

INQUIRY INTO  
**Secure and Sustainable  
Urban Water Supply  
and Sewerage Services**  
FOR NON-METROPOLITAN NSW

*Stewart McLeod*

**SUBMITTED BY:** STEWART MCLEOD  
CHAIR, WATER DIRECTORATE INC.  
29 APRIL 2008



## About the WATER DIRECTORATE

The Water Directorate is a membership association that comprises 96 Local Water Utilities (LWUs) from around NSW. We believe that the high percentage of councils that are members is an indication of the Water Directorate's usefulness and effectiveness as a technical organisation.

The Water Directorate's mission is to provide leadership and advice to the local government water supply and sewerage industry in NSW, particularly on technical issues. We believe that we have been fulfilling this mission successfully for the past nine and a half years.

Established in late 1998, the Water Directorate was initiated by local government water and sewerage practitioners who recognised that the structure and legislative framework for water authorities in NSW was not ideal following the abolition of the Department of Public Works. By forming an industry specific association it was believed that the lack of coordination between government departments and local authorities as well as the declining level of technical advice could be addressed.

The Water Directorate Executive Committee is comprised of 18 elected members representing 9 local government regions in NSW and 2 appointed LGSA representatives. All elected members have experience as either senior water and sewerage managers or engineering directors in local government. There is one full time paid Executive Officer and a part time policy officer to administer the work of the Executive Committee. Secretariat services are provided by IPWEA (NSW Division).

Since our establishment the Water Directorate has provided consistent state-wide management tools at a low cost to our members in NSW. We have spent more than \$3.5 million on developing relevant guidelines and technical documents (refer to Attachment 1) and have supported the industry with valuable information that may not have been provided by State Government departments.

The Water Directorate is a proactive organisation with many successful achievements in the past decade. In just the past twelve months we have been involved in a large number of activities promoting and encouraging the long term efficiency of the of the local government water industry. A list of these activities in 2007/08 includes:

- Publication of revised *Blue-Green Algae Management Protocols* – February 2007
- Joint sponsorship of the AWA and Water Directorate Conference Attendance Award – March 2007
- Distribution of three WIOA Practical Guides to all NSW LWUs – 2007 and 2008
- IPWEA Excellence Award Innovation in Water Supply and Wastewater – May 2007
- Sponsorship of the Water Directorate Conference Attendance Award – May 2007
- Hosting of the Water and Electricity Safety Seminar at eSAFE 07 – July 2007

- Sponsorship of the Water Safety Competition and Award at eSAFE 07 – July 2007
- Sponsorship of the NSW Operator of the Year Award at the WIOA State Conference – July 2007 and April 2008
- Hosting of the Water Managers Forum at Inverell and the LGSA Water Management Conference in Inverell – August 2007
- Publication of the *Operations and Maintenance Manual for Water Treatment Plants* in January 2008
- Publication of the revised *Cutting, Handling and Disposal of AC Pipe Guidelines* – March 2008
- Hosting of a Trade Waste Pricing Policy Forum in Sydney – April 2008
- Joint management with the LGSA of the \$22 million Water Loss Management Program (WLMP) in partnership with the Australian Government (through the Water Smart Australia program) – this is a four year project due for completion in 2010
- Hosting a Discussion Forum on our website at [www.waterdirectoratesn.au](http://www.waterdirectoratesn.au) where subscribers can send queries and comments out to all our members - ongoing

At our planning meeting in November 2007 the Executive Committee agreed to set the following as our goals for 2008/09:

- Publish part 2 of the *Section 64 Guidelines* including Collation of Water Use Data and Discharge Factors
- Prepare and publish *Risk Management Guidelines* including emergency and security issues
- Prepare and publish a *Land Acquisitions Manual*
- Prepare and publish an *Odour Management Guidelines*

These projects are all considered necessary tools for the local water industry to operate effectively. They are documents that were not being prepared by other government agencies and therefore we have taken it upon ourselves to coordinate and fund their production. Attachment 2 outlines our three year program up to 2009/10.

A copy of our most recent Annual Report for 2007/08 is also available (Attachment 3). This Annual Report provides a good overview of the breadth of activities we have initiated or jointly participated in with our industry peers.

## **Regulatory ENVIRONMENT**

With the announcement of the *Local Water Utilities Inquiry* the State Government is clearly looking for the local government water industry to provide leadership in key areas. We strongly believe that there is a level of maturity as well as internal resource base that now exists within the local government water industry that was not available 20 years ago.

The Water Directorate recognises and accepts that over the past 25 years the regulatory environment in which LWUs operate has become increasingly complex. However, we would like to see that complexity considered by the Inquiry alongside any other list of inefficiencies in the delivery of water and sewer services.

State Government agencies are continually evolving and changing in both the structure and scope of their responsibility. It is extremely challenging for the LWUs to keep up with the changing goals and objectives of these various agencies particularly when their areas of responsibilities overlap or duplicate that of another department.

A quick overview of the various departments and their responsibilities shows that at the present time a large number of government agencies are involved in the management of water in a significant manner:

- Department of Water and Energy - responsible for Section 60 approvals under the Local Government Act, reporting of industry indicators, Best Practice Guidelines and management of the Country Towns Water Supply and Sewerage Program (CTWSSP)
- Department of Health – regulates and monitors water quality in reticulated water supplies, including fluoridation of water supplies
- Department of Natural Resources – regulates water supply extractions and volumetric entitlements, including water sharing plans and monitoring of waterways
- Catchment Management Authorities – responsible for implementation and funding of Catchment Activity Plan
- Dam Safety Committee – responsible for surveillance and monitoring of prescribed dams for both water supplies and regulated waterways
- Independent Pricing and Regulatory Tribunal – Current review of Developer Service Plans under Best Practice Guidelines
- Department of Local Government – responsible for compliance with Local Government Act and ensuring the implementation of proper Governance in the industry.

