

Ref: GWP:KF W1 A32

18th November 2010

Urban Water Inquiry
Productivity Commission
LB2 Collins St East
MELBOURNE VIC 8003

Dear Sir:

Thank you for the opportunity to provide a submission to the Australian's Urban Water Sector – Productivity Commission Inquiry.

Council submission is to continue to support the recommendations from the Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for non-metropolitan NSW. This was conducted in 2007 with the report that was released in January, 2009 supporting that the water supply business of Riverina Water County Council should continue in its present form.

The County Council model is supported by Riverina Water County Council with Council continuing to pursue increased levels of co-operation and resource sharing with our neighbouring County Council – Goldenfields Water County Council, Riverina Eastern Regional Organisations of Councils (REROC) and constituent General purpose council.

Please find attached Council's response to the NSW Government Water Inquiry and Council's submission to the water inquiry.

Council would welcome the opportunity to have direct dialogue with the commission to be able to provide a better insight into how we operate and the issues that relate to a county council model.



Clr. R. Kendall
CHAIRPERSON

Encl.

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



Submitted by:



27th February 2008

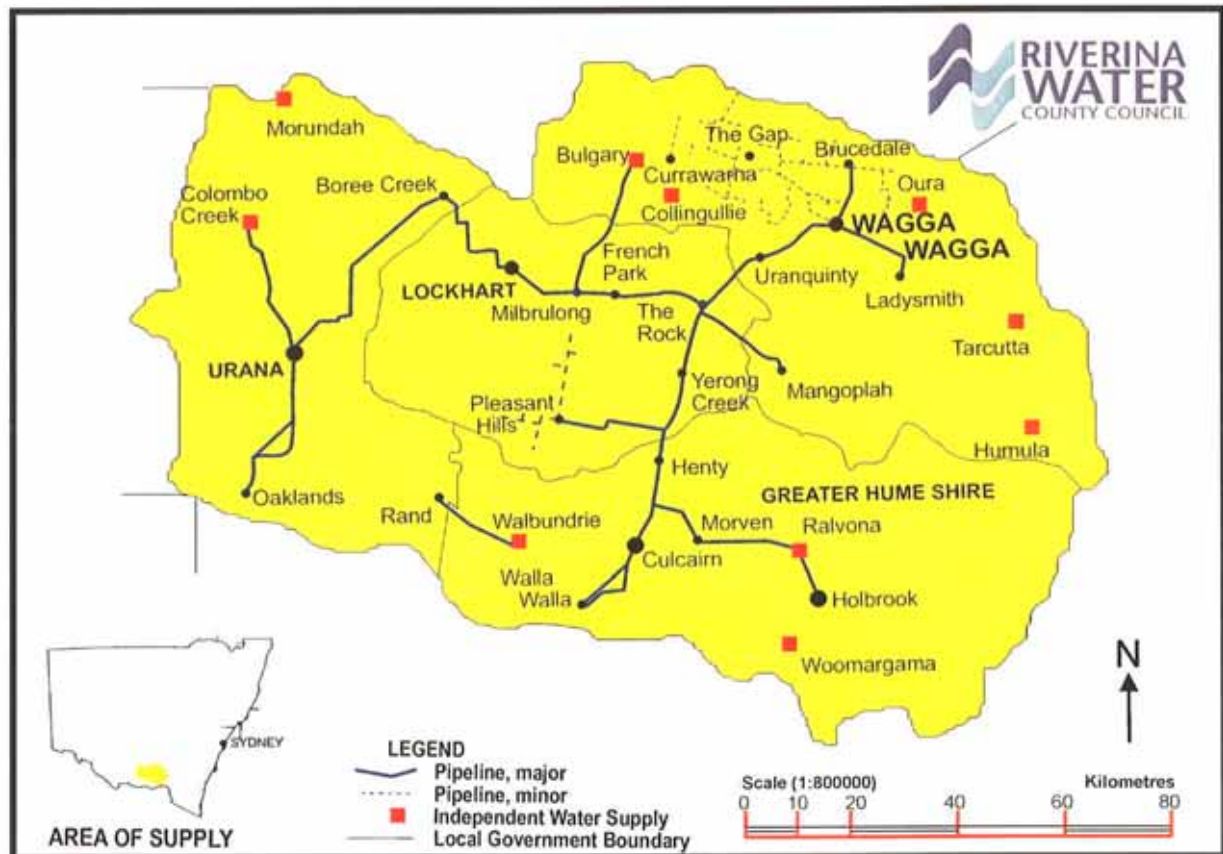
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**Clr. Peter Yates
CHAIRPERSON**

A handwritten signature in dark ink, appearing to read 'Gerald Pieper', written over a thin horizontal line.

**Gerald Pieper
GENERAL MANAGER**

Riverina Water County Council – Supply Area



Executive Summary

Riverina Water believes that delivery of town water supply and sewerage services is best managed by local government and that the County Council model is the most appropriate local government model for delivery of these services through much of NSW.

1. The focus of this submission is on demonstrating how Riverina Water County Council has, because of its County Council structure, been able to deliver water supply services to the communities of its constituent councils in a manner that meets the objectives set out in the Terms of Reference for this inquiry.
2. Riverina Water's experience in operating a successful, sustainable business supplying water over a period 70 years leads us to believe that similar County Council structures throughout NSW would be beneficial in meeting the expectations of the inquiry.
3. We do not have the intimate knowledge required to determine where such County Council's would be of benefit, however we feel confident that the County Council structure would be as beneficial in other parts of the state as it has been for the communities of Riverina Water and other NSW county councils.
4. The County Council structure has enabled Riverina Water to deliver water supply services to four local government areas in such a way that all its communities are able to enjoy a cost effective, financially viable and sustainable manner. These communities include some that would be otherwise financially unviable.
5. The responsibility of supplying multiple local government areas has meant that Riverina Water County Council has been able to make strategic decisions regarding utilisation of multiple water sources to provide a high degree of sustainability and drought proofing to its many and varied communities.
6. The close relationship between local government and its communities is a feature that places councils in the best position to optimise whole of community outcomes. County councils can extend the delivery of these outcomes in regards to

utility services such as water, due to its close representative arrangements with constituent councils.

7. Riverina Water's experience would indicate that it is the "right size" to enable the development of a skilled workforce that can fulfil all the expectations of an effective and efficient water supply utility, yet not be so large as to lose the close contact with its communities.
8. Local government has been pro-active in responding to the ever changing challenges facing the industry. The achievements of individual water utilities as well as the support of their industry funded organisations such as the Water Directorate and the Local Government and Shires Associations is indicative of how new challenges are addressed.
9. Some communities have water supply systems that will never be financially viable in their own right. Some form of subsidy will always be required for such communities if they are to retain a reticulated water supply. Local government is best able to understand the importance of water supply to their various communities and a County Council structure is an effective way of structuring cross subsidies so that a number of different communities can have some equality in access to water services.
10. Due to Riverina Water County Council's experience in operating a water supply utility, this submission will focus predominantly on satisfying the objectives terms of reference regarding water only. Given the success of the County Council structure at Riverina Water, it is most likely that there will be other opportunities in NSW to establish County Council utilities to operate sewerage services.
11. Riverina Water County Council encourages the Inquiry to give careful consideration to the formation of other County Councils within NSW. Careful structuring of such local government based utilities will deliver all the requirements of this important inquiry.

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Introduction

This submission has been prepared by Riverina Water County Council to recommend the County Council model for consideration by the inquiry as an effective structure for delivering the objectives set out in the Terms of Reference, while at the same time maintaining very close links with communities.

Riverina Water believes that, beyond the core requirements of providing a service that is efficient, reliable, affordable and safe, our community values and expects the utility provider to be part of that community, be accessible and able to provide a level of personal service when required.

Our submission will demonstrate to the inquiry how the County Council model has been an effective and successful structure for delivery of potable water to some 60,000 people living within the Wagga Wagga, Lockhart, Urana and parts of Greater Hume local government areas.

The structure and order of this submission will generally follow that of the Terms of Reference as published by the NSW Department of Water and Energy, January 2008.



Riverina Water County Council receives
Green Globe Award - 2006

Brief History of Riverina Water County Council

Southern Riverina County Council was incorporated in 1938 to make reticulated water available to towns and villages in the Shires of Lockhart, Kyeamba, Mitchell and part of Culcairn. The remaining part of Culcairn Shire and the Shires of Urana and Holbrook were subsequently added, as was the Municipality of Wagga Wagga in 1945. In 1981 Kyeamba and Mitchell Shire areas were included in Wagga Wagga City area.

Water supply infrastructure was established with the Murrumbidgee River at Wagga Wagga the principle water source, and a network of treatment, pumping, storage and pipework installations.

