



Central Tablelands *Water*

County Council

Submission to NSW Office of Local Government

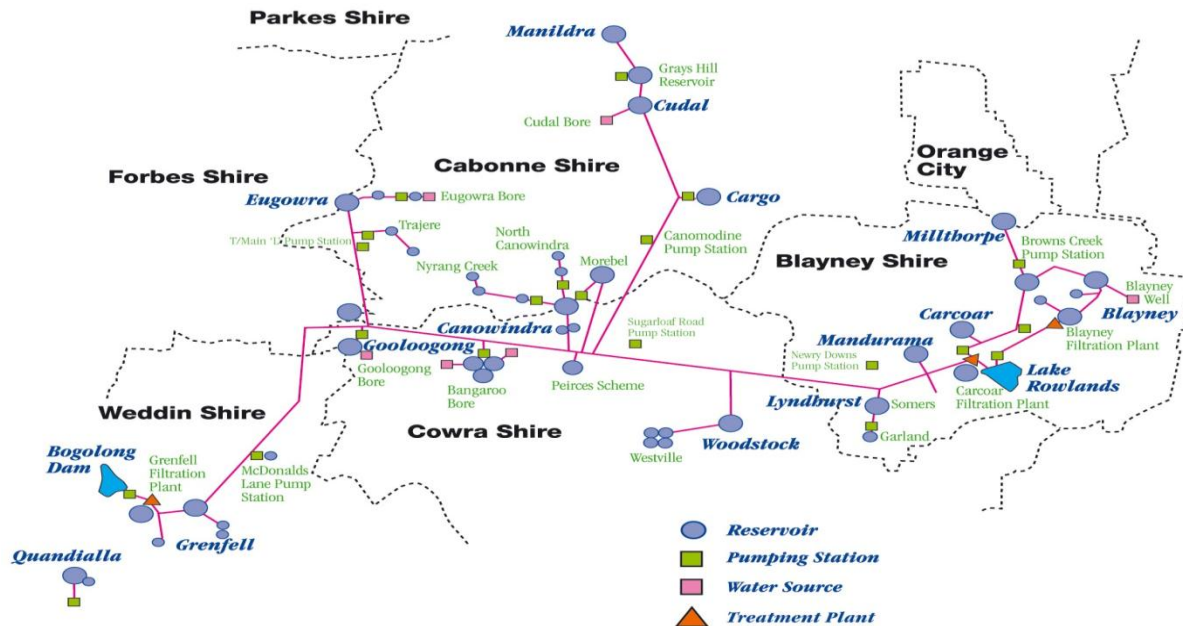
*Response to Final Report of the NSW Independent Review
Panel - "Revitalising Local Government" – October 2013*

25 March 2014



Central Tablelands Water – Administration Office - Blayney

Central Tablelands Water – Water Supply Area & System Layout



Support for the Review

Following on from the submission of Central Tablelands Water to the Local Government Independent Review Panel’s (Panel) November 2012 Paper *“Better, Stronger Local Government – The Case for Sustainable Change”*, Central Tablelands Water welcomes the opportunity to respond to the Panel’s final report *“Revitalising Local Government – October 2013”*.

As previously acknowledged, Central Tablelands Water understands that change in local government is needed and that any change under consideration should be aimed at facilitating strategic thinking, better program delivery, long term sustainability, better quality representation and better value for the ratepayers’ dollar.

Central Tablelands Water is an active partner in the very successful Wellington, Blayney, Cabonne (WBC) Strategic Alliance and to quote from the Alliance’s previous submission to the Panel *“since the start of this current review process the Alliance has remained actively engaged in the debate on the future of local*

government. We remain committed to providing our member Councils a cost efficient alternative model of delivery and collaboration that supports their individual sustainability and effectiveness".

As well as the WBC Strategic Alliance, Central Tablelands Water is also an active member of the Centroc Water Utilities Alliance which has a membership of sixteen (16) local water utilities across the Centroc local government boundary.

Response to Panel Final Report

Whilst Central Tablelands Water acknowledges that change in local government is needed and supports a majority of the recommendations of the final Panel report, the Council is in conflict with the recommended treatment of County Councils as outlined in recommendation 35 in Part C, Section 11. Within recommendation 35 it is stated that *existing County Councils should be re-constituted as subsidiaries of new regional Joint Organisations* and Section 11 details how they are to operate.

The Council of Central Tablelands Water is firmly of the view that existing water County Councils should be an equal member of any proposed Joint Organisation. The notion of County Councils becoming subsidiaries of a proposed Joint Organisation could create disharmony and be perceived as County Councils being subservient to the general purpose councils who would be full members of the Joint Organisation board. Central Tablelands Water supports the Joint Organisation concept but only with water county councils as full and equal members with the general purpose councils.

As a full and equal member of a Joint Organisation, Central Tablelands Water would actively support and participate in a Regional Water Alliance which can be beneficial to member councils but can only be successful if there is an equal member partnership. As mentioned earlier in this submission, Central Tablelands Water is an active and equal member of the Centroc Water Utilities Alliance. This Alliance, as with the Lower Macquarie Water Alliance, operates very successfully with its members all operating in equal partnership.

It is interesting to note that the Panel originally proposed that the existing County Council provisions of the Local Government Act, suitably amended, could be used to establish the stronger regional entities it had in mind, however, this proposal was abandoned, after perceived pressure from general purpose councils, in favour of 'Joint Organisations'.

Section 11.2 – Existing County Councils

Table 5 indicates how existing County Councils could be incorporated into the new Joint Organisations. This will require transitional provisions as part of the amendments to the Local Government Act proposed in 11.5. The Panel sees this as an opportunity to address the concern expressed by a number of councils that the County Council which they are supposed to ‘own’ is now effectively beyond their control.

