

Dear Sirs

Southern Cross Care (Tas) Inc is Tasmania's largest Aged Care provider. We operate 11 retirement villages and 8 nursing homes as well as providing Community Care services to clients in their homes. We currently employ more than 870 Tasmanians in the South, North and North West of Tasmania. During the past year we have expended approximately \$70 million on capital works in Tasmania.

Our organisation is currently considering building a further Retirement Village on Hobart's eastern shore within the City of Clarence. This new development would involve expenditure in excess of \$25 million. The project would obviously stimulate the local economy including creating employment opportunities. It would also provide much needed suitable affordable accommodation for our senior citizens.

One of the factors encouraging our Board to proceed with this new development is the current waiver of Headworks Charges. We are most concerned however that this waiver is due to expire in April 2016. It is likely that the necessary re-zoning and planning applications necessary for this land and the development on it may take in excess of a year to be finalised. That delay could well mean that we will be unable to obtain the necessary "Certificate of Certified Works" before the Headworks Charges waiver expires we would then not qualify for the waiver.

It is our understanding that the land in question is already "serviced land" and that TasWater would not be involved in any significant new infrastructure costs to provide services to the land. We understand that in your draft report you are proposing that a "nominal flat charge" be imposed for Headworks Charges within serviced land. We have been informed that TasWater is strongly recommending that no Headworks Charge be imposed if the development is within serviced land and no extension is required.

The current waiver of any Headworks Charge has provided attractive certainty for developers such as ourselves. The problem is that we are now faced with a degree of uncertainty post April 2016 which is causing our Board serious concern as we consider whether or not to proceed with this new development.

We believe that a continuation of the waiver would be the best outcome for the future economic development of Tasmania and also for our project. At the very least the Regulator should state in definite terms exactly what the nominal flat rate is to be. We note that in the footnote to table 6.8 in your draft report it is suggested that the flat charge "**could be**" set as low as "\$0-\$250" per service.

It would be most helpful to an organisation such as ours now considering expenditure of \$25 million on a new project to know precisely what the cost of the Headworks Charges will be for the project.

Southern Cross Care (Tas) strongly supports TasWater's recommendation that there be no Headworks Charge for future developments wholly within already serviced land.

We ask that the Economic Regulator carefully considers our serious concerns and this submission.

Yours sincerely

RAY GROOM AO
Chairman
Southern Cross Care (Tas) Inc.