

## **2005 Water Management Conference**

### **Narrabri**

Official Conference Opening

Thursday 1 September 2005

### **Cr Genia McCaffery President, Local Government Association of NSW**

Ladies and gentlemen welcome to the 2005 LGSA Water Management Conference.

Firstly, I would like to acknowledge the traditional owners of this land. We're fortunate to be holding this year's conference in such a great venue.

Thank you, Councillor Sevil, for your warm welcome and for the hospitality of Narrabri Shire Council last night. I am sorry I was unable to attend; I believe delegates had a lovely evening.

Narrabri Shire is a fantastic place for this year's Water Management Conference. Apart from its natural beauty, it is a barometer to measure the impact of the drought and this country's commitment to the newly established National Water Initiative, both in terms of town water and innovative use of water in farming practices.

This region also brings us a terrific example of community and government partnerships - the Federation Farm. This project is a 300ha farm irrigated with treated effluent and share-farmed by the schools of Narrabri through the Narrabri Community Education Trust. It is the feature of the conference field trip.

This region also boasts some very active councils that have advocated strongly for the welfare of their communities. In a region where water licences have been over allocated, communities face some significant structural adjustment challenges. To reduce the blow of these required changes Narrabri Shire Council received over \$500,000 to enhance its community and recreational facilities, undertake work to improve its community museums and enhance some of the facilities here at the Crossing Theatre.

These are admirable initiatives that we at the Associations have tried to reflect in our representation of local government.

I would now like to reflect on some of the broader issues impacting on water management.

The Associations participated actively in the consultation that established new directions for catchment management and water management.

Although it's still early days, the Natural Resource Management Partnership Agreement between the former Department of Infrastructure, Planning and Natural Resources and the LGSA is being implemented.

This Memorandum of Understanding recognises the important current and continuing role that local government plays as a true partner in the delivery of NRM outcomes in NSW. And we are a true partner, not a mere stakeholder. It's a very important distinction.

The MOU describes elements of how local government and the Catchment Management Authorities can work together in natural resource management and land use planning with a view to addressing state level and national NRM priorities. It is, however, only a basis for the practical partnerships that need to be forged within the regions.

It is with such partnerships – where local government and CMAs work effectively together – that the full benefits of the natural resource reforms will be realised. For example, the CMAs will be developing their strategic regional plans – the Catchment Action Plans. Not only do these build on previous NR plans, they also offer an unprecedented opportunity to integrate land use planning and NRM.

Experience in other states (Victoria, for example) demonstrates the importance of local government involvement in the development of regional NRM plans. Compatibility of regional strategies with local government development controls is a first order benefit of such cooperation.

Of the many challenges faced by local government and the CMAs, establishing this practical foundation for their ongoing cooperative interaction is now one essential part of realising the genuine benefits of NRM reform.

We'll be looking for your participation and support to develop regional partnerships in the management of natural resources as the MOU continues to be implemented. The roll out of the National Water Initiative is the most significant development in water reforms to date. I am sure, as we see the implementation of policy and the roll out of the corresponding funding programs, there will be some significant changes to the way in which we use and value water as a precious resource.

I am very pleased we have the Hon John Anderson, the past Deputy Prime Minister and one of the key national politicians responsible for the Initiative here with us today. Equally, Mr Ken Matthews, the Chief Executive Officer of the National Water Commission also joins us to make the next session extremely informative.

I believe that the participation of these prominent gentlemen at our conference indicates not only the importance of the water conservation message but is also an acknowledgment that such initiatives can only succeed if local communities drive them. Local Government is the backbone of these communities and is one of the major stakeholders in the water debate.

As you will be aware the Council of Australian Government agreed to the Initiative mid-2004, with the aim of improving the management of Australia's water resources

and have best practice systems in place that are compatible nationally. While there are a wide range of areas to be covered by these water reforms, I am particularly interested in the elements that need to involve the community and councils as managers of water and sewerage services and regulators and protectors of the natural environment. These include:

- best practice water pricing
- integrated management of water for environmental and other public benefit outcomes
- urban water reform
- knowledge and capacity building
- community partnerships and adjustment.

I will be keen to hear from both John and Ken on how they foresee Local Government actively engaging with the Federal Government and the Commission on these.

