



Our Reference: AP:84

Contact: Tony Perry

25 March 2011

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

Dear Mr Deegan,

Response to Regional Towns Water Quality and Security Review

Central Tablelands Water County Council (CTW) welcomes the opportunity to respond to the Review of Regional Water Quality & Security which was undertaken by AECOM Pty Ltd on behalf of Infrastructure Australia and completed in October 2010.

History of Central Tablelands Water

Central Tablelands Water is the trading name adopted in 1994 by Central Tablelands County Council, a water supply authority constituted in 1944 under NSW Local Government legislation. The County Council is located in the Central West of New South Wales and services a geographically large, but sparsely populated area. This area ranges from Blayney in the east to Grenfell in the west.

Currently there are some 5,500 connections providing potable water to a peak population of approximately 12,500 consumers in 14 towns and villages through 295 kilometres of trunk mains and 245 kilometres of reticulation mains. Council's main water source is Lake Rowlands. Water from this source is supplemented by a groundwater bore at Gooloogong to supply the town of Grenfell for a period of approximately two months during the peak summer period.

The Central Tablelands County scheme was originated by the late F.C. Rowlands, when he attended a meeting of the Lyndhurst Shire Council on 1 February, 1938. Over the next 6 years the NSW Government was lobbied to support the scheme and the County district was finally proclaimed on 28 January, 1944. The first meeting of the County Council was held at Canowindra on Wednesday, 9 February, 1944.

The first work undertaken by the Council was commenced on 21 October, 1944. This was the construction of a pipeline from the Lachlan River at Gooloogong to Grenfell, a distance of around 50 kilometres. Water was urgently needed at Grenfell, particularly to operate a newly-built sewerage system. The construction of this pipeline was also designed to cater for the expanding population.

The County Council assumed responsibility for the maintenance and operation of the water supply systems at the towns of Blayney, Canowindra, Grenfell and Lake Cargelligo on 1 January, 1945. Work upon construction of a supply system to serve Millthorpe, Blayney, Carcoar, Mandurama, Lyndhurst, Woodstock, Canowindra, Gooloogong, Grenfell, South Canowindra, Morebel, Somers and Eugowra commenced in 1946. In 1948 Council commenced works for the supply of water from local sources to the villages of Tullibigeal,

Burcher and Darbys Falls, and this was followed by a local scheme at Fifield in 1951. In 1949 Council commenced the design and construction of Lake Rowlands, its main water source.

From that point, construction and new developments occupied an ensuing period of about 15 years. Numerous rural schemes were constructed as well, including the Westville, Nyrang Creek, Brundah, Trajere, North Canowindra, Billimari and Wirrimah schemes.

The eventual withdrawal of Lachlan and Parkes shires from the County in 1989, followed by the withdrawal of Cowra Shire in 1992, has reduced the number of constituent councils to 3. The County area presently embraces the Shires of Blayney, Cabonne and Weddin.

The AECOM Review

CTW supports the joint response submitted by Centroc Water Utilities Alliance and Lower Macquarie Water Utilities Alliance and resolved to oppose the formation of regional State Owned Water Corporations but further resolved to advocate for the retention and promotion of the County Council model, where appropriate and when supported by constituent Councils.

As has probably been expressed in other submissions, CTW regrets the apparent minimal amount of consultation by AECOM with the majority of local water authorities and relevant State Government departments. It is regretted that the consultants have the perception that, currently, all decisions regarding maintenance and capital expenditure is made by the council's General Manager. Strategic decisions in this regard are made by the elected Councillors when considering and deliberating on the Annual Management Plan and the long term Strategic Business Plan.

The other area of concern within the AECOM Review, which also doesn't help with its credibility, is the claim that local water utilities are restricted in their ability to recover the cost of supplying water to consumers due to local government rate pegging. Rate pegging in NSW only applies to the general

purpose rates and does not apply to the water and sewerage functions of councils and county councils.

In regards to the five key recommendations of the AECOM Review, CTW makes the following comments:

- 1) *Mandate compliance with Australian Drinking Water Guidelines through legislation or regulation.*

This is fully supported by CTW.

- 2) *Implement a nationally consistent Best Practice Management Framework for all regional water utilities*

This is fully supported by CTW. NSW local water utilities already operate under Best Practice Management framework but a national standard that builds on this existing framework is supported.

- 3) *Move toward more cost reflective water pricing.*

This is fully supported by CTW. NSW local water utilities already operate under a policy of Best Practice Pricing, but a national standard that builds on the NSW policy is supported.

- 4) *Develop a more highly skilled workforce to operate and maintain water systems in regional water utilities by developing a nationally consistent trade qualification.*

The NSW Office of Water has in place well developed operator training courses. A national standard that builds on this model is supported.

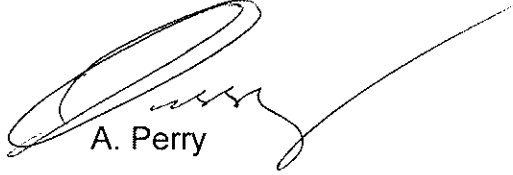
- 5) *Reform the governance structure of regional water utilities in NSW and Queensland*

As stated previously, CTW supports the joint response submitted by Centroc Water Utilities Alliance and Lower Macquarie Water Utilities Alliance and resolved to oppose the formation of regional State Owned Water Corporations but further resolved to advocate for the retention and promotion of the County Council model, where appropriate and when supported by constituent Councils.

The inference that the NSW and Queensland State Governments could enter into funding agreements with the Federal Government to encourage or facilitate the implementation of reform of the regional urban water sector could lead to State Owned Water Corporations syphoning off funds to the State Government by way of "dividends" rather than reinvesting those funds into upgrading or renewal of infrastructure.

If you require any further information, please contact the undersigned on (02)
6368 2208

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A. Perry', with a long, sweeping horizontal stroke extending to the right.

A. Perry

General Manager