Augmentation continued to take in all towns and villages and several rural areas, and there are currently some 28,402 customer connections within the 15,500 sq km served. Wagga Wagga urban area contains 22,955 of these customers. The location and development of groundwater sources has been utilised over the last thirty years, and bore water now supplies three quarters of our production.

From 1942 to 1995 Southern Riverina was also responsible for the distribution of electricity in the area. The formation of the large electricity distributor, Great Southern Energy in 1995 precipitated a review of water supply administration, resulting in the decision to form a new County Council for water supply in the former Southern Riverina Area, to operate from July 1997. "Riverina Water County Council" was gazetted on 2 May 1997 and formally operated from 1st July 1997.

Quality drinking water is supplied to all customers continuing a tradition of almost 60 years of high service standards by a leading and innovative utility service organisation.

Appendix A shows the area supplied by Riverina Water County Council.

Other Recent Inquiries into Water Supply Utilities in NSW and the effectiveness of County Council structures

There have been two relatively recent reviews and task forces that have determined that the County Council model is the most suitable for delivery of potable water to the Riverina Water communities.

- In 1992 the Acting Minister for Natural Resources requested that the NSW Water Resources Council review the, then, six county councils to ensure that the County Council model was the most appropriate.

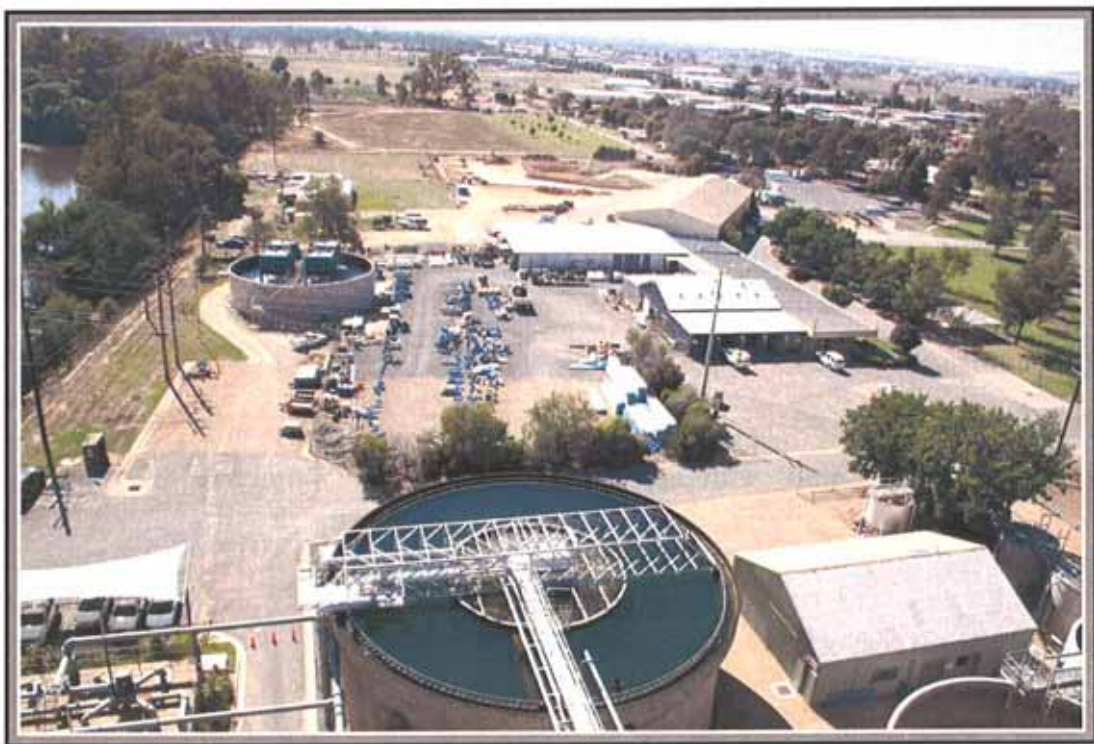
The review of these six operations found that "-county councils have achieved better overall performance with regard to efficiency and effectiveness than general purpose council water suppliers-" and "there is no experience in Australia to demonstrate that a change from County Council structure to a water supply authority, a State owned corporation, or private company would result in a more effective or efficient provision of country regional water supply services". (Review of Performance & Administrative Arrangements for Water Supply County Councils, Volume 1, Report on Findings August 1992 prepared for the NSW Water Resources Council.)

- In 1995, the dual purpose County Council, Southern Riverina Electricity and Water, prepared a submission for the Electricity Reform Task Force, the Minister for Local Government and the Minister for Land and Water Resources. This submission focused on future structural arrangements for town water supply delivery in the Southern Riverina and Northern Riverina areas.

Both these areas were at the time served by dual purpose, electricity and water County Councils and the impending restructure of electricity distributors in NSW necessitated a review of water supply delivery options.

The NSW Government again determined that the County Council structure was most suitable for the delivery of potable water within the Southern and Northern Riverina areas. Subsequently two County Councils were proclaimed in 1997 – Riverina Water County Council and Goldenfields Water County Council. The boundaries of these County Councils coincided with the previous Southern Riverina and Northern Riverina boundaries respectively.

Similar determinations resulted in the formation of Mid-Coast Water from a dual purpose water/electricity county council.



Aerial view of Riverina Water County Council

Objectives of the Inquiry

The stated objective of the inquiry is that any future institutional, regulatory and governance arrangements relating to water and sewerage service delivery in NSW should:

“Ensure these arrangements are

- Cost effective,
- Financially viable,
- Sustainable,
- Optimise whole-of-community outcomes and
- Achieve integrated water cycle management.”

Other expectations of any new structure for delivery of water supply and sewerage services are that the service providers should:

- 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
- Implement cost effective service standards

The May 1997 proclamation of Riverina Water County Council also recognised the importance of the above principles and set out the following objectives:-

- *To be a successful business and, to this end -*
 - *to operate at least as efficiently as any comparable business; and*
 - *to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates;*

- *to protect the environment by conducting its operations in compliance with the principles of ecologically sustainable development contained in section 6(2) of the Protection of the Environment Administration Act 1991; and*
- *In respect of the supply of potable water, to protect public health by supplying safe drinking water to its customers and other members of the public.*

The County Council structure has been instrumental in allowing Riverina Water to achieve the objectives of the 1997 Proclamation and has enabled the establishment of a skilled and dedicated workforce that has been able to build upon its earlier achievements as Southern Riverina County Council. These achievements demonstrate the advantage of the County Council structure in delivering the desired outcomes of this review.

The success of Riverina Water County Council, over the last 70 years, in delivering the outcomes required of this inquiry is presented on the following pages.



Riverina Water County Council,
Administration Building, 91 Hammond Avenue, Wagga Wagga

Objective 1 – Cost effectiveness

Cost effectiveness is often taken as meaning “lowest costs”. Riverina Water is able to provide an effective balance between low cost and meeting customer expectations regarding the level and types of service. This is confirmed in the recognition that Riverina Water has received from the Department of Water and Energy in their annual performance review. Riverina Water is regularly one of the top performing water utilities. For the 2004/5 and 2005/6 financial years Riverina Water County Council received awards from the NSW Department of Energy, Utilities and Sustainability for being one of the top 10 performing water utilities in New South Wales.

Throughout Riverina Water’s Strategic Business Plan, a number of common principles are reflected. They are:

- Structured forward planning
- Customer focus
- Value management
- Performance monitoring and improvement
- Businesslike practices
- Good corporate citizenship

While other organisations will strive for these principles, customer focus and corporate citizenship tend to be somewhat lost in larger organisations – particularly when they are, in effect, monopoly organisations.

Water supply (and sewerage) by its very nature must be provided by some form of monopolistic organisation. The major assets are extensive, non-portable and uneconomical to duplicate.

Local government, by its nature, has a close relationship with its community. This comes about from elected Councillors being chosen by the community, living and working in the community and often being involved in other community based activities. Local government

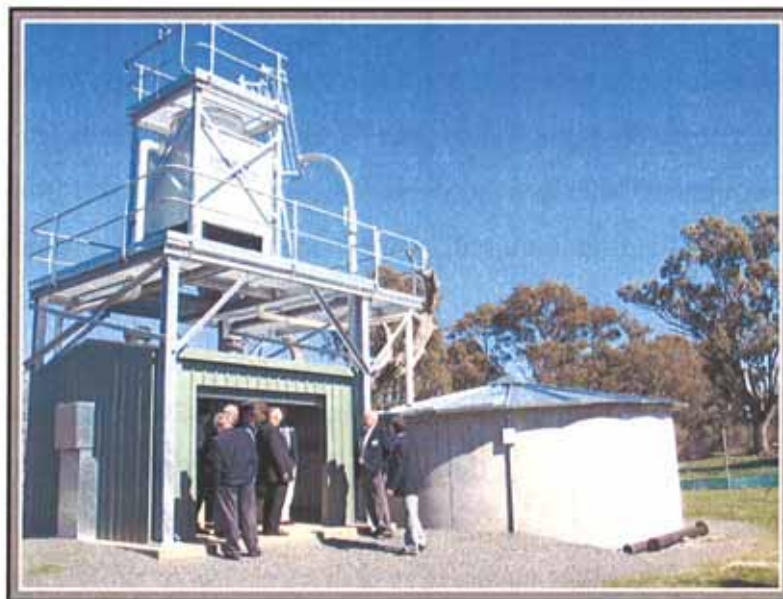
staff in regional NSW will typically live within the local community and also often participate in other community organisations and activities.