The Water Directorate considers that known deficiencies in the LWU structure and legislative framework that were apparent as long ago as the 1990s have been exacerbated in recent years by the prolonged drought and the ongoing reshuffling of the bureaucracy responsible for the management of water in NSW.

It is significant that in the past 13 years, seven ministers have been responsible for water management and the department directly responsible for water has been significantly restructured four times.

Currently there are three issues that Water Directorate members are specifically concerned about which we believe are complicated by the involvement of more than one regulatory agency. These issues are:

- BASIX (administered by Department of Planning) vs Integrated Water Cycle Management (administered by Department of Water and Energy);
- Load based licensing and reuse vs effluent credits for river discharge; and
- Connection to town water and sewerage services vs non-connection and connection to private services.

Examples of conflicting departmental issues as listed above must be addressed alongside inefficiencies in the delivery of water and sewer services. Only this twin review approach will ensure that some issues are satisfactorily rectified.

The Water Directorate and the LGSA would like to initiate a discussion with Government on areas of regulation that could be either reduced or transferred as self-regulation to the industry. This would simplify matters, increase efficiency, reduce costs and free up funds for use elsewhere in the industry.

In terms of pricing regulation the Water Directorate notes recent statements by the current Minister that consideration is to be given to IPART having an increased role in price determinations across the whole of NSW. We reject this approach as neither desirable nor sensible for several reasons:

- It is extremely doubtful that IPART's existing heavy workload could possibly allow it to deal with 50 or 100 different additional determinations across the entire breadth of the State within the timeframe set for Councils by the *Local Government Act* for advertising and adopting their Annual Revenue Policies.
- IPART could not possibly understand or be empathetic to the needs and wishes of each LGA like their own elected Council would be.
- If the State Government is seeking to ensure sufficient accountability in water price setting it need look no further than the current system of Council Management Plans that are approved by elected Councillors. Councillors are more in touch with their local community than a Sydney-based Tribunal because they receive feedback on a daily basis is direct and immediate.

The current system of price setting relies on a well-tested, light-handed style of regulation by DWE via their gazetted Best Practice Pricing Policies. These are written by DWE with IPART and National Water Initiative principles firmly in mind, and gazettal under the *Local Government Act* ensures they have the force of statutory law behind them as far as LWUs are concerned.

The current system of price setting is transparent and cost-efficient. We believe that the introduction of an IPART process where 100 individual utilities are obliged to develop 100 individual cases for consideration within a timeframe of months would be both impractical and highly cost-inefficient.

The Water Directorate therefore recommends most strongly that IPART not be introduced into regional NSW as the regulatory authority for water supply and sewerage pricing.

## **LGSA and Water Directorate OPTIONS PAPER**

In late 2007, in direct response to the announcement of this Inquiry, the LGSA and Water Directorate commissioned the Institute of Sustainable Futures (ISF) at UTS to prepare an Options Paper for our members.

The options paper prepared by the ISF includes an analysis of a range of nine potential models for the provision of water supply and sewerage services in regional NSW. The paper finds that one option does not suit all NSW because of the diversity of physical, demographic and economic situations.

The Water Directorate supports the following models or combination of models outlined in the working paper:

- Regional mandatory alliances;
- County council (service provision only);
- County council (including asset ownership); and
- Regional council aligned to catchments or sub-catchments.

Our support for these models is predicated on the following:

- Maintenance of local control and ownership of the water and sewer assets;
- Utilisation of economies of scope through integration with other council functions;
- Integration of resource planning with the adoption of a whole of government approach to water cycle management; and
- Optimisation of whole of community outcomes.

A copy of the Options Paper is available on the LGSA website [www.lgsa.org.au](http://www.lgsa.org.au)

## **Water Directorate PREFERRED OPTIONS**

Given the diversity of economic, demographic and geographic circumstances across NSW, the Water Directorate agrees with the Minister's letter in the Dubbo "Daily Liberal" on April 18 that there is no 'one size fits all' solution.

The Water Directorate is also heartened by the Minister's letter that the government has no intention of 'taking over' or 'privatising' any local water utility. On that basis the Water Directorate rejects the 'one size fits all approach' such as the MidCoast County Council proposal and rejects the single model concept such as the Country Water privatisation by stealth proposal.

The Water Directorate also rejects the views of some commentators that the Victorian model and its dimensions should be applied to NSW. NSW is just over 3.5 times bigger than Victoria with relatively more remote, regional areas.

Attachment 4 is two maps of Victoria and NSW. These maps show the current water utility boundaries and demonstrate that the situation in each state is comparable. The water utilities that are close to Melbourne are smaller and of similar geographical size to the LWUs that are closer to Sydney. The water utilities that are further from Melbourne are larger and of similar geographical size to the LWUs that are further from Sydney.

The Water Directorate clearly supports County Council models where these are deemed appropriate, however each region of NSW should devise its own solution depending on its own unique set of circumstances. The Water Directorate firmly believes that local autonomy should remain and that a solution should not be imposed on LWUs.

The Water Directorate acknowledges that due to the skills shortage, some LWUs face difficulty in undertaking the necessary long term strategic planning and asset planning. The Water Directorate encourages these Councils to join with

other Councils for assistance using one of the four preferred models in the ISF report.

Despite the skills shortage, the Water Directorate believes that all LWUs presently comply with public health regulations, with the potable water testing regime overseen by the NSW Department of Health not indicating any widespread or persistent failure by LWUs to treat water. Likewise there is no generalised evidence that Sewage Treatment Plants (STPs) operated by LWUs are not meeting Environment Protection Authority (EPA) licence conditions.

With regard to asset renewal, most local government councils have now undertaken fair value revaluation of assets to determine depreciation. At worst case the economic real rate of return is slightly negative for a handful of councils implying that the revenue raised is only just insufficient to renew/replace assets in the long term by no more than a few percent. Importantly, it is noted that many LWUs have lower water supply usage charges than Sydney Water Corporation (SWC).

