

Inquiry into secure and sustainable urban water supply and sewerage services for non-metropolitan NSW

Terms of Reference

Objective

To identify the most effective institutional, regulatory and governance arrangements for the long term provision of water supply and sewerage services in country NSW; and

Ensure these arrangements are cost-effective, financially viable, sustainable, optimise whole-of-community outcomes, and achieve integrated water cycle management.

The task

The State's 107 local water utilities are facing growing challenges, posed by drought, climate change, environmental water allocations, demographic shifts, technological advances and skill shortages.

In view of the challenges facing the utilities, the Inquiry is to identify the most appropriate institutional and regulatory arrangements for the water supply and sewerage industry in NSW in order to ensure that services are efficient, reliable, affordable and safe.

In particular, the Inquiry should identify arrangements that will enable customers of water utilities in regional NSW to benefit from a secure water supply, professionalism, cost effective service standards and regulatory safeguards in the provision of water supply and sewerage services.

As a minimum, the Government expects water supply and sewerage service providers to:

- respond and plan in advance to the challenges facing the industry;
- be financially self sufficient;
- be able to comply with appropriate stringent environmental and public health standards; and
- implement cost-effective service standards.

In considering the merits of any new industry arrangements, the Inquiry should take into account:

- the historical structure of the industry and its performance record to date;
- the current and future challenges facing the industry;
- the present capacity of the industry to address those challenges;
- alternative industry arrangements used in other states;
- the impact of any changes on the financial sustainability of councils;
- the socio-economic impacts on the community, including indigenous communities, of any new institutional and regulatory arrangements;
- the relative performance of other states and their experience with industry reform;
- the institutional and regulatory options available, including the relative merits and drawbacks of each; and
- the role local, state and federal governments should play in further improving services.

The Inquiry is to focus on the provision of urban water supply and sewerage in rural and regional NSW. Sydney Water, Hunter Water, Gosford City Council water supply authority and Wyong Shire Council water supply authority are excluded from the Inquiry.

Inquiry Presentation 15 May 2008

SUBMISSION NSW GOVERNMENT INQUIRY INTO WATER SUPPLY AND SEWERAGE SERVICES FOR NON METROPOLITAN NSW

Firstly, on behalf of Tweed Shire Council, I would like to thank the Panel chairs the Hon. Ian Armstrong OBE and Dr Colin Gellatly for allowing our presentation here today.

The Tweed Valley has long been recognised as being in a fortunate position in Local Government as it is One Catchment - One Council. Tweed Shire Council controls, manages, or has an influence over, all aspects of the Water Cycle from catchment to ocean.

The future of Water Management lies in the **Integration** and **Management** of the complete water cycle. In recent times Councils have explored the benefits of Integrated Water Cycle Management with some success. This integration needs to further mature with enormous benefits in terms of water quality, water availability, the reuse of water, and water affordability. It can only mature in a fully integrated General Purpose Council. Water and Sewerage Services, Natural Resource Management, and Land use Planning are inextricably linked. They each rely on the other to function and move forward. They can only truly exist in a single entity. The removal of one makes the others ineffective.

There are however issues that can and should be dealt with in a regional context to improve efficiencies, ensure financial sustainability, and maximise resource allocation.

Tweed Shire Council supports building on the existing organisational framework by establishing a Regional Mandatory Alliance across the Tweed, Richmond and Clarence Valleys, providing the ability to deliver Regional Strategic Water Initiatives for the broader community.

The water industry has faced some serious challenges in recent times. The drought has had the effect of placing these services in the spotlight and the inevitable questions have been raised over who should deliver and how should the services be delivered in the future. A lot of the attention has been somewhat unwarranted as we as a nation are experiencing a drought greater than any on record of which the cause has been largely attributed to climate change. In the same breath the industry is blamed for its lack of preparedness.