This close link with the community provides council decision makers and staff with a greater appreciation of what the community expects of them and council in providing a quality water supply service. A truly cost effective service cannot be provided without this appreciation.

The County Council structure of Riverina Water adds to the above mentioned strengths of Local government in that it facilitates the sharing of water resources across local government boundaries. The County Council structure also facilitates the utilisation of management, engineering, technical and other skills in such a manner that it optimises their cost effectiveness throughout the constituent local government areas.

A water supply utility can only consider its self to be cost effective if it has a long term plan to ensure that it is operating on a full cost recovery basis. Riverina Water operates under a 30 year business plan that ensures all costs associated with operating, augmenting and replacing water supply infrastructure are recovered through its fees and charges.

Appendix B copies of Riverina Water's Strategic, Financial and Management Plan that will demonstrate that Council plans and operates in a commercial, business like manner that is cost effective and reflects community expectations.



Opening of the Walbundrie to Rand Pipeline Scheme - August 2005

Objective 2 – Financial viability

One of the principal reasons for having essential services such as water and sewerage under the ownership and control of government (Federal, State or Local) is to provide communities, as much as possible, equal access to those services.

The States' water resources vary considerably in their distribution, quantity and quality. This aspect of water means that many communities cannot have a financially viable water supply and have relied on some form of subsidy in order to provide a suitable reticulated water system. The NSW Government has recognised this over many years and has provided assistance by way of subsidy to ensure that towns and villages throughout NSW have access to reticulated water systems.

It is important to recognise that some community water supply systems are not financially viable. The very fact that many systems were established with state government funding would support this. There is every likelihood that if a particular water supply scheme was initially unviable, it will continue to be financially unviable. This is being revealed where water supply systems are struggling to fund infrastructure replacement programs. If these schemes required subsidy for establishment, then it is almost certain that they will require subsidy for ongoing capital expenditure as the infrastructure ages and comes to the end of its useful life.

Many general purpose councils will cross subsidise various water supply schemes under their jurisdiction and this allows unviable schemes to be funded without reliance on funding from other levels of government. Other general purpose councils are not so fortunate and struggle to provide the ongoing funding required to meet infrastructure replacement costs and/or increasing regulatory requirements.

The County Council model for water utilities continues to be a very successful structure that has allowed Riverina Water to provide financially viable water supply services to a range of communities spread over four local government areas. Without the benefit of being able to share costs, as well as many other advantages such as access to professional, technical and administrative resources, many of the smaller communities could not have a financially viable water supply.

In the local government areas of Wagga Wagga, Lockhart, Urana and Greater Hume, the County Council structure allows Riverina Water to deliver water services in a financially viable and effective manner to all its communities. Riverina Water believes that the County Council model would benefit other areas of New South Wales.

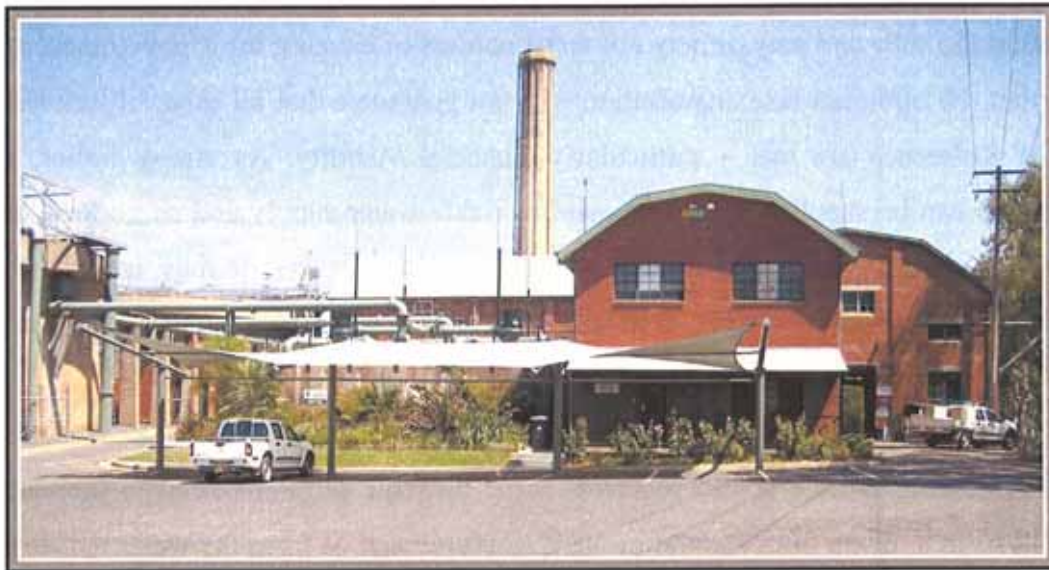
In order to be financially viable, other water and sewerage utilities could most probably benefit from a County Council structure. An issue then arises as to what is the appropriate size for a County Council, and considerations should be taken into account when determining the constituency of a County Council. The following comments relate to the factors that provide Riverina Water a basis upon which a very effective and efficient water supply utility has been developed. It is important to recognise some natural connection between communities (eg source of water, catchment etc) when determining the make up of a County Council, yet ensuring that the organisation is not so large as to lose its connection to the community.

So what is “right size”? This is a very difficult question to answer. It is something that will vary around the state and may or may not cross borders of existing local government areas. It may be that the optimum size organisation will not guarantee that all other objectives of the Terms of Reference are met – particularly financial viability. As stated earlier, not all communities can be supplied with a financially viable water supply and some form of cross subsidy is needed to ensure continued success of such systems. It may well be that the optimum organisation for a given area will still require additional financial assistance for continued supply of water services to their communities.

Where financial assistance is still required, some difficult decisions need to be made. The funds will have to come from Federal or NSW Government, or from the water industry itself. Given that the Terms of Reference indicate that the NSW Government expects the Town Water Supply (and Sewerage) industry to be financially self sufficient, some new creative ways of funding the disadvantaged communities is needed.

The means of gathering and distributing funding within the water and sewerage utility industry will be at least as difficult as managing the existing Country Towns Water and Sewerage Scheme (CTWSS). It will most likely be far more difficult in that substantially more money is required and whilst the formation of some additional County Councils may reduce the need for some external funding it is unlikely to totally remove such need.

External funding can only come from some form of taxation and if this is not available through existing Federal and State taxations systems, then, as politically unacceptable as it may be, the industry itself will have to develop cost sharing solutions. This could be through a scheme such as CTWSS that is industry funded and distributed. Details of such a scheme would have to be developed by key players in the industry such as the Local Government and Shires Associations, Water Directorate and Department of Water and Energy. Other forms of mandatory alliances may also be effective.



Waterworks Filtration Plant

Riverina Water County Council, 91 Hammond Ave, Wagga Wagga, NSW

Objective 3 – Sustainability

Sustainability relates to both the business model and the water resource that we depend upon. The sustainability of the business implies financial viability and this has been discussed under “Objective 2”.

Sustainable water supply (ie sustainable sources of water) has been a topic of much discussion over the last 6-7 years, during which time most systems have experienced the most severe drought since their inception.

To reduce the risk associated with single water sources, Riverina Water County Council has, for more than 40 years, been developing alternate interconnected water supply sources so the majority of its customers have access to more than one source of water.

The original connected water supply system (see Appendix C) was supplied by treated Murrumbidgee River water via trunk mains to the West and South of Wagga Wagga. Since the 1960s, Riverina Water has developed alternate bore and surface sources in Wagga Wagga and other various locations along the trunk system. These alternate sources provide two benefits. They:

- allow peak demands to be better served; and
- provide alternate sources should there be failures of any particular source due to drought or other reasons.

The County Council structure of Riverina Water has enabled many different water sources to be used for the benefit of communities across numerous local government boundaries. The alternate water source at, for example, Urana has benefits to other communities as far away as Walla Walla because it provides an alternative that reduces reliance on the other interconnected sources. The County Council model allows consideration of such benefits to communities that are seemingly so far apart geographically and in terms of local government governance.

