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29 September 2026

The Secretary
Parliamentary Standing Committee of Public Accounts
Parliament House
HOBART TAS 7000

Dear Chair and Members

Re: Inquiry into the Financial and Operational Performance of TasWater

Thank you for the opportunity to appear before the Committee at its public hearing on 24 September 2026.

I provide this submission in support of the opening statement I made in evidence on behalf of the Housing Industry Association (HIA). It sets out that statement in writing, adds context on some of the matters raised during the hearing, and restates HIA's recommendations to the Committee. I ask that the Committee receive it as a submission to the inquiry and publish it alongside the evidence already taken, if suitable.

HIA represents the builders, contractors, suppliers, planners, building surveyors, designers and other residential industry professionals who make up our membership. Most are small and family businesses in communities right across Tasmania. They see the consequences of TasWater's decisions every day.

As I said in my opening statement, every new home needs a water and sewerage connection before anyone can live in it. You can have the land, the planning approval, the builder and the buyer. But if the infrastructure isn't there, or the treatment plant has no capacity, the home doesn't get built. That is why the Committee's question is the right one: are TasWater's settings balanced against the State's housing priorities under the National Housing Accord?

The long-term evidence on land in Tasmania is confronting. Since March 2001, the median price of a residential lot in Greater Hobart has risen from around $35,000 to almost $300,000, an increase of nearly 750 per cent. Outside Hobart it has been faster still: over 800 per cent across the regions, and almost 1,300 per cent in the Southeast. Land, and the essential infrastructure that services it, is the number one long-term constraint on housing supply in this state. The Productivity Commission's interim report this year reached a similar view. It found infrastructure is often the main constraint on new housing, and recommended that regulated infrastructure providers be given an explicit goal of facilitating housing supply. To HIA's understanding, TasWater has no such goal.

TasWater is a monopoly utility provider. A household, business or developer unhappy with its service, its timeframes or its charges has no alternative supplier. In a well-governed public monopoly, the owner is meant to provide the discipline the market can't. Here, the owners are 29 councils who receive annual dividends from the business, and are also the planning authorities deciding where and when housing proceeds. When the owners' budget interest competes with the network's long-term needs, the owners' interest will win.

TasWater pays its owners around $24 million a year. That is $120 million over the past five years and, on current plans, more than $200 million by 2030. At the same time, TasWater sought $1.7 billion in capital investment and a substantial price increase to fund it. The Economic Regulator approved $1.2 billion, and TasWater is now deferring around $500 million of works. Within its proposed pricing plan, TasWater also sought to significantly increase dividend payments. So we have a utility saying it urgently needs more money for essential infrastructure, customers paying more every year, and owners still taking tens of millions of dollars out of the business. HIA doesn't consider that a balanced arrangement.

I also want to respond to two matters raised in evidence on the day. The Chair of TasWater told the Committee that the business makes a profit, and that is how it pays its dividends. With respect, that is HIA's point. A monopoly's profit comes from customers who have no choice. When bills rise every year and owners still take tens of millions out, that is a choice about who comes first, and the loser is the Tasmanian consumer. The Owners' Representative also acknowledged the long history behind TasWater's infrastructure challenges. HIA's strong view is that these challenges are in significant part the result of local government's failure to adequately manage water and sewerage assets in the decades before TasWater was established. In effect, local government is being rewarded for decades of infrastructure failure, and consumers are being sent the bill.

On 26 August 2026, TasWater wrote to HIA advising that from 1 October it will end the 24-month remission on fixed charges for newly subdivided lots, a remission that has been in place since 2012. From this week, every new block will attract around $900 a year from the day the title is created, before a house is built and before a tap is turned on. In plain terms, it is a tax on new homes.

That cost doesn't stay the size it started. Independent modelling by the Centre for International Economics (CIE) for HIA found that around 37 per cent of the cost of a new house and land package in Hobart, about $257,000, is taxes, charges and regulatory costs. Around $88,000 of that is regulatory cost alone. A charge applied to land early in development is financed, a margin is priced over it, and GST and stamp duty are then applied on top at the point of sale. The CIE's modelling is also clear that because housing is a necessity, buyers bear most of that cost.

Consistent with my evidence, HIA asks the Committee to recommend that:

1. Dividends to owner councils end, so TasWater's profits are reinvested in the infrastructure Tasmania needs. If that is unworkable in the short term, dividends should be reduced to zero over a defined period, no later than the end of the next Price and Service Plan. In the meantime, every dollar paid to councils should be quarantined for housing-enabling infrastructure, above existing spending, and publicly reported by each council.
2. TasWater's decision to end the vacant lot remission be abandoned.
3. The Government comprehensively review whether the current ownership and governance model can deliver the infrastructure Tasmania needs to meet its housing targets, and report back to the Committee.

Tasmania cannot meet its housing targets without the infrastructure to support them. That infrastructure won't be delivered by a monopoly whose owners are paid to take money out of it, and whose answer to a funding shortfall is to send the bill to the next generation of homebuyers.

I would be happy to provide further information, if that would assist the Committee.

Yours sincerely



Benjamin Price
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Housing Industry Association - Tasmania