

ANNUAL REVIEW 15/16



WATER
DIRECTORATE



PROVIDING REGIONAL WATER AUTHORITIES WITH INDEPENDENT,
EXPERT ADVICE, TECHNICAL SUPPORT, SHARED INDUSTRY KNOWLEDGE,
IMPROVED EFFICIENCIES AND LONG TERM PLANNING.

CHAIR'S REVIEW

In 2015/16 the Water Directorate made notable advances in the face of change and challenges. The year commenced with NSW Office of Water advising its new name of DPI Water and that it will focus on water planning and policy in urban and rural areas, and will also oversee government funded water infrastructure programs and develop more information on water for the community. Final structural arrangements and the impact on urban water branch within DPI Water are still being resolved.

Highest number of members yet

I was extremely pleased when the 98th council joined the Water Directorate: our highest level of membership in 18 years. We appreciate this show of support from our member councils throughout 2015/16. Representation is 96% of the 102 NSW local water utilities - but ironically this milestone came in the same month that the Minister for Local Government announced a significant restructure of NSW local government. Forced amalgamations in May have reduced the number of NSW local water utilities to approximately 90, with a further six mergers pending at the time of writing this report.

Executive Committee members make a huge contribution

The Executive Committee could not function without many hours of voluntary work put in by the 18 members of the committee. Their councils' support of their participation as members of the Executive Committee directly contributes to the NSW local government water industry. I particularly thank retiring members Wayne Franklin and Rous County Council, Heinz Kausche and Wagga Wagga City Council, and Kerry Murphy and Narromine Shire Council, for their service of nine, four and two years respectively. And I'm very pleased to welcome David Wolfenden from Moree Plains Shire Council; Graham Kennett from Kyogle Council and Mark Dalzell from Deniliquin Shire Council to the Executive Committee.

Special mention goes to Executive Committee member Greg McDonald, formerly the Director Infrastructure and Operations at Wyong Shire Council, for his long service to the Water Directorate. At our May meeting I presented Greg with a ten-year medallion and thanked him and Wyong Shire Council for his input. Greg

is the eleventh Executive Committee member to reach this milestone. Very special mention goes to Wayne Beatty, Water and Sewerage Strategic Manager at Orange City Council, for his dedicated support of the Water Directorate. At the March Executive Committee meeting I presented Wayne with a 15-year medallion and thanked him and Orange City Council for his input and advised that Wayne is only the fourth Executive Committee member to achieve this significant milestone.

Important links with the wider water industry

In these interesting times we place great value on our relationships with Local Government NSW, IPWEA, AWA, WSAA and WIOA.

On a lighter note, at the WIOA Conference in Newcastle, Nambucca Shire Council was judged to have the best tasting NSW water in 2016. In the next round, Nambucca was beaten by Queensland in the Origin of Water Taste Test at the WIOA conference in Rockhampton. I encourage all NSW LWUs to get their operators involved in WIOA and in this competitive team-building exercise. I also congratulate the two operators from Riverina Water who were amongst the first seven NSW operators to be presented with certification credentials by WIOA. Well done to Riverina Water and staff who took up the challenge to be one of the first two NSW utilities to complete the certification process.



Jeff Sharp



L TO R, JEFF SHARP, CHAIR AND GARY MITCHELL, EXECUTIVE OFFICER

EXECUTIVE OFFICER'S REVIEW

Our 18th year has been very productive with the distribution of seven technical publications. The Water Directorate produced two new and two revised publications, as well as three new joint publications: two with Centroc and one with Rous Water. We have now produced and distributed more than 50 technical publications to our member Councils since 2000, see inside back cover of this review.

Publications in 2015/16 are new *WH&S Management Guidelines*; revised *O&M Manual for Chlorination Installations*; revised *O&M Manual for Sewage Treatment Plants*; and new *Chemical Specifications for Water and Wastewater Treatment*. New joint publications are the *Water Loss Management Toolkit Planning Guide*; the *Water Loss Management Toolkit Operators' Guide and Healthy Catchments, Healthy Water*.

In 2015/16 we made 6 submissions to IPART and OLG. Chair Jeff Sharp presented to the IPART Public Hearing on Regulatory Burdens in February 2016.

I hope that all the new merged Councils will join the Water Directorate in 2016/17 so that we can continue to provide technical publications, awards, independent expert advice and reduction of duplication.

Forums and awards raise awareness and morale

The Water Directorate facilitates two forums each year to raise awareness and exchange information about water industry issues.

