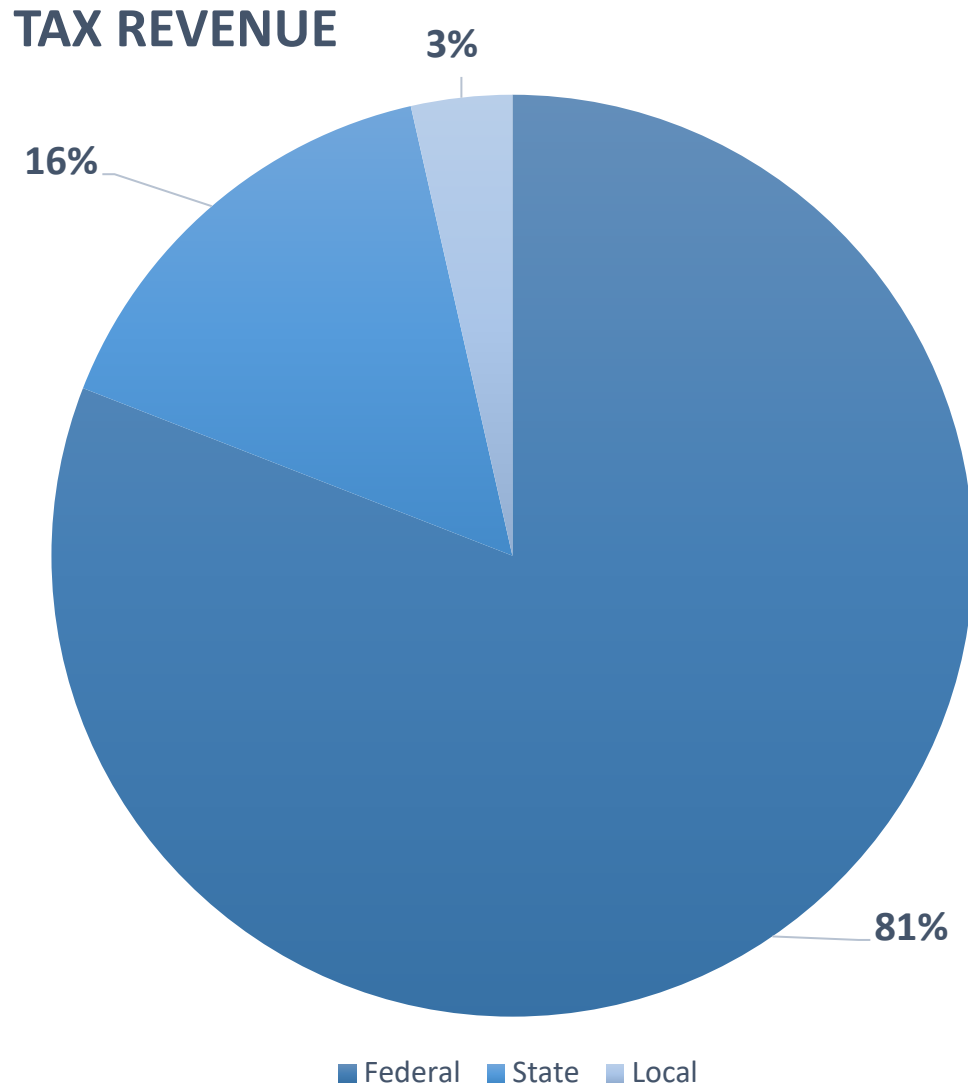
Economic Development

Public Health

Trade

Early Years

# Australian Tax Revenue



Source: ABS Taxation Revenue, Australia 2019-2020

