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**SUBMISSION**

**TO**

**INFRASTRUCTURE AUSTRALIA**

**REGIONAL TOWNS WATER QUALITY AND SECURITY**

**REVIEW**

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## 1 INTRODUCTION

Namoi Councils is a Regional Organisation of Councils located within the Namoi and Peel River Catchments of the North West Slopes and Plains and New England Regions of northern New South Wales. Membership of Namoi Councils comprises Narrabri Shire Council, Gunnedah Shire Council, Liverpool Plains Shire Council, Tamworth Regional Council and Walcha Shire Council and is unique to the extent that the Namoi Catchment Management Authority is a member. The primary aim of Namoi Councils is to:

- (i) effectively advocate on agreed regional positions and priorities;
- (ii) resource the capacity of the region to plan for and resource economic growth and diversification;
- (iii) work together to increase the viability and effectiveness of local government in the region; and
- (iv) facilitate and foster cooperation, information exchange and resource sharing.

Local Government and Community infrastructure, mining, exploration and energy, water supply, economic development and diversity and local governance are principal priorities of the Organisation.

Namoi Councils appreciate the opportunity to make a submission to Infrastructure Australia in respect of the Review of Regional Water Quality and Security and has particular interest in one of the key recommendation contained within the report by Aecom, the consultant commissioned to undertake the Review, in relation to:

- ***Reform of governance structure of regional water utilities in NSW and Queensland***

## 2 WATER UTILITIES

Each of the Namoi Councils' members, save and except the Namoi Catchment Management Authority, exercise and discharge the functions of a water supply authority under the *Local Government Act (NSW) 1993* and the *Water Management Act (NSW) 2000* within their respective local government areas.

It is argued that local government in NSW is currently structured and legislatively enabled to efficiently and effectively manage and operate water utilities, both now and into the future, in an accountable, transparent and sustainable manner. The *Local Government Act (NSW) 1993* at section 8 provides for a Charter comprising a set of principles to guide a council in the carrying out of its functions. The following is a complete list of all charter principles with those highlighted that are supported by a legislative and policy framework for the efficient and effective management and operation of a water utility:

- ***To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively***

- ***To exercise community leadership***
- *To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism*
- ***To promote and to provide and plan for the needs of children***
- ***to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development***
- ***To have regard to the long term and cumulative effects of its decisions***
- ***to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible***
- ***To engage in long-term strategic planning on behalf of the local community***
- ***To exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights***
- ***To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government***
- ***to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants***
- ***To keep the local community and the State government (and through it, the wider community) informed about its activities***
- ***To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected***
- ***To be a responsible employer.***

Since all 5 Council members exercise the function of a water supply authority, each Council member is significantly impacted by the Aecom Review recommendation that the governance structure of regional water utilities and functional responsibility for the operation of local water utilities be transferred to a State Government owned Regional Water Corporation, the boundaries of which would match water catchments to the extent practicable.

On reading of the Report titled “*Review of Regional Water Quality and Security – Review & Reform Strategy Volume 1*” specifically in relation to recommendation 5 for reform of the governance structures of regional water utilities in NSW, it is hard not to presume that Aecom has a less than adequate appreciation and understanding of management and operation of the function of a local water utility at the Local Government level required to undertake and complete an informed and credible review of regional urban water utilities. The Review preferred recommendation for

the establishment of a Regional Water Corporation governed by an independent board, with appointments to the board based on expertise in water utility management and the board reporting direct to the relevant State Government Minister, if implemented would result in complete removal of local governance from water utility management.

The Review only speculates, without any empirical data or clear evidence, that a larger corporate structure is likely to give rise to increased efficiency. Naively, the Report overlooks and takes no account of the infrastructure capital investment, including social capital, made by local government nor does it address the accompanying critical issue of ownership of water utility assets by local government when it speculates that *bigger is better* to achieve increased efficiency through a State owned corporation.

The Review further speculates that Regional Water Corporations would be large enough to warrant supervision by independent pricing and regulatory authorities and compliance with licence conditions including tariff setting. Again, the Review rather naively overlooks the fact that existing water utility management and operation in New South Wales is subject to, or is potentially subject to, independent pricing control and compliance with licence conditions within the existing State legislative and policy framework.