The Water Directorate Forum at the Local Government NSW Water Management Conference at Bowral in August 2015 was our 13th continuous year of facilitating this forum. The Water Forum/Stream at IPWEA NSW Division Conference at Terrigal in October was the 15th year of facilitating this water stream/forum over an 18-year period.

Four awards were sponsored by the Water Directorate in 2015/16. The Water Conservation Award was presented for the second year at the Local Government NSW Excellence in the Environment Awards in Sydney. Congratulations to the winner, City of Canada Bay Council for their project *Water for our Community*. I would like to see regional local

water utilities taking more advantage of this award to showcase their projects.

At the IPWEA NSW Annual Conference and Excellence Awards in Terrigal the Water Directorate sponsored an Innovation in Water Supply and Wastewater award. Congratulations to the winner Nambucca Shire Council for their *Bowraville Off-River Water Storage Project*. The Highly Commended went to Kempsey Shire Council for their South Kempsey Pump Station Refurbishment Project.

The Water Directorate presented the Operator of the Year award for the tenth time at the WIOA Operators Conference in Newcastle. Congratulations to winner Mark Gogala from Orange City Council who received a trip to the Operators Conference in New Zealand. It is very pleasing to see this event get bigger and better over the last decade. The Water Directorate is proud to have been associated with the NSW conference from the concept stage in 2005 and to have supported, promoted and sponsored it. We recognise that the conference is very beneficial in developing skills and knowledge of operators.

We also sponsor the AWA Conference Attendance Award presented at AWA's Ozwater'16 in Melbourne. Congratulations to Winner Luke Greenbank from Rous Water Council. This is the 13th year of presenting this award since the initiative was established by the Water Directorate in 2004.

Office and team changes

And finally, some significant changes occurred within the Water Directorate support team during 2015/16. Firstly, in September 2015 Eloise Stanley resigned after almost 17 years at the Water Directorate. I thank Eloise for her assistance from the commencement of the Water Directorate in December 1998, her wide range of skills and the processes that she established. I welcomed Juliet Cobb to the Water Directorate in October. The second change is that we relocated our office to Suite 1202, Level 12, 32 Walker Street, North Sydney 2060 in April 2016.



Gary Mitchell

NSW LOCAL GOVERNMENT WATER INDUSTRY: KEY FACTS

Since 2000, The Water Directorate:

invested more than
\$5.5
 million on developing relevant guidelines and technical documents to support industry best practice.

co-managed an
\$8.73
 million investment by the Federal Government and members in a water loss management program saving 5.5 billion litres of water annually.

Membership of the Water Directorate:

96%
 of LWUs are members of the Water Directorate

Total water supplied was

291,000

megalitres (ML), which has fallen by more than

95,000

ML since 1991 due to strong pay-for-use pricing signals, water conservation, leakage reduction and drought water restrictions.

Total revenue from local water utilities was

\$1,420

million for water supply and sewerage

Average annual residential water supplied is

166

kilolitres which is 50 percent lower than in 1991

All LWUs are achieving full cost recovery for water supply and

98%

for sewerage.

In 2014/15* LWUs provided a piped water supply to a population of

1.83

million (98% coverage) to

828,000

connected properties

■ Since 2000

■ *2014-15 NSW Water Supply and Sewerage, Performance Monitoring Report, Department of Primary Industries - Water

EXECUTIVE COMMITTEE 2015/16

Attendance Record – Elected Representatives

Name	Council	Region	Attendance
Wayne Beatty	Orange City Council	Central West	6/7
Jim Collins	Bega Valley Shire Council	South East	6/7
Brett Corven	Eurobodalla Shire Council	South East	4/7
Mark Dalzell**	Deniliquin Council	South West	1/2
Russell Deans	Bathurst City council	Central West	7/7
Alan Fletcher	Upper Hunter Shire Council	Hunter	5/7
Wayne Franklin*	Rous Water County Council	North Coast	4/5
Graham Gordon	Griffith City Council	South West	6/7
Brendan Guiney	MidCoast Water	Mid North Coast	7/7
Tony Holmes	Shoalhaven City Council	Illawarra	7/7
Jason Ip	Riverina Water County Council	South West	4/7
Heinz Kausche*	Wagga Wagga City Council	South West	5/5
Graham Kennett**	Kyogle Council	North Coast	2/2
Bruce Logan	Tamworth Regional Council	New England	7/7
Greg McDonald	Wyong Shire Council	Hunter	4/7
Stewart McLeod	Dubbo City Council	Orana	7/7
Kerrie Murphy*	Narromine Shire Council	Orana	3/5
David Oxenham	Tweed Shire Council	North Coast	6/7
Jeff Sharp	Port Macquarie – Hastings Council	Mid North Coast	7/7
David Wolfenden**	Moree Plains Shire Council	New England	1/2