## **Potential WATER DIRECTORATE ROLE**

Through the Water Directorate, local government has demonstrated over the past 10 years, significant capacity for identifying and solving its own problems. The joint Water Directorate and LGSA Water Loss Management Program (WLMP) is one such example of a successful local government initiated project which has brought additional resources to NSW to address a crucial issue.

The Water Directorate believes that the ongoing management of the industry by government departments is costly. We are therefore willing to investigate with the State Government whether some water functions could be transferred to us with sufficient funds to achieve the same outcomes. We recognise the good technical and managerial assistance provided by some of the departments but we nevertheless feel that we could provide a similar or superior level of assistance in some areas with lesser funds.

The Water Directorate has the potential, with expanded capacity, to provide a focused and comprehensive form of technical assistance to councils regardless of which of the four preferred models is chosen. The Water Directorate is an ideal vehicle for monitoring and mentoring councils and providing feedback on both the good and bad experiences throughout NSW.

Since our Executive Committee members are nominated and elected by the General Managers of member councils on a regional basis, the Water Directorate is in a position to encourage our 96 member councils to take a proactive approach to be involved in one of the preferred four models. We have the ability to exert peer pressure through our members' General Managers on any small number of member Councils which might choose to ignore the realities of 21st century LWU operations.

The Water Directorate, through the provision of on-the-ground regional representation, has been the conduit by which DWE has sought to introduce Best Practice Management and we are very happy to continue in this role. We will also continue to undertake projects on behalf of our member councils.

## Water Directorate RECOMMENDATIONS

1. The Water Directorate supports any of the four preferred models (refer page 5) because we believe that they would maintain local control and ownership, utilise economies of scope through integration with other council functions, enable integrated resource planning and water cycle management, and so optimise whole of community outcomes, provided that each regional grouping of councils retains the ability to choose its own preferred model.
2. The Water Directorate recommends that the State Government conducts a review of the regulatory environment including of departments such as DWD, DLG, DoH, DECC, DoP, CMAs and Statewater in conjunction with the current *Local Water Utilities Inquiry*.
3. The Water Directorate recommends most strongly against the introduction of IPART into the regulation of water supply and sewerage pricing across regional NSW, and requests retention of the current system of light-handed regulation of prices via DWE's Best Practice Pricing Policies.
4. The Water Directorate has the potential, with expanded capacity, to provide a focused and comprehensive form of technical assistance to councils regardless of which of the four preferred models is chosen.
5. The Water Directorate would be pleased to assist the structural review and the proposed legislative review where possible. We recognise that the solutions are not straightforward and that 'one size fits all' will not be satisfactory.

Overall the Water Directorate would value a closer relationship with the State Government and we look forward to being able to continue providing comprehensive technical assistance to LWUs in NSW.