# Payments from Federal to State

Chart 1.1: Payments for specific purposes 2021-22, by sector

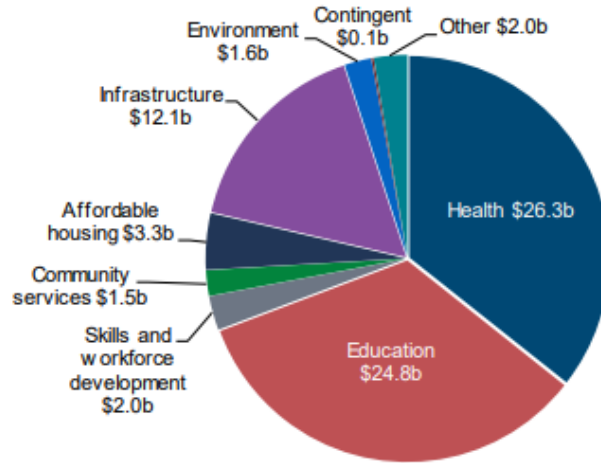
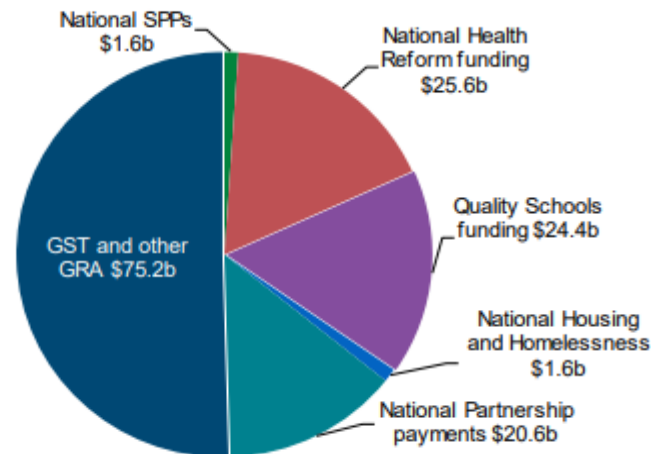
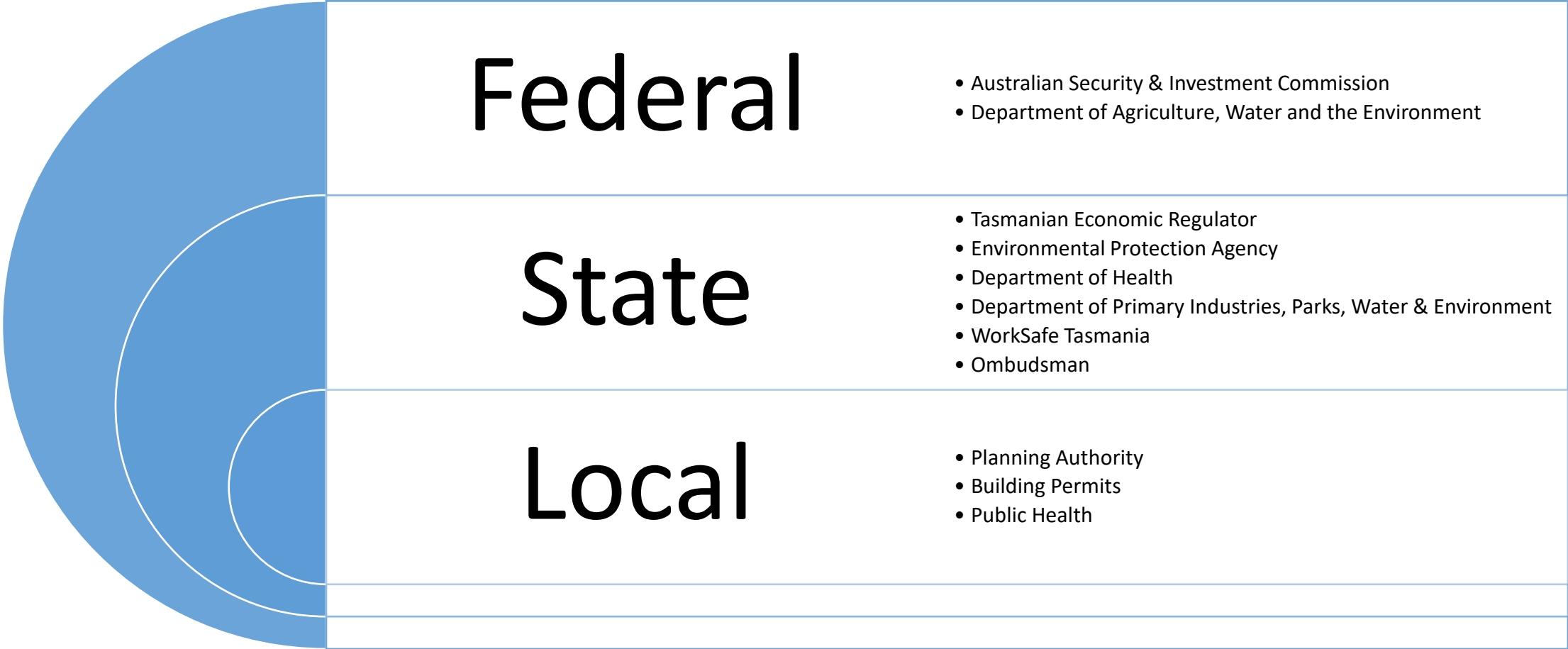