* Resigned or retired representative
 ** Nominated replacement or newly elected representative

Appointed committee members

Sascha Moege	LGNSW representative	5/5
Councillor Greg Matthews	LGNSW representative	5/5

The Executive Committee is comprised of 20 representatives: 18 elected members representing nine local government non-metropolitan regions and two nominated from Local Government NSW. The Executive Committee meets on a regular basis in Sydney to discuss the high priority actions and projects of the Water Directorate.

Three members resigned from the Executive Committee in 2015/16: Wayne Franklin of Rous Water County Council, Heinz Kausche of Wagga Wagga City Council and Kerrie Murphy of Narromine Shire Council. Three new members were elected to the committee: Graham Kennett from Kyogle Council, and David Wolfenden from Moree Plains Shire Council and Mark Dalzell from Deniliquin Shire Council. There is one current vacancy on the Executive Committee.

In March 2016 Wayne Beatty of Orange City Council was presented with a medallion honouring his 15 years voluntary service as an Executive committee member. In May Greg McDonald of Wyong Council was awarded a 10-year service medallion. The Executive Committee benefited greatly from their contribution of many years' dedicated service.

Due to the council mergers announced in May 2016, Greg McDonald and LGNSW representative Councillor Greg Matthews stepped down from the Executive Committee at the end of the reporting period.

The strength of the Executive Committee is its depth of technical and managerial knowledge combined with the balance it creates between large and small councils from all areas of rural and regional NSW.



AUG 2015

- Hosted Water Directorate Forum at LGNSW Water Management Conference in Bowral
- Submission on *Review of Reporting and Compliance Burdens on Local Government* (IPART)

SEP 2015

- Submission on *Review of WICA service levels for prescribed customer contracts* (IPART)
- Submission on *Review of WICA last resort provider provisions* (IPART)
- Submission on *Review of Draft Independent Review of the Building Professionals Act 2005* (OLG)

OCT 2015

- Publication of *Work Health and Safety Management Guidelines*
- Executive Officer hosted a Water & Sewer session at the IPWEA NSW annual conference and presented a Category 3 Award for Innovation in Water Supply and Wastewater at the Engineering Excellence Awards to Nambucca Shire Council at Terrigal
- Submission on *Review of Joint Organisations, Emerging Directions Paper* (OLG)



HIGH PRIORITY ACTIONS, AWARDS AND ACHIEVEMENTS

A key objective of the Water Directorate is to provide technical advice and support to our member councils. We achieved this objective in 2015/16 by:

- producing relevant and timely technical publications
- making submissions to various government inquiries
- sponsoring industry best practice awards
- convening workshops and forums on relevant industry topics and
- hosting an online discussion forum for water industry professionals

At the annual planning meeting our list of priority actions is reviewed and updated. Members are always encouraged to send suggestions for new projects and are formally invited to attend the Annual General Meeting in early November.

During the annual planning meeting our Strategic Plan is reviewed and updated. A copy of our current Strategic Plan is available on request. Project suggestions or enquiries should be sent to Gary Mitchell on gmitchell@waterdirectorate.asn.au

NOV 2015

- Publication of revised *O&M Manual for Chlorination Installations*



MAR 2016

- Chair presented 15 year Executive Committee voluntary service medallion presented to Wayne Beatty.



JUN 2016

- Publication co-funded with Centroc: the *Water Loss Management Toolkit* – including a planning guide and operators guide
- Publication co-funded with Rous Water: *Healthy Catchments, Healthy Water – Managing land within drinking water catchments: a practical guide for NSW landholders*

DEC 2015

- Executive Officer presented Water Conservation Award at LGNSW Excellence Awards to City of Canada Bay

FEB 2016

- Submission on *Review of reporting and compliance burdens on Local Government* (IPART)
- Executive Committee By-Election to replace 3 retiring members.
- Chair presented to IPART Public Hearing on Regulatory Burdens



APR 2016

- Publication of updated *O&M Manual for Sewage Treatment Plants*
- Executive Officer presented Operator of the Year Award to Mark Gogala from Orange City Council at WIOA conference in Newcastle



MAY 2016

- Publication of *Specifications for Water and Wastewater Treatment Chemicals*
- 10 year Executive Committee voluntary service medallion presented to Greg McDonald.
- Chair and Executive Officer presented AWA/Water Directorate Ozwater'16 Attendance Award to Luke Greenbank of Rous Water in Melbourne.