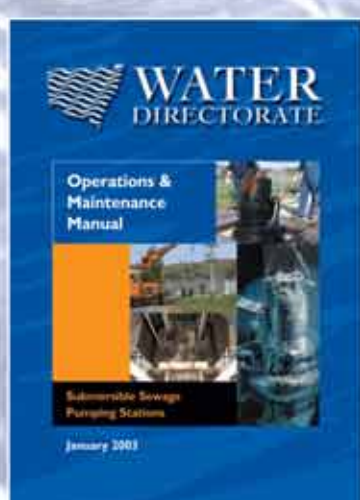
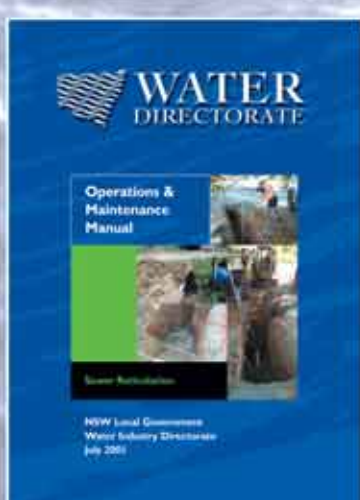
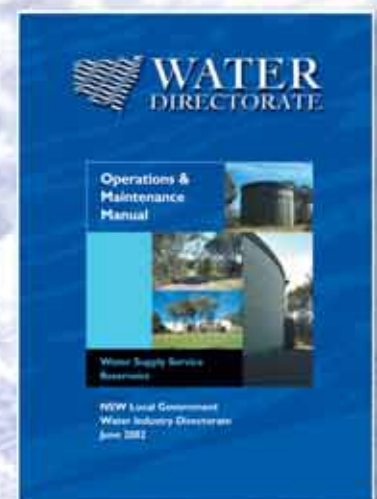
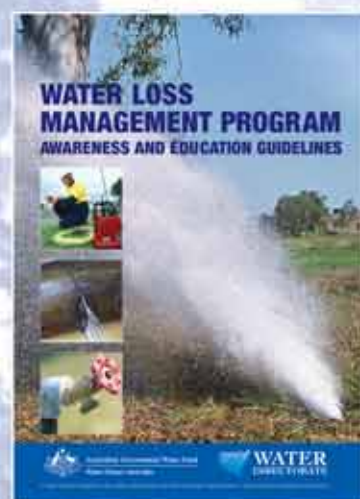
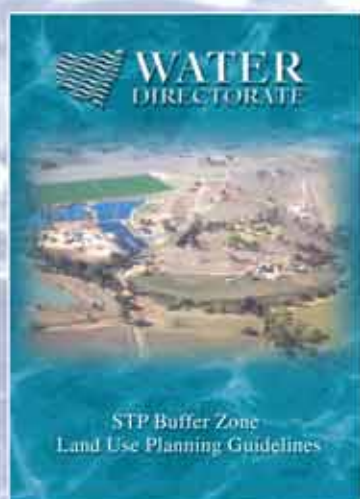
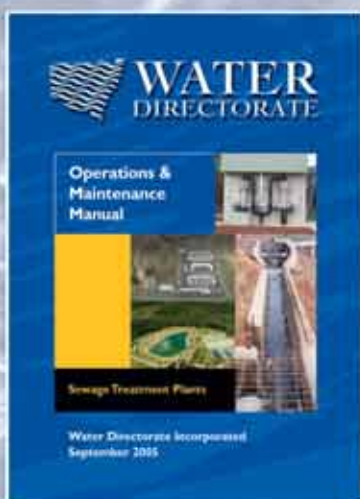
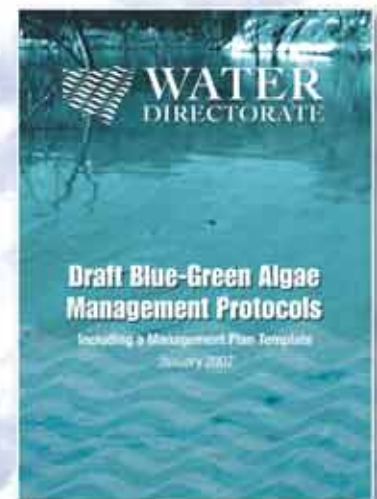
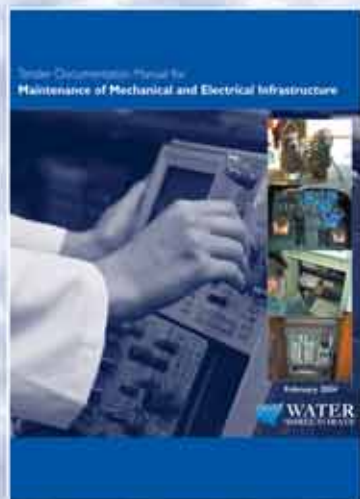
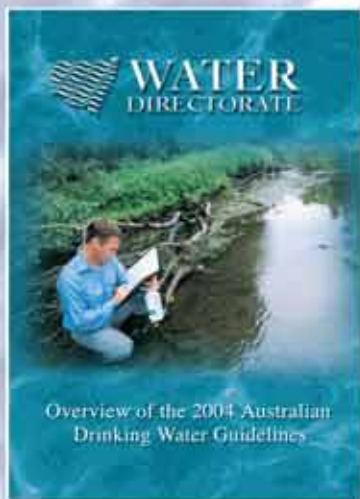
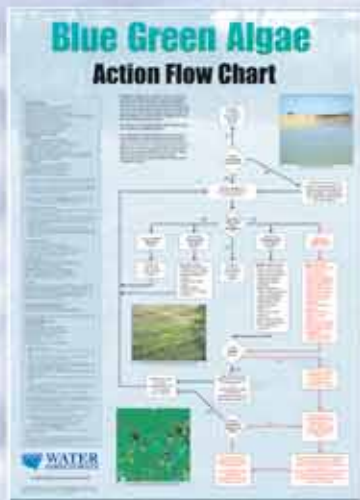
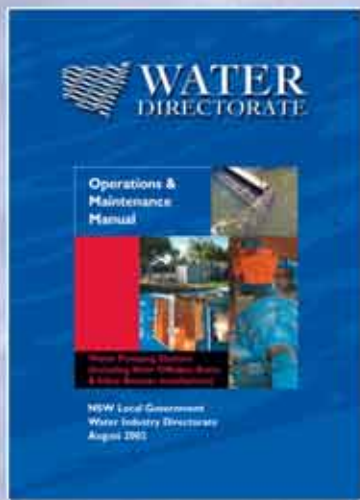
## 1. Water Directorate PUBLICATIONS

- 2008 Cutting, Handling and Disposal of AC Pipe Guidelines (revised)
- 2008 Operations Maintenance Manual for WTPs
- 2007 Draft Blue-Green Algae Management Protocols (revised)
- 2006 WLMP Awareness and Education Guidelines
- 2006 STP Buffer Zone Land Use Planning Guidelines
- 2006 Overview of the 2004 Australian Drinking Water Guidelines
- 2005 Operations Maintenance Manual for STPs
- 2005 Section 64 Determinations of Equivalent Tenements Guidelines
- 2004 Water and Sewer Meter Reading Guidelines
- 2004 Proforma Tender Documentation Manual for Mechanical and Electrical Infrastructure
- 2004 Operations Maintenance Manual for Water Pumping Stations (revised)
- 2004 Operations Maintenance Manual for Water Supply Service Reservoirs (revised)
- 2004 Operations Maintenance Manual for Wet & Dry Well Sewage Pumping Stations (revised)
- 2003 Operations Maintenance Manual for Water Reticulation (revised)
- 2003 Operations Maintenance Manual for Sewer Reticulation (revised)
- 2003 Operations Maintenance Manual for Chlorination Installations (revised)
- 2003 Operations Maintenance Manual for Submersible Sewage Pumping Stations (revised)
- 2003 Drought Management Guidelines
- 2003 Reuse of Sludge and Wastewater from WTPs Guidelines
- 2003 Cutting, Handling and Disposal of AC Pipe Guidelines
- 2002 Operations Maintenance Manual for Water Supply Service Reservoirs
- 2002 Operations Maintenance Manual for Water Pumping Stations
- 2002 Backflow and Cross Connection Prevention Guidelines
- 2001 Operations Maintenance Manual for Wet & Dry Well Sewage Pumping Stations
- 2001 Operations Maintenance Manual for Water Reticulation
- 2001 Operations Maintenance Manual for Sewer Reticulation
- 2001 Operations Maintenance Manual for Chlorination Installations
- 2001 Survey of NSW Local Government Effluent and Biosolids Reuse
- 2001 Blue-Green Algae Management Protocols
- 2001 Blue-Green Algae Action Flow Chart
- 2000 Operations Maintenance Manual for Submersible Sewage Pumping Stations
- 2000 Report on Access Provisions for Local Government Water Services (Power of Entry)
- 2000 Overview of the 1996 Australian Drinking Water Guidelines



