

Joint Select Committee on Protecting
Local Water Utilities from Privatisation –
Supplementary Questions

Berrigan Shire Council Submission



BERRIGAN SHIRE

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Berrigan Shire Council Introduction

Berrigan Shire Council attended the public hearing in Wagga Wagga on Monday 12 February 2024. Supplementary Questions were provided on 15 February 2024. Responses to those questions are provided below.

Question 1

How does your joint organisation support the sustainable delivery of water supply and sewerage services?

Currently the truth is, the Riverina and Murray Joint Organisation (RAMJO) is unable to support the sustainable delivery of water and sewerage services across the RAMJO region, though it is our understanding that it would like to. The fact is Joint Organisations in NSW are critically underfunded and though member Councils provide what financial resources they can to allow RAMJO to function at an advocacy level, the funding does not provide sufficient resources to allow RAMJO to actively engage with and more fully support Council's functions in the water and sewer supply area.

Berrigan Shire Council will therefore provide response as to how RAMJO could support its member councils were sufficient funding available.

RAMJO has been actively working to foster collaboration among its member councils. This is demonstrated in the development of such documents as RAMJO's:

- Water Position Paper (currently under review),
- Regional Freight Transport Plan
- Infrastructure Priorities Report and
- Regional Energy Strategy.

Supporting Sustainable Water Supply and Sewerage Services:

RAMJO can facilitate the pooling of resources, including funding, technology and human capital, to optimise the delivery of water and sewer utility services. Through shared investments, RAMJO could co-ordinate tender processes focused on sustainable infrastructure projects, such as delivery of water treatments plants and sewerage systems, benefiting from economies of scale. RAMJO has already demonstrated its capability in this area through the joint tender process undertaken for the delivery of Food Organics and Garden Organics implementation across the RAMJO footprint. By optimising these resources across the RAMJO footprint Councils would no longer need to compete for limited funding rounds.

Collaborative efforts would enable integrated planning for water and sewer management, aligning strategies and service delivery outcomes across member councils. In this way RAMJO could provide assistance in the development of consistent Integrated Water Cycle Management plans, and other plans required of the IP&R system in NSW. By developing these plans in a consistent manner, a holistic and sustainable approach to water and sewerage

services, member Councils could ensure access to equitable services across the RAMJO footprint.

RAMJO already provides a platform for the exchange of knowledge and innovative solutions as demonstrated in the development of its strategic documents noted above. Fostering this knowledge sharing of best practice, research, understanding of technological advancements etc, will lead to more sustainable water management practices in the area of water and sewer utility supply, as it has done in our advocacy work.

Sustainable water supply and sewerage services require a commitment to environmental conservation. Through RAMJO, member Councils could collectively consider technologies and methods to reduce water wastage, promote water recycling and the implementation of eco-friendly sewerage treatment methods across the region, rather than trying to assess these as smaller, individual council areas. Such collaboration could only positively influence the environmental sustainability outcomes for local government areas in the RAMJO footprint.

As already demonstrated through the roll out of our Halve Waste education program, RAMJO can play a crucial role in engaging local communities and ensuring key messages are consistent across the RAMJO footprint. Through education and awareness programs, RAMJO could empower residents to adopt water-efficient behaviours and participate in local initiatives for water conservation as we have already commenced by implementing FOGO habits across the RAMJO footprint.

Are there any impediments to collaboration and how can these be overcome.

There are impediments to collaboration that RAMJO has consistently worked to overcome and has been generally effective in this area.

Different local governments with the RAMJO footprint (currently there are 11 with 2 further councils having applied to join) have distinct priorities and policies. To overcome this, RAMJO has established clear communication channels and fostered a shared vision through strategic planning workshops that serve to align diverse interests at a macro level.

Resource allocation disputes may also arise, especially if there is a perception of unequal contributions or benefits. RAMJO has developed an agreed and transparent governance structure and equitable distribution of responsibilities to address these challenges. Responsibility is shared across a range of sub-committees ensuring communication across the strategic priorities is possible.

We are aware political resistance at the local level has impeded the collaborative efforts of some JOs. RAMJO has built successful strategic documents through clear communications and is now delivering other projects which will serve as successful case studies to demonstrate the effectiveness of RAMJO across its footprint.

Trust among local government is crucial for successful collaboration. RAMJO has established trust with its member councils through open communication, transparent decision-making processes and the ability to demonstrate positive outcomes as a result of those collaborative efforts.