The new Federal Government have clearly indicated their direction for the industry. Urban water reform is one of four priorities for the COAG Working Group on Climate Change and Water. The Federal Governments power and influence over the industry will only increase with time. They are presently the only layer of Government that are running significant budget surpluses and henceforth have the ability to direct and sustain the industry and the nation.

The Federal Government has announced 4 key priority areas under their “Water for the Future” initiative:

- | | |
|-------|----------------------------|
| One. | Action on Climate Change |
| Two. | Using Water Wisely |
| Three | Water security, and |
| Four | Supporting healthy rivers. |

The Water industry needs to be well placed and have the organisational arrangements to deliver on the Federal Governments initiatives.

The Department of Water and Energy have released COAG’s draft Principles for Urban Water Planning for comment.

One of the key principles is to and I quote:

Manage water in the urban context on a whole-of-water-cycle basis.

It goes on to state

Water quality of potable supplies should be protected through appropriate catchment management practices and management of wastewater. This will involve a range of activities, from land use planning and management that protects the quality of natural water resources, through to addressing the disposal, treatment and reuse phases of the water cycle.

End of quote.

Local government is best placed to deliver on this principle. Water and Sewerage Services, Natural Resource Management and Land use Planning Services have an imbedded connection within General Purpose Councils that will ensure its delivery. Removal of the Water and Sewerage Service from Councils will create another link in the chain and as with State and Federal Government Departments that operate over like activities each entity will form its own view, create its own direction, and only act on what is the best outcome for itself.

How would or could the Northern Rivers Mandatory Alliance work?

- It would be enabled under the Local Government Act with an update of the legislation that provides for a County Council but with a 21st century structure.
- It would operate with a Board and an Executive.
- It could have a Community based Independent board appointed by Government as per Catchment Management Authorities or it could consist solely of Council representation
- All Assets would remain in the ownership of Councils.
- The Alliance would not own any assets.
- Each Council would have its own Asset Custodian that would be a conduit to the Alliance.

- Councils would contribute to the cost of running the Alliance through an annual fee based on the number of connections
- All levels of management in member Councils would be required to support the Alliance
- It Could draw on resources from member Councils.
- It Could engage services or consultants directly

- The Alliance could have 3 main functions of:
 - Regional Strategy development and adoption,
 - Service Support, and
 - Programme Implementation

Under the Regional Strategy development and adoption, there could be projects such as

- Demand Management Strategy
- Drought Management Strategy
- Bulk Water Supply Strategy
- Regional Water Strategy and
- Water Restrictions Policy

Under the Service Support function could sit

- Analytical Laboratory Services
- Project Management Services
- Mechanical and Electrical Support Services and
- Design Services

Under the Programme Implementation function there could be such projects as

- Implementation of a Regional Water Plan
- Water Loss management Plan

A Regional Mandatory Alliance will maintain the advantages of having a single authority responsible for land use planning, planning control, water cycle management, natural resource management, and water supply and sewerage services. Planners can make more informed decisions on growth strategies, Engineers can determine capital programmes well in advance, water cycle and natural resource management can be undertaken in a holistic fashion.

This structure also provides an economy of scope that assists all parties. It allows the Water and Sewage functions of Council to utilise General fund services and vice versa.

The Regional Mandatory Alliance allows a regional approach to bigger picture issues. It would ensure that the most could be made of our scarce water resources. It would ensure a regional approach to drought management was implemented. It would provide service support in areas where skills are in short supply.

In summary Tweed Shire Council strongly believes that the appropriate organisational structure for water supply and sewerage services to be delivered in the 21st century is to value add to the existing Councils by forming a Mandatory Regional Alliance across the Tweed, Richmond and Clarence valleys.

This model maintains the benefits of the existing organisational arrangements by having the assets owned and controlled by Council and also provides the benefits of having a regional body determining regional Strategies and Policies, and providing services in a more cost effective and sustainable manner on a regional basis

The Regulation and Management of the Water Cycle is fragmented with numerous State Agencies undertaking a Regulatory role (and some Management) and each Council within its boundaries also undertaking a Regulatory and Management role. Industry reform needs to resist further fragmentation and move to structural arrangements that build on integration opportunities.