# WATER DIRECTORATE

## PUBLICATIONS



**TECHNICAL DOCUMENTS FOR  
REGIONAL AND RURAL COUNCILS IN NSW**

## 2. Water Directorate THREE YEAR PROGRAM

### WATER DIRECTORATE THREE YEAR PROGRAM (07/08, 08/09, 09/10)

07/08	08/09	09/10
O&M Manuals for WTPs (complete)	Non-connection to Town Water Supplies & Sewerage in Urban Areas Guidelines	Guidelines for working at heights
Update Cutting, Handling & Disposal of AC Pipes Guidelines (complete)	Legislative Change to Permit Permanent Water Restrictions	Guidelines for safety of lone workers
Joint Water Loss Management Program	Pressure Sewerage System Guidelines	Design of fireflows
s64 Part 2	Disinfection Guidelines	Develop pipe selection roadmap
Risk Management Guidelines	Finalize Dew's Draft CTWS&SP Project Delivery Specification	Guidelines for booster pumps
Convene Workshop to Review Trade Waste Pricing Guidelines	08 WIOA Conference – Award & sponsorship	Position Descriptions, Competencies spec, SOPs, SWMs
08 WIOA Conference – Award & sponsorship	09 Water Industry Safety Forum – Seminar & competition*	Micro power generation possibilities - literature and case studies
08 Water Industry Safety Forum – Seminar & competition	Regional Planning (Drought Proofing)	Power shedding
Land Matters Manual	Review the Water Restriction 5:10:20 rule	Incidents and lessons learnt database
Odour Management Guidelines	Compile case studies of 'economies of scope'	Trade waste – network and database of trade waste officers
	Seek up to date implications of climate change	Expand technical advice to smaller LWUs
	Implications of new electrical regulations	Brokering of specialist staff
		Suppliers list

**3. Water Directorate ANNUAL REVIEW 06/07**

annual review  
**06/07**

water **directorate**

# Executive Officer's review

The Water Directorate continues to be busy producing technical guidelines for our members.

In the past twelve months three publications were produced and distributed with a fourth publication, an *O&M Manual for Water Treatment Plants*, started but not expected to be complete until 2008.

The *Water Loss Management Program Awareness and Education Guidelines* was launched at the Water Management Conference in Broken Hill in August 2006 and was distributed to all water utilities as part of the WLMP.

In February an updated version of the *Blue-Green Algae Management Protocols* was mailed to all members. This latest version addresses the changes to the Australian Drinking Water Guidelines made by the NHMRC in 2004.

Lastly, the Water Directorate contributed funding to four WIOA practical guides for water operators

with the first publication titled *Practical Guide to the Operation and Optimisation of Media Filters*. The remaining operator guides will be posted out to all councils in 2007/08.

The AWA/Water Directorate Conference Attendance Award this year was won by Jon Francis from Orange City Council. He attended Ozwater 2007 held in March in Sydney. The Water Directorate also sponsored Belinda Fayle from Rous County Council to attend the IPWEA NSW Annual Conference in May.

In May, we sponsored the *Innovation in Water Supply and Wastewater Award*, part of the IPWEA's Excellence Awards, and for a second year in a row, Port Macquarie-Hastings Council was the winner. The Highly Commended Award was presented to Parkes Shire Council. Congratulations to both councils on their outstanding efforts.

Our involvement with the LGSA continues to strengthen as a result of our joint management of the WLMP. Water loss activities included the issue of the *Awareness and Education Guidelines*, the employment of staff, the purchase

of metering and detection equipment, the provision of training workshops and the review of media releases, correspondence, field investigation reports and quarterly governance reports.

Next year should prove just as busy with the WLMP gaining more momentum, the finalisation of the *O&M Manual for Water Treatment Plants* and *Part 2 Section 64 Guidelines – Collation of Water Usage Data*.

Other proposed guidelines to be developed in 2008 include a Land Acquisition Manual, Odour Management Guidelines and Risk Management Guidelines.



**Gary Mitchell**  
Executive Officer



Providing regional water authorities technical support, shared industry efficiencies and long

## Chair's review

My first full year as Chair has coincided with arguably the highest profile era for water in Australia in living memory.

Ministerial and Departmental reform at both State and Federal levels of government has created a number of challenging issues including desalination plants, proposed dams and audits for local water utilities with over 10,000 connections.

Prompted by the record drought and the mismatch of water catchments and state borders, the Federal Government has sought to gain greater control of water resources across the country.

In September 2006 the Federal Office of Water Resources was established with responsibility given to the newly appointed Minister for the Environment and Water Resources, Malcolm Turnbull.

The Federal Government has clearly signalled that it is interested in greater involvement in water issues including the management of the Murray Darling Basin.

At the State level, following the March election, the responsibility

for local water utility issues was split between two ministers - one for Water Utilities and one for Environment and Climate Change.

After four years DEUS was abolished and reformed as the Department of Water and Energy with most of the same responsibilities and programs.

The joint Water Directorate/LGSA WLMP is our highest profile project to date. It has required a significant amount of resources in its first year in order to get established and is now starting to gain some momentum.

It is satisfying to see the WLMP grow with the recruitment of experienced staff and the formal participation of almost a dozen local water utilities from around NSW. It is most encouraging, however, to see the participating councils starting to secure water savings.

As well as involvement in the WLMP, the Water Directorate continued to provide the usual practical management publications to our 95 member councils and our suite of technical guidelines has grown to 25.

The past twelve months have been full of interesting challenges not the least of which is the continuing drought. It is very pleasing to finally see signs of the drought easing and in my Chair's Report next year it would give me great satisfaction to refer to the drought as being ended.



**Stewart McLeod**  
Chair



with independent expert advice,  
knowledge and improved  
term planning.

# Executive Committee

In December 2006 our fifth Executive Committee was elected from the nine regions. The Committee's stability and experience was maintained with Stewart McLeod re-elected as Chair and Carmel Krogh re-elected as Deputy Chair.

Two of our inaugural representatives resigned during 2006. John Gould was promoted to the position of Deputy General Manager at Shoalhaven City Council and Carl Peterson left local government for the Sydney Catchment Authority. Carl deserves a special mention because he attended all 50 meetings of the Executive Committee held since December 1998. An amazing effort!

