



**WATER
DIRECTORATE**
WATER MANAGERS FORUM
WEDNESDAY 11 AUGUST 2004
WATER MANAGEMENT CONFERENCE, MOAMA 2004

For a second time the Water Managers Forum was held to discuss topics pertinent to water managers in local government at the Local Government Water Management Conference. Approximately 70 people attended the Forum comprised mainly of technical officers and staff from local government water utilities.

The Forum was organised by the Water Directorate and it was facilitated by Adrian Wells, Manager Upper Murray, Murray Darling Association.

The opinions expressed at the Forum by individuals do not necessarily represent those of the Water Directorate nor the LGSA NSW. Wherever possible, publicly expressed opinions have been accurately transcribed or summarised.

Further feedback can be sent to the Water Directorate by email on info@waterdirectorate.asn.au or posted on the Water Directorate's Discussion Forum at: <http://www.waterdirectorate.asn.au/maillinglist/>

PANEL ONE: COUNTRY TOWNS PROGRAM - NEW PROVISIONS

Panellists:

Jim Fear	NorthCoast Water/Clarence Valley Council
John Gould	Shoalhaven City Council
Mike Rayner	Tweed Shire Council
Mike Partlin	Department of Energy, Utilities and Sustainability

Issues raised:

- Insufficient consultation about the criteria changes.
- CPI is outstripping the total subsidy amount of \$878 million (1995 \$).
- Timeliness is questionable as local government water utility budgets are completed in May.
- Coordination between the various departments needs to be improved to prevent delays.
- Section 191A of the Local Government Act needs to be amended to provide the appropriate power of entry to reduce easement costs.
- Money spent from the CTWSSP scheme on emergency water cartage costs needs to be reimbursed by NSW Treasury.
- Definition of “turnover” needs to be clarified.
- Definition of “substantial compliance” needs to be clarified.
- Methodology for prioritisation criteria needs to be circulated
- More transparency and certainty is required.
- Subsidies for alternative water schemes, not just infrastructure, needs to be considered.
- Subsidies do not cover variations once a project has commenced and unforeseeable circumstances happen.

Departmental response:

Mike Partlin, A/Manager, Infrastructure and Funding, DEUS answered the following questions:

- There is no extra funding for IWCM alternatives, only for the infrastructure component of projects.
- Turnover is defined as \$10 million for combined water and sewerage services or \$5 million for only one service.
- The methodology for the prioritisation list will be distributed amongst councils so they can estimate where their project might sit on the final list (or not).

Outcomes/Options:

- Continue discussions with DEUS to encourage a more consultative approach to the introduction of future guidelines and funding criteria.
- Work with LGSA to raise these issues at every opportunity with DEUS.
- Lobby the Minister and DEUS staff for local government representation on the prioritisation committee.
- Water Directorate to continue to get better understanding of council risk.

PANEL TWO: BEST PRACTICE GUIDELINES

Panellists:

Kent Boyd	Parkes Shire Council
Stewart McLeod	Dubbo City Council
Mike Rayner	Tweed Shire Council
Sam Samra	Department of Energy, Utilities and Sustainability

Issues raised:

- Timeframe for implementing the guidelines, particularly for amalgamated councils, is unrealistic.
- Review of the inclining block tariff needs to be undertaken, particularly for councils west of the mountains.
- How will rebates for larger families work and will this methodology be applicable in other areas?
- More user friendly performance reporting is necessary.
- Lifestyle issues mean that some towns, particularly in the outback, will always need to use more water for gardens and air conditioning.
- Implementation of trade waste guidelines is complex, particularly for small councils and leniency may be required for small councils that cannot or do not comply.
- Final Trade Waste Guidelines have to be published for councils to use.
- State Government departments need to have best practice guidelines to encourage timely responses to schemes and reports submitted by local government water utilities for approval.
- Suggest Minister defers IWCM till Guidelines & Pilot Studies are available.

Departmental response:

Sam Samra, Manager Water Utility Performance, DEUS indicated the following in his presentation:

- He is happy to work with the LGSA and Water Directorate Working Group.
- Better community consultation will “sell” the Best Practice Guidelines to local government residents.
- The timeframe for implementation need not be as onerous as it first appears as the guidelines only need to be started, not completed, by June 2005 in order for a council to be paid a dividend.
- DEUS is happy to assist with implementation costs of the guidelines.
- An inclining block tariff for excess water usage must be charged at 450kL.

Outcomes/Options:

- Continue discussions with staff from DEUS to better understand the implications of introducing the Best Practice Guidelines
- The Water Directorate and LGSA form a working group to work through the implementation process
- Seek to clarify “substantial” compliance with DEUS
- Look at sharing resources or information amongst councils to facilitate compliance with the Guidelines.

PANEL THREE: PRICING POLICIES

Panellists:

Kent Boyd	Parkes Shire Council
John Gould	Shoalhaven City Council
Stewart McLeod	Dubbo City Council
Sam Samra	Department of Energy, Utilities and Sustainability

Issues raised:

- More flexibility is required with the 75/25 ratio as some councils have to make a big jump to get to 75 per cent usage charges.
- Role of regional DEUS offices should be looked at as it might provide local knowledge of what is manageable for some small councils
- The introduction of the new pricing criteria appears to be the first step before the introduction of a pay-for-use sewerage system.
- Ensure application of the pensioner rebate scheme is sufficient.
- Large holiday maker shires will find pricing policies difficult to implement and potentially unfair to the local residents.
- Low season means low consumption and low maintenance income.
- It will be difficult to keep large industries in the regions if water charges are increased too much and too quickly.
- Subsidies or lower tariffs would encourage industry.
- Too many different methodologies to achieve the appropriate pricing policy is confusing for council officers.

Departmental response:

Sam Samra, Manager Water Utility Performance, DEUS indicated the following in his presentation:

- The introduction of best practice pricing benefits the customer in three ways: provides the resident with greater discretion in water usage (ie saves money), helps save precious water resources (ie environmental benefits) and improves the long term planning of the local water utility.
- An average long term result of introducing user pays charges is a reduction in water consumption of 20 percent
- Councils are able to put the first step tariff in below 450kL if they decide this is appropriate, otherwise, higher tariffs will have to be charged for water users above 450kL per year.

Outcomes/options:

- Councils are encouraged to move to a user pays system efficiently and as quickly as possible.
- Case studies of satisfied councils (Tamworth Regional Council, Albury City Council and Murray Shire) are distributed for information.
- More consultation between DEUS and LGSA and the Water Directorate is required to clarify all the issues.