Statements in the Review that.....*strategic decisions regarding maintenance and capital expenditure would no longer be made by local council General Managers.....*completely dismiss the economies of scale and critical mass already achieved and held by Namoi Councils Water Utilities following local government boundary reform based on water catchments and the modernisation of local government structures, supported by highly skilled and professional managers, technical and operational staff, all underpinned by local decision and policy making capacity and expertise exercised by the locally elected governing body of each of the 5 Council members of Namoi Councils.

### **3 FINANCIAL IMPACT ON NAMOI COUNCILS**

Revenue from developer contributions, grants, subsidies, fees and charges for the 5 water utilities managed and operated by Namoi Councils members contribute a significant combined sum annually to the General Fund of each Council for the provision of internal services including water and sewerage construction and maintenance works and services. Each Council's engineering and technical service operational arms undertake major maintenance and construction works and services as a contractor and on a fee for service basis for the water utility function of each Council. Such services represent a significant economies of scale factor in the optimum utilisation of the Councils' finite financial, human and physical resources deployed in the provision of a raft of services to the community including water supply and sewerage services.

Separation and removal of the water utility management and operation would result in a significant net loss to each Council in the order of 30% to 40% of total revenue and seriously impact upon the financial viability and long term sustainability of member Councils. The continued viability and broad skill base of Council's management and operational staff, particularly in small communities serviced by water supply, would be seriously compromised and make residual operations unviable by removal of responsibility for water and sewerage functions. The example is cited of Councils within the category reviewed by Aecom with populations of between 2,000 and 15,000 and with a reticulated water supply will be forced to

terminate the services of professional and technical multi-skilled staff employed to manage and operate water supply and sewerage services in the event of transfer of water utility functions to a State owned water corporation.

State owned water utility corporations driven by full cost recovery and fixed return on investment regimes, unsympathetic to the service needs of small communities, may well lead to service decline, failure to deliver effective water infrastructure asset management and the decline of populations and employment in small communities in rural and regional NSW.

Changed governance structures for regional water utilities by way of transfer to State owned corporations will deliver a mortal blow to the autonomy, accountability and transparency of Local Government. When considering the annual determination of fees and charges for water supply, local Councils take into account the capacity of the community to pay. Under a regime of centralised State ownership of water utilities, this important consumer consideration will arguably not receive the consideration it deserves in service levels and price determination in the wider consideration of achieving full cost recovery and an agreed return on investment for the service and infrastructure provided.

The removal of local accountability mechanisms currently embedded into the management and operation of water utilities by local Councils in favour of State owned water utility corporations represents a major setback for community engagement and local governance.

#### **4 INTEGRATED WATER CYCLE MANAGEMENT**

Integrated Water Cycle Management (ICWM) is the integrated management of urban water services including town water, wastewater and stormwater which considers all three resources in a holistic manner to solve associated issues. By developing an IWCM approach, Councils who exercise the function of a water utility are positioned to provide appropriate, affordable, cost effective and sustainable urban water services that meet the needs of the community, protect public health and the environment and maximises the use of regional resources.

The completion of IWCM is one of the requirements of the NSW Office of Water's six best practice criteria for NSW local water utilities as outlined below:

1. Strategic Business Planning
2. Pricing and Developer Charges (including Liquid Trade Water Approvals)
3. Demand Management
4. Drought Management
5. Performance Monitoring
6. Integrated Water Cycle Management.

Council water utility management and operation together with other water related issues on a catchment management basis provide the ideal mechanism for application of Integrated Water Cycle Management (IWCM). The local government areas of all members of Namoi Councils are located within the Namoi Catchment, except for a small area within the Shire of Walcha, including the entire Peel Valley. All member Councils are well positioned to implement IWCM within their respective areas. Approximately 63% of the population of the Namoi Catchment reside within the Tamworth Regional Council local government area. Future development in the upper Namoi Valley must be sustainable including the availability of water for all classes of water users and the environment as demand for water increases.

The primary objectives of member Councils is to conserve town water supplies wherever possible by water reuse schemes and utilisation of alternate sources of water, including recycled effluent and backwash water from the water treatment process, which it is argued, may not be in the best interest of State owned water utility corporations driven by full cost recovery and fixed return on investment financial imperatives and scenarios.