INCOME AND EXPENDITURE 2015/16 AND 2014/15

	2016 \$	2015 \$
INCOME		
Membership fees	512,920	499,343
Sales – manuals and training	7,546	4,927
Interest income	15,377	21,512
Change in net market value of investment	0	2,281
Total income	535,843	528,063
EXPENDITURE		
Accounting and audit	7,270	7,300
Advertising and sponsorship	31,774	40,583
Bank Charges	343	343
Change in net market value of investment	2,640	0
Computer and website	6,378	3,784
Conferences, travel and accommodation	6,171	8,081
Consultants and technical support	295,440	145,469
Depreciation	94	0
Executive committee expenses	6,592	10,169
Insurance	7,269	7,167
IPWEA secretarial support	89,350	62,104
Legal fees	4,240	0
Membership	0	1,781
Printing and stationery	9,660	8,240
Salary and superannuation	262,497	252,989
Total expenditure	729,718	548,010
SURPLUS FUNDS (funds used)	(193,875)	(19,947)
FUNDS HELD		
Balance beginning of year	429,153	449,100
Surplus (funds used)	(193,875)	(19,947)
Balance end of year	235,278	429,153

Income increased slightly in 2015/16 by 2.7% as a result of a rises in membership fees and a rise in the sale of technical documents. Membership fees rise each year by the CPI to ensure that overall income is growing at a pace that will cover everyday rises in expenditure. As our primary source of income, membership fee increases are reviewed annually by the Executive Committee.

Expenditure however increased in 2015/16 by a significant 33.2%. The main increases were consultants and technical support (103.1%) and IPWEA support management fees (43.9%).

These increases reflect a much greater number of high priority actions being completed during the year including the co-funding of two publications and a number of large projects coming to a conclusion.

The overall result was that for the second time since 2006/07 total expenditure was greater than income. This means that the Water Directorate has continued to reduce the very high accumulated funds ratio of 82.4% as at 2014/15 down to 43.9% in 2015/16.

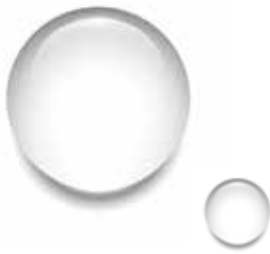
FORECAST BUDGET FOR 2016/17

	2017	%
INCOME		
Membership fees	510,000	92.6
Sales – manuals and training	8,000	1.5
Interest income	10,000	1.8
Co-funding	20,000	3.6
Change in net market value of investment	3,000	0.5
Total income	551,000	100
EXPENDITURE		
Accounting and audit	8,000	1.1
Advertising and sponsorship	40,000	5.7
Bank charges	400	0.1
Computer and website	8,000	1.1
Conferences, travel and accommodation	7,000	1.0
Consultants and technical support	243,278	34.5
Depreciation	1,100	0.2
Executive committee	8,000	1.1
Insurance	7,500	1.1
IPWEA secretariat support	98,000	13.9
General	2,000	0.3
Printing and stationery	6,000	0.9
Salary and superannuation	275,000	39.0
Total expenditure	704,278	100
FUNDS HELD		
Balance beginning of year	253,278	
Surplus	(153,278)	
Balance end of year	100,000	