Finally, Tweed Shire Council recommends a rationalisation of the role that State Government Departments play in Water Cycle Management to remove ambiguities, to clarify and define roles and responsibilities, and to provide a whole of Government approach. Council requires the government departments to have a common position and approach and to provide consistent advice.



SUBMISSION SUBMISSION NSW GOVERNMENT INQUIRY INTO WATER SUPPLY & SEWERAGE SERVICES FOR NON METROPOLITAN NSW

Organisation Name: Tweed Shire Council

Organisation Contact: David Oxenham

Position: Manager Water

Contact Phone: 02 6670 2506

Contact email: davido@tweed.nsw.gov.au

Submission Authorised by: Resolution of Council

1.0 Executive Summary:

The Tweed Valley has long been recognised as being in an enviable position in Local Government as it is One Catchment - One Council. Tweed Shire Council controls, manages, or has an influence over, all aspects of the Water Cycle from catchment to ocean.

As a general purpose Council, Tweed Shire:-

- ✚ Prepares and enforces the Local Environment Plans (LEP) and other planning controls.
- ✚ Controls development in accordance with the LEP.
- ✚ Develops and funds Natural Resource Management programs to maintain and improve Biodiversity, Water Quality, and Sustainability within the entire Catchment.
- ✚ Manages the flood plain by Flood Mitigation and Water Quality.
- ✚ Manages Water Supply and Wastewater Services.
- ✚ Manages Stormwater including Water Quality and Development Control.
- ✚ Establishes land use planning controls to ensure appropriate Water Cycle Management.
- ✚ Monitors water quality within the catchment.
- ✚ Regulates plumbing and drainage.

The future of Water Management lies in the **Integration** and **Management** of the complete water cycle. In recent times Councils have explored the benefits of Integrated Water Cycle Management with some success. This integration will further mature with enormous benefits in terms of water quality, water availability, the reuse of water, and water affordability.

The Regulation and Management of the Water Cycle is fragmented with numerous State Agencies undertaking a Regulatory role (and some Management) and a single Council within its boundaries undertaking a Regulatory and Management role. Industry reform needs to resist further fragmentation and move to structural arrangements that build on integration opportunities.

Mandatory Alliance – the Preferred Model

Tweed Shire Council supports building on the existing organisational framework by establishing a Regional Mandatory Alliance across the Tweed, Richmond and Clarence Valleys, providing the ability to deliver Regional Strategic Water Initiatives for the broader community.

Furthermore, Tweed Shire Council recommends a rationalisation of the role that State Government Departments play in Water Cycle Management to remove ambiguities, to clarify and define roles and responsibilities, and to provide a whole of Government approach.

2.0 Economy of Scope

Contemporary water management mandates integration across a diverse range of Council managed programs. As with many general purpose Councils, Tweed Shire has embedded water policy into the following areas.

2.1 Planning

Planning for the entire water cycle occurs within the one Statutory Body. Council prepares and enforces the Local Environment Plan (LEP) and Development Control Plans (DCPs) for the Shire. As Water Supply and Wastewater are embedded Services within the Council there is the intrinsic ability to influence and guide outcomes in the preparation and management of these plans. Council's Water Supply and Wastewater staff are on hand to provide invaluable input to the Development of the Shire Strategic Plan and Locality Plans as well as providing advice and direction on the limitations and benefits of existing and proposed developments.

Council controls development in accordance with the LEP and DCPs. Advice from Water Supply and Wastewater staff has become more critical as developers explore innovative integrated Water Cycle solutions including effluent and stormwater reuse, and rainwater harvesting for potable purposes.

