



FAR NORTH WEST

JOINT ORGANISATION

Thank you for the opportunity to be able to participate in today's hearing of the Joint Select Committee on Protecting Local Water Utilities from privatisation.

My name is Ross Earl and I am currently the Executive Officer of the Far North West Joint Organisation and I have had an extensive career in Local Government across the state, working in a number of types of different types of Councils and feel I am well equipped to provide some information and provide answers to any queries that the Committee may raise.

Joining me today is the Chair the Far North West Joint Organisation, Councillor Barry Hollman, who is also the Mayor of Bourke.

The Far North West Joint Organisation commends the Joint Select Committee for undertaking a hearing into Protecting Local Water Utilities from Privatisation

To provide a little background for those who are not familiar with the Far North West Joint Organisation I detail the following

The Far North West Joint Organisation (FNWJO) was established by the NSW Government in 2018 as part of a network of Joint Organisations across regional NSW. The FNWJO is comprised of Bourke, Cobar and Walgett Shire Councils.

The primary purpose of the Joint Organisation is to facilitate State and local government collaboration, planning, priority setting and delivery of important projects on a regional scale. The FNWJO has also identified support for the operations of its member Councils, aimed at strengthening local government in the region, as a role for the Joint Organisation. Our appearance at today's hearing is consistent with these objectives.

The principal functions of all Joint Organisations are:

- Strategic regional planning
- Regional leadership and advocacy
- Intergovernmental collaboration.

The Far North West region covers an area of approximately 111,000 square kilometres (or more than 13% of the area of NSW).

Whilst we cover a significant land mass the population is only around 12,000 people.

To give the land mass some context the FNWJO footprint covers an area of 111,000 square kilometres which is over one and a half times the area of Tasmania and Bourke Shire itself for example is roughly the same size as Denmark.

Much of the area is subject to very low rainfall and is often the first part of the state to experience drought conditions and hence all member Councils have a very strong interest in water matters both for domestic, agricultural and commercial use coupled of course with recreational pursuits.

In the footprint of the FNWJO "water is life". Without access to affordable water large tracts of the area would be in extreme difficulty and potentially depopulated.

In each of the principle towns of the member Councils being Bourke in the case of Bourke Shire, Cobar in the case of Cobar Shire and Lightning Ridge, Collarenebri and Walgett in Walgett Shire have reticulated potable water supplies. Despite the low populations and tyranny of distance most of the villages within the area have non-potable supplies which are supplied by a variety of sources including earth dams to catch rain water, bores and in some cases direct access to rivers and creeks.

Cobar Shire is dependent itself and the mining industry within its boundary on water pumped from the Bogan River at Nyngan which is 130 kilometres away.

During the last drought Bourke and Walgett were extremely close to running out of water as the river systems dried up and necessitated the construction of emergency bores being constructed through funding provided by the State Government.

When we talk privatisation we generally in the same breath look at profit or return on investment, however, these terms are not currently used for regional water supplies and terms more akin to social responsibility, community obligation and social amenity being more appropriate.

We have read a number of the submissions and there is an overwhelming support to retain the ownership of water utilities by Local Government for numerous reasons.

The Legislation passed to protect the Sydney and Hunter Water Boards from privatisation sets a benchmark we should try and emulate on behalf of all the 92 water Utilities' across our state.

The provision of water and sewage services in regional NSW has been a collaborative effort between Local Government owned LWUs and the State Government demonstrated through successful programs like the Country Towns Water Supply and Sewerage Program and the Town Water Risk Reduction Program.

Water Utilities Alliances including the Orana Water Utilities Alliance of which all our member Councils are members have provided the a mechanism to enable LWUs to plan, share resources and deliver joint infrastructure programs to provide safe, secure and efficient regional water supplies over the long term. The Water Utilities Alliances have been an example of regional collaboration which has delivered significant cost savings.

There are number of reason that Councils should retain the operation of the LWUs and do so without the fear of these being taken from them on the notion that more cost effective services can be provided by privatisation.

1. LWUs are generally a significant part of each Councils Budget and Operations and the contribution from these to the overheads is an important factor in the ability to attract and retain staff and effectively operate.

2. The LWUs provide a valuable source of skilled employment in most regional areas.
3. The LWU's procurement is generally undertaken at a local level.
4. The Council owned and operated LWUs have an excellent track record of working effectively and efficiently.
5. Gaps in expertise are filled through membership of Regional Water Alliances and the utilisation of consulting services if needed.
6. Councils through the LWUs service many small villages with a water supply which would, potentially be lost if the service were privatised and all such services operated on a full cost recovery basis,
7. Locally based staff respond quickly to any maintenance issues in relation to the provision of water and sewage services which would be compromised with privatisation and local expertise not being readily available.
8. Councils are aware of their Community Service Obligation in respect of the supply of services and facilities, including water, and again this could be severely compromised by privatisation.
9. There are no compelling reason or quantifiable data that could support any decision to take the operation of LWUs away from Councils and to privatise them.
10. A stronger well-resourced Local Government is critical for the regional and remote areas of New South Wales and any decision which compromises the ability for these Councils to provide the excellent level of service that it currently provides is fraught with danger.

While no doubt being subject to further questions from the members of the committee, I think that the above points clearly support the views of Councils, Local Government New South Wales and the Water Directorate that the LWUs should remain with Local Government.

The notion that bigger is better certainly does not apply in many cases when ill- conceived decisions have in many instances had a detrimental impact.

Both the Chair and myself look forward to being able to provide further information to the Committee during the time allowed for questions.

Thankyou.

Far North West region: Fast facts

This snapshot includes collated information about the Far North West region, including Bourke, Cobar and Walgett Shires.

Fast facts		As at (date)
Total land area	10,948,324.3 ha	2020
Population	11,652	2021
Median age	39.3 years	2021
% of population of working age (15-64 years)	60.8%	2021
% of population who are Aboriginal or Torres Strait Islander	21.9%	2021
Number of households	4,757	2016
% of adults who have completed Year 12 or equivalent	29%	2016
% of 15-19 year olds fully engaged in education and/or employment	67.9%	2016
Top self-reported health conditions	Asthma Arthritis Mental health condition	2021
% of local councillors who are women	29.5%	2021
Total length of roads (local and regional)	7,156 km	2019-20
Total number of registered vehicles	10,670	2020
Total number of businesses (number of businesses with one or more employees)	1,490 (490)	2020
Industries with the most businesses	Agriculture/forestry/fishing Construction	2020

	Transport Real Estate/hire	
Annual tourist numbers	284,000	2019
Median house sale price	\$90,667	2020