

UPDATE ON MEETING WITH MINISTER SARTOR CONCERNING A RANGE OF WATER MANAGEMENT ISSUES

As notified in the LGSA's Weekly Circular 36/04 on Friday, 10 September, the President of the Shires Association, the Chair of the LGSA Water Management Committee, the LGSA Policy Officer - Water and the Chair of the Water Directorate met on Wednesday, 1 September with Frank Sartor, Minister for Energy, Utilities and Sustainability to discuss a range of issues concerning the implementation of the new funding criteria for the Country Towns Water Supply and Sewerage Program (CTWSSP) and aspects of new Best Practice Guidelines for Water and Sewerage Management. A number of positive outcomes can be reported.

While not all issues were able to be raised due to time constraints it is promising that the Minister has agreed to meet quarterly with the Associations and the Water Directorate. Some of the key outcomes of the meeting include:

1. CTWSSP Prioritisation Committee

The Minister has initiated an interdepartmental committee to examine funding project priorities for the CTWSSP. Local Government has argued that it should be represented on the committee as councils contribute significant finances to these projects. The Minister agreed to a review of the criteria of the Prioritisation Committee within 12 months and to write to all the council owned water utilities advising them of the ranking of their projects, once finalised.

2. Best Practice Guidelines

The Minister agreed to a tiered approach to having a greater proportion of residential revenue generated through usage charges. Local Water Utilities are to achieve 50% by June 2005, 60% by June 2006 and 75% by 2007.

The LGSA and the Water Directorate will explore the possibility of developing a socio-economic impact assessment tool to determine whether some Councils will experience genuine hardship with the application of the 75%.

The LGSA will examine the removal of the impediment in the *Local Government Act* that prevents Local Water Utilities from charging an integrated water price at their October meeting, with the aim to approaching the Minister for an amendment to the Act. If an amendment to the *Local Government Act* is passed the Minister will look at reviewing the Best Practice Guidelines further.

The Minister agreed to review in 12 months time whether step pricing thresholds should be related to temperature, rainfall and soil types.

The Minister agreed to examine the need to extend the compliance date for Integrated Water Cycle Management (IWCM), on a case by case basis, and also that the LGSA and Water Directorate will develop a package advising how IWCM Plans can be implemented across the state.

3. Performance Standards

The Minister agreed in principle to examine the establishment of performance standards/benchmarks for all elements of service provision by DEUS to Local Water Utilities, including processing development applications and replies to correspondence.

The LGSA and the Water Directorate are to work with the Department to identify what is feasible. The Department is also to investigate the establishment of performance standards for Local Water Utilities.

4. On-going Communication

One of the most promising outcomes of the meeting with the Minister was a commitment to meet with the Water Directorate and the Associations on a quarterly basis. We hope this will open up on-going communication on a range of issues.

BACKGROUND TO MEETING WITH MINISTER SARTOR

The Working Group

Prior to the above mentioned meeting with Minister Sartor on 1 September, a small working group, consisting of representatives from the Associations and the Water Directorate, met to identify the key issues faced by councils. In total 26 issues were raised. These issues were gathered from the results of the Water Directorate survey, individual letters from councils, motions going to the Local Government Association annual

conference and the outcomes of the Water Manager's forum at the Water Conference in Moama. These issues needed to be prioritised due to having only an hour meeting with the Minister.

Prior to meeting with the Minister, the Working Group also met with representatives from the DEUS and the Department of Commerce. This meeting proved useful, as it gave some insight as to what issues/work DEUS is currently addressing/undertaking.

UPDATE ON ISSUES ASSOCIATED WITH THE COUNTRY TOWNS WATER SUPPLY AND SEWERAGE PROGRAM AND THE BEST PRACTICE MANAGEMENT GUIDELINES

DEUS recognised that there is a need for greater communication with their regional offices about the changes in the program and the consistent application of the guidelines. It is understood that regional staff are meeting with staff in Sydney in early September.

DEUS clarified the funding situation for water utilities that have started or about to start a new scheme in 2004 as basically 'old rules for old projects, new rules for new projects', where old projects are those with prior approvals and will be funded at the previous subsidy % whereas new projects are projects still to be approved and if approved, will be funded at the amended subsidy %. Guideline amendments include councils' requirement to fully fund projects upfront, no progress payments; no funding for variations; no preconstruction funding for future projects; and reimbursement at completion of construction.

DEUS also outlined how the priority funding is to be processed and allocated. It is envisaged that of the 250 projects seeking funding they will be grouped into categories 1-10. The balance of the \$878M CTWS&SP fund will be allocated to the highest priority programs. The amended subsidy rate will allow more projects to be subsidised however generally at a reduced amount.

DEUS confirmed that the following were funded through the CTWSSP:

- Drought-water carting
- Some administration costs of DEUS in the delivering of the program
- IWCM
- Metering
- Effluent reuse if it is part of an approved project

The IWCM Guidelines are expected to be published and released in October 2004

DEUS is aware of the difficulties councils will now encounter with the removal of the use of the *Public Works Act*. DEUS is currently seeking legal advice and holding discussions with the Department of Local Government to examine the possibility of altering the *Local Government Act*.

The information gained from the survey of councils was very useful. Many of the principles could not be discussed in one hour with the Minister. These issues will be discussed further with the working group.

NEXT MEETINGS

The next meeting of the Working Group on issues associated with the Country Towns Water Supply and Sewerage Program and the Best Practice Management Guidelines is scheduled for mid October.

The next meeting with the Minister is scheduled for 1 December.

NEXT STEP

The Water Directorate thanks councils for the 45 CTWSSP survey responses received and reminds member councils that not all issues that have been gathered from the results of the survey, council letters, conference motions and the outcomes of the Water Manager's forum in Moama were able to be raised with the Minister due to time constraints.

The Working Group however will endeavour to work through all the issues and the Water Directorate and the LGSA will keep members updated on the outcomes.