A current example is a proposal before Council for a 1,000 person village at Kunghur in the upper Tweed catchment that does not include connection to Council's water supply and sewerage systems but relies on the principles of self-sustainability. The proposal has been appealed by the applicant to the NSW Land and Environment Court and Council's defence is heavily reliant on in-house expertise from the Water Supply and Sewerage area. Resourcing of this expertise externally would come at a significant cost and the desired outcomes less likely to be achieved. Sewage management and disposal issues are critical in this instance as the Tweed River, the Council's source of potable water supply, runs directly through the site. Council is not opposed to the development as such. The concerns that Council have relate to the level of sustainability of the development in the long term and ensuring that suitable design criteria are used to ensure there is a sustainable water supply, sewage treatment and effluent reuse and disposal system to protect the long term quality of the Tweed River. The development is based on the majority of these assets not being in the ownership of Council so the initial approval is critical.

2.2 Natural Resource Management

Council's Water Supply and Wastewater Services are inextricably linked to the catchment. Upstream water quality has a significant impact on Water Treatment Plant operations and Wastewater Treatment Plants return nutrient enriched water to the environment. Being a part of Council enables a greater linkage and assistance to Natural Resource programs including biodiversity, vegetation management, catchment management, water quality monitoring, water quality improvements, floodplain management, and sustainability in which Tweed Shire Council invests over \$3 million per year. At Tweed Shire all of these programs are contained within the same Division along with Water Supply and Sewerage. This structure facilitates and

enables greater communication and pursuit of a single goal to improve and manage the Water Cycle.

Tweed Shire Council has a dedicated team of 10 professional and support staff who are contained within the Natural Resource Management Section. Funding for Natural Resource works is mainly derived from General Revenue and Government Grants with some contribution from Water Supply and Sewerage Revenue either directly or via the tax equivalent mandatory dividend. Through the Natural Resource Management Section of Council, this dividend is used to fund the River Health Grants Scheme which provides monetary and technical assistance to landholders to remove cattle from stream banks and improve or repair the riparian zone upstream of Council's water supply. The Tweed District water supply is derived from almost 50% of the Tweed River catchment. Council's water fund, in partnership with the Northern Rivers Catchment Management Authority, undertakes riparian improvement projects on crown lands and road reserves. These schemes provide water quality benefits for both the environment and Council's Water Treatment Processes. Having these schemes managed by Council's Natural Resource Management Section ensures appropriate allocation of funding, implementation in accordance with best practice, and integration and enhancement of like projects within the Catchment.

2.3 Integrated Water Cycle Management (IWCM)

In recent times Water Authorities have pursued the philosophy of Integration of the Water Cycle. Historically the Catchment, Water Supplies, Sewerage collection and Treatment, Stormwater and Waterways have been treated and managed in isolation. This needs to change. IWCM envisages a framework of interlinking all these parts of the Water Cycle. To date there have been some significant steps forward in applying this philosophy, however it is not entrenched in organisations nor is it fully integrated. The best example of its most successful application is the Pimpama -Coomera Waterfuture Project on the Gold Coast of Queensland. This Strategy integrated all aspects of the water cycle within a major development and its success was greatly assisted at the time by the Water Supply and Sewerage Services (Gold Coast Water) being an integral part of the Gold Coast City Council.

Tweed Shire Council is undertaking its own Integrated Water Cycle Plan and has developed a Strategy comprising 26 actions which impact the majority of Council programs. The development and implementation of this strategy was and is greatly assisted by having Water Supply and Sewerage Services embedded in a general purpose Council.

Removal of Water Supply and Sewerage Services from Council would hinder the ability to truly integrate and manage the Water Cycle within the context of the full role Council has in managing sustainable development.

2.4 Financial Benefits

Council's operations and finances are divided into three funds - General, Water and Sewerage. Although Council's financial reports are prepared on a consolidated basis, each fund is financially autonomous from the others, having separate expenditure programs and sources of funds.

The General Fund acts as a corporate support provider for the Water and Sewerage funds, providing services, facilities and equipment. In effect this constitutes the sharing of resources. The Water and Sewerage funds are charged for this support by the General Fund and in 2007/08, this will equate to approximately \$5.9 million. In addition, Water and Sewerage funds utilise labour and plant which is owned by the General Fund and this direct charge is around \$3.3 million in 2007/08.


