



KEMPSEY
Shire Council

DIRECTOR SHIRE SERVICES REPORT

3rd February 2009

DSS9	RELEASE OF THE REPORT OF THE INDEPENDENT INQUIRY INTO SECURE AND SUSTAINABLE URBAN WATER SUPPLY AND SEWERAGE SERVICES FOR NON-METROPOLITAN NSW FILE: 150 BJM (NRN) { Folio No. * }
-------------	---

SUMMARY:

Reporting on the release of the Report of the Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW

◆◆◆◆◆

DESCRIPTION:

The report of the Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW was released on 14th January 2009. Find attached a copy of the Executive Summary (pages 1 to 6) and the sections from Appendix 6: Option 1 – Regional Aggregation (32 Groups) (pages 138 and 139), and Appendix 7: Option 2 – Catchment Aggregation (15 Groups) (pages 165) [Appendix E – Page H28](#). A copy of the full report is available on the Department of Water and Energy website at the web address of www.dwe.nsw.gov.au/water/utilities_local.shtml.

The recommendations within the report are varied with a mix of proposals from a binding alliance, county council, council-owned regional water corporation, and status quo. The report finds that many of the proposed alliance models need to be strengthened with the alliance provisions binding. The majority of the recommendations within the report are in accordance with the details submitted by the individual councils in response to the Inquiry.

The Executive Summary also notes that three groupings of councils, two that involve a binding alliance and that a third aggregation of Kempsey, Port-Macquarie Hastings and Nambucca Councils to form a council-owned regional water corporation could be progressed early in the reform process. It is also of interest to note that the report suggests, at the top of page 139, that in terms of scale and resources, both Kempsey and Port Macquarie-Hastings probably have the ability to stand alone as sustainable utilities. However, given the submissions from these councils a unified approach will provide significant improvements in terms of planning, operations and service delivery.

H - 2

It is also raised in the report, on page 138, that the councils of Kempsey, Port Macquarie-Hastings and Nambucca form a council-owned regional water corporation, provided that the employment impacts are addressed and each general purpose council remains viable. The report though further suggests that whilst both Kempsey and Port Macquarie – Hastings are considered to be of a size to be viable as standalone water authorities as a part of the general purpose council, the benefits of a commercially oriented and integrated council-owned regional water corporation are expected to far outweigh the potential costs and is likely to provide a better long term solution.

In conjunction with the release of the report, submissions on the Independent Inquiry Report have been called. These submissions must be submitted to the Department of water and Energy by 5pm, Friday 20th March 2009. Following considerations of any submissions it is anticipated that the NSW Government will release a response to the Independent Inquiry Report in May 2009.

Council needs to review the employment impacts and the continuing viability of Kempsey Shire Council as a general purpose council in relation to the proposal to establish a council-owned regional water corporation and consider what to include in any submission that they may ultimately submit concerning the recommendations in the inquiry report.

A meeting has been scheduled at Port Macquarie – Hastings Council for 2nd February 2009 to discuss the Inquiry outcomes. The requested attendees for this meeting are General Managers, responsible Directors and the Water and / or Sewer Managers from Port Macquarie – Hasting Council, Kempsey Shire Council and Nambucca Council. A verbal report of the main outcomes from this meeting can be provided at the Council meeting.

REPORT IMPLICATIONS:

- ***Environmental***

Nil

- ***Social***

Nil

- ***Economic (Financial)***

Nil

- ***Policy or Statutory***

Nil

- ***Director's Review***

Nil

RECOMMENDATION:

That the information be noted.

.....
Bruce Morris
DIRECTOR SHIRE SERVICES