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Our Reference:

The  
*Bluett*  
AWARD  
~ 2010 Winner ~



RECEIVED 29 MAR 2011

23 March, 2011

Michael Deegan  
National Infrastructure Co-ordinator  
Infrastructure Australia  
GPO Box 594  
CANBERRA ACT 2601

**COPY**

Dear Michael

**Re: Submission on Regional Towns Water Quality and Security Review (AECOM)**

With respect to the Country Towns Quality and Security Review (AECOM), Upper Hunter Shire Council concurs broadly with the Review's recommendations, with the exception of the governance structure proposed.

Unfortunately the Review, while canvassing some aspects of the operations of the Australian water utilities in rural communities, has failed to make a nuanced assessment of the NSW situation, possibly as a result of insufficient time, resources or understanding.

A more comprehensive analysis would conclude that an Integrated (general purpose) Council, facilitated by an alliance with its adjoining councils and working with state water and environment management authorities, delivers optimum outcomes to regional communities.

A council managing accounting, rating, asset management, roads, water supply, sewerage, waste, land development, building regulation, recreational facilities, stormwater, etc, is easily able to integrate these functions, with a decision making capability automatically reflecting the local geographic, climatic, community and economic particularities.

Additionally, an analysis of existing regional entities, such as weed county councils, shows that their total non-operational overheads costs (expressed per operational employee) can be up to twice that in an Integrated Council performing that function, as they lack the same economies of scale. On the operational side, multiple use of field staff, machines, and support resources provides both operational flexibility and scale savings.

A regional single function, stand alone, and therefore geographical spread in rural NSW cannot reach the economies in both non-operational and operational costs natural to rural Integrated Councils.

Savings are being achieved by purchasing through *Hunter Procurement* pipes and fittings, concrete, meters and meter reading. Action through formal alliances with adjoining councils are delivering those specialist services which are becoming uneconomic for individual rural councils to provide at the increasingly higher standards required, currently including liquid trade waste. Other activities such as optimising of treatment plant processes by common employment by the Alliance of a specialist in

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**A Quality Rural Lifestyle – in a caring and thriving community**

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treatment plants, and by operator interchanging, offset any disadvantage in scale in rural Councils. Common standards, definitions and pricing are being developed to the maximum extent practicable.

In NSW the state, through its various entities, provides advisory, regulatory, and operational functions within which Integrated Councils operate. This is reflected in the production of Integrated Water Cycle Management Plans, Benchmarking, Drought Management Plans, Strategic Business Plans, etc, by councils; by Dam Safety regulation, by additional State water quality testing, by performance monitoring requirements and reporting to the State, and other reporting to the Federal Government; and by water extraction licencing, by catchment water sharing plans and controls, by the operation of state water storages, by project management, design services, etc.

While the Review identifies a number of desirable objectives in the management of the water cycle in the Australian context, it has not made the case that the actual health and security outcomes of the larger single purpose entities are all that superior to local councils in NSW. The Review fails to appreciate that in NSW sustainable, holistic outcomes for regional communities can be optimised to their wider benefit by the way of Integrated Councils and their alliances, rather than by centralised, single function entities.

Should you require any additional information please contact John Gould, Manager Water & Waste on 6540 1118.

Yours sincerely



for Daryl Dutton  
GENERAL MANAGER

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