Chart 1.2: Total Australian Government payments to the states, 2021-22



The states are estimated to receive total Australian Government payments of \$149.0 billion in 2021-22



# Tasmania – Key Water Legislation



## Federal

- Environment Protection and Biodiversity Conservation Act 1999
- Corporations Act 2001



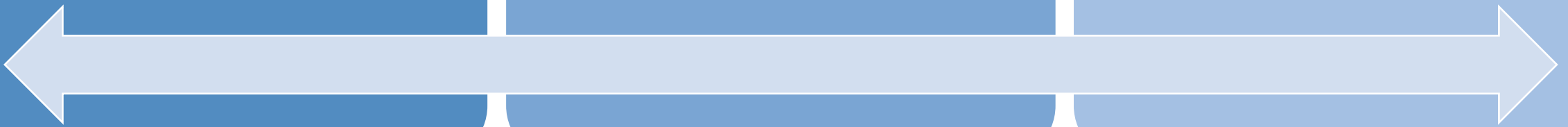
## State

- Water and Sewerage Corporation Act 2012
- Water and Sewerage Industry Act 2008
- Public Health Act 1997
- Land Use Planning and Approvals Act 1993
- Water Management Act 1999
- Environmental Management and Pollution Control Act 1994
- Public Interest Disclosure Act 2002



## Local

- Planning Schemes
- TasWater's Constitution
- TasWater's Shareholders' Letter of Expectations





**CHANGE** - What did water reform change in Tasmania?

# Change - Water Reform Tasmania



## People

- Transfers
- Organisational Restructures



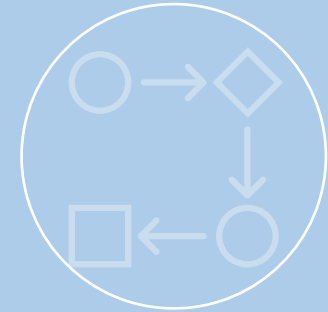
## Asset Transfer

- Land
- Buildings
- Plant
- Headworks Reserves



## Financial

- Balance Sheet
  - Assets
  - Liabilities
  - Employee Provisions
- Profit & Loss



