



**SUMMARY OF COMMENTS ON THE
DRAFT GUIDELINES FOR BEST PRACTICE MANAGEMENT OF WATER SUPPLY AND SEWERAGE**

ISSUE	EXPLANATION OF ISSUE	COUNCIL
1. Introduction of best practice management Guidelines	The introduction of best practice management Guidelines is a worthy proposal.	Narrandera Shire Council
2. Short timeframe for preparing review of the draft Guidelines	Timeframe of two weeks to prepare draft comments is very short. For many councils the timeframe also coincides with recent council elections and therefore any comments will not have time to be considered by the newly elected councils.	Tweed Shire Council Clarence Valley Council Coffs Harbour City Council Former Maclean Shire Council Shoalhaven City Council
3. Short timeframe for implementing the Guidelines prior to the end of June 2004	The majority of the criteria need to be implemented by end of June 2004 before the Guidelines are finalised. The timeframe is not realistic for those councils that may need to implement new policies and procedures before June 2004 to meet the Guidelines.	Narrandera Shire Council Tweed Shire Council Clarence Valley Council Former Maclean Shire Council Nambucca Shire Council
4. Disappointing process, manner and outcomes	Compliance by 1 July 04 is impossible and the significant changes to the Dec 02 pricing guidelines have severely set back any progress made. Pricing plans soon to be adopted for 04/05 are made irrelevant. Arbitrary and unsubstantiated principles will destroy councils' credibility with consumers. Councils that made effort to comply with	Kempsey Shire Council

	previous Guidelines will now be penalised. At least 12 months grace should be given for compliance.	
5. Appropriateness	A state wide approach is not appropriate and BP based on a Sydney IPART document is not necessarily relevant for country councils.	Coffs Harbour City Council Kempsey Shire Council
6. Limited council resources	Many councils will not have the staffing resources to implement the Guidelines and/or the financial resources to engage appropriate consultants.	Narrandera Shire Council
7. Clarification about the payment of a dividend	The LGA Act 1993 and the draft Guidelines are contradictory with the Act stating that a dividend <i>may</i> be deducted and the Guidelines stating that a dividend <i>must</i> be deducted. The legal status of the dividend should be clarified.	Clarence Valley Council Coffs Harbour City Council
8. Proposal to undertake an independent compliance report	The cost of undertaking an independent compliance audit as opposed to the previous self assessment model needs to be considered. The qualifications and experience of the auditor also need to be clarified. The accuracy of the audit reports will also have to be verified at a later stage.	Clarence Valley Council
9. Split of bulk supply and reticulation	Currently the reticulation is split from the supply of bulk water for some councils. The new maximum limit of \$15 for bulk and reticulation could see councils paying a dividend to the county council and then the county council giving it back.	Coffs Harbour City Council Clarence Valley Council

<p>10. Introduction of three new pricing criteria</p>	<p>Three new and inconsistent criteria have been introduced in the Water Pricing Indicators: 75% residential revenue rule, three tier tariff, and the 50% non-resident revenue rule. New pricing criteria will cause financial burden that will lead to collapse of commercial consumers and social burdens. Proposed Guidelines appear to contradict earlier pricing Guidelines. The 75% residential revenue rule appears to be an arbitrary figure causing high financial risk.</p>	<p>Coffs Harbour City Council Tweed Shire Council Clarence Valley Council Kempsey Shire Council Shoalhaven City Council</p>
<p>11. Continuation of the CTWS&S Program</p>	<p>Recent commitment from the Government to the CTWS&S Program has not been forthcoming. Are there any penalties on the Government if the subsidies do not continue? Minister Sartor requested to publicly verify that CTWS&SP will continue and is not being dismantled.</p>	<p>Former Maclean Shire Council Kempsey Shire Council</p>
<p>12. Continuing subsidies from the CTWS&S Program</p>	<p>The new requirement of at least 75% residential revenue generated through the water usage charge by June 2004 will compromise the ability of some councils to obtain financial assistance for the CTWS&S Program. Mandatory compliance for financial assistance under CTWS&SP will place a significant financial burden on the community. Compliance with 6 BP criteria with 3 months notice is unfair and will disrupt schemes already commenced.</p>	<p>Tweed Shire Council Nambucca Shire Council Nambucca Shire Council Kempsey Shire Council</p>

13. Integrated Water Cycle Management timeframe is unrealistic	The timeframe for the implementation of an Integrated Water Cycle Management Strategy is very tight and not feasible for many councils to meet the June 2005 deadline. How the IWCM will be financed also needs to be clarified. A more reasonable timeframe is two years from the release of the Guidelines.	Coffs Harbour City Council Narrandera Shire Council Clarence Valley Council Nambucca Shire Council Kempsey Shire Council Shoalhaven City Council
14. Cross subsidies	If the local community is aware of cross subsidies and want them to be retained they should be allowed to do so. Transfer of funds should be open and accountable and unidentified X subsidies should be avoided.	Clarence Valley Council Coff Harbour City Council
15. Water Efficiency and Drought Management Plans	These plans are reasonable but who is responsible for approval of the plans needs to be clarified.	Clarence Valley Council
16. Liquid Trade Waste Pricing	Pricing practices will place significant financial burden on businesses in the community which as a result may become unviable.	Nambucca Shire Council
17. Financial Plan	Confusion in the text as both a 20 year and 30 year financial plan are required. Capital works can change quickly for large projects and the suggested timeframes are too long.	Coffs Harbour City Council
18. Demand Management	Council should still comply with BP Guidelines as long as long term demand management measures have been considered.	Coffs Harbour City Council
19. Roles and responsibilities	Roles and responsibilities are changing without consultation and understanding. DEUS is moving to overseer and directing LWUs in the management of their schemes.	Shoalhaven City Council

20. Nexus between BP & dividend	Dividend should be a criterion in BP G'lines rather than a reason to achieve it.	Shoalhaven City Council
21. Reduction of BP criteria	Reduction of 11 criteria to 6 is misleading as the criteria have been compressed	Shoalhaven City Council
22. FINMOD	FINMOD should not be mandatory. (Sam Samra's comments from the teleconferences in October 03 agreed with this statement. This goes against the initial argument that the Guidelines are too prescriptive.)	Shoalhaven City Council
23. Residential customers	The increase from 50% to 100% for discretionary consumption appears to be a random figure and not supported by sound principles.	Shoalhaven City Council
24. Tariff	The move away from a 2 part tariff to an inclining block tariff with a higher usage charge applying no greater than 450kL is not supported.	Coffs Harbour City Council Shoalhaven City Council
25. Pensioner Rebate Scheme	Reduction of access charge to a figure less than \$175 will impact on the Pensioner Rebate Scheme under the LGA	Shoalhaven City Council