



PRESENTATION TO LGSA WATER CONFERENCE – AT DENILIKUIN

FRIDAY 11TH SEPTEMBER 2009

**PRESENTED BY RAY STUBBS
EXECUTIVE OFFICER
RIVERINA AND MURRAY
REGIONAL ORGANISATION OF
COUNCILS
(RAMROC)**



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Population

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|--------------|--------|
| Albury | 49,779 |
| Barranald | 2,488 |
| Berrigan | 8,494 |
| Carrathool | 2,916 |
| Conargo | 1,710 |
| Corowa | 11,481 |
| Deniliquin | 7,635 |
| Gr.Hume | 10,273 |
| Griffith | 25,278 |
| Hay | 3,389 |
| Jerilderie | 1,657 |
| Leston | 11,727 |
| Murray | 7,076 |
| Murrumbidgee | 2,547 |
| Narrandera | 6,181 |
| Urana | 1,270 |
| Wakool | 4,414 |
| Wentworth | 7,159 |

RAMROC Councils, NSW

Total Area 126,595 sq km - Total Population 165,474

RAMROC WATER ALLIANCE

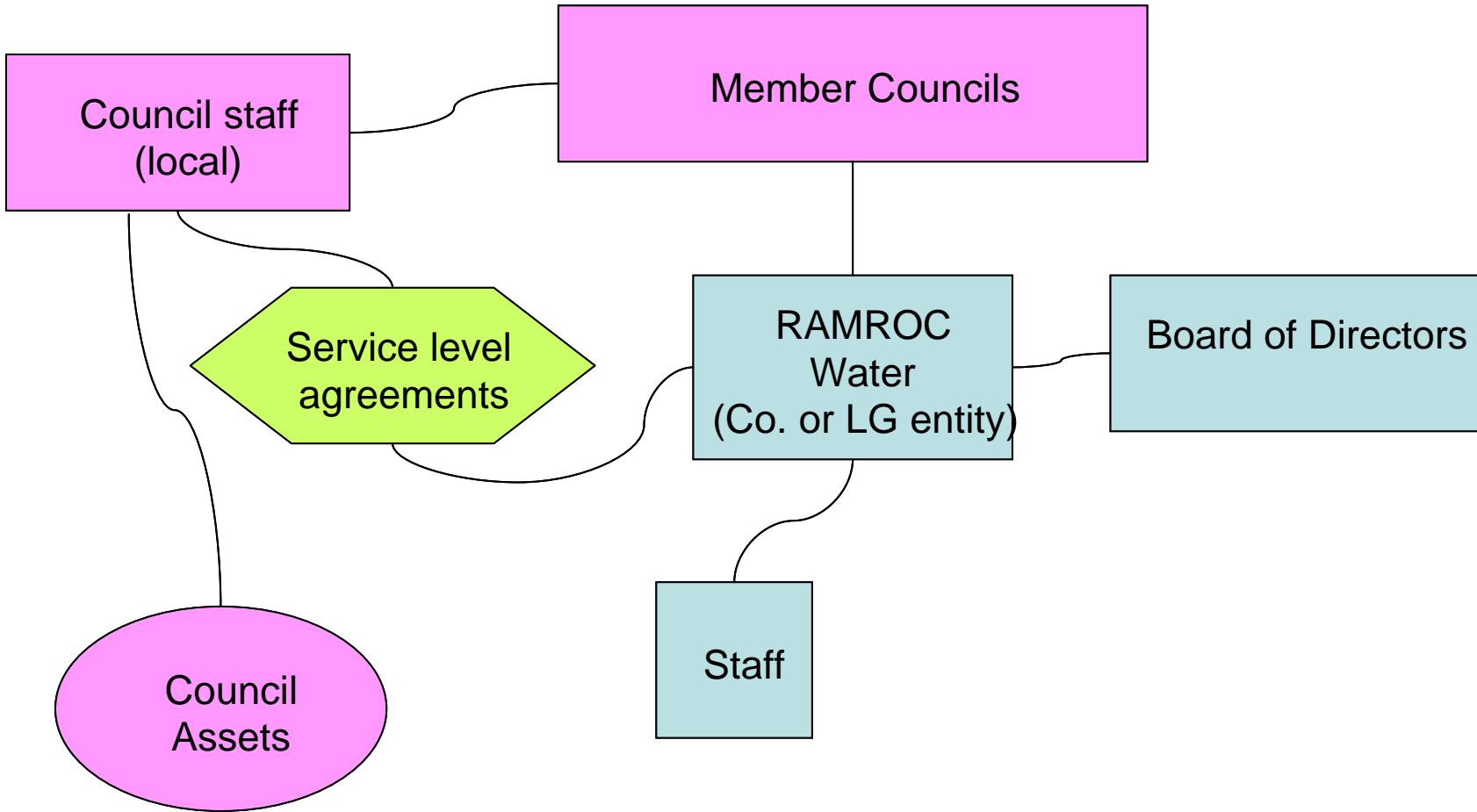
ALLIANCE MODEL – KEY OBJECTIVES

- **RETAIN WATER AND SEWERAGE AS AN INTEGRAL FUNCTION OF LOCAL COUNCILS IN THE REGION**
- **RETAIN MAXIMUM LOCAL COUNCIL CONTROL OF WATER AND SEWERAGE FUNCTIONS, WORKING THROUGH A COUNCIL OWNED ENTITY RESPONSIBLE FOR OVERALL PERFORMANCE**
- **PROTECT THE LONG TERM COMMUNITY INTERESTS OF COUNCILS AND LOCAL COMMUNITIES**
- **SATISFY THE WATER INDUSTRY REFORM OBJECTIVES OF GOVERNMENTS**
- **SATISFY THE OBJECTIVES AND CRITERIA SET OUT IN THE ARMSTRONG/GELLATLY INQUIRY TERMS OF REFERENCE**

