



FAR NORTH WEST

JOINT ORGANISATION

18th January 2024

Joint Select Committee on Protecting Local Water Utilities from Privatisation
Parliament House
Macquarie Street
Sydney 2000

waterutilities@parliament.nsw.gov.au

Dear Sir/ Madam,

Re: Response to the Supplementary Questions sent by the Joint Select Committee which will provide addition information to support that already provided during the appearance of representatives of the Far North West Joint Organisation during the enquiry.

The Far North West Joint Organisation would like to thank the members of the Joint Selection Committee on Protecting Local Water Utilities from Privatisation for the opportunity to address the committee on this important issue.

The three member Councils of the Far North West Joint Organisation all have Water and Sewer undertakings and view these undertakings as an important part of each Council's operation and are more than confident that the services delivered to their community their requirements and are generally in line with industry best practice both in terms of reliability and quality.

We have had the opportunity to review the additional questions and the responses to these questions are as follows;

- 1. What are the benefits of alliance models in providing safe, secure and efficient regional water supplies over the long-term?**

All the FNWJO Councils are members of The Orana Water Utility Alliance which represents 13 local government owned water utilities (LWU's) in the Orana and Far Western Region of NSW.

These utilities include the Councils of Bogan, Bourke, Brewarrina, Central Darling, Cobar, Coonamble, Dubbo Regional, Gilgandra, Mid-Western Regional, Narromine, Walgett, Warren and Warrumbungle. These utilities provide safe drinking water and sewerage services to over 105,000 people, across 257,000 square kilometres via over 43,000 water and sewer connections.

Amongst these LWU's are some of the most drought vulnerable and socially disadvantaged communities in NSW. The member Councils have long held the view that water management in NSW is best facilitated by the Local Government ownership model but at the same time acknowledge that there are always opportunities for improvement.

The majority of the member Councils operate with a water and sewer team of less than 10 people. These staff members are generally "home grown" reliant on both their peers and support network available through membership of the alliance when faced with issues which are outside the norm. The larger centres do have qualified engineering staff and the ability to tap into this resource when needed is highly valued.

The isolation of the staff at times does bring with it challenges but these challenges are generally addressed by the "collegiate approach" taken by all members of the alliance in providing support.

The collaborative approach within water and sewer is also evidenced in a wide variety of other activities of councils generally and has proved extremely beneficial.

Each of the areas of the Councils who are members of the FNWJO are amongst the biggest in the state and the water and sewer operation vary according to the size of the towns and villages with each LGA.

In addition to the work undertaken with their own schemes a number of Councils also provide assistance to discrete Aboriginal Communities under a state Government initiative called the Aboriginal Water and Sewerage Scheme.

The benefits of Regional Collaboration/alliance models include but not limited to the following

- Addressing skills and capacity shortages
- Arranging locally/ regional based training
- Providing access to specialist contractors at a much more economical rate than a "One- Off" approach
- Assistance in building strategic water management initiatives across the same catchment areas
- Providing back up staff in times of emergencies or critical staff shortages
- Assistance with meeting the requirements in relation to best practice
- Assistance in developing asset management strategies and plans
- Access to specialist spares and replacement parts.

2. Do you believe there are adequate measures in place to support LWUs during drought and other water supply and sewerage emergencies? What are specific supports that are needed to build drought resilience?

With the Chairman of the Far North West Joint Organisation Councillor Barry Hollman holding the position of Mayor of Bourke Shire Council during the last drought and with the current Executive Officer of the FNWJO Ross Earl holding position of General Manager of Bourke at the same time both are well versed in the need for support and assistance during periods of extreme drought with Bourke at the time deemed to be the town most likely to run out of water. While support was generally available it must be remembered that in most towns where there were significant issues caused by drought they were in "unchartered territory" and it was a learning experience for all involved and a "learning experience" which most involved could have well done without.

