

Dear Mr Bounds,

I write with some concern in relation to the draft Price Determination Investigation for Regulated Water and Sewage Services in Tasmania. Over the past 2 – 3 years TasWater's sewage assets have regularly polluted water ways around the state and in some regions where our members have oyster leases. These continual interruptions to our members businesses have not only caused financial damage through loss of sales, but also damage to our industry and the wider Tasmanian reputation. This is starting to impact on the whole seafood and agriculture sectors, not just our oyster industry.

Some of our members in affected bays are trying to establish global markets and news of recent multiple sewage discharges have travelled quickly to many parts of the world, including the new markets in Asia. Asian clients are now seeking more information on what actions are the industry and the Tasmanian Government taking to eliminate these events.

Public health is our industry's number one priority and we are extremely concerned at the level of risk TasWater is now introducing to our product by polluting our rivers and bays.

The Tasmanian Shellfish Quality Assurance Program (TSQAP), a program funded 70% by our industry and 30% from the State Government, monitors water quality and regulates shellfish harvest management for the entire state. TasWater's actions over the past few years are placing significant resource pressures on the TSQAP which can only increase the level of risk to public health.

In respect to 5.7.1 (page 93) of the draft document, for TasWater to continually dispense dividends to their council shareholders while failing to fix their sewage assets which are impacting on other state industries we find completely unacceptable. With a forecast NPAT of approx \$30 million over the next 3 years, how can a distribution of approx 50% (\$15 million) per annum to shareholders be justified when damage specifically attributed to TasWater on other industries continues to worsen.

In respect to public health and the future for our members, we question why TasWater should be permitted to pay any dividends to shareholders until their failing assets are fixed.

TasWater's own web page states - "be a successful business, and to this end operate its activities in accordance with good commercial practice"

The industry has seen many examples where this is not the case.

TasWater's failing sewage infrastructure is causing economic, environment and reputational damage that we find inexcusable. Not only are TasWater breaching environmental legislation, any social license or public trust is being eroded and will continue to worsen as its failing assets age even further.

As outlined in the draft, TasWater is required in determining its dividend policy, ***"to act consistently with good commercial practice, make adequate provision for expected future capital requirements and maintain operational expenditure capacity before payment of***

dividends to Council owners". It is fair and reasonable to suggest that to date this has not occurred.

Our industry can only comment about sections in the draft that concern our members, we do not have any comment to make in relation to the remaining parts of the report.

I hope my comments will be taken seriously in consideration to the final document as the situation caused by TasWater toward our industry is becoming desperate.

I look toward independent regulation to help protect the rights of others and we request the regulator consider the increased risk to public health and the damaging impact TasWater is causing to our industry and State, and act accordingly.

Yours sincerely

Jon Poke
Chairman
Oysters Tasmania