It is very pleasing that seven inaugural members still remain on the Executive Committee after almost nine years.

At our first meeting in March 2007 we welcomed three new members: Tony Holmes, Eric Poga and Jim Fear returning for the North Coast.

Cr Robert Bell, Chair of the LGSA Water Management Committee, and Renee Barbaro, Senior Water Policy Officer, continued to attend meetings on a regular basis.

The strength of the Water Directorate's Executive Committee is its depth of technical and managerial knowledge combined

with the balance it creates between large and small councils from all areas of rural and regional NSW.

**Table 1: Executive Committee Attendance Record – Elected Representatives**

Name	Council	Region	Attendance
Wayne Beatty	Orange City Council	Central West	7/7
Kent Boyd	Parkes Shire Council	Central West	6/7
David Byrne	Cooma-Monaro Shire Council	South East	5/7
Brian Carter	Singleton Shire Council	Hunter	6/7
Peter Clifton	Riverina Water County Council	South West	3/7
Jim Fear	Clarence Valley Council	North Coast	2/2
Wayne Franklin*	Rous County Council	North Coast	4/5
John Gould #	Shoalhaven City Council	Illawarra	0/2
Doug Hill	Tamworth Regional Council	New England	7/7
Tony Holmes	Shoalhaven City Council	Illawarra	2/2
Carmel Krogh	Eurobodalla Shire Council	South East	7/7
Greg McDonald	Dungog Shire Council	Hunter	7/7
Stewart McLeod	Dubbo City Council	Orana	7/7
John Maxwell	Tumut Shire Council	South West	6/7
Carl Peterson ^	Mid Western Regional Council	Orana	5/5
Eric Poga	Wellington Shire Council	Orana	2/2
Mike Rayner	Tweed Shire Council	North Coast	7/7
Jeff Sharp	Port Macquarie Hastings Council	Mid North Coast	5/7
Simon Thorn	Coffs Harbour City Council	Mid North Coast	6/7
David Tull	Griffith City Council	South West	5/7

\* not relected

# resigned September 2006

^ resigned November 2006

Encouraging best practice  
water industry through  
providing networking

# Innovation in Water and Wastewater

Since 2000 the Water Directorate has sponsored the well respected *Innovation in Water and Wastewater Excellence Award*.

This Award is part of the IPWEA's Excellence Awards program that is held each year and announced at the IPWEA (NSW Division) Annual Conference.

As part of the awards process Water Directorate member councils are invited to nominate a project completed in the previous 12 months. Only member councils are eligible to enter a project.

Sponsoring the *Innovation in Water and Wastewater Award* is an important high priority activity for the Water Directorate because it demonstrates best practice in the local government water industry.

Our sponsorship also provides us with an opportunity to share industry knowledge through improved efficiencies and long term planning for all participants the NSW water industry.

The diversity of winning projects is demonstrated in Table 2. This table lists both the councils and projects that have either won or been highly commended in the past eight years.

When announcing this Award we are conscious that behind every nominated project is a council team with many members and they all are congratulated for their efforts.

More information about the Award can be obtained from the IPWEA's Excellence Awards website: [www.ipweanswconference.com.au/awards.html](http://www.ipweanswconference.com.au/awards.html).

**Table 2: Innovation in Water and Wastewater Award Winners**

Year	Winner	Highly Commended
2007	Port Macquarie-Hastings Council <i>Port Macquarie Reclaimed Water Scheme</i>	Parkes Shire Council <i>Sustainable Parkes: A Demonstration project for Holistic Water Cycle Planning and Infrastructure Delivery</i>
2006	Port Macquarie-Hastings Council <i>Three Villages Water Microfiltration Plants</i>	Queanbeyan City Council <i>Queanbeyan City Council Waterwise Program</i>
2005	Coffs Harbour City Council <i>Telemetry - Switchboard Standardisation</i>	Byron Shire Council <i>Byron Bay Integrated Water Management Reserve</i>
2004	Wagga Wagga City Council <i>Installation of Pressure Sewerage Systems</i>	Armidale Dumaresq Council <i>Sustainable Effluent and Biosolids Reuse</i>
2003	No IPWEA Conference awards presented this year	
2002	Shoalhaven City Council <i>REclaimed Water Management Scheme (REMS)</i>	Hastings Council <i>Hastings District Water Supply Augmentation Scheme</i>
2001	Dubbo City Council <i>Hydraulic Sewerage Modelling Project</i>	Albury City Council <i>Wastewater Treatment and Water Reclamation and Reuse Project</i>
2000	Dubbo City Council <i>SCADA System</i>	N/A

in the local government sponsoring awards and opportunities.

# Financial Information

**Table 3: Income and Expenditure**

	2007 \$	2006 \$
<b>Income</b>		
Membership fees	352,083	330,466
Sales income	19,317	17,602
Other income	48,199	37,232
<b>Total income</b>	<b>419,599</b>	<b>385,300</b>
<b>Expenditure</b>		
Staff salaries and superannuation	176,126	152,073
Consultants and technical support	90,754	105,933
IPWEA secretariat support	62,329	46,867
Advertising and sponsorship	13,462	14,753
Printing, postage and stationery	8,664	13,497
Conferences, travel and accommodation	12,496	6,427
WSAA membership	8,303	8,068
Executive committee expenses	4,743	3,726
Purchase of technical publications	1,155	1,100
Insurance	10,822	7,702
Computer expenses	1,553	1,784
Accounting and audit expenses	5,050	7,010
Miscellaneous expenses	1,143	2,863
<b>Total expenditure</b>	<b>396,600</b>	<b>371,803</b>
<b>SURPLUS FUNDS (funds used)</b>	<b>22,999</b>	<b>13,497</b>
<b>FUNDS HELD</b>		
Balance beginning of period	63,101	49,604
Surplus	22,999	13,497
<b>Balance end of year</b>	<b>86,100</b>	<b>63,101</b>

Continuing a trend identified last year, income that is not related to membership fees increased to 16.1% of our total income. Other income is derived from the sale of our technical publications, co-funding arrangements with other organisations and interest on our assets.

