

Impacts of water reform on Local Government and challenges for the sector

Local Government
Association of NSW



Shires Association
of NSW

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The journey so far

- 1994 COAG Water Reform
- 1995 – water reform incorporated into National Competition Policy
- 2004 – National Water Initiative
- 2007 – First biennial assessment of NWI progress

- 2004 – NSW Government Best Practice Management of Water Supply and Sewerage Guidelines



Best Practice Guidelines

6 criteria

- Strategic business planning
- Pricing and developer charges
- Water conservation/demand management
- Drought management
- Performance reporting
- Integrated Water Cycle Management



NSW councils implementing water reform

- Best Practice Guidelines facilitate NWI
- Significant adoption by councils in short timeframe
 - Full cost recovery: 100% by 2009
 - IWCM: 60 actively undertaking or completed IWCM studies
 - 27% full compliance
- Highlights willingness to participate and Local Government commitment to improvement



Impacts of water reform on Local Government

- Resource implications
 - Increased reporting, measurement, policy development and implementation =
time, skills, funding, staff
- Water pricing issues
 - Residential usage charges 75%
 - Economies of scale
 - Geographical considerations



Impacts of water reform on Local Government

- Need for coordinated, whole of government approach
 - BASIX and IWCM
- Water markets and trading
 - Rating implications
- Socioeconomic implications



The challenges

- Meeting future demands
 - Climate change and drought
 - Infrastructure backlogs and balancing competing priorities
 - Delivering and managing economically efficient and environmentally sustainable systems
 - Increased regulatory reporting
 - Funding for reform initiatives



The challenges

- Meeting future demands
 - Improve efficiencies and reduce wastage
 - Cater for ongoing maintenance and renewal
 - Cater for population growth
 - Increased demand for better services
 - Competition
 - Change user behaviour
 - Attract and retain skilled workers



The opportunities

- Innovation
- Funding opportunities
- Strategic partnerships - Councils working together
- Engaging other sectors
- Greater opportunities for water recycling
- Better community awareness of water issues and scarcity
- Innovation and leadership in Local Government



Looking ahead

- Ongoing effects of drought and climate change
- Behavioural (demand management) and technological (recycled water, desalination) responses
- Local government, present and future communities, will bear a heavy cost into the future for the responses required to secure their water needs
- Will these responses guarantee our water into the future, and at what cost?
- Will reform help us meet the expectations of our communities?

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Thank you