A range of alternate water sources has enabled Riverina Water County Council communities to enjoy water supplies with only minimal need for restrictions during the last two summers – the worst periods of the drought.

Objective 4 – Optimisation of whole-of-community outcomes

It is important to recognise that needs and expectations of communities will vary widely and that in order to optimise whole of community outcomes, these needs and expectations must be well understood. Local government is the closest level of government to communities and as a result, is better able to understand the needs of individual communities, whether they are urban or rural in nature.

As organisations increase in size, there comes a point when close contact with their communities is lost and expectations of communities become too diverse, not fully appreciated and a “one size fits all” approach becomes the norm.

The benefits of County Councils have been promoted and will be further promoted in this submission. An ill conceived County Council could also be too large and be at risk of losing touch with their communities. Correct size is important for a local government body to maintain effective links with their communities. Once this close contact with communities is lost, the net benefit of the County Council structure is diminished. The net benefit of any new structure for the delivery of water and sewerage must include the social benefits (part of triple bottom line analysis) and it is pleasing to see community outcomes as an important part of the Terms of Reference.

Riverina Water, and possibly other County Councils, would welcome and invite the Review Panel to visit and inspect our facilities to gain more insight into what we offer and provide our communities.

Employment opportunities are extremely important for any community and traditionally local government has been a key employer in regional NSW. Water and sewerage utilities whether general purpose councils or county councils, provide a significant employment base for regional communities.

Riverina Water County Council provides employment for 100 people offering skills in all areas associated with providing a quality water supply system. This includes management, engineering and other professional services, administrative, numerous trades, construction, maintenance and metering services. Some of these employees are based and/or live in rural

towns within the county area. Having such a large employment base means that Riverina Water is able to provide a comprehensive water supply service to its communities as well as provide employment and training opportunities to the regional population.

One of the downsides of review processes, such as this, is that it places a degree of uncertainty in the minds of many employees – particularly in areas where there have been multiple restructures and/or reviews over recent years. It is important for employees and the community that this review process results in a water and sewerage delivery structure that will deliver the stated objectives well into the future – without the need for any further major revisions. Continued uncertainty inevitably results in skills leaving an industry and, in the case of regional centres, these skills are often lost to metropolitan centres.

As well as employment opportunity for regional communities, local government utilities provide training opportunities that help build capacity within the community. Riverina Water County Council has an extensive training program that includes apprenticeships, traineeships, funding of Engineering and Management Degree Studies, professional and other staff development as well as training in the many required skills and work methods required in the water supply industry.

Such a skill base within the local region and within a local government organisation means that appropriate staff, advice and services are readily available to the community as and when required. Most regional areas would agree that many services, over and above the basic delivery of the product, become poorly provided when utilities become too large and corporate focused rather than the overall service focus that local government provides. The community values the ability to have person-to-person contact with the “right” person, particularly when there is an out of the ordinary situation. This ability becomes almost impossible with some corporate utility providers.

Having qualified and expert staff readily available and accessible is something that the community greatly values. This is affirmed in comments received, both verbally and written, by Riverina Water County Council.

In the Riverina area, Councils have been proactive in raising the profile of environmental issues in the local communities. Much of this work is co-ordinated through the Regional Organisation of Councils (ROCs) with which Riverina Water County Council is an active member. Environmental issues include energy use, recycling, and wise water use.

Riverina Water has developed some effective displays for encouraging wise water use and these displays are made freely available to neighbouring councils. This type of sharing extends to many other forms of assistance and information that is often an unrecognised benefit and feature of local government organisations. The ROCs formalise much of this sharing of resources. These formal and informal arrangements bring enormous benefits to communities that are often undervalued.

The close relationship between communities and local government encourages many discussions between Council and interested community groups. Riverina Water is often asked, and always pleased to respond, to discuss water related issues with local interest groups, service clubs, special interest clubs, and educational institutions. These discussions are always of value, particularly because they involve local people discussing local issues and how those local issues fit into the larger catchments or state wide issues.

Another example of community benefit in Wagga Wagga is that derived from the bi-annual Pipes Wagga Wagga Conference. This conference focuses on water and sewerage delivery systems and is a nationally recognised conference. It attracts presenters from all regions of Australia and internationally. The community benefits from this conference in that it reinforces the importance of water to the community, it keeps the local utilities up to date with new technology, it provides an important networking opportunity for all participants in the industry and there are economic benefits from large numbers of visitors to the region.

The Pipes Wagga Wagga conference would not occur without the initiative of Wagga Wagga City Council and Riverina Water County Council.

County Councils in NSW and Riverina Water County Council in particular, have demonstrated that they are effective organisations whose current size and structure allow them to optimize whole-of-community outcomes as well as satisfy the other key objectives of the Terms of Reference.

Objective 5 – Integrated Water Cycle Management (IWCM)

The severe drought that NSW has experienced over the past 6-7 years has highlighted the need for water utilities to fully understand all the various sources and uses of water, as well as how the various sources interact and can be used to maximum advantage.

While Wagga Wagga City Council and Riverina Water County Council are still in the process of developing a formal IWCM plan, most of the main elements of such a plan have been considered and acted upon over a period of many years. Many initiatives have taken place with involvement of both general purpose Councils and the County Council.

Some of the initiatives already undertaken in relation to IWCM include:

- One of the major initiatives was the development of alternate water supply sources (particularly underground sources) throughout Riverina Water County Councils area of operation, which commenced 40 years ago. The interconnected part of Riverina Water's system now has numerous supply points that, given a failure or reduced output from one source, provide a back up to enable essential water needs to be met.
- Riverina Water treats all effluent from its Wagga Wagga water treatment process in such a way that it meets all EPA requirements for return to the Murrumbidgee River. This water is then available for use to other water users along the river.
- Continuously improving the metering of both source water and end user consumption, as well as the operation of an effective mains replacement program, has resulted in unaccounted-for water that is very near industry best practice. Riverina Water expects unaccounted-for water to at least equal or surpass industry best practice over the next 2 years as further progress is made with meter and mains replacement programs.

- Riverina Water has, over the last 2 years, worked with the Department of Water and Energy (Previously DEUS) in the development of a computer model of the underground water sources in the Murrumbidgee River adjacent to Wagga Wagga. This model has enabled a better understanding of the interactions between the two most important sources of water – the surface and underground water. This understanding has enabled better management practices in how the two sources are utilised, particularly in drought conditions.
- The use of recycled water was investigated many years ago with consultation between Wagga Wagga City Council (sewerage utility) and Riverina Water County Council (Water Utility). Wagga Wagga City Council operates a number of recycled water systems that are used to water sports fields and a cemetery, as well as a small trial/demonstration system supplying households with recycled water for garden use.
- Other examples of re-cycled water use are watering of sportsgrounds by Lockhart Shire Council and the use of recycled water by Greater Hume Shire Council for various sportsgrounds including those at schools.
- Given that treated sewerage and storm water are returned to the same river that is used as one of our main sources of potable water, the value of recycling sewerage or capturing stormwater is still being assessed. Riverina Water is currently undertaking two key projects that focus on these issues as well as identifying other “smart” ways to manage and use water. They are:

1. *Global Water Smart City*

This is a joint project between Riverina Water County Council, Wagga Wagga City Council and Charles Sturt University. This project aims to develop the Wagga Wagga area as a demonstration site for innovative ways to manage water. An IWCM plan is integral to this project and the development of the plan has commenced.

2. Federal Water Smart Project

Riverina Water County Council is currently working with the Institute for Sustainable Futures at University of Technology Sydney on a project that has received federal government funding. This project aims to develop a better understanding of existing water sources and uses, and the gap that may exist between supply and demand. It will develop models to help understand these gaps and how to better identify and manage all water sources and uses. The project will link closely to the Global Water Smart City project and it is envisaged information will feed from one project to the other.

Both the above projects are very closely linked to Integrated Water Cycle Management.

- Other projects that are ongoing include: Urban Salinity Studies and Works, jointly conducted between Riverina Water County Council and Wagga Wagga City Council; promotion of water saving measures through displays at various venues including water week; and the extensive advertising campaigns in summer months to encourage reduced water consumption

IWCM requires much more than involvement of the utility. It is important that all sections of the community are involved and consulted. Local government is well situated to include this community involvement because of its close links with communities.

Equally important in developing effective IWCM plans is the participation of state and federal governments. State government participation is particularly important because state Acts of Parliament have a significant impact on the operation of water and sewerage services.

