Beyond Best Practice: what the future holds for the LGA-based local water utility.
COAG’s National Water Initiative, and what has that got to do with those pesky Best Practice Management Framework Guidelines (BPMFG).
Beyond Best Practice: what the future holds for the LGA-based local water utility and the National Water Initiative.
Future of LWUs

National Water Initiative

Best Practice Guidelines
Future of LWUs

National Water Initiative

Best Practice Guidelines
A brief history of Lismore City Council
James Stocks – First Mayor of Lismore: 1879 – 1881

Source: Richmond River Historical Society Inc
Lismore’s first water supply: 1885 - 1889

L Berstein – Lismore Mayor: 1886 - 1887

C A Barnham – Lismore Town Clerk: 1888 - 1924

J F O’Flynn – Lismore Mayor 1889 -1891, 1896 - 1899

Source: Richmond River Historical Society Inc.

Council Chambers and staff circa. 1887
Lismore’s first sewerage scheme: 1889 -1906

C McKenzie – Lismore Mayor: 1905

Hon G Nesbitt MLC – Lismore Mayor 1906

R L Metsayer – Colonial Engineer

Charles Hacking – Pioneer Plumber

Source: Richmond River Historical Society Inc.
South Lismore Sewage Treatment Plant: circa. 1932

C McKenzie – Lismore Mayor: 1916 – 1922, 1927 - 1929


D McA Ross – Lismore Mayor: 1930 -1931

Source: Richmond River Historical Society Inc.
South Lismore Sewage Treatment Plant: circa. 1932


Municipality of Lismore staff 1930

Lismore Council 1929

Source: Richmond River Historical Society Inc
Lismore City coat of arms: 1946
The LWU model has served regional and rural communities in NSW well for over 100 years.
Pre 12/05/16:

96 LGA-based LWUs
5 County Councils
4 State-owned Water Corporations
1 Statutory Authority
Post 12/05/16:

81 LGA-based LWUs
5 County Councils
4 State-owned Water Corporations
1 Statutory Authority
Pre 1983:

375 water & sewer organisations
1983:

45 Water Boards
30 Municipal Councils
2016:

16 State-owned Water Corporations
Pre 2008:

29 LWUs
3 Bulk water suppliers
2008:

3 Council-owned Water Corporations
2013:

1 Council-owned Water Corporation
158 Councils

Pre 2008:

- 13 City Councils
- 3 Town Councils
- 79 Shire Councils
- 62 Aboriginal or Islander Councils
- 1 Other (Weipa)
2008:

7 City Councils
28 Regional Councils
22 Shire Councils
16 Aboriginal or Islander Councils*
1 Other (Weipa)

* Includes 2 Regional and 2 Shire Councils listed on LGAQ website as Indigenous Councils (Number of Regional and Shire Councils adjusted accordingly.)
2014:

- 7 City Councils
- 28 Regional Councils
- 26 Shire Councils
- 16 Aboriginal or Islander Councils*
- 1 Other (Weipa)

* Includes 2 Regional and 2 Shire Councils listed on LGAQ website as Indigenous Councils (Number of Regional and Shire Councils adjusted accordingly.)
103 Utilities

Pre 2008:

- 94 LG Councils
- 3 Joint LG Entities
- 1 Council-owned Corp.
- 2 Commercialised Statutory Authorities
- 1 State-owned Statutory Authority
- 1 State-owned Corp.
- 1 Other (Weipa)
60 Utilities

2016:

53 LG Councils*
2 Commercialised Statutory Authorities
1 State-owned Statutory Authority
2 Council-owned Statutory Authorities
1 State-owned Corp.
1 Other (Weipa)

*Including 2 Commercialised Business Units
2016:
Each State-owned or Government-owned Water Corporation
2016:
3 State-owned Water Corporations
> 620 Utilities

Pre 1983:
“Unfortunately, that day has come.”

http://mashable.com/category/resignation-letter/
Future of LWUs

National Water Initiative

Best Practice Guidelines
Council of Australian Governments (COAG)

THE COUNCIL OF AUSTRALIAN GOVERNMENTS’ WATER REFORM FRAMEWORK

The Council of Australian Governments issued a Communiqué following its meeting in Hobart on February 25, 1994, where water policy was discussed and certain decisions reached, including the establishment of the Water Reform Framework. The Communiqué regrets the substance of these decisions. Announcements on other matters, such as micro-economic reform, free and fair trade in natural gas, and electricity reform were also included in the Communiqué. However, these matters have been excluded from this extract.

exerts from
Council of Australian Governments:
Hobart, 25 February 1994
Communique

Introduction

The Council of Australian Governments today held its third meeting in Hobart. The Council, comprising the Prime Minister, Premiers and Chief Ministers and the President of the Local Government Association, had wide ranging discussions aimed at increasing cooperation among all spheres of government in the national interest. The key objectives of the Council’s deliberations were to assist in bringing about a more competitive and integrated national market, and more efficient and effective arrangements for the delivery of services in areas of shared responsibility.