The following list, though not exhaustive, summarises the support provided by the General Fund:-

 *Services*

Payroll processing, accounts payable, financial services, rating, receipting, reception, debt collection, information technology, records management, human resources, governance, design, inventory management, contract management, survey, works unit labour, subdivision review and approval, sewerage connection approvals.

 *Facilities*

Civic centres, depots, stores.

 *Equipment and materials*

Plant and vehicles, inventory, IT software & infrastructure.

When the three funds are combined into a larger entity the resulting resource sharing allows the funds to operate, individually and as a whole, more cost effectively. It is difficult to confirm this by comparisons with other Councils, as there is no consistency in the manner in which financial information is reported to the Department of Water and Energy.

Leading on from this, Council has a greater Economy of Scope as the resources tied to Water Supply and Sewerage can be shared with the General Fund to enhance each program. As an example, the proposed Tweed Shire Council "Sustainable Living Centre" is a demonstration of how the functions of Solid Waste, Water, Sewerage and Natural Resource Management can be brought together to offer an integrated state of the art educational facility for the community. The cost of this facility, including its operation cost, is shared across the four function areas. This facility will be located at the new Kingscliff Sewage Treatment Plant and will house interactive and static displays in a 50 person auditorium and will be manned by a full time Education Officer.

Support charges to the Water and Sewerage Funds are a reimbursement of costs initially borne by the General Fund. As these costs are more or less of a fixed nature (labour employed on a permanent basis, facilities, plant and equipment), any reduction in this reimbursement will, in effect, substantially increase the operating costs of the General Fund and will need to be duplicated if the Water and Sewer Funds are separated from Council. This would mean both sectors would be less efficient.

If water and sewerage functions were separated from Council, and no other action was taken, the magnitude of the impact on General Fund would be:-

a) Indirect costs as above	\$5,893,062
b) General fund direct labour	\$1,572,777
c) Plant hire	<u>\$1,741,894</u>

Total **\$9,207,733**

This would equate to 17% of General Fund operating expenses (excluding interest and depreciation) for 2007/08, or 31% of the total income derived from the ordinary rates.

The General Fund human resources affected by detachment are:-

- Indoor staff
There are approximately 35 equivalent full time (EFT) staff charged via support charges (2007/08). These are not 35 discrete employees, but small proportions of many employees across all divisions, including executive and management.
- Civic centres
In addition to the above 35 EFT staff, approximately 10 staff directly employed by Water and Sewer funds are accommodated in the two civic centres. The total desk count for 2007/08 was 264. Therefore 45/264 or 17% of civic centre desk space is related to Water and Sewer.
- Timesheet staff
The 74,648 hours charged to Water and Sewer funds during 2007/08 equates to approximately 40 staff members. Again these are not all discrete employees.

In summary, the removal of the Water Supply and Sewerage Services would have a major financial impact on Tweed Shire Council, thus creating the need to duplicate financial and human resources and produce operating inefficiencies at a local level while not benefiting the Water and Sewerage Funds over the current arrangements.

3.0 Recommended Model

The organisational model recommended by Tweed Shire Council hinges around maintaining Water Supply and Sewerage Services within the Council with an overarching Mandatory Regional Alliance that determines significant strategic issues and provides regionally significant services. This Alliance would cover the areas of the Tweed, Richmond and Clarence Valleys.