It is unfortunate that state government departments can actually hinder the development of effective IWCM plans. There appears to be conflicting priorities within different departments that make it difficult to develop IWCM plans – particularly if wanting to develop new ideas. For instance, the priorities of Department of Water and Energy, Department of Environment and Climate Change and Department of Planning often make it difficult to develop integrated plans. These problems are compounded by regular changes of department name, department responsibilities and several ministers in charge of multiple departments.

This inquiry should, as well as recommending appropriate structures for the delivery of water and sewer services, also recommend mechanisms by which all the relevant state government agencies can work together with local government to assist in delivering the best integrated outcomes for our communities.

Local government is in a position that can best understand local conditions relating to water supply and demand. As previously stated, Riverina Water has been and continues to be proactive in aspects of IWCM and is continuing to investigate and promote better ways of managing our water supply system.

Other Inquiry Expectations

The Terms of Reference also set out the following expectations of water and sewerage providers:

- Respond and plan in advance to 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.

Riverina Water County Council is well structured to deliver these requirements. The following section demonstrates how Riverina Water County Council has addressed the above challenges.



Flocculation Tanks, Water Filtration Plant

Respond and plan in advance to challenges facing the industry

Riverina Water continually monitors changes to our operating environment so that, as much as possible, we can be prepared for future challenges through effective short and long term planning. Having an experienced and well trained team of professional, trades and other staff has enabled Riverina Water to respond quickly to some of these challenges.

Some recent challenges that have been met, or are anticipated to occur, are summarised in the following table.

Challenge	Action
Drought	Alternate sources of water have been developed during the past 40 years with the most recent alternate source being developed in 2005.
Changing source water quality	Many sources of water have experienced shifts in quality as a result of drought conditions. Riverina Water has been able to respond to changing water quality by developing alternate sources and/or alternate treatment processes.
Skills availability	<p>Riverina Water has, for many years, been proactive in the development of skills relative to the water supply industry. This has included continuing programs to train apprentices in the electrical and mechanical fields. Riverina Water's current training commitments for its 95 staff include:-</p> <ul style="list-style-type: none">6 apprenticeships3 trainees2 staff undertaking Engineering Degree1 staff undertaking Management Degree <p>A total training budget of \$350,000 per year in addition to apprentices employed through group training schemes.</p> <p>Riverina Water provides scholarship assistance to a Science Degree student at Charles Sturt University each year.</p>

<p>Changing public health standards</p>	<p>Riverina Water has been able to supply water that meets Australian Drinking Water Guidelines for many years.</p> <p>Our focus on quality systems and continuous improvement led to developing a Water Quality Safety Management Plan in 2005. Riverina Waters' Water Quality Plan first received Hazard Analysis Critical Control Point (HACCP) certification in 2006 and again in 2007.</p> <p>Riverina Water was the first water supply body in NSW to gain accreditation from HACCP.</p> <p>The development of our Water Quality Plan preceded the requirements of the new release of the Australian Drinking Water Guidelines that recommends such plans.</p> <p>Our presence at important conferences, such as conducted by the Australian Water Association, ensures our professional and water quality staff are up to date with new developments in the water industry – including developments associated with water quality and public health.</p>
<p>Safety requirements</p>	<p>Keeping up to date with safety requirements in an organization that has a wide variety of construction and other manual workers has become quite a challenge in recent years.</p> <p>Riverina Water employs a full time safety officer, has an extensive safety management plan and safe working methods that have been developed in consultation with staff. The effectiveness of our safety initiatives has been recognized in the awarding of 5 star status by NSCA.</p> <p>Part of our substantial training budget is for safety related training. All staff are encouraged to undertake first aid training and such training is funded by Council.</p>

Changing environmental standards	<p>Riverina Water is conscious of the increasing requirements to ensure works are not damaging our environment.</p> <p>Extensive water treatment processes have been installed in recent years to improve the quality of backwash water being returned to the river system.</p> <p>Work methods are regularly updated and one of the many considerations is compliance with environmental standards.</p> <p>We are currently recruiting an Environmental Officer whose role will include the areas of water quality, IWCM, and compliance of our works with environmental standards.</p>
Competing demands on water sources	<p>Riverina Water has been aware of the competing demands for water within our catchments. As previously stated, we have developed alternate underground sources over many years.</p> <p>In recent years, Riverina Water has commenced acquiring water in the open market with a view towards being better equipped to supply future demand.</p> <p>Computer modelling of the underground water sources and their interconnection with surface waters has enabled Riverina Water to plan more effectively how it will meet growing demands for water.</p> <p>The various projects described earlier in Objective 5- IWCM also assist in better meeting the challenges associated with limited sources of water.</p>
Growth	<p>In addition to the above water source issue, Riverina Water has been proactive in the use of computer modelling for the analysis and design of its reticulation and distribution system. This modelling by Riverina Water commenced on large university computers in the 1960s and continues today on desktop computers linked with Geographical Information Systems.</p>

	<p>Our 30 year financial plan includes the provision for new infrastructure to meet growth as well as requirements to replace aging infrastructure.</p> <p>Being a local government organisation, Riverina Water has close links with its constituent councils and these links are invaluable when it comes to issues of town planning. Recent participation with Wagga Wagga City Council in the development of a Spatial Plan for Wagga Wagga has ensured that issues relating to supply of water are considered in the planning process.</p>
Changes in Best Practice guidelines	<p>Riverina Water has been able to successfully adapt to these changes, many of which have been discussed above.</p> <p>Other changes include adapting to Best Practice Guidelines, particularly with regards to pricing structure. To assist our Constituent Councils meeting best practice sewer pricing, Riverina Water makes water usage data available to those councils.</p> <p>Riverina Water's ability to adapt to modern "Best Practice" is demonstrated in the high rating recognised by the Department of Water and Energy.</p>

Be Financially Self Sufficient

This expectation has been discussed in Objective 2 - Financial Viability.

The County Council structure of Riverina Water has enabled a number of small financially unviable (in respect to water supply) communities to enjoy the benefits of reticulated water. This can only occur because the County Council as a whole is financially self sufficient.

Financial self sufficiency must be a long term attribute. Riverina Water's 30 year financial plan and well documented asset register ensures that as an organisation we are well placed to be financially self sufficient in the long term.

The County Council model could provide the opportunity for other areas to be self sufficient but it must be accepted that the "better off" communities will be required to assist the less viable communities for the model to be effective.

There is a very real understanding at Riverina Water County Council, commencing with our Councillors, that we are here to make water supply as available and affordable as possible to all communities within our local government areas. This understanding also extends to agricultural areas where possible.

Riverina Water has carefully considered the costs associated with new development and has, in consultation with the community, created a Developer Servicing Plan. The fees paid by developers help ensure that the development is sustainable and contributes to the financial self sufficiency of Council.

Be able to comply with appropriate stringent environmental and public health standards

This is one of the many challenges facing water supply utilities and has been discussed in the earlier section on challenges facing the industry.

The County Council structure, together with strategic direction from our Councillors and sound sustainable management practices, has resulted in an organisation that not only attracts skilled staff but actively assists staff in gaining extra skills to enable us to better meet new challenges.

In the case of environmental and public health standards, Riverina Water has a well established water quality section that includes: water quality officers; treatment plant operators; and assistants all lead by our Operations Engineer. Recruitment of an Environmental Officer with responsibilities in the areas of environment, water quality and IWCM will be completed in March 2008.

Riverina Water County Council was the first water utility in NSW to receive HACCP certification for its water quality management plan.

The Riverina Water County Council structure enables the skills of its' team to be used for the benefit of communities throughout the four local government areas it supplies.



Urangeline / Bidgeemia Scheme

Official Opening - 29th August 2007

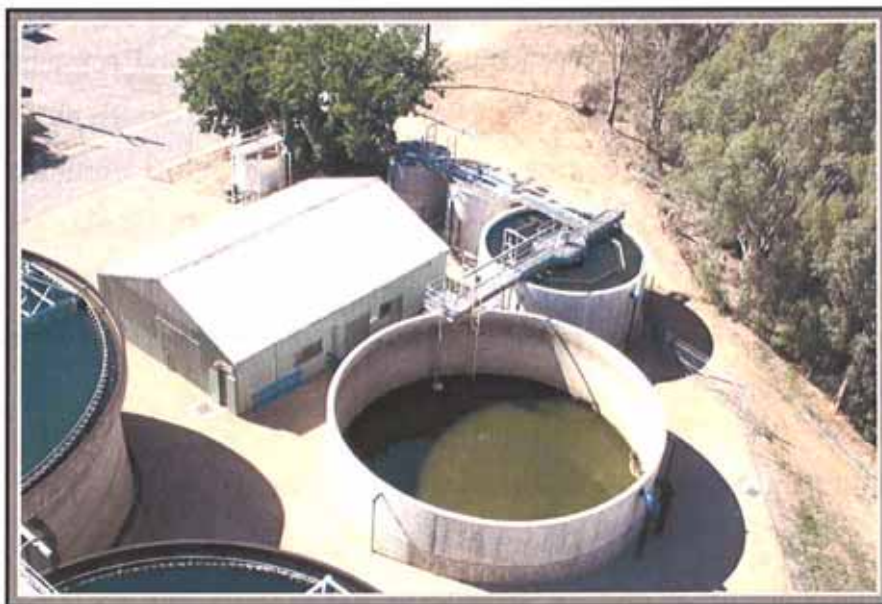
by Clr. Lindsay Vidler, Hon. Sussan Ley MP & Ursula Jones

Implement cost-effective service standards

Cost effectiveness is something that means different things to different people and communities. Some believe water is already too expensive (although recent drought conditions have changed this thinking) and others believe it is far too cheap.