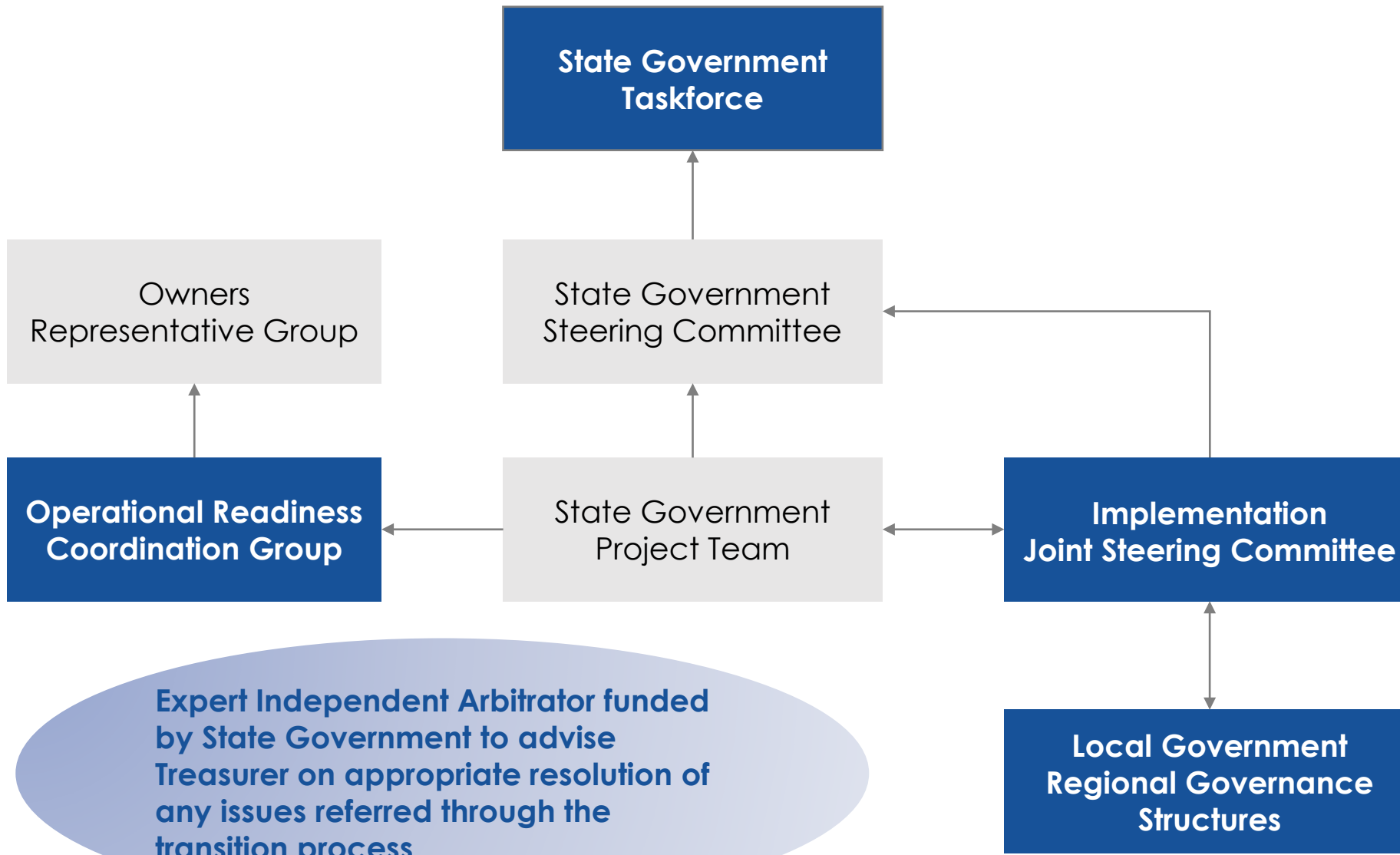
## System & Process

- Planning & Building Referrals
- Capital Works Coordination



**PROCESS** – What did Tasmanian councils do to prepare for change?

# Reform Implementation Governance



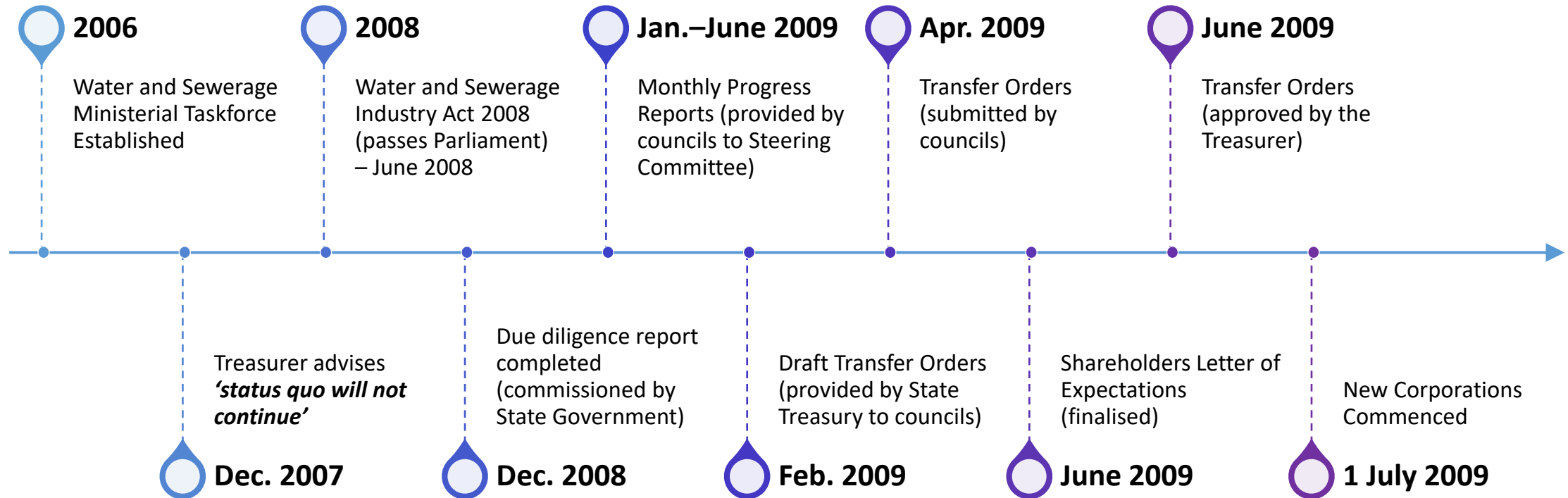
The **Taskforce**'s priorities were to ensure the sector operates on an appropriate commercial basis & has the balance sheet capacity and managerial & technical expertise to cope with future challenges.