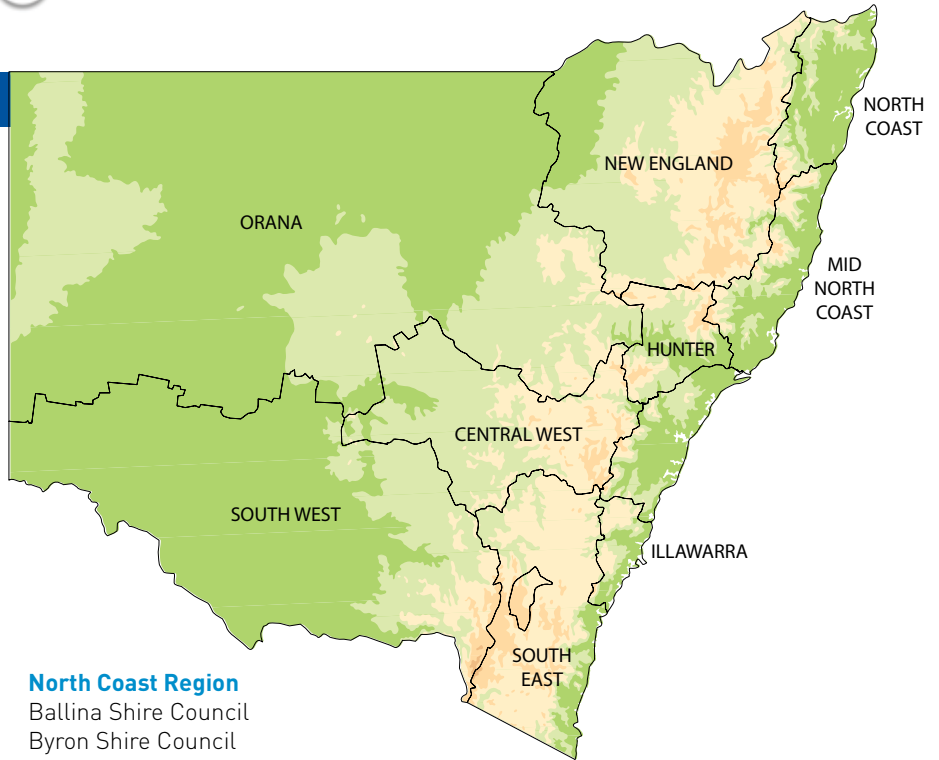
It is forecast that the accumulated funds ratio will be further reduced to 20% by the end of 2016/17. Office accommodation and clerical support are now provided by the IPWEA Australasia Office which has provided us with accounting services in recent years.

Once again we are pleased that our accounts for 2015/16 have been approved by the auditors.

Member councils are welcome to request a copy of the financial statements and/or the auditor's report for 2015/16. The audited financial statements will be presented at the AGM on 10 November 2016 and subsequently published on our website for members to view.



MEMBERS BY REGION



Central West Region

Bathurst City Council
 Blayney Shire Council
 Cabonne Council
 Central Tablelands Water
 Cowra Shire Council
 Forbes Shire Council
 Lachlan Shire Council
 Lithgow City Council
 Oberon Council
 Orange City Council
 Parkes Shire Council
 Weddin Shire Council
 Young Shire Council

Hunter Region

Muswellbrook Shire Council
 Singleton Shire Council
 Upper Hunter Shire Council
 Wyong Shire Council

Illawarra Region

Shoalhaven City Council
 Wingecarribee Shire Council

Mid North Coast Region

Bellingen Shire Council
 Coffs Harbour City Council
 Kempsey Shire Council
 MidCoast Water
 Nambucca Shire Council
 Port Macquarie-Hastings Council

New England Region

Armidale Dumaresq Council
 Glen Innes Severn Council
 Gunnedah Shire Council
 Guyra Shire Council
 Gwydir Shire Council
 Inverell Shire Council
 Liverpool Plains Shire Council
 Moree Plains Shire Council
 Narrabri Shire Council
 Tamworth Regional Council
 Tenterfield Shire Council
 Uralla Shire Council
 Walcha Council

North Coast Region

Ballina Shire Council
 Byron Shire Council
 Clarence Valley Council
 Kyogle Council
 Lismore City Council
 Richmond Valley Council
 Rous Water Council
 Tweed Shire Council

Orana Region

Bogan Shire Council
 Bourke Shire Council
 Brewarrina Shire Council
 Central Darling Council
 Cobar Shire Council
 Coonamble Shire Council
 Dubbo City Council
 Gilgandra Shire Council
 Mid Western Regional Council
 Narromine Shire Council
 Walgett Shire Council
 Warren Shire Council
 Warrumbungle Shire Council
 Wellington Council