Namoi Councils' members have collective responsibility for most of the passive and active recreational facilities in the Namoi Catchment, most of which are connected to town water supplies. A number of Councils have:

- (i) embarked on or a planning projects to use recycled water on such areas as a major component of a strategic initiative to conserve water; and
- (ii) are in the process of implementing strategies for beneficial reuse of all surplus treated effluent for agricultural reuse instead of discharging back to the riverine environment.

For example, a number of Council members have developed Demand Management Plans including a three year demand management program for domestic, commercial and industrial users with a target of reducing annual water consumption. These plans include rebates to residential consumers on the installation of water saving devices such as shower heads, dual flush toilets, pool covers, water efficient washing machines, grey water reuse systems, rainwater tanks and retrofits; and water audits for commercial and industrial users.

One member Council has a full time Water Sustainability Officer to manage and implement the Council's Demand Management Plan including educational and promotional aspects. Council members are also actively involved in programs and strategies to promote alternatives to the use of potable water supplies.

It is argued that the strategic business benefits of Integrated Water Cycle Management would not be available to a State owned Regional Water Corporation and the community would suffer significant diseconomies and loss of optimum use of the integration of water, wastewater and stormwater resources.

## **5 RESOURCE SHARING**

Namoi Councils members operate three funds, General Fund, Water Supply Fund and Sewerage Services Fund, under the provisions of the *Local Government (NSW) Act 1993*. Each fund contributes on a fair and equitable basis to the provision and sharing of the following resources on a council wide basis:

- *Administration and Governance*
- *Financial Reporting and Accounting*
- *Revenue Raising and Collection*
- *Customer Services*
- *Records Information Services*
- *Information Technology Services*
- *Global Information Services*
- *Human Resource Management*
- *Infrastructure and Land Use Planning*
- *Developer Plans and Contributions*
- *Integrated Planning and Reporting*

- *State of the Environment Reporting*
- *Property Acquisition, Leases and Licenses*
- *Operational Land Management*
- *Subdivision Inspections*
- *Subdivision Certificates (water and sewer)*
- *Plumbing Inspections & Occupation Certificates (water & sewer)*
- *Compliance (enforcing water restrictions, illegal connections)*
- *Public Health*
- *Environmental Protection and Pollution*
- *Plant and Fleet Management*
- *Procurement and Purchasing*
- *Works Depot Management*
- *Survey and Design*
- *Integrated Safety, Quality and Environmental Management Systems*

The provision and sharing of resources such as those identified above is a direct outcome of the economies of scale generated and the critical mass achieved by the inclusion of water utility management and operation in the infrastructure and service platform of Namoi Councils members.

Member Councils currently have cross boundary cost effective and operationally efficient arrangements in place for sharing of water utility professional and technical staff, joint State Government grant funding and joint tendering leading to joint contractor engagement for water utility infrastructure construction and development in adjoining local government areas.

## **6 NAMOI COUNCILS' MODERNISING AGENDA**

Council members are well positioned to meet the challenges of managing and operating water utilities into the future. Over the past 5 years all members have been involved in modernising service delivery, governance and management arrangements within their respective Councils driven by the need to design for new service demands and challenges to meet the aspirations of citizens for better Local Government, better services and a prosperous future.

Members Modernising Agenda has involved three crucial dimensions:

- *Modernising Service Delivery – by making it more responsive, tailored to local and specific needs through the delivery of “best value” services.*
- *Modernising Governance – by improving the means of decision making by consulting and engaging citizens.*
- *Modernising Management – by being strategically focussed and accountable for broad operational outcomes involving being outcomes focussed.*

A number of principles have been embraced by Council members to drive the Modernising Agenda:

1. *Facilitating Local Government: Steering not necessarily rowing the boat.*
2. *Community Owned Local Government: Empowering Rather than Serving – programs and services are owned by the people they are serving.*

3. *Competitive Local Government: Injecting competition into Service Delivery.*
4. *Mission Driven Local Government: Transforming Rule-Driven Organisations.*
5. *Results Orientated Local Government: Being outcome focussed.*
6. *Community Driven Local Government: Meeting the Needs of the Citizen.*
7. *Enterprising Local Government: Earning Rather than Spending – guaranteeing future revenues by creating new revenue sources.*
8. *Anticipating Local Government: Prevention Rather than Cure.*
9. *Centralised Local Government: From Hierarchy to Participation.*
10. *Market Orientated Local Government: Leveraging change through the market.*

To progress the modernising of Local Governance structures, Council members have embraced the following key governance principles:

