

25 March 2011

Mr Michael Deegan
National Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA ACT 2601

By email: mail@infrastructureaustralia.gov.au

Dear Sir

Review of Regional Water Quality and Security

We refer to the report of AECOM dated 25 October 2010 and the invitation by Infrastructure Australia for feedback.

On behalf of the Bathurst Business Chamber, we wish to address some concerns in relation to the report and recommendations, as set out hereunder

1 Bathurst Business Chamber

The Bathurst Business Chamber is the peak representative body for business in the Bathurst Regional Council area. The Chamber has over 200 member businesses. It is affiliated to the NSW Business Chamber and works with local government in promoting business and economic development in the region.

This submission addresses concerns relevant to the local region.

2 Other Submissions

The Bathurst Business Chamber notes the comprehensive joint submission by Lower Macquarie Water Utilities Alliance and the Centroc Water Utilities Alliance dated March 2011, in addition to separate submission on behalf of Bathurst Regional Council dated 23 March 2011.

3 Business Chamber Concerns

The following matters are of concern to our members:

- a. Consistent access to water and water storage sufficient to meet the needs of business
- b. Access to water by the community so as to promote growth of the region
- c. Reasonable pricing of water so as to provide competitive pricing for businesses reliant on water for their manufacturing or other business related activities.
- d. Local control and accountability for water utilities

4 Submissions

The Bathurst region has enjoyed access to water, with no need for restrictions, during the drought events of recent years. Council has invested in infrastructure including works at Ben Chifley Dam so as to provide water security for the Bathurst Region, and in particular for business reliant on access to water, and for residents, making Bathurst an attractive place to live.

We understand that Bathurst Council is 100% compliant with requirements and standards which have been set for local water utilities. At the same time, Council receives and reinvests income received from residents and business for access to and use of water utilities.

The income collected does not have as a driver the requirement to pay a dividend to any third party, such as state governments or private corporations. The income received is applied within the local community, primarily in wages, infrastructure and maintenance works. In the event of any surplus, it is applied for the benefit of the community, in offsetting borrowings or in other programmes.

The Chamber opposes any restructure of the management of governance arrangements for the water utilities of the region. The Chamber does not support the transfer of control from Local Councils, where they are compliant with industry standard and provision of a cost effective and cost neutral benefit to the local community.

The Chamber does not believe that efficiencies by way of economies of scope or scale will result from any such reform to the governance structure, but that rather the water utilities will be regarded as a revenue stream for state or federal governments.

Of greater concern, having regard to recent events with the sale of state electricity assets, would be the privatisation of such utilities, where a profit motive, greater than that which would no doubt be demanded by the state government, would be the primary driver. There is no provision for compensation to local councils, should reforms take place.

The responsible and forward looking approach of the local government in the Bathurst Region, is a leading example of why local government should maintain it's role in the management of water utilities.

The Business Chamber is keen to promote new business and investment in the Bathurst Region. Water security is a key selling point for attracting people and businesses to relocate from metropolitan to regional areas. The cost effective and plentiful supply of water for industry and residents is a key issue. The loss of control over such resources adversely affects the capacity of local government and business organisations to promote the further growth of the region. Already there are cost and access disadvantages to residents and businesses in regional NSW. Water does not presently pose such a disincentive in Bathurst, but this could well change under any of the arrangements proposed for a governance structure.

The Business Chamber is concerned as to the accountability of any water corporation. The accountability of local government is direct and it is frequent, in terms of election. The Chamber is concerned that any restructure may see persons with no accountability, but to their political masters, controlling significant and vital assets to the regional communities of NSW.

President: Tammy Middleton



Secretary: Stacey Whittaker

Finally, there appears no cogent argument why the present governance structure, as applicable to Bathurst Regional Council, and other compliant Councils or groups of Councils, ought not be maintained and supported by state and federal government.

5 Summary

The concerns of the Chamber are not considered, or adequately addressed in the AECOM Review, nor has the case for restructure of governance been made out. The water quality and security of Bathurst is such that no changes or improvements are necessary.

The Chamber is concerned that the loss of control and requirement for dividends to be paid to the state government, will not benefit local communities, particularly those in the Bathurst region. There appear no benefits to the business community or economic development arising from any recommendations of the AECOM report.

We would be grateful if you could keep us informed of further developments or reports in due course.

Yours faithfully,

On behalf of
Tammy Middleton
President

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