

**Ref No:** 1925645

24 March 2011

Mr Michel Deegan  
National Infrastructure Coordinator  
Infrastructure Australia  
GPO Box 594  
CANBERRA ACT 2601

Dear Mr Deegan

**Re Submission to Infrastructure Australia in response to the AECOM Report "Review of Regional Water Quality and Security"**

Wagga Wagga City Council welcomes the opportunity to be able to make a submission in response to the AECOM report "Review of Regional Water Quality and Security" for the consideration of Infrastructure Australia.

Wagga Wagga City Council is concerned with the apparent lack of consultation with Local Government that was undertaken in compiling the AECOM report and strongly disagrees with the recommendations made in the report. In particular the recommendation that the regional water businesses in NSW should be restructured to become State owned, Regional Water Corporations.

Wagga Wagga City Council has previously presented submissions to the Productivity Commission's Inquiry into "Australia's Urban Water Sector" and the "NSW Inquiry into Water Supply and Sewerage Services in Regional NSW" regarding water reform and provides the following as a summary of these previous submissions:

**Introduction**

Wagga Wagga City Council occupies an area of 4,866 square kilometres and services a population of 62,904. The City of Wagga Wagga is the largest inland city in NSW and although 90% of the population resides in the city area, the LGA also includes the villages of Collingullie, Currawarna, Galore, Uranquinty, Mangoplah, Humula, Tarcutta, Ladysmith and Oura and surrounding farmland.

Wagga Wagga City Council currently manages an extensive sewer, stormwater, flood management, effluent reuse and salinity infrastructure.

The supply of water in the Wagga Wagga LGA is currently undertaken by Riverina Water County Council.

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## Key points of submission

By way of a summary, the following are the key issues for Council regarding water reform:

- Council is opposed to any State ownership or control of the water & sewerage assets
- Council favours an integrated, regionally based service delivery model similar to the Lower Macquarie Water Utilities Alliance
- Council currently effectively manages its own water related infrastructure, including sewerage, stormwater, urban salinity and effluent reuse as a holistic, integrated system
- Council is well resourced, its assets are well managed and maintained under our Asset Management Plan and our 30 year Forward Capital Works Program, which predicts expenditures of \$184 million on capital works and \$468 million on infrastructure maintenance over the 30 year timeframe of the Program, which is already in place
- Council is well advanced in the implementation of all Best Practice Management elements stipulated by the Department of Environment Climate Change & Water.
- Wagga Wagga City Council has a significant background in providing regional leadership and believes that it has the expertise and capability to lead the establishment of a Regional Water Alliance.

## Preferred Model for the Region

Wagga Wagga City Council believes that the number of LWU's in country NSW can be reduced. However, to ensure the engagement and participation of the local community and to ensure that integrated management is achieved, **it is essential that the ownership, management and operations of water supply, sewerage services, stormwater, salinity and water reuse are undertaken locally by an Alliance of those Local Water Utilities (LWUs) which share a mutual inter-relationship in water cycle management.**

Advantages of this model include:

- Adapted to suit local conditions and issues - in particular, the sensitivities of the Murray Darling Basin and the Murrumbidgee and Murray sub-catchments.
- Closely aligned with the local community and its stakeholders such as the CMA and Landcare groups.

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- Continuation of community confidence in the provision of locally based customer service.
  - Minimal disruption to the community and existing service agreements.
  - Improved opportunities for the delivery of Total Integrated Water Cycle Management that includes water supply, sewerage services, stormwater, flood, salinity and reuse functions. Water supply and sewerage services are currently spread across two organisations making integrated water cycle management less effective.
  - Retention of existing workforce, skill base and local expertise.
  - Improved opportunities to recruit and retain water management expertise.
  - Distinct inland water management, separate from the significantly different issues of coastal water management
  - Better able to comply with the tightening environmental and regulatory standards.
  - Financially sustainable. Not reliant on funding from other levels of Government for renewals and augmentations, particularly for the smaller villages and rural communities.

As a result, Council believes that the best solution involves integration of these entities and operations into a coordinated arrangement, potentially, the Wagga Wagga Regional Water Alliance.

There may also be substantial additional benefits associated with expanding this relationship to incorporate the water supply functions in the area.

The Alliance could be modelled on the successful co-operative arrangement developed by the 8 Councils in the Lower Macquarie Water Utilities Alliance, which we understand is favoured by the NSW Minister for Water.

A local example of this co-operative approach has been in the development of the Regional Integrated Water Cycle Management Evaluation Study, which involved Riverina Water, Wagga Wagga City Council and the Shires of Greater Hume, Lockhart and Urana.

In summary, Wagga Wagga City Council's submission proposes:

The establishment of a Regional Alliance of those LWUs which share a mutual inter-relationship in water cycle management; potentially incorporating

- Water Supply Services for those Councils where the water supply functions are currently provided by Riverina Water and Goldenfields Water.
- Sewerage Service and Stormwater Service functions of Wagga Wagga City, and Lockhart, Urana, Cootamundra, Harden, Bland, Gundagai, Junee, Temora, and Coolamon Shires.

Such an arrangement still needs to be fully canvassed with the above organisations and Wagga Wagga Council intends to take a lead role in arranging the necessary consultation.

A combined alliance of this composition would have an annual revenue base in excess of \$ 50 million (based on 2008/09 NSW Office of Water Performance Reports).

## **Conclusion**

The water reform model proposed by Wagga Wagga City Council involves the establishment of a Regional Alliance.

The principal benefits of this model will be:

- An integrated delivery of the water supply, sewerage, stormwater, groundwater, salinity management and reuse functions of the water cycle across a strong, financially viable, regionally owned and operated professional organization.
- Enhanced job opportunities with a diversity of job functions and improved opportunities for skills enhancement and staff development programs.
- Affordable service delivery for a large and enhanced customer base.
- Enhanced revenue streams with increased capital expenditure on infrastructure and environmental management.
- Forward planning for capital augmentation and growth to ensure the long term viability of the business and its ability to maintain a high level of service for our customer base, whilst ensuring the long term integrity of the infrastructure assets.
- A more uniform and integrated system of pricing which will ensure equity and parity across the customer base.

Wagga Wagga City Council welcomes the opportunity to put forward its case for the management of water in the region. Council is keen to participate further in any consultations or discussions planned by Infrastructure Australia to help identify opportunities to improve Australia's regional towns' water quality and security, before recommendations for change are made at the federal and state government levels.

Yours faithfully



Cr Wayne Geale  
Mayor



Phil Pinyon  
General Manager