It is individual communities that, in the end, define cost effectiveness by placing a value on the benefits of having a particular level and quality of water service.

Riverina Water has been able to deliver cost effective service standards to a range of communities. Our sound business management practices ensure that these standards of service are sustainable for the future.



Sludge Treatment Plant
Water Filtration Plant, Wagga Wagga

Sound Governance for delivery of Water and Sewerage Services

The County Council model has been presented as a viable option for delivery of water services in New South Wales based on the success of this model at Riverina Water and other County Councils with the state.

Riverina Water operates under a County Council governance model set out in its proclamation and various Acts of Parliament. This model has seen Riverina Water deliver on all aspects of good corporate governance and in many cases excel.

Governance of local government, water and sewerage utilities in particular, has adjusted to meet the changing needs of a modern and developing nation.

The 10 essential corporate governance principles as suggested by the ASX warrant some consideration when looking at options for the delivery of water and sewerage services in NSW. The benefits of a County Council structure with governance models similar to existing County Councils have been discussed throughout this submission. It is worth looking at some of these issues again in relation to meeting the expectations of good corporate governance.

The manner in which Riverina Water County Council is able to satisfy the essentials of good governance is discussed in the following sub-sections.

1. Lay solid foundations for management and oversight

The foundations for an effective governance model starts with the proclamation from the NSW Government that establishes a Water County Council. This proclamation establishes an appropriate Council (board) and executive management with clear roles and responsibilities. The roles and responsibilities are further established in various acts of parliament.

2. Structure the board to add value

There is often much discussion as to what skills are required on a Council (board) in order to provide added value. For instance, technical skills. It is important for councillors to have a good appreciation of their communities expectations, the requirements of state and federal governments including the proclamation under which the council is formed, and to be able to make sound strategic decisions based on financial, technical and other information provided by Council's Executive Management Team.

An effective Council size (i.e. number of Councillors) and makeup is determined in consultation with constituent general purpose councils and the NSW government, and would typically involve representation from each constituent council. This arrangement has been very successful at Riverina Water where, over many years, a water supply system has been developed that has provided a secure, reliable and quality water supply to a diverse range of communities in multiple local government areas.

A high level of commitment has always been evident in Riverina Water Councillors, and this no doubt comes from the election process for local government and the close contact the Councillors have with their communities. These skills and commitment that has led to their important role in local government has seen Riverina Water Councillors discharge their responsibilities in such a way that the strategic direction of Riverina Water is to the benefit of the whole county area.

3. Promote ethical and responsible decision-making

Ethical and responsible decision making starts with the structure of the council discussed above. The strategic direction and culture established by Riverina Water's Council has seen the establishment of a very successful and community focussed water utility.

The strategic direction set by council relies on a skilled and effective Executive Management Team – particularly in the General Manager position. The current governance arrangements for County Councils require the Council to monitor the performance of the Executive Management Team on an annual basis. This ensures that the principles, ethics and strategic direction of the Council are reflected in the operations of the organisation.

4. Safeguard integrity in financial reporting

The elected council monitors financial performance and reporting throughout the year. The Local Government Act requires independent annual auditing of Council's financial activities and independently audited annual performance statistics are reported to the Department of Water and Energy (DWE). Financial recording systems comply with the provision of the Local Government Act, 1993 (as amended) and the Regulations made thereunder, the Australian Accounting Standards and professional pronouncements, and the Local Government Code of Accounting Practice and Financial Reporting.

In addition to the substantial monitoring and auditing of Council's financial performance, the strategic, long term financial and management plans are scrutinised by DWE. These plans are important components required to satisfy requirements of the DWE Best Practice Guidelines.

As can be seen, the Local Government governance model of a County Council provides substantial safeguards regarding financial performance and reporting.

5. Make timely and balanced disclosure

Local government demonstrates a level of disclosure much higher than most other organisations. Reports to Council and Minutes are readily available to members of the community and some community interest groups are active in monitoring such records.

Councillors and Executive Managers are required to disclose any conflicts of interest by way of statutory declaration.

6. Respect the rights of shareholders

Rather than shareholders, local government will typically answer to ratepayers, or, in the case of a water supply utility such as Riverina Water County Council, it will respond to the needs and rights of its water customers.

The County Council model based on a local government governance structure results in an organisation that has the closest links to their customers – i.e. the communities within its constituent local government areas. The issue of size for a County Council has been discussed earlier and this remains an important aspect of the governance model so that respect and understanding of community needs and expectations is well understood.

7. Recognise and manage risk

This is one the many challenges facing any business type organisation. The section: Respond and plan in advance to challenges facing the industry demonstrates how Riverina Water County Council has adapted to meet the challenges associated with various areas of risk. These include, but are not limited to, drought management and security of supply, safety management, water quality management, financial modelling and hydraulic modelling. Riverina Water ensures that those risk management plans of most importance receive independent specialist scrutiny via annual audits.

The County Council structure is certainly as capable as any business model of ensuring risks are identified and managed. The close relationship with communities provides added incentive to ensure risks associated with the supply of such an important commodity as water, are well managed.

8. Encourage enhanced performance

The local community is the first level of scrutiny that will provide feedback to Riverina Water regarding its' performance. This feedback is received in a variety of means and occurs readily when an organisation such as Riverina Water fully operates within the community it serves.

Councillors are elected to the constituent councils by ratepayers that are also customers of a County Council. The Councillors provide a direct link to the community if overall performance of Council is below community expectations.

As previously stated, Riverina Water County Council has a specialist team of employees that live and operate in the community. This close link to their customers provides managers and other staff with a close understanding of the service levels expected of them.

9. Remunerate fairly and responsibly

The governance structure of County Councils is as capable as any other structure in providing fair and appropriate remuneration.

Riverina Water operates a structured skills based salary system that is reviewed annually in consultation with staff. Riverina Water's ability to attract skilled staff in all disciplines as well as the high staff retention rate is evidence it has a well structured award and salary system.

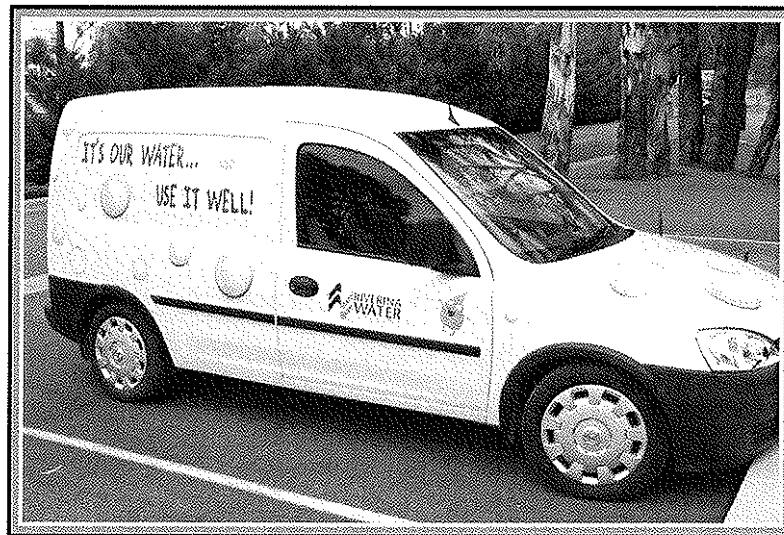
Executive position remunerations are determined by Council and are maintained in line with similar industries.

10. Recognise the legitimate interests of stakeholders

The County Council structure provides an effective model that can recognise the interests of many different stakeholders. The interest of communities has been discussed previously.

One significant advantage over other non-local government models is the recognition of the interests of constituent councils. Water supply is a major factor in the success of any community and local government is in the best position to understand the impact of water management strategies on their vision for their local communities. The County Council model provides the necessary strategic involvement of one of the major stakeholders –the constituent councils.