The **Implementation Joint Steering Committee (IJSC)** will have a key role in managing the implementation of structural reform.

The **Operational Readiness Co-ordination Group (ORCG)** for the new corporations will be created to develop appropriate organisational structures and establish the required start-up and on going capabilities for the businesses.

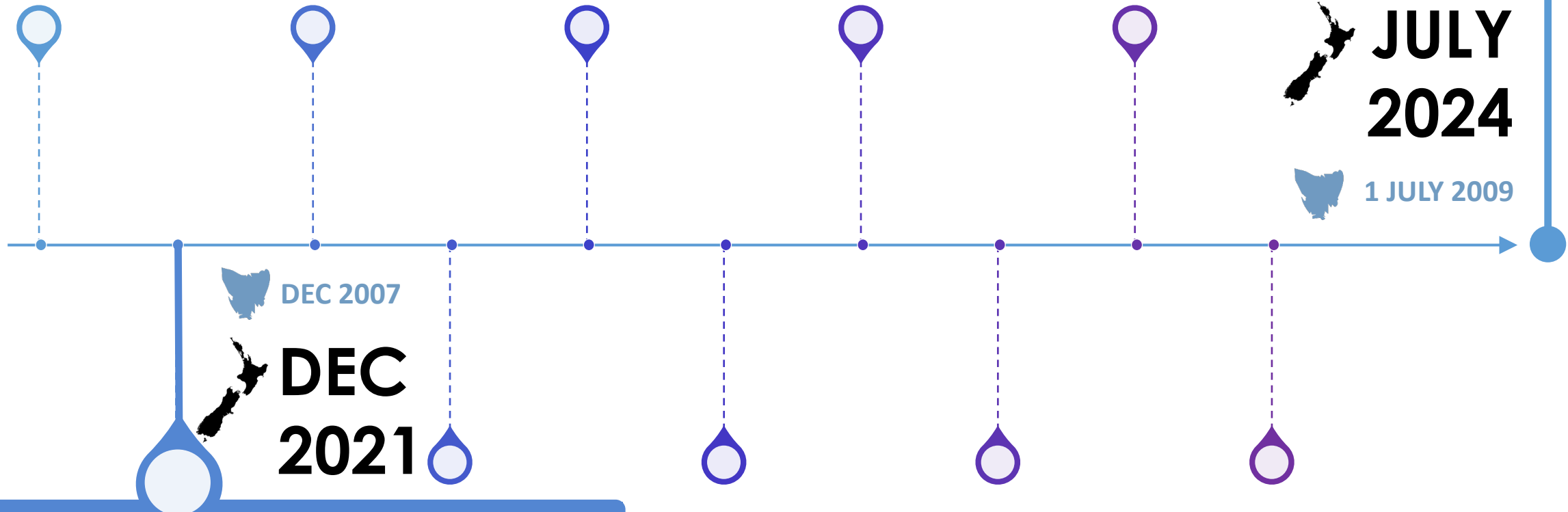
The **Local Government Regional Groupings** established arrangements to address structural reform implementation and manage impacts in line with IJSC requirements.