RAMJO has built a successful platform on which to expand its service delivery. Councils in the RAMJO footprint would actively support the growth of RAMJO as an entity where appropriate funding could be sourced to allow for that expansion of its responsibilities. We understand there are impediments to collaboration but Berrigan Shire Council strongly supports RAMJO and believes the model could pave the way for more resilient and sustainable water and sewer utility provision across the RAMJO footprint.

Question 2

Are there ways in which the alliance model can be improved with the support of State Government?

The alliance model, as Berrigan Shire Council understands it, is a collaborative approach to project delivery which has gained prominence for its ability to foster co-operation among stakeholders. In the context of New South Wales (NSW), the alliance model offers a framework for public and private sector collaboration. However, there is room for improvement and the NSW State Government can play a pivotal role in supporting and enhancing this model for more effective outcomes.

One key aspect of improving the alliance model involves the provision of financial support and incentives by the NSW Government, such as through the Safe and Secure funding model. Allocation of dedicated funds or offering tax incentives for projects undertaken through alliances can encourage private sector participation, making the model more attractive and financially viable for all stakeholders.

The alliance model often faces challenges related to regulatory complexities and bureaucratic hurdles. The NSW State Government can contribute to improvement and streamlining approval processes, simplifying regulations and providing a framework that would expedite decision making. Streamlining these processes would enhance the efficiency of alliance projects and reduce delays associated with regulatory procedures.

Enhancing the skills and capabilities of those involved in alliance projects is crucial for success. The NSW Government can support the alliance model by investing in training programs and capacity building initiatives. This includes providing resources for developing the necessary skills in collaborative project management, negotiation and conflict resolution, ensuring all stakeholders are well-equipped to navigate the complexities of alliance projects.

The NSW Government could also contribute to the improvement of the alliance model by establishing clear and comprehensive policy guidelines. These guidelines should address key aspects such as risk allocation, dispute resolution mechanisms, and performance metrics. Clear policies would provide a solid foundation for effective collaboration, reducing uncertainty and mitigating potential conflicts during the project lifecycle.

Effective communication is vital for the success of any alliance project. The NSW State Government can facilitate improved communication by establishing dedicated channels for dialogue and information exchange. Regular forums, workshops and platforms for sharing best

practices can foster a collaborative culture and ensure that all stakeholders are well informed and aligned throughout the project.

The alliance model thrives on innovation and creative problem-solving. The NSW State Government could incentivise innovation by providing rewards or recognition for successful implementation of innovative solutions with alliance projects. This would encourage a culture of continuous improvement and problem solving, contributing to the overall success of collaborative endeavours.

In conclusion, the alliance model can be significantly improved with the support of the NSW State Government. By addressing financial, regulatory and capacity related challenges and by establishing clear policies and communication channels, the government could create an environment conducive to successful alliance projects. The alliance model, when enhanced through government support, has the potential to deliver more efficient, innovative and collaborative outcomes, benefiting both public and private stakeholder in New South Wales.

Question 3

Do you support a community service obligations (CSO) funding model for local water utilities? If so, why would this be preferable to other funding models?

The question of whether to support community services obligations (CSO) funding model for local water utilities is a nuanced one. The CSO funding model holds several advantages that make it a preferable choice in certain contexts, especially when considering the essential nature of water and sewer services and the Berrigan Shire Council's commitment to ensuring equitable access, quality and affordability for all community members.

The CSO funding model is aligned with the principle of social equity, ensuring essential services like water and sewer supply are accessible to all members of the community, regardless of their socio-economic status. By designating certain services as community obligations, funding can be directed towards supporting those who might face challenges in accessing or affording water and / or sewer services.

In many communities, including ours, vulnerable populations may struggle with the financial burden of water and sewer services. CSO funding allows for targeted financial assistance to these communities, ensuring everyone can access clean and safe water without compromising their well-being. This is particularly crucial in fostering inclusivity and addressing socio-economic disparities.

A CSO funding model enables local water and sewer utility providers to prioritise environmental sustainability and public health initiatives. Funds can be directed towards infrastructure improvements, water and sewer treatment technologies and pollution prevention measures. Ensuring water and sewer utilities can meet or exceed regulatory standards, safeguard the health and wellbeing of the community.

The CSO funding model also provides a stable and predictable source of funding for long-term infrastructure projects. Stability is crucial for local utility providers to plan and implement initiatives to enhance the reliability and resilience of water and sewer supply systems, addressing issues like aging infrastructure, climate change impacts and population growth.