- *Listening*
- *Citizenship*
- *Shared Power*
- *Empowered Citizens*
- *Consensus Building*
- *Collaboration*
- *Vision Setting*
- *Learning*
- *Dialogue*
- *Comprehensive Solutions*
- *“It’s Our Problem”*
- *Results Orientated*
- *Mission Driven*
- *Enterprising Focus*
- *Proactive problem Solving*
- *Decentralised Authority*
- *Flexible.*

## **7 INTEGRATED PLANNING AND REPORTING ALIGNMENT**

The Review of Regional Water Quality and Security fails to take account of the requirements for Integrated Planning and Reporting for NSW Local Councils involving strengthening strategic focus, streamlined planning and reporting processes and encouraging integration between the various strategic plans and planning instruments adopted by Council from within the Council’s overall planning framework. Council members are particularly supportive of the notion that they would have more autonomy in responding to the communities various needs and the emphasis on elected representatives playing a leading role in developing a 10 Year Community Strategic Plan which would naturally have a degree of integration with the NSW State Plan. All Council members will have an adopted 10 Year Community Strategic Plan by not later than 30 June 2012 which will involve long term strategic asset management plans for water and sewerage infrastructure.

Under the requirements for Integrated Planning and Reporting, Councils will be required to develop a Long Term Financial Plan which forms part of the Resourcing

Strategy for Councils. The Long Term Financial Plan provides a framework in which Councils can assess their revenue building capacity to meet the activities and level of services outlined in their 10 Year Community Strategic Plans.

Namoi Councils' members Long Term Financial Plans will:

- (i) establish greater transparency and accountability of the Council to the community;
- (ii) provide an opportunity for early identification of financial issues and any likely impacts in the longer term;
- (iii) provide a mechanism to solve financial problems as a whole;
- (iv) identify how various strategic plans of the Council fit together and can be integrated;
- (v) provide an understanding of the impact of decisions on other plans or strategies;
- (vi) provide a means of measuring Council's success in implementing strategies; and;
- (vii) confirm that the Council can remain financially sustainable in the longer term.

The dictates of introducing Integrated Planning and Reporting into NSW Local Government will as a matter of course provide for clear and unambiguous strategic and service objectives related to the efficient and effective management and operation of water utilities in member Councils. Strategic decisions regarding service levels, maintenance and capital expenditure would be made following an exhaustive community consultative and engagement process to determine overall priorities and strategic direction at the local level.

Any move to transfer local government ownership and operation of water utilities to State owned water corporations will significantly debase and compromise the principles for development of Council 10 Year Community Strategic Plans.

## **8 REPORT OF THE INDEPENDENT INQUIRY INTO SECURE AND SUSTAINABLE URBAN WATER SUPPLY AND SEWERAGE SERVICES FOR NON-METROPOLITAN NSW**

The Review Report commissioned by Infrastructure Australia in respect of the Review of Regional Water Quality and Security appears not to have referenced, reviewed or paid any regard to the *Report of the Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW* dated December 2008 to the NSW Minister for Water, the Hon Phillip Costa MP, in relation to sustainable water supply and sewerage management in NSW.

The Inquiry was predicated on Ministerial commitments made that any new governance structure:

1. *must protect or enhance councils' revenue stream;*
2. *must protect or enhance councils' capital expenditure;*
3. *must maintain or enhance job opportunities;*
4. *must provide ongoing access to specialised skills;*
5. *must adopt an independent and sustainable pricing mechanism; and*
6. *must have '21st century' governance arrangements in place.*

The opening comments of the Report of the Inquiry state:

*“It became clear to us early on in the Inquiry process that removal of water and sewerage services from councils would, in many instances, impact detrimentally on general purpose councils. This would largely be as a result of separating staff and resources from shared council functions.*

*The recommendations contained within this report therefore seek to maintain council ownership and management of water supply and sewerage services, whilst centralising the planning and reporting functions and mandating planning requirements and ‘best practice pricing’. This should ensure that local water utilities are planning well into the future, and are obtaining the revenue they require to meet future challenges.*

*The recommended increased collaboration between local water utilities is additionally aimed to address significant skills shortages being experienced by local water utilities. Research shows that skills shortages for the water and sewerage services sector are expected to increase dramatically across Australia over coming decades, and our report identifies a number of ways in which this can be managed and mitigated.”*

The Inquiry recommended that the following three organisational structures and accompanying governance model options be considered for the future delivery of water supply and sewerage services:

1. *Binding Alliance;*
2. *Council-owned Regional Water Corporation; and*
3. *Current structure arrangements for certain existing large water utilities, county councils and water supply authorities.*

Generally, and with only minor exceptions, the NSW Local Government sector is in alignment with the Inquiry recommendations subject to the allocation of increased resources from the NSW Government to ensure that any new regulatory approach is properly resourced and implemented.