# Transition Plan (the Tasmanian Experience)



# Transition Plan (the Tasmanian Experience)

New Corporations Commence



Three Waters Underway

CEO/GM

Internal Working Group

Corporate Team

Technical Team

People Team

Strategic Impacts

Financial Impacts

Records

Identify Assets

Structural Impacts

Strategic Plan

P & L

Balance Sheet

Long Term Financial Plan

Contracts

Leases & Licenses

Agreements

IT Solutions & Operating Manuals

Land

Buildings

Plant

Identify Operating Procedures

Organisational Chart

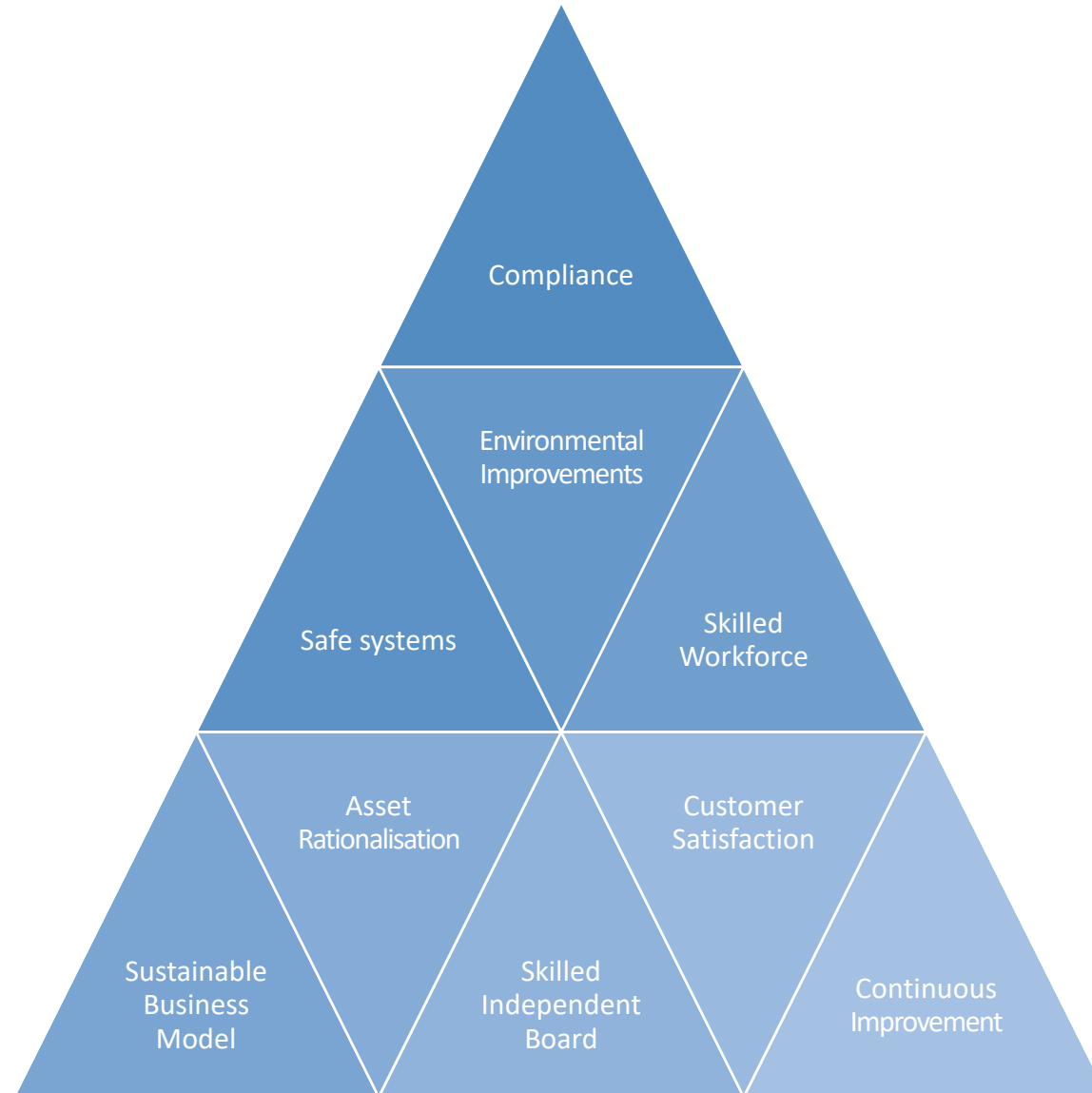
Skills Audit

Identify Employees

- The 3 Regional Water and Sewerage Corporations (and the Common Service Provider) subsumed into a single entity from 1 July 2013
- Required legislative changes and owner council agreement
- Transition process very smooth from a local government perspective
- State Government ‘purchased’ a 10% share of TasWater in 2019  
- but are not entitled to ‘dividends’