Membership fees remain our primary source of income at 83.9% of the total and therefore we must continue to provide our member councils with high quality services and value for money.

Also similar to last year, our focus on the establishment of the WLMP has

meant that some of our high priority actions have not been completed as quickly as we would like. Spending on consultants in 2006/07 did not reach our forecast expenditure, however, our second largest publication, the *O&M Manual for WTPs*, was started and is expected to be complete in early 2008.

# Financial Information

**Table 4: Forecast Budget for 07/08**

	2007 \$	%
<b>Income</b>		
Membership fees	360,000	83.7
Sales income	20,000	4.7
Other income	50,000	11.6
<b>Total income</b>	<b>430,000</b>	<b>100</b>
<b>Expenditure</b>		
Staff salaries and superannuation	160,000	38.2
Consultants and technical support	100,000	23.9
Co-funding other organisation's projects	5,000	1.2
IPWEA secretariat support	65,000	15.5
Advertising and sponsorship	15,000	3.6
Printing, postage and stationery	15,000	3.6
Conferences, travel and accommodation	15,000	3.9
WSAA membership	8,000	1.9
Executive committee expenses	5,000	1.2
Purchase of technical publications	2,000	0.5
Insurance	16,000	3.8
Computer expenses	5,000	1.2
Accounting and audit expenses	6,000	1.4
Miscellaneous expenses	2,000	0.5
<b>Total expenditure</b>	<b>419,000</b>	<b>100</b>
<b>SURPLUS FUNDS (funds used)</b>	<b>11,000</b>	
<b>FUNDS HELD</b>		
Balance beginning of period	86,100	
Surplus	11,000	
<b>Balance end of year</b>	<b>97,100</b>	

Secretariat support continues to be provided by the IPWEA (NSW Division). The relationship with the IPWEA remains strong with a new Memorandum of Understanding signed in December 2006. In January a new IPWEA Executive Manager was appointed and we look forward to building a strong relationship with him into the future.

For the second year, LWK Pty Ltd (formerly Liu Madden Partners) was appointed to audit the financial statements. We are pleased that the auditor reported that all was in order with our accounts.

Members are welcome to request a copy of the financial statements after the end of the financial year.

The audited financial statements are available on the website and will be presented at the AGM on 8 November 2007.

# High priority actions

Each year the Executive Committee reviews the high priority action list at a planning meeting to ensure our projects remain relevant and affordable. All member councils are encouraged to forward issues and ideas for discussion at the planning meeting.

Once a high priority action is commenced it is overseen by one of the Executive Committee subcommittees: policy, water or sewer. When a consultant is engaged to complete the high priority action, the subcommittee acts as a peer review panel during the project.

The peer review of projects provides two main benefits: first it ensures the document is relevant and interesting to local government; and secondly it provides a greater depth of technical knowledge.

To date the Water Directorate has published 25 technical guidelines, an average of 3 publications per year.

All member councils receive a free copy of our latest publication with additional copies sold at a reduced rate.

Non-members are also welcome to purchase our publications at a price that reflects the final cost of producing the document.

We aim to provide another three high quality technical documents to local water utilities in NSW in the forthcoming year. See table 6 for more details about our high priority actions for 2007/08.

**Table 5: Completed High Priority Actions in 2006/07**

- Water Loss Management Program Awareness and Education Guidelines – July 2006
- Water Managers Forum at the Water Management Conference in Broken Hill – August 2006
- Water Loss Management Program Workshop – October 2006
- Revised MoU with the IPWEA signed – December 2006
- Revised Blue-Green Algae Management Protocols – February 2007
- AWA/Water Directorate Conference Attendance Award – March 2007
- Distribution of the WIOA Practical Guide to the Operation and Optimisation of Media Filters – April 2007
- IPWEA Excellence Award Innovation in Water Supply and Wastewater – May 2007
- Water Directorate Conference Attendance Award – May 2007

**Table 6: High Priority Actions for 2007/08**

- O&M Manual for Water Treatment Plants
- Part 2 Section 64 Guidelines – Collation of Water Usage Data
- Land Acquisition Manual
- Odour Management Guidelines
- Risk Management Guidelines
- Encourage young professionals to join and remain in the water industry
- Water and Electricity Safety Seminar - July 2007
- Inaugural Water Safety Competition and Award - July 2007
- Inaugural NSW Operator of the Year Award - July 2007
- Water Managers Forum at the Water Management Conference in Inverell - August 2007
- AWA/Water Directorate Conference Attendance Award – March 2008
- Sponsor the IPWEA Excellence Award Innovation in Water Supply and Wastewater - May 2008
- Water Directorate Conference Attendance Award - May 2008
- Distribution of the three remaining WIOA Practical Guides

Providing utilities with technical  
identify and

# Water Loss Update

Our main project over the past 12 months has been the establishment of the joint Water Directorate/LGSA Water Loss Management Program.

The WLMP is a \$22 million initiative designed to enhance water loss management in a coordinated way across NSW. Overall the project aims to assist 33 LWUs to implement water loss and leakage reduction projects.

In 2006 the Australian Government, through the Water Smart Australia programme, contributed \$7.37 million towards this initiative.

The WLMP has been a challenging project for two reasons. The first is that as a joint program with the LGSA it has required the Executive Officer to invest a lot of his time into coordinating and overseeing the establishment of the program

Secondly, councils that are interested in being involved in the WLMP are inevitably starting from different points with a varying range of infrastructure and resources available.

WLMP activities that have occurred over the past 12 months include:

- the issue of the *Water Loss Management Program Awareness and Education Guidelines*;

- the employment of suitably qualified staff to manage the program;
- the purchase of metering and detection equipment;
- the provision of training workshops in various regional centres; and
- the release of media information to promote the program.