Riverina Water, as a local government body, is bound by its formal proclamation and a number of Acts of Parliament. These place various expectations on Council to ensure that the most important interests of our customers are recognised and acted upon.



Waterwise advertising on Council vehicles

Obstacles to forming other County Councils throughout New South Wales

The current arrangement of some 107 water utilities is unlikely to be regarded as a feasible option and some form of rationalisation (or amalgamation) of water utilities is going to be needed to deliver the main objectives of this inquiry. It seems obvious from the Terms of Reference that there will need to be a much more cooperative approach to the delivery of water services if all communities are to have similar access to sustainable and financially viable water supplies. The County Council structure allows this cooperative approach while still retaining very close links with local communities and the constituent councils.

Riverina Water County Council recognises that there will be much opposition to the moving of responsibility for water supply utilities from general purpose councils to, for example, a newly formed or other existing County Councils. Three of the major objections are based on concerns regarding:

- loss of employment in the local community;
- loss of any existing income from the present water supply undertaking;
- and additional costs imposed on any community with a financially viable water supply in order to “prop” up another community that is not viable.

The loss of employment opportunities are of major concern to any community, and more so for smaller communities. As stated earlier in this submission, local government is an important source of employment in local communities.

Any major restructure in the delivery of water and sewerage services is likely to have some impact on employment levels. Riverina Water’s experience is that a County Council, such as itself, can be a successful and sustainable business yet not be so large as to drain the resources from communities and to provide good employment opportunities to residents of its constituent local government areas. The “right size” aspect to a structure such as County Councils has been discussed previously and this aspect needs to be considered when more detailed business cases are prepared and some value can be included for the social benefits derived from having a reasonably “local” water supply utility.

In regards to loss of income from a water (or sewerage) business operated by a general purpose council, there is already provision in the Act for the payment of dividends from the Utility Business to the General Fund. This provision could be used in any restructure to ensure that the general purpose council is not financially disadvantaged if the water and/or sewerage utilities were removed from their area of responsibility.

A more difficult aspect of any major restructure is the fact that any existing water supply system that is financially unviable will need assistance to ensure continued operation. Given that the Terms of Reference state that the delivery of water supply is to be financially self sufficient, some new forms of cross subsidy will be required. This will typically mean the more viable utilities are going to assist the less viable utilities in any new structural arrangement.

This difficulty could be significantly reduced if there was some form of financial input from the NSW government to bring the infrastructure of less viable systems up to a standard whereby they could be merged into a County Council without placing excessive financial commitments on the better performing or more viable communities. This concept requires much more in the way of detailed analysis, particularly regarding assets, that is not possible at this stage of the submission process.



Presentation of Green Globe Award and HACCP Certification

December 2006

Provision of Sewerage Services

This submission primarily recommends the County Council model for consideration by the review panel as a successful option for delivery of town water supply services in NSW. Its' focus is based on the demonstrated success and long term viability of Riverina Water County Council as the water supply utility to numerous communities within its four constituent local government areas.

Riverina Water County Council believes that a similar structure would have application to the delivery of sewerage services throughout NSW and that, based on our experience with water supply, the comments and recommendations in this submission could equally relate to sewerage services.

There would appear to be some logic in having water and sewerage utilities managed by the same entity, particularly in regards to developing truly integrated water management plans. In reality, there are so many other community and catchment based considerations in developing an IWCM Plan that it would be impossible to have all aspects managed by one authority. As previously stated there are numerous state government departments, each with their own priorities, that need to be involved in a local IWCM plan.

If the governance model adopted for any newly created water or sewerage utilities was similar to the local government governance arrangements of County Councils, then a separation of water and sewerage should not present any additional difficulties in development of IWCM plans. If the governance arrangements of any new utilities were too far separated from local government governance models, IWCM will potentially focus on only a narrow range of parameters – i.e. just the water and sewerage parameters that have a direct bearing on the water/sewerage business.

The co-operation between Riverina Water and its constituent councils demonstrates that water and sewerage can operate separately. Even such requirements as user pays for sewerage can be easily accommodated today with exchange of water use data between Riverina Water and the constituent councils.

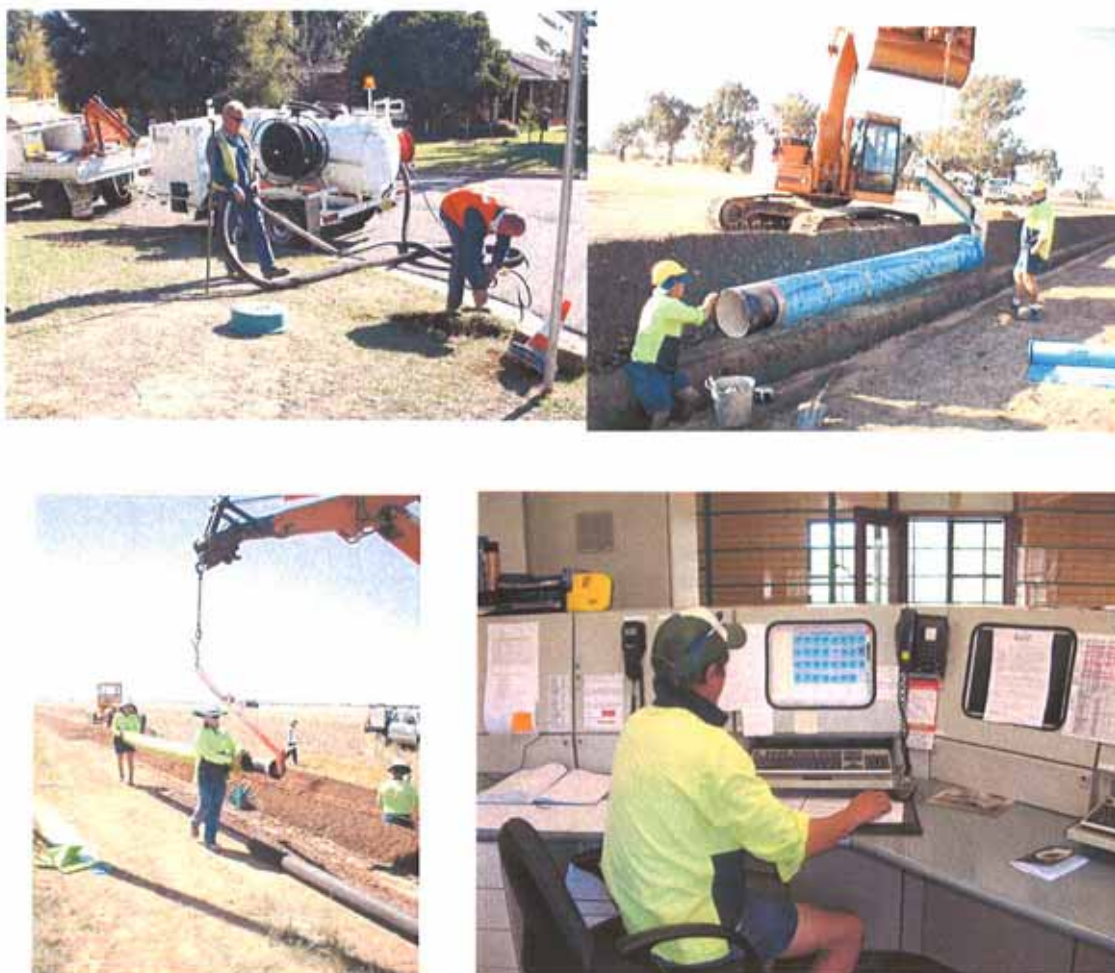
The local government governance arrangement of County Councils, whereby each constituent council has councillor representation on the County Council, provides an appropriate

governance model to ensure that the best community outcomes are achieved when developing IWCM plans.

Recommendation

Riverina Water County Council has demonstrated how, as a water supply utility to four local government areas, it has been able to meet the objectives of this inquiry. In particular it has been able to develop and manage a water supply system that is viable and sustainable.

Riverina Water believes that the County Council model would be the appropriate means of delivering the objectives of this inquiry to other parts of New South Wales. The executive summary on Page 3 of this submission expands on this recommendation.



Riverina Water Staff undertaking hydrant maintenance, pipe laying,
and operating the SCADA system

Appendix A – Riverina Water County Council Supply Area

Appendix B - Riverina Water's Strategic, Financial and Management Plan

Appendix C – Original Connected Water Supply System

**RESPONSE to the
REPORT of the INDEPENDENT INQUIRY into
SECURE AND SUSTAINABLE URBAN WATER
SUPPLY AND SEWERAGE SERVICES for
NON-METROPOLITAN NSW**



Submitted by:



17th March 2009

A handwritten signature in dark ink, appearing to read "R. Kendall".