# Benefits Post Reform



## What went well?

Independent and skills-based Board

Removal of 23 boil water notices

Greater Capital Investment

Rationalisation of infrastructure

## What didn't?

Common service provider

Harmonisation of policies

Skilled people in early years

Culture

## Opportunities

Reshaping and refocusing service delivery

Greater emphasis on funding community assets

Leveraging greater investment for community in water and sewerage

## Challenges

Maintaining a shared strategic position

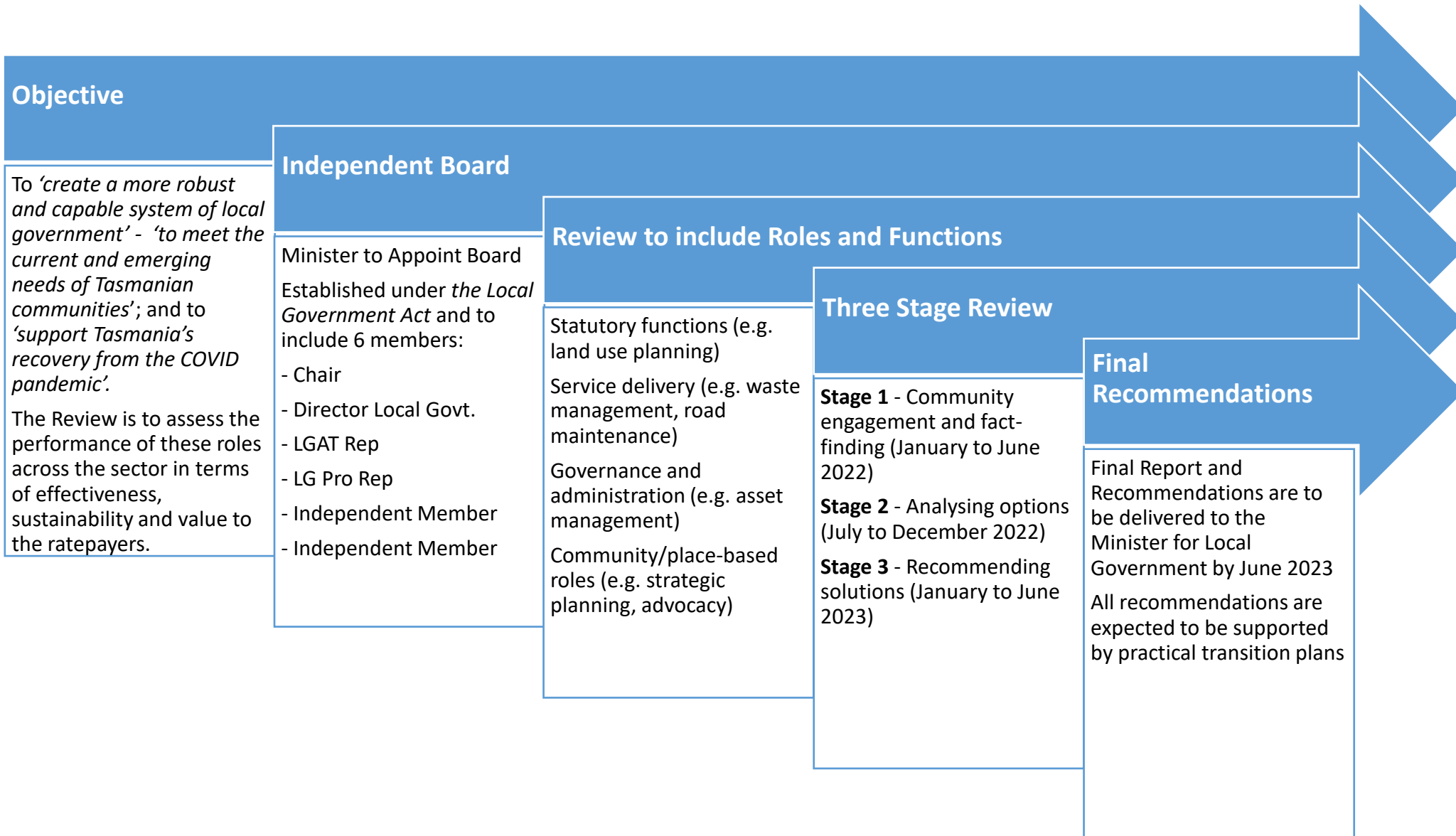
Impact from overheads shared across remaining services

Aligning capital programs for communities

One stop shop for developers

**FUTURE** – What does the future look like after reform?

# Future of Local Government in Tasmania



# AUSTRALIAN WATER REFORM ROADSHOW



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