As a State wide solution, a Mandatory Alliance within regions could take many forms depending on the specific local issues. For instance if the issues of financial sustainability, bulk water supply and skill shortages are significant as compared to water cycle management and planning then a Mandatory Alliance would take on a greater responsibility and might:-

- determine regional water solutions
- determine the long Term Financial Plan for the region
- determine the Developer Service Plan based on catchments for the region
- determine pricing for the region
- control program funding
- act as the central funding body with the ability to borrow money and obtain grants
- project manage major capital works
- develop all plans as required by Best Practice Guidelines
- provide operational support services in key areas

At the other end of the spectrum for a region where the issues of financial sustainability, bulk water supply and skill shortages are of a lesser significance than water cycle management and planning, then a Mandatory Alliance would take on less responsibility and might:-

- develop plans as required by Best Practice Guidelines
- provide operational support services in key areas

RECOMMENDATION:

Tweed Shire Council is recommending that the Northern Rivers Mandatory Alliance be charged with the responsibility to:-

- determine regional water solutions
- develop plans as required by Best Practice Guidelines
- deliver the regions major capital works programs
- provide operational support services in key areas

This model maintains the benefits of the existing organisational arrangements by having the assets owned and controlled by Council and also provides the benefits of having a regional body determining regional Strategies and Policies, and providing service in a more cost effective and sustainable manner on a regional basis.

4.0 Addressing the Challenges

The following is a summary of the challenges that are currently affecting or may affect the way Tweed Shire Council delivers its Water Supply and Sewerage Services and why the recommended Mandatory Alliance model will address these.

4.1 Financial Sustainability

Under the Department of Water and Energy Best Practice Guidelines, Council has developed a 30 year Long Term Financial Plan and from that derived a Developer Servicing Plan. There are a number of assumptions within the Long Term Financial Plan which determine the income stream. Tweed Shire is experiencing significant population growth and there are substantial Capital Works required to ensure services are augmented and maintained. Whilst the Long Term Financial Plan indicates that the programs are sustainable there is an inherent risk in the assumptions made. If development does not occur in accordance with the Plan then the broader community pays for the cost of bringing growth assets on line earlier than required through increased user charges and debt service levels. This can be managed to some degree by delaying projects, however for major works such as Water and Wastewater Treatment Plants and dam augmentations, it may not be possible.

The recommended Mandatory Alliance model would allow the framework for the interconnection of water supply systems across catchments. This in turn would allow the staging of bulk supply works and therefore reduce the financial burden and risk on the region as a whole. The recommended model could also provide a framework for the funding of large projects across catchments.

4.2 Skills Shortage

Tweed Shire Council is of a size where, to date, the skills shortage has not impacted significantly on its service delivery and when required it has been able to “buy in” resources.

The recommended model would provide regional resources in areas of key shortages such as project management, business strategy development, compliance with Best Practice Guidelines, analytical laboratory services, mechanical and electrical support services and engineering design services as some key professionals could be spread across the Mandatory Alliance region.

4.3 Best Practice Guidelines

Each Council undertakes the same or similar strategy and compliance activities as per the Department of Water and Energy Best Practice Guidelines. These Guidelines provide an excellent framework for the operation of sustainable Water Supply and Wastewater Services.

As each Council is required to prepare Strategies, Plans and Policies in accordance with these guidelines there is significant duplication in resources. For example, each Council is required to prepare a Drought Management Strategy and a Demand Management Strategy. Across a region these documents would contain significant similarities.

As mentioned in 4.2 above, under the recommended model this activity would be provided in part or as a whole by the Mandatory Alliance. The resource to undertake this work could be part of the Mandatory Alliance or they could be attached to one or more existing Councils and be used when and as required to undertake the necessary review, preparation and development of Plans.

4.4 Regional Water Planning

There has been very little thought to the provision of Bulk Water on a Regional Basis by successive State and Local Governments and their respective Departments. For the North Coast to develop and grow in a financially sustainable manner then regional water supply solutions are required.

In the mid to late 1980's Tweed Shire Council and the Gold Coast City Council reached agreement on the provision of Treated Drinking Water from Murwillumbah to Coolangatta. The NSW Government became involved in the process which only served to stall the project. Eventually the newly constructed Hinze Dam reached its capacity and water was not supplied to the Gold Coast from the Tweed. The surplus capacity in the infrastructure has since been taken up by growth in the Tweed Shire. This project was in some ways ahead of its time but would have provided a regional solution.