The opportunity for additional ground water supplies was impacted by the fact that drilling contactors became an extremely scarce resource.

Water is a complex issue with numerous Government Departments involved in various aspects and while this does create issues, I feel the urgency of many of the issues saw inter-departmental cooperation at a high level and procedures streamlined where possible.

The FNWJO believes that the support and understanding shown and funding provided in times of emergency has been generally good and that understanding extends to many emergencies which have never been previously experienced to the degree they have and this includes the sustained flooding events.

Unfortunately, many lessons learned are obtained at the "school of hard knocks" and were in fact not actually learned but lived and experienced.

New South Wales Public Works Advisory do provide a valuable resource during emergencies but we find that when emergencies are widespread their resources are spread very thinly and it is a time when the Alliances can provide valuable support.

It is noted that the Federal and State Government have jointly provided funding for the development of Drought Resilience Plans and it is this proactive approach which can alleviate problems caused by a re-active approach.

As best we can and within the constraints of available funding there needs to be an increased degree of preparedness in relation drought and maybe the preparation of the proposed Drought Resilience Plans will provide some of the planning and readiness for such events.

3. What do you see as the most beneficial aspects of the Town Water Risk Reduction Program and what aspects should be continued?

The Town Water Risk Reduction Program (TWRRP) is an important element of ensuring the ability of Councils to be able to provide high quality water into the future.

Programs such as the Safe and Secure Water Program (SSWP) provide funding for capital projects involving Local Water Utilities (LWU) which has seen numerous successful projects undertaken with the partnership of the State Government and Local Government.

The Town Water Risk Reduction Program (TWRRP) complements the SSWP by providing capacity building to reduce risk and optimise the whole-of-life costs of owning water and sewerage infrastructure once built. Water and sewerage systems involve highly complex infrastructure that requires well-trained operators and engineers, leading edge technology and business systems especially asset management, risk management, quality, environmental and safety systems.

All the current aspects of the TWRRP should be continued and where possible expanded to meet the contemporary needs of LWU and the town water and sewer services generally. It is highly desirable, if not essential, that the TWRRP continue well beyond the current two (2) year approval cycle to ensure that the benefits continue to flow and the benefits of the program are fully realised.

The ability to attract and retain experienced staff remains a challenge.

4. How does the new Regulatory and Assurance Framework for Local Water Utilities support LWUs to address risks and strategic challenges effectively and efficiently? Are there areas where the Framework could be improved?

The new Regulatory and Assurance Framework (RAF) is still relatively new and it will take some time for LWU's to how best to implement the new regime with less prescriptive guidance.

The architects of the new RAF have recognised the fact the previous Best Practice Management Framework Guidelines for Water Supply and Sewerage were too prescriptive and inflexible considering the wide range of operating environments that exist across regional NSW from coastal to inland, wetter to more arid climate, denser population to remote communities and highly variable tourist population that need to be serviced for short periods of the year.

In addition, the burden of compliance under the previous requirements was extremely onerous, and in many instances not appropriate for LWUs servicing smaller communities.

However, the principles and direction of the RAF are sound and a vast improvement on the past guidance as they are intended to provide the flexibility to allow LWU's to choose how they will comply depending on their individual operating circumstances.

5. For councils in your region, what are some specific examples of services that are undertaken by private contractors on behalf of publicly owned water utilities? What are the advantages of councils having flexibility to engage the private sector to provide those services when needed?


The utilisation of specialist contractors is normal business practice for most organisations whether they be in the private sector or government.


Businesses cannot be expected to have a range of staff and equipment available that is only required periodically purely on a cost benefit basis.

The utilisation of contractors for specialised work in particular makes practical and economic sense.

Some of the examples of work undertaken by contractors include but not limited to;

- Calibration of equipment
- Relining of sewer mains
- Construction of pumping stations.
- Cleaning of pump stations and sewage mains
- Installation of large water mains
- Construction of new water Treatment and sewage Treatment Plants


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