The WLMP is gaining momentum with 10 LWUs participating at the end of June 2007. Councils that had signed up the program for investigation and leakage measurement included Cootamundra, Queanbeyan, Kempsey, Bega Valley, Richmond Valley, Griffith, Wellington, Liverpool Plains, Gosford and Tweed.

Under the program these utilities are given assistance to identify and measure leakage and to develop projects to cost effectively reduce leakage and save water. The councils then have access to financial assistance to help implement the projects and achieve water savings.

One of the first locations to receive equipment and resources was

Wallabadah in the Liverpool Plains Shire. Here the 200 residents were reliant on water being trucked in from the water source in Quirindi. A small reduction in leakage in Wallabadah has meant significant saving in water cartage costs and relieved demand from the water source in Quirindi.

Overall it is very encouraging to see that many of the participating councils are showing a better understanding of water loss management and some are now delivering water savings.

All water savings are good news, particularly in the light of the continuing drought situation across most of NSW.

and financial assistance to  
measure leakage.

# Members by region



## Central West Region

Bathurst Regional Council  
Blayney Shire Council  
Cabonne Shire Council  
Central Tablelands Water  
Cowra Shire Council  
Forbes Shire Council  
Lachlan Shire Council  
Oberon Council  
Orange City Council  
Parkes Shire Council  
Weddin Shire Council  
Young Shire Council

## Hunter Region

Dungog Shire Council  
Muswellbrook Shire Council  
Singleton Shire Council  
Upper Hunter Shire Council

## Illawarra

Shoalhaven City Council  
Wingecarribee Shire Council

## Mid North Coast Region

Bellingen Shire Council  
Coffs Harbour City Council  
Gloucester Shire Council  
Kempsey Shire Council  
Nambucca Shire Council  
Port Macquarie-Hastings  
Council

## New England Region

Armidale Dumaresq Council  
Glen Innes Severn Council  
Gunnedah Shire Council  
Guyra Shire Council  
Gwydir Shire Council  
Inverell Shire Council  
Liverpool Plains Shire  
Council  
Moree Plains Shire Council  
Narrabri Shire Council  
Tamworth Regional Council  
Tenterfield Shire Council  
Uralla Shire Council  
Walcha Council

## North Coast Region

Ballina Shire Council  
Byron Shire Council  
Clarence Valley Council  
Kyogle Council  
Lismore City Council  
Richmond Valley Council  
Rous Water Council  
Tweed Shire Council

## Orana Region

Bogan Shire Council  
Bourke Shire Council  
Brewarrina Shire Council  
Central Darling Council  
Coonamble Shire Council

## Dubbo City Council

Gilgandra Shire Council  
Mid Western Regional  
Council  
Narromine Shire Council  
Walgett Shire Council  
Warren Shire Council  
Warrumbungle Shire Council  
Wellington Council

## South East Region

Bega Valley Shire Council  
Cooma-Monaro Shire  
Council  
Eurobodalla Shire Council  
Goulburn Mulwaree Council  
Harden Shire Council  
Palerang Council  
Queanbeyan City Council  
Upper Lachlan Council  
Yass Valley Council

## South West Region

Albury City Council  
Balranald Shire Council  
Berrigan Shire Council  
Bland Shire Council  
Carrathool Shire Council  
Coolamon Shire Council  
Cootamundra Shire Council  
Corowa Shire Council  
Deniliquin Shire Council

Goldenfields Water Council  
Greater Hume Council  
Griffith City Council  
Gundagai Shire Council  
Hay Shire Council  
Jerilderie Shire Council  
Leeton Shire Council  
Lockhart Council  
Murray Shire Council  
Murrumbidgee Shire Council  
Narrandera Shire Council  
Riverina Water County  
Council  
Temora Shire Council  
Tumbarumba Shire Council  
Tumut Shire Council  
Urana Shire Council  
Wagga Wagga City Council  
Wakool Shire Council  
Wentworth Shire Council

# Acronyms

<b>AWA</b>	Australian Water Association
<b>DECC</b>	Department of Environment and Climate Change
<b>DWE</b>	Department of Water and Energy
<b>IPWEA</b>	Institute of Public Works Engineering Australia
<b>LGSA</b>	Local Government and Shires Associations
<b>LWU</b>	Local Water Utility
<b>NHMRC</b>	National Health and Medical Research Council
<b>NWC</b>	National Water Commission
<b>STP</b>	Sewage Treatment Plant
<b>WIOA</b>	Water Industry Operators Association
<b>WLMP</b>	Water Loss Management Program
<b>WSAA</b>	Water Services Association of Australia
<b>WTP</b>	Water Treatment Plant



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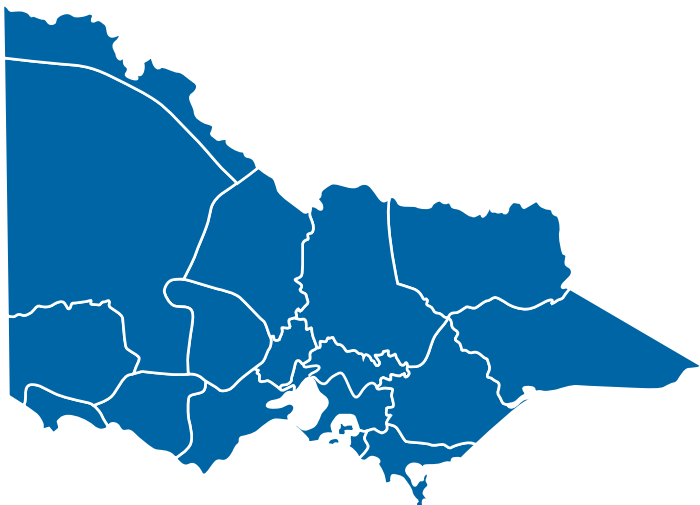
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## 4. Victoria and NSW WATER UTILITY BOUNDARIES

**Victoria**



**New South Wales**