A summary of the Inquiry Recommendations are as follows:

### **1 Good Governance**

*The current 104 local water utilities be aggregated into 32 regional groups that are broadly based on submissions provided by stakeholders.*

### **2 Improving Organisational Structures**

*Three organisational structure options be considered for the regional groups of local water utilities. The models are:*

- *binding alliance;*
- *council-owned regional water corporation; and*
- *current structural arrangements for some large general purpose councils and county councils.*

### **3 Improving Regulation**

*The regulation of local water utilities be strengthened to require utilities to implement all relevant plans, guidelines and standards. This must be complemented by an adequate reporting and monitoring framework and the designation of a regulator with adequate enforcement powers.*

#### **4 Improving Pricing**

*The regulation of local water utilities' pricing be strengthened to require utilities to establish prices in accordance with approved business plans and financial plans. Local water utility prices must be approved by an independent body. This body could be a government agency such as the Department of Water and Energy.*

#### **5 Cutting Red Tape**

*The reporting and regulatory roles undertaken by State Government agencies be reviewed with a view to streamlining these requirements and to ensure a consistent approach across these agencies.*

#### **6 Consumer Protection**

*The Energy and Water Ombudsman NSW scheme be adopted by local water utilities as a mandatory requirement, provided it can be demonstrated that there are net benefits in doing so.*

#### **7 Skills Shortages**

*Several options could be implemented simultaneously to manage and mitigate future skills shortages:*

- 1. offer incentives to communities of small local water utilities to undertake training in areas identified as skills needs (e.g. engineering and planning);*
- 2. pool human resource needs amongst local water utilities;*
- 3. increase the size of local water utilities;*
- 4. provide skill development opportunities for local water utilities staff;*
- 5. outsource skills needs to the private sector; and*
- 6. increase the capacity of training and development organisations.*

The Binding Alliance Model is broadly supported by Local Government water utility operators as a new organisational concept for local water utilities. If adopted, a Binding Alliance would be established as a distinct legal entity (the Alliance Entity) and mandated with responsibility for the strategic and financial planning function of member councils and for providing specialist professional and technical skills to the member councils.

In a binding alliance, asset ownership and the responsibility for service delivery are retained by member councils. However, asset management is directed by the Alliance Entity and service delivery is provided by the member councils in accordance with the Asset Management Plans developed by the Alliance Entity. Service levels are agreed between the Alliance Entity and member councils and member councils are compelled to remain members of the alliance and implement the strategic and long term financial planning directions of the Alliance Entity.

Significant challenges face Councils who manage and operate a local water utility. Namoi Councils recognise that changes will need to be made to ensure the provision of secure and sustainable water supply and sewerage services for the community. Namoi Councils, and indeed the Local Government sector, is ready, willing and able effectively work with the NSW Government through the Minister for Water to develop a position on the best way forward so as to ensure the long term sustainability of local water utilities. The proposed Binding Alliance Model with responsibility for the strategic and financial planning function of local water utility members may well be the future platform without the unnecessary creation of centralised State owned water corporations, the mere of existence of flies in the face of the principles adopted by Councils for modernising their governance structures and delivery of "best value" services to the community.

## 9 CONCLUSION

Namoi Councils as a Regional Organisation of Councils including the Namoi Catchment Management Authority is extremely disappointed and dismayed at the lack of consultation by Infrastructure Australia with the NSW Local Government Sector in relation to the Review of Regional Water Quality and Security.

Namoi Councils share the recently expressed view of the NSW Local Government and Shires Associations in rejecting the key findings of the Review Report. Infrastructure Australia has not engaged in any meaningful consultation with NSW Local Government Water Utilities as the key sector players and Infrastructure Australia has conveniently ignored examination of relevant available data that acknowledges Councils are best placed to deliver cost effective and operationally efficient water and sewerage services.