RAMROC WATER ALLIANCE

PROPOSED GOVERNANCE ARRANGEMENTS

- **A COMPANY ESTABLISHED UNDER CORPORATIONS LAW, OR ALTERNATIVELY AN ALLIANCE UNDER NSW L.G. ACT**
- **AN ENTITY WHOLLY OWNED AND MANAGED BY THE MEMBER COUNCILS**
- **A BOARD OF DIRECTORS APPOINTED BY THE MEMBER COUNCILS**
- **AN EFFECTIVE AND COST EFFICIENT MANAGEMENT AND OPERATIONAL STRUCTURE,**
- **UTILISE EXISTING EXPERTISE AND RESOURCES TO THE MAXIMUM EXTENT FEASIBLE**
- **DEVELOPMENT OF ANNUAL SERVICE LEVEL AGREEMENTS WITH MEMBER COUNCILS**



Basic architecture of RAMROC Water relationships

RAMROC WATER ALLIANCE

PROPOSED ENTITY'S RESPONSIBILITIES

- **STRATEGIC SUPPORT AND CO-ORDINATION, INCLUDING BUSINESS PLANNING AND LONG TERM FINANCIAL PLANNING**
- **PLANNING IN CO-ORDINATION WITH MEMBER COUNCILS**
- **OVERALL CO-ORDINATED REGIONAL PLANNING STRATEGY FOR CAPITAL INFRASTRUCTURE WORKS AND SYSTEM IMPROVEMENTS**
- **CO-ORDINATION AND SUPPORT TO PROGRESS IMPLEMENTATION OF IWCM AND OTHER BEST PRACTICE REQUIREMENTS**
- **STRONG ADVOCACY FOR GOVERNMENT FUNDING AND PROJECT MANAGEMENT OF MAJOR W&S INFRASTRUCTURE**

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ENTITY'S RESPONSIBILITIES (continued)

- **WORK WITH COUNCILS TO DEVELOP CONSISTENT PRICING MODELS FOR WATER AND SEWERAGE SERVICES AND DEVELOPER CHARGES**
- **PRICING TO HAVE REGARD TO INDIVIDUAL LOCAL CIRCUMSTANCES**
- **PRICING TO ENSURE LONG TERM FINANCIAL SUSTAINABILITY OF W&S FUNCTIONS**
- **REPORT DIRECTLY AS THE RESPONSIBLE REGIONAL BODY TO THE STATE GOVERNMENT**

RAMROC WATER ALLIANCE

STRUCTURE AND COST OPTIONS

TWO POTENTIAL OPTIONS:-

OPTION 1 - SMALL BUT EXTERNAL REGIONAL OFFICE IN A CENTRAL LOCATION:

- GENERAL MANAGER, SPECIALIST ENGINEER, ADMINISTRATIVE SUPPORT, PROJECT MANAGEMENT – SECONDMENT OF ASSISTANCE FROM MEMBER COUNCILS;
- DEVELOP AND OWN ALL SYSTEMS, ADMIN, IT AND GIS ETC
- ESTIMATED COST – UP TO \$700K PER ANNUM

OPTION 2 - LOCATE OFFICE WITHIN AN EXISTING MEMBER COUNCIL AND PURCHASE ADMINISTRATIVE, ACCOUNTING, ENGINEERING AND IT/GIS SERVICES

- GENERAL MANAGER, PLUS SECONDMENT OF SPECIALIST EXPERTISE FROM COUNCILS**
- PURCHASE SERVICES AND SPECIALIST PROJECT MANAGEMENT AS REQUIRED**
- ESTIMATED COST – UP TO \$375K PER ANNUM**

IN BOTH OPTIONS, COUNCIL CONTRIBUTIONS TO BE ASSESSED ON AGREED FORMULA, e.g. POPULATION, CONNECTIONS TO SERVICES OR OTHER

RAMROC WATER ALLIANCE

MEMBER COUNCILS' RESPONSIBILITIES

- MAINTAIN OWNERSHIP AND MANAGE W&S ASSETS**
- UNDERTAKE STRATEGIC AND FINANCIAL PLANNING AND ASSET MANAGEMENT AT LOCAL LEVEL,**
- PLANNING FEEDS INTO ALLIANCE REGIONAL STRATEGIC PLANNING**
- MAINTAIN HEALTH AND ENVIRONMENTAL STANDARDS & REPORT TO ALLIANCE**