County Councils are completely autonomous councils constituted under the Local Government Act and have never been ‘owned’ or under the control of the constituent councils. Delegates elected by the constituent councils to be members of the County Council are charged with making decisions for the benefit of the County and its consumers as a whole and not only in the interest of the constituent council they represent.

Section 11.3 – Water Utilities

....the Panel believes that local government should retain its current responsibilities for water supply and sewerage.....the Panel sees no case at present to require councils to transfer water and sewerage assets to new regional entities.

It is hard to understand why water county councils would be required to transfer assets and staff to a regional Joint Organisation when the Panel clearly state that this is not a requirement for the other local water utilities operating within a general purpose council.

The Panel claim that *making County Councils and regional water alliances as subsidiaries of the Joint Organisations would help achieve strategic business and network planning, regional water cycle management, high level technical support to smaller councils, and where agreed, joint infrastructure development and service delivery.* Central Tablelands Water agrees that this could be achieved with regional water alliances being a subsidiary of a Joint Organisation but it does not contend that there is a need for County Councils to be subsidiaries to achieve this goal.

Section 11.5 – Establishment of new Joint Organisations

The Panel has....developed a revised proposal under which the existing County Council provisions (Part 5 of Chapter 12 of the Act) would be replaced by new provisions enabling the establishment and operation of Joint Organisations, with transitional provisions for existing County Council.

There is no logical reason why Water County Councils should not continue to exist as self-contained legal entities. They should remain as County Councils and the existing provisions of the Local Government Act should not be replaced by those for a Joint Organisation. Any new provisions under the Local Government Act for Joint Organisations should recognise County Councils as equal partners in that organisation.

The County Council model, as demonstrated by the existing five water County Councils, has the ability to focus on its one function of town water supply and sewerage services and is able to deliver a high quality water supply to many towns and villages, across many local government boundaries.

Section 11.6 – Functions and Structures of Joint Organisations

Local councils would remain the core of the system: they would 'own' and resource the Joint Organisations in a similar way to ROCs.

Central Tablelands Water is a current full member of Centroc and, as previously stated, is firmly of the view that it should be a full and equal member of any proposed Joint Organisation. The Panels view that local councils would 'own' and resource the Joint Organisation suggests that they would 'own' any subsidiaries of that organisation. The five water County Councils have an enviable performance record of financial sustainability and viability and are more than entitled to remain as autonomous councils and sharing collegiality with its regional general purpose councils.

The following statements are in support of Council's claim to remain a full council member of a proposed Joint Organisation:

Over the past 70 years, Central Tablelands Water has a proud record of infrastructure creation, renewal, upgrade and augmentation. As well, Central Tablelands Water is recognised by the NSW Office of Water as being 100% compliant in all aspects of Best Practice Management of Water Supply and Sewerage Services and achieves full cost recovery with full funding of depreciation.

Central Tablelands Water has been prepared to make responsible and sometimes difficult policy decisions in order to ensure the viability and sustainability of the County Council and to ensure consumers continue to receive a water supply of high quality and reliability. This is where a County Council model, with its focus only on water and sewerage services, is the best option to meet the objectives outlined in the Terms of Reference of the Armstrong/Gellatly Inquiry.

The major focus and policy objectives of Central Tablelands Water have been water quality and reliability. To support this policy, the following are only a few of the major capital works that have been completed in recent years:

1. Construction of a modern DAFF water filtration plant at Carcoar to replace a conventional plant constructed in 1956.
2. Upgrade of the water filtration plant at Blayney.
3. Construction of a duplicate 12km trunk main from Cudal to Manildra.
4. Replacement of 40 km of unlined cast-iron reticulation pipes in the town of Grenfell.
5. Replacement of 10 km of unlined cast-iron reticulation pipes Canowindra.
6. Construction of six modern pump stations to improve transfer capacity.
7. Completion of the roofing of 45 concrete service reservoirs.
8. Construction of a potable water supply to the village of Quandialla.
9. With nearly 300 km of reticulation water mains across the supply network, approximately 65% has been completely renewed.

Further, Central Tablelands Water has a 30 year capital works program and financial plan in place with major focus on trunk main replacement and upgrade.

...where an existing County Council has administrative and operational staff and becomes a subsidiary of a Joint Organisation, they would become employees of the Joint Organisation under the Local Government Award.

As stated previously, Central Tablelands Water cannot endorse the proposal that the water County Councils become subsidiaries of any proposed Joint Organisation and accordingly could not endorse the transfer of staff to that organisation.

Further, when the core functions of the proposed Joint Organisation are listed as strategic regional and sub-regional planning, inter-government relations and regional advocacy, information and technical exchanges between member

councils, strategic procurement etc, it does not follow that this regional body should be involved in the specialist area of water and sewerage service delivery.

Central Tablelands Water endorses the comment made by Riverina Water in their submission to the final IRP report which states that *“it is quite possible that the various Strategic Water Alliances, brought together under the Joint Organisation, could evolve into more formal County Council organisations over time. There should be a legal framework left in the Local Government Act for this to happen”*.

In regards to the proposed Joint Organisation model structure put forward by the Panel on page 84 of their report, Central Tablelands submits an amended structure (see attached), similar to that proposed by MidCoast Water.

Central Tablelands Water would welcome the opportunity to provide further input into this submission if required.

Contact: Mr Tony Perry, General Manager

Phone: 02 6391 7200 email: tperry@ctw.nsw.gov.au



Typical New Pump Stations



Carcoar Water Filtration Plant



Blayney Water Filtration Plant



Lake Rowlands