Shannon Creek Dam is an example of how adjoining Councils can achieve a regional solution. This Dam, which is currently under construction, has taken 14 years of planning between Clarence Valley Council and Coffs Harbour Council. The Dam will provide bulk water for the two local authorities for the next 30 years.

As an outcome of the NSW Department of Planning North Coast Regional Strategy, the Department of Water and Energy has commenced a Regional Water Plan. Rous Water and Tweed Shire Council are in a similar position in terms of Bulk Water Supply Planning. Each is proposing an augmented or new source water structure in the next 10 years. A regional strategy is likely to provide significant benefit to the adjoining localities.

The recommended solution would provide a perfect framework for this planning and furthermore the implementation of the plan to occur. The Mandatory Alliance could be charged with the responsibility of determining a regional strategy for the supply of bulk water, for determining a funding arrangement and then managing the inter-catchment transfer of water. The interests of each Council would be maintained under the Alliance and the Region as a whole would benefit via a more robust water supply network.

4.5 Drought and Climate Change

To date the drought experienced in Australia has had little impact on the ability of Tweed Shire to supply water to its consumers. In all, over the last 25 years restrictions have been imposed for a total period of four months which occurred on one occasion from October 2002 until February 2003. Historically the Tweed District Water supply has been very reliable. Notwithstanding this, a recent analysis based on the latest data and methods has required Council to downgrade its yield from 27,000 to 13,750 megalitres per year which will support a population of some 94,000 persons. This revised yield has been adopted on an interim basis and will be reassessed in the near future following the completion of the Demand Management Strategy and an assessment of climate change. The Demand Management Strategy implementation is expected to permit an increase in the population served, however climate change has the potential to reduce long term yields in the order of 20%. The preliminary advice is that an additional bulk water source will be required within the next 10 years. Council has commenced planning for this and has two major options which include the raising of the existing dam and the construction of a new dam at Byrrill Creek. Council has already purchased 80% of the land required to construct the Byrrill Creek Dam.

Council is well placed to handle the effects of climate change on its water supply. The recommended Mandatory Alliance model would however provide the framework for assessing the impact and possible solutions to the effects of sea level rise on water supply and sewerage infrastructure. Rather than each Council undertaking this task separately it could be done on a regional basis.

5.0 Regulatory Provisions

One of the challenges faced by Councils is dealing with the regulation of their Water Supply and Sewerage activities. Below is a brief summary of the involvement of various state government bodies with the management of urban water services:-

- ✚ *Department of Environment and Climate Change* (was the EPA) - whole of system licensing for sewerage, monitoring and regulation of point discharges from urban Wastewater Infrastructure.
- ✚ *NSW Fisheries* - regulate operation of structures that inhibit fish passage as well as approval process for new structures.
- ✚ *Department of Health* - regulate and monitor water quality in reticulated water supplies, including fluoridation of water supplies.
- ✚ *Catchment Management Authority* - responsible for implementation and part funding of Catchment Activity Plan.
- ✚ *Dam Safety Committee* - responsible for surveillance and monitoring of prescribed dams for both water supplies and regulated waterways.
- ✚ *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). Also regulate water supply extractions and volumetric entitlements, including water sharing plans and monitoring of 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.
- ✚ *Department of Planning* - Determination of SEPPS which define approval process for infrastructure. Controlling authority for BASIX.

These agencies are continually evolving and changing in both structure and scope of responsibility. It is extremely challenging for the Councils to keep abreast of the changing goals and objectives of these various agencies with the overlap and duplication resulting in inefficiencies. The role and responsibility of these organisations is not clearly defined and henceforth there is often a perceived role which is not consistent within and outside of the organisation. There is no whole of Government approach which therefore lessens the effectiveness of all levels of Government.

The existing regulatory framework requires rationalisation and clarification. There have been numerous changes to State Government Departments in recent years. Tweed Shire Council recommends a rationalisation of the role that State Government Departments play in Water Cycle Management to remove ambiguities, to clarify and define roles and responsibilities, and to provide a whole of Government approach.