**Clr. Rod Kendall
CHAIRPERSON**

A handwritten signature in dark ink, appearing to read "Gerald Pieper".

**Gerald Pieper
GENERAL MANAGER**

Ref: GWP:KF

17th March 2009

Local Water Utility Inquiry
Department of Water and Energy
GPO Box 3889
SYDNEY NSW 2001

Dear Sir:

Thankyou for the opportunity to provide a response to the Report of the Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-metropolitan NSW.

Council at its Meeting on 25th February 2009 discussed the Independent Report and concurred with the report recommendation that the current structural arrangements for the Riverina Water supply area are the most appropriate and should be retained.

Council's resolution:

LOCAL GOVERNMENT WATER UTILITIES INQUIRY

09/09 RESOLVED, on the motion of Ctrs. McInerney and Goodlass that:

- (a) Council provides a submission on the Independent Report,
- (b) Support the recommended option of Council continuing in its present form,
- (c) in relation to the proposed changes to sewerage services within Riverina Water area of supply, Council offer to be included in any dialogue or discussions to assist with the process, if deemed appropriate by the General Purpose Councils involved,
- (d) Council actively pursues increased levels of cooperation and resource sharing with General Purpose Councils, and
- (e) Chairperson and General Manager be authorised to sign Council's submission.

Council's submission to the inquiry dated 27th February 2008 provided an overview of our business strategy and demonstrated the benefit of the County Council Model for Riverina Water's area of supply. The County Council Model continues to be the most effective model for Riverina Water and, as pointed out in our submission, it could be considered for other areas of the State. It is of concern that the inquiry did not explore the benefits of the County Council model to any great depth. In fact it really just glanced over what has proved to be a most effective model for delivery of water and sewerage service in New South Wales.

A copy of the executive summary from Council's original submission is attached, and a complete copy of that submission is also enclosed for your perusal.

In respect to sewerage services currently delivered by our constituent councils, dialogue is occurring with recognition that continued cooperation between councils will enable future joint arrangements to be formed when and where benefits are identified.

Council is a member of Riverina Eastern Organisation of Councils (REROC) and I advise that discussions have been held to establish a formalised co-operative approach by all REROC member Councils. Council is supportive of this co-operative approach and will continue to assist in developing that relationship.

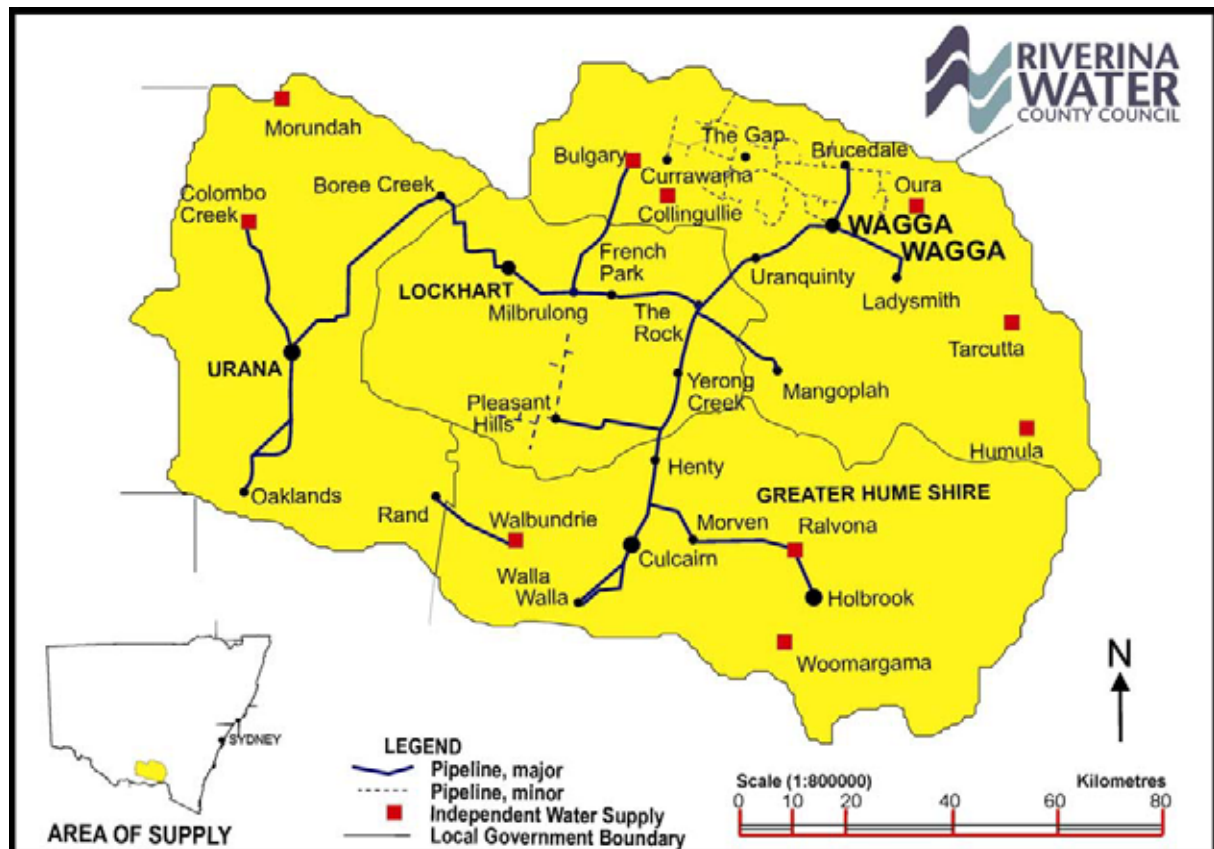
Council thanks you for the opportunity to provide this response and directs the inquiry to Council's submission of 27th February, 2008 that provides supporting documentation of Riverina Water as a business that can continue to provide a cost effective, safe and reliable water supply service to existing and future consumers. Council would welcome the Minister to visit our location, when the opportunity arises, to meet our staff and to see at first hand our facilities, resources and achievements.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'G. Pieper', with a stylized flourish extending to the right.

Gerald Pieper
GENERAL MANAGER

Riverina Water County Council – Supply Area



Executive Summary

from Council's Submission dated 27th February 2008

Riverina Water believes that delivery of town water supply and sewerage services is best managed by local government and that the County Council model is the most appropriate local government model for delivery of these services through much of NSW.

1. The focus of this submission is on demonstrating how Riverina Water County Council has, because of its County Council structure, been able to deliver water supply services to the communities of its constituent councils in a manner that meets the objectives set out in the Terms of Reference for this inquiry.
2. Riverina Water's experience in operating a successful, sustainable business supplying water over a period 70 years leads us to believe that similar County Council structures throughout NSW would be beneficial in meeting the expectations of the inquiry.
3. We do not have the intimate knowledge required to determine where such County Council's would be of benefit, however we feel confident that the County Council structure would be as beneficial in other parts of the state as it has been for the communities of Riverina Water and other NSW county councils.
4. The County Council structure has enabled Riverina Water to deliver water supply services to four local government areas in such a way that all its communities are able to enjoy a cost effective, financially viable and sustainable manner. These communities include some that would be otherwise financially unviable.
5. The responsibility of supplying multiple local government areas has meant that Riverina Water County Council has been able to make strategic decisions regarding utilisation of multiple water sources to provide a high degree of sustainability and drought proofing to its many and varied communities.
6. The close relationship between local government and its communities is a feature that places councils in the best position to optimise whole of community outcomes. County councils can extend the delivery of these outcomes in regards to utility services such as water, due to its close representative arrangements with constituent councils.

7. Riverina Water's experience would indicate that it is the "right size" to enable the development of a skilled workforce that can fulfil all the expectations of an effective and efficient water supply utility, yet not be so large as to lose the close contact with its communities.
8. Local government has been pro-active in responding to the ever changing challenges facing the industry. The achievements of individual water utilities as well as the support of their industry funded organisations such as the Water Directorate and the Local Government and Shires Associations is indicative of how new challenges are addressed.
9. Some communities have water supply systems that will never be financially viable in their own right. Some form of subsidy will always be required for such communities if they are to retain a reticulated water supply. Local government is best able to understand the importance of water supply to their various communities and a County Council structure is an effective way of structuring cross subsidies so that a number of different communities can have some equality in access to water services.
10. Due to Riverina Water County Council's experience in operating a water supply utility, this submission will focus predominantly on satisfying the objectives terms of reference regarding water only. Given the success of the County Council structure at Riverina Water, it is most likely that there will be other opportunities in NSW to establish County Council utilities to operate sewerage services.
11. Riverina Water County Council encourages the Inquiry to give careful consideration to the formation of other County Councils within NSW. Careful structuring of such local government based utilities will deliver all the requirements of this important inquiry.