MEMBER COUNCILS' RESPONSIBILITIES

- **AGREE WITH ENTITY ON ANNUAL BUDGETS AND INFRASTRUCTURE PROGRAMS**
- **PAY ENTITY ANNUAL CONTRIBUTION FOR AGREED RANGE OF SERVICES**
- **ENTER INTO ANNUAL SERVICE LEVEL AGREEMENTS**
- **IMPLEMENT SUSTAINABLE PRICING CONSISTENT WITH BEST PRACTICE**

RAMROC WATER ALLIANCE

IDENTIFIED ADVANTAGES

- ENTITY IS FULLY OWNED AND MANAGED BY MEMBER COUNCILS**
- COUNCILS RETAIN OWNERSHIP AND CONTROL OF WATER AND SEWERAGE ASSETS AND WATER ENTITLEMENTS**
- JOBS ARE RETAINED IN LOCAL COMMUNITIES**
- COUNCILS RETAIN CONTROL OF DAY TO DAY W&S OPERATIONS**
- COUNCILS RETAIN LOCAL CONTROL OF LONG TERM URBAN PLANNING**
- COUNCILS' ECONOMIC DEVELOPMENT STRATEGIES MAINTAINED**

RAMROC WATER ALLIANCE

MORE ADVANTAGES

- ACCESS TO GOODWILL AND RESOURCES OF LARGER MEMBERS
- MAKES BEST USE OF EXPERTISE AND RESOURCES OF OTHER MEMBER COUNCILS
- PROVIDES ENHANCED SERVICE LEVELS TO COUNCILS
- PROTECTS OVERALL FINANCIAL SUSTAINABILITY OF COUNCILS
- TARIFFS SET BY INDIVIDUAL COUNCILS
- IMPROVES OVERALL REGIONAL PERFORMANCE OF W&S FUNCTIONS THROUGH COLLABORATION AND SHARED EXPERTISE

RAMROC WATER ALLIANCE

MORE ADVANTAGES

- IMPROVED OPPORTUNITIES TO ACCESS INFRASTRUCTURE FUNDING
- POTENTIAL TO ACHIEVE NEW INFRASTRUCTURE AT MUCH EARLIER TIMES
- OPPORTUNITIES FOR GROUP COST SAVINGS FROM RESOURCE SHARING
- ACCESS TO SPECIALIST TECHNICAL EXPERTISE AND ADVICE
- PERFORMANCE REPORTING IS FACILITATED AND CO-ORDINATED
- PROVIDES AN EFFECTIVE MODEL FOR THE RAMROC REGION

APPENDIX 6 OF REPORT REGARDING THE MURRAY-MURRUMBIDGEE REGION (RAMROC) ALLIANCE

- **RECOMMENDED AS POTENTIAL MODEL IN INQUIRY PANEL REPORT**
- **FEATURES:- 60,200 CONNECTED PROPERTIES; TOTAL CURRENT REVENUE OF \$64 MILLION; AREA OF 127,000 SQUARE KM AND POPULATION OF AROUND 164,000**
- **LARGE GEOGRAPHIC AREA AND IN PARTS SPARSELY POPULATED;**
- **ISSUE OF WHETHER THE AREA AND GROUP NUMBER IS TOO LARGE TO BE EFFECTIVELY MANAGED;**
- **CONSIDERATION GIVEN TO SPLITTING INTO TWO SEPARATE ALLIANCES ON MURRAY AND MURRUMBIDGEE VALLEY BASIS**
- **INQUIRY REPORT PROPOSES POWERS OVER AND ABOVE THOSE SET OUT IN RAMROC'S SUBMISSION MODEL**

KEY ISSUES TO RESOLVE

- **ALLIANCE ENTITY – PARTICIPATION AND MEMBERSHIP BY COUNCILS**
- **PRECISE ROLE, FUNCTIONS, POWERS AND RESPONSIBILITIES OF ALLIANCE AND COUNCILS**
- **LEGISLATIVE REQUIREMENTS TO IMPLEMENT**
- **INFRASTRUCTURE FUNDING COMMITMENT BY GOVERNMENTS – GO FORWARD PARTNERSHIPS**

WHAT DOES THE FUTURE HOLD

- **STATE GOVERNMENT TERM RUNS TO MARCH 2011 – IS IT STILL COMMITTED TO REFORM OF COUNTRY BASED W&S**
- **LOCAL GOVERNMENT MUST HOWEVER WORK ON THE PREMISE THAT REFORM WILL CONTINUE IN SOME FORM**
- **LOCAL GOVERNMENT THEREFORE NEEDS TO HAVE ITS HOUSE IN ORDER**
- **COUNCILS HAVE BEEN GIVEN AN OPPORTUNITY TO DEVELOP WORKABLE SOLUTIONS**
- **MUST THEREFORE IMPLEMENT STRUCTURES, PROGRAMS AND PERFORMANCE WHICH ELIMINATE ANY THREAT OF GOVERNMENT REMOVAL OF W&S FROM LWUS.**

RAMROC WATER ALLIANCE

THANK YOU

ANY QUESTIONS?