South East Region

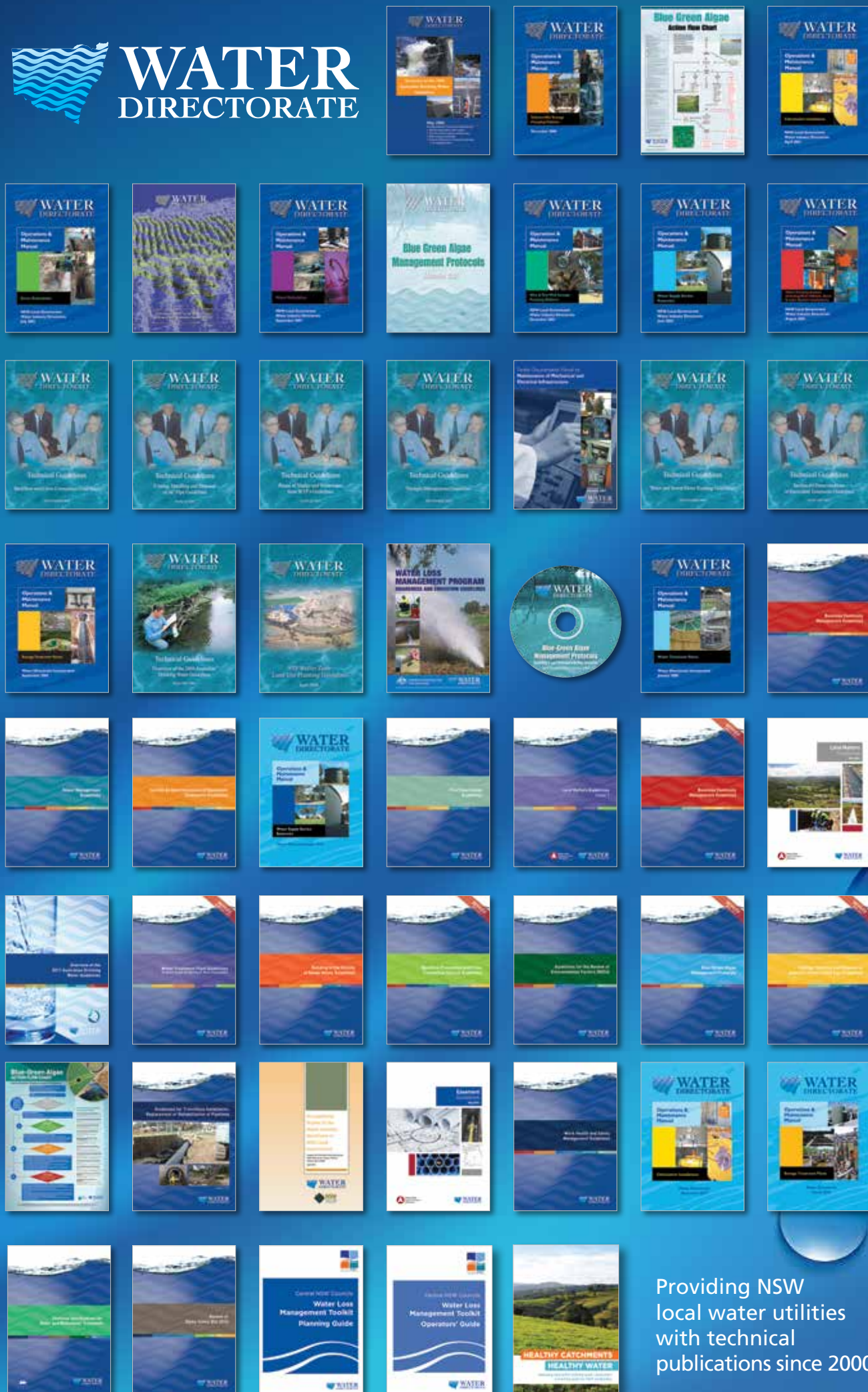
Bega Valley Shire Council
 Bombala Shire Council
 Boorowa Council
 Cooma-Monaro Shire Council
 Eurobodalla Shire Council
 Goulburn Mulwaree Council
 Harden Shire Council
 Palerang Council
 Queanbeyan City Council
 Snowy River Shire Council
 Upper Lachlan Council
 Yass Valley Council

South West Region

Albury City Council
 Balranald Shire Council
 Berrigan Shire Council
 Bland Shire Council
 Carrathool Shire Council
 Cootamundra Shire Council
 Corowa Shire Council
 Deniliquin Council
 Goldenfields Water County Council
 Greater Hume Council
 Griffith City Council
 Gundagai Shire Council
 Hay Shire Council
 Jerilderie Shire Council
 Junee Shire Council
 Leeton Shire Council
 Lockhart Shire Council
 Murray Shire Council
 Murrumbidgee Shire Council
 Narrandera Shire Council
 Riverina Water County Council
 Temora Shire Council
 Tumbarumba Shire Council
 Tumut Shire Council
 Wagga Wagga City Council
 Wakool Shire Council



WATER DIRECTORATE



Providing NSW
local water utilities
with technical
publications since 2000

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