This Communiqué sets out the agreed outcomes of those discussions.
1994: COAG Water Reform Framework

- Pricing reform: two part tariff
- Elimination of cross subsidies
- Institutional reform
- Real rate of return on assets
- Full cost recovery
- Asset management
INTERGOVERNMENTAL AGREEMENT
ON A NATIONAL WATER INITIATIVE
Between the Commonwealth of Australia and the Governments of New South Wales,
Victoria, Queensland, South Australia, the Australian Capital Territory
and the Northern Territory

PREAMBLE

1. Water may be viewed as part of Australia’s natural capital, serving a number of
important productive, environmental and social objectives. Australia’s water resources
are highly variable, reflecting the range of climatic conditions and terrain nationally. In
addition, the level of development in Australia’s water resources ranges from heavily
regulated working rivers and groundwater resources, through to rivers and aquifers in
almost pristine condition.

2. In Australia, water is vested in governments that allow other parties to access and use
water for a variety of purposes – whether irrigation, industrial use, mining, servicing
rural and urban communities, or for amenity values. Decisions about water
management involve balancing sets of economic, environmental and other interests.
The framework within which water is allocated attaches both rights and responsibilities
to water users – a right to a share of the water made available for extraction at any
particular time, and a responsibility to use this water in accordance with usage
conditions set by government. Likewise, governments have a responsibility to ensure
that water is allocated and used to achieve socially and economically beneficial
outcomes in a manner that is environmentally sustainable.

3. The 1994 Council of Australian Governments’ (COAG) water reform framework and
subsequent initiatives recognised that better management of Australia’s water resources
is a national issue. As a result of these initiatives, States and Territories have made
considerable progress towards more efficient and sustainable water management over
the past 10 years. For example, most jurisdictions have embarked on a significant
program of reforms to their water management regimes, separating water access
entitlements from land titles, separating the functions of water delivery from that of
regulation, and making explicit provision for environmental water.
2004: COAG National Water Initiative (NWI)

- Water use efficiency
- Pricing reform
- Demand management
- Water restrictions
- Water loss management
2005: Establishment of the National Water Commission (NWC)
2008: COAG works program on water reform including National Urban Water Planning

<table>
<thead>
<tr>
<th>Actions to enhance water markets</th>
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<tbody>
<tr>
<td>To improve the operation of water markets and trading jurisdictions have agreed to:</td>
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<tr>
<td>• develop a national water market system to support timely and low-cost water transfers across irrigation area boundaries and state borders;</td>
</tr>
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<td>• faster processing of temporary water trades by adopting the proposed service standards and reporting framework within the Murray-Darling Basin (MDB), and implementing service standards for permanent trades;</td>
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<td>• development of a pilot project in Victoria, in consultation with users in other States, to develop the functionality to enable water registers to introduce on-line banking for irrigators;</td>
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<tr>
<td>• disseminating information for water market participants to protect the interests of buyers and sellers and to improve contracting practices, including the development of model contracts where appropriate; and</td>
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<tr>
<td>• the development of a best practice compliance and enforcement framework for water management.</td>
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<tr>
<th>Actions to progress urban water reforms</th>
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<tbody>
<tr>
<td>To improve the security of urban water by the adoption of the enhanced national urban water reform framework, jurisdictions have agreed to:</td>
</tr>
<tr>
<td>• adopt national urban water planning principles;</td>
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<td>• establish and publish the levels of service for metropolitan water supplies;</td>
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<td>• publish guidance to facilitate best practice scenario planning for climate variability;</td>
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<td>• finalise and adopt NWI pricing principles;</td>
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<td>• review consumer protection arrangements in relation to services provided by water utilities;</td>
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<tr>
<td>• investigate possible enhancements to pricing reform, including scarcity value of water and the valuation and recovery of environmental externalities;</td>
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## NWI Policy Guidelines for Water Planning and Management 2010

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COAG Review of the National Water Commission

Dr David Rosalky
6 December 2011
2012: COAG Review of the NWC

- National Water Initiative still relevant
- Advantages of independent single entity
- Ongoing need for centre of knowledge
2012: COAG Review of the NWC

• Continuance of NWC for the life of the National Water Initiative.
• Renewed focus on monitoring, audit and assessment.
• Broader activities promoting water reform.

Recommendations adopted by COAG in 2012
2014: Abolishment of NWC
2014: Final Report of NWC
2014: Final Report of NWC

Concerns expressed:

• Australian Government withdrawing from water reform.
• Abolition of NWC, SCEW and review of Water Act.
• Action of committee replacing SCEW – reduction in COAG works program.
• Risk of backsliding and retreat from public accountability.
Future of LWUs

National Water Initiative

Best Practice Guidelines
Premise 1:

Best Practice Management Framework Guidelines:

• Response to the National Water Initiative
• Aim of implementing national strategic water reforms.
Premise 2:

Best Practice Management Framework Guidelines aimed at:

• Keeping LWUs abreast of national water reform.
• Demonstrating LWUs continuing viability.
• Buffering LWUs from radical institutional reform.
Could annoying aspects of the BPMFG have been for our own good?