The Associations have advocated that this reform process:

- Recognise that local government contributes significantly to the sustainability of local communities and that councils' rating capacity needs to be maintained
- Develop a socio-economic assessment model that will monitor the impacts of the water reforms across communities and regions
- Works with all levels of government to assist Aboriginal communities solve issues relating to their capacity to participate and benefit from the water reform process
- Provide reassurance that local government is not impeded from trading any surplus water
- Reaffirms that town and domestic water will remain a high priority in the water allocation process
- Develops broad principles that will guide both land use planning policies and regional development policies in contributing to the objectives of the water reform process
- Recognises the need to provide financial support for the initial upfront costs of dual reticulation projects.

It is understood with the announcement of the National Water Fund there has been some considerable interest shown by councils across NSW in both the Community

Water Grants and the Water Smart Australia Program funding. I am particularly excited by the joint submission developed by the LGSA and the Water Directorate to develop a NSW Water Loss Management program for 33 council owned water utilities. I know that Cr Robert Bell has shown a strong interest in the development of this project.

The ALGA has expressed some concern as to how the funding programs have been structured, and that there is a need for the programs to better cater for take up by Local Government. I know that we would welcome the opportunity of greater flexibility within the funding conditions of the Community Water Grants, similar to those offered to non-government organisations.

This aside, we hope these funding programs symbolise a new era in Local Government / Federal Government water management partnerships.

As we are all aware, there have been significant changes recently to the State Government. It is due to these changes that we have not been able to attract a State Government MP to the conference.

I would now like to thank the Hon. Frank Sartor MP for his contribution to the local government water industry as Minister for Energy, Utilities and Sustainability. While there were a number of issues on which both Cr Miller and I had some lively debate with the Minister, he demonstrated a strong commitment to water conservation measures and I found him genuinely interested in the issues faced by councils.

One of the last assurances we were made by Minister Sartor concerned the recently passed Energy Administration Amendment (Water and Energy Savings) Act. To our surprise it contained provisions for council water utilities to contribute to a Water Savings Fund. We felt this unfair as many utilities are already implementing demand management and drought management strategies. It was hard to see how funding collected in a centralised fund could effectively distributed funds back to the communities from where they came. The Minister agreed, and included in the legislation, that consultation would be required with any affected water utility and the LGSA prior to it being extended beyond the Sydney Metropolitan area.

I congratulate the Hon Carl Scully MP on his new portfolio of Utilities. It is unfortunate that he is unable to join us for the conference. Cr Sullivan and I have sought a meeting with him at which we are intending to discuss a number of key issues. The conference is a good opportunity for you to raise concerns and ideas that we could take along to this meeting.

From a broader perspective, we are further challenged with the split of water portfolio areas that were covered by the Department of Infrastructure, Planning and Natural Resources. This encompassed the natural resource management aspects of water, BASIX and water recycling. With each of these three elements now split across three different portfolios, it is possible that coordination of these issues will be more complex.

In welcoming the new Minister for Utilities there are a number of key elements within the local government water industry that are important to acknowledge. Firstly, Local

Government is a durable body. With its roots in the community, it is flexible and it lends itself to looking into the future to plan for change.

The mark of good inter-government policy change is genuine consultation. These processes always highlight the need not just to introduce policy for immediate benefits but to look at the possible long term impacts, both direct and indirect. Good policy also recognises that change is best introduced with a transitional phase, with strategies and funding to ease in changes, where necessary.

There is also a need to ensure that programs and policies are flexible to take into account the vast difference in the size, issues faced and the types of operations of water utilities across the state.

I believe the strong performance of water utilities in moving toward best management practices is well recognised in the Department's annual Performance Monitoring Report. In particular, I would like to congratulate those councils acknowledged, by the Director General, as the top 10 performers in water supply and sewerage.

I would now like to introduce the Hon John Anderson MP.

While Mr Anderson is best known to us as the past Deputy Prime Minister, he is also the Federal Member for Gwydir.

He has agreed to provide the conference with an overview of the Federal Government's commitment to the National Water Initiative, the Government's vision for how it will be delivered and ways in which Local Government can work in partnership.

As Deputy Prime Minister he was probably one of the key influences in the National Government's commitment to address water reforms. No doubt as the local Federal Member he still keeps a watchful eye on how the Initiative is panning out.

I hope you all enjoy the conference. Unfortunately I will be here only for the morning as I have other commitments. I leave you in the hands of Cr Col Sullivan, Cr Robert Bell and Cr George Sevil. I will be interested to hear about the outcomes of the conference, in particular your views, issues and opinions that come from tomorrow's workshop session. These will be reported to us through the LGSA Water Management Committee.