Community consultation and engagement is the cornerstone of Local Government in NSW. Lack of broad sector consultation by Infrastructure Australia and selective data collection has resulted in fundamentally flawed findings in the Infrastructure Australia Review Report. The Review Report pays scant regard to the comprehensive and all but concluded Local Water Utilities Review commissioned by the NSW Government that has been underway since 2007. This Review clearly shows the strong performance of NSW Local Water Utilities and solid improvements in quality, productivity and water security that have been made by this sector over the past decade. Moreover, Infrastructure Australia seems to be blindly ignorant of the fact that the NSW Government has repeatedly stated that it will not take over ownership of local water utilities. The Minister for Water has stated that there will be no "Macquarie Street" model imposed and that the model for future delivery of water supply and sewerage services in NSW will stem from the local water utilities and the communities that benefit from the services.

Namoi Councils hold the view that NSW Local Water Utilities are consistently delivering best-practice water management and that it is not necessary to have national uniformity in water utility service delivery models. Namoi Councils is aware that 96 per cent of NSW Local Water Utilities are achieving full cost recovery for water supply and 68 per cent have commenced integrated water cycle management.

In the preparation of the Review Report by Infrastructure Australia, there was no open consultation with Local Government in NSW and their local water utilities. There was absolutely no consultation with the NSW Local Government and Shires Associations and in short, the report is extremely offensive. Not only did Infrastructure Australia not consult with the peak representative body for Local Government in NSW or any council in NSW operating a local water utility, but it also failed to consult with some key NSW Government agencies, particularly the NSW Minister for Water, the Hon Phillip Costa MP and the NSW Office of Water.

The *off the shelf* report uses no information from the NSW Government review of local water utilities and is essentially a desktop analysis deficient in many of areas. Federal, State and Local Government resources should be directed to support and development of the effective existing structure within NSW which, in terms of best practice, has made significant ground in improving community engagement, asset and resource management and resource pricing. This is in contrast to the recommendations of the study which is based on a desk top assessment and an *off the shelf* set of recommendations which pay little attention to operations within the real world. Caution must be exercised with such *academic* exercises based on a *one*

*size fits all* and a *bigger is better* mentality and unsubstantiated rationale that fails to recognise the ability of locally based water utilities to respond to local needs in a way that maximises effective resource management.

The proposed service model will develop further bureaucratic structures or layers and the duplication of administrative and management services divorced from the existing administrative support already provided by Councils which provide for effective integration with other services including sewerage treatment and stormwater management and therefore, the accompanying economies of scale and scope. Contrary to the economic rationalist view portrayed in the report, it is not necessary to have a uniform service delivery model for local water utilities across the nation. It is outcomes that count and NSW Local Water Utilities have a very strong performance and service record in terms of best practice service delivery and governance. The proposed regional Binding Alliance Model advocated by NSW Local Government would deliver ongoing improvements in water security and quality standards while maintaining local ownership and management of water utilities. There is simply no logical reason to amalgamate utilities let alone transfer ownership to State Government water corporations.

The Aecom Review is extremely narrow and has only been undertaken in respect of NSW Councils who operate a Water Utility with serviced populations of less than 15,000. This limitation in the size of water utilities reviewed overlooks and is a gross misrepresentation of larger NSW Councils who are complying with the best practice standards of the NSW Office of Water and are efficiently and effectively operating water utilities under their control. Even the Councils covered by the Review have access to the expertise existing in larger adjoining Councils under existing agreements and arrangements for resource sharing of water utility professional and technical staff and information, a fact ignored by the Review Report. Without any formal binding alliance, Namoi Councils' resource share professional and technical water utility staff and information. As the largest Council in the Namoi Councils group, Tamworth Regional Council provides professional and technical support to other members and formal infrastructure tendering and resource sharing arrangements existing between Gunnedah and Liverpool Plains Shire Councils. Additionally, Tamworth Regional Council has provided professional and technical water utility support to Brewarrina and Central Darling Shire Councils. The Review is an extremely narrow and is a biased view of the actual operations of the vast majority of NSW Councils operating water utilities.

In conclusion, Namoi Councils is strongly opposed to recommendation 5 of the Report into the Review of Regional Water Quality and Security advocating reform of the governance structure of regional water utilities in NSW and the transfer of urban water utility functions to Government Owned Regional Water Corporations.



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