Further, the CSO funding model provides for increased community engagement and input into decision making processes. As the community is a direct beneficiary of the water and sewer services provided by councils such as ours, involving them in discussions about funding allocation and service priorities ensures local utility providers are responsive to the specific needs and concerns of its constituents.

CSO funding has the potential to mitigate the financial risks associated with providing essential services to a large extent. By designating water and sewer utility services as community obligations, there must be a commitment to secure funding by NSW Government to ensure uncertainties related to revenue fluctuations of local utility suppliers are addressed. Financial sustainability is essential for ensuring the ongoing provision of reliable water and sewer services.

Finally, the CSO funding model aligns with societal values that prioritise universal access to essential services. Access to potable water and access to sewer management services are basic human rights and adopting a funding model that ensures access for all will resonate well with public expectations. Local water and sewer utility providers would then be provided legitimacy as public essential service providers, thereby meeting public expectations of same.

Supporting a CSO funding model for local water and sewer utilities is justified by its alignment with principles of social equity, environmental stewardship and public health. By addressing affordability concerns, promoting long-term infrastructure investment and fostering community engagement, the CSO model is a choice that ensures the sustainable and equitable delivery of water and sewer services. It embodies a commitment to the wellbeing of the community and acknowledges a fundamental right that should be accessible to all.

Question 4

What are the main impediments to collaboration between water utilities and how can these be addressed?

Collaboration between water utility providers is critical for effective and sustainable water management. Several impediments however often hinder such collaboration. Identifying and addressing these challenges is essential to enhance co-operation, improve efficiency and ensure the reliable delivery of water utility services.

Fragmented governance structures and disparate regulations currently impeded collaboration between water utility providers. To address this, a harmonised regulatory framework at national or State levels should be established to provide a common ground for utilities to navigate legal and procedural complexities seamlessly.

Differences in resource availability and funding capacities among water utility providers creates challenges for collaborative projects. Implementing mechanisms such as revenue-sharing agreements, joint funding initiatives, or introducing equitable cost-sharing models could help overcome these financial disparities, ensuring fair distribution of resources for collaborative efforts.

Trust and effective communication are foundational to successful collaboration. Miscommunication or a lack of trust between water utility providers can hinder joint initiatives. Building trust through transparent communications, regular dialogues and shared decision making processes can foster a collaborative culture and mitigate potential challenges arising from misunderstandings.

Varied technological infrastructures and incompatible data systems across utilities can impede collaborations. Standardising technologies and adopting interoperable data systems could facilitate the exchange of information, enhance data sharing and streamline collaborative efforts in areas such as monitoring, maintenance and emergency response.

Water utility providers may have diverse interests and priorities, leading to conflicts when attempting to collaborate. Establishing a shared visions through strategic planning sessions, joint goal setting and prioritisation exercises can align interests and create a unified approach, reducing friction and fostering a common purpose.

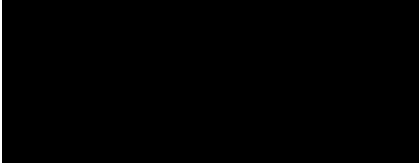
Stringent regulations and compliance requirements in the water sector can pose challenges for collaborative projects. Simplifying regulatory processes, providing clear guidelines and offering support in navigating compliance issues would alleviate the burden and encourage water utility providers to engage in collaborative ventures without fear of legal or regulatory complications.

Differences in skill levels and human resource capacities among water utility providers can hinder collaborative efforts. Addressing skills gaps through the creation of a professionalised training program would encourage knowledge exchange initiatives and sharing of best practices. Professionalising the industry of water and sewer utility provision would go a long way to ensuring access to a skilled workforce now and into the future.

Political influences and pressures from various stakeholders can impede collaborations. Engaging with political leaders, community representatives and other stakeholder through transparent communication and consultation processes help align collaborative initiatives with broader societal expectations, reducing external pressures on water utility providers.

Overcoming impediments to collaboration between water utility providers requires a multifaceted approach that addresses governance structures, financial disparities, trust building, technological challenges and regulatory complexities. By fostering a collaborative culture, promoting open communication and implementing strategic measures, such as standardised technologies and joint planning, water utility providers can work together more effectively to address common challenges and ensure the sustainable management of water resources. Ultimately, addressing these impediments is crucial for creating resilient, integrated

and efficient water delivery systems that meet the growing demands of communities and contribute to long term water sustainability.



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