



PARLIAMENT OF NEW SOUTH WALES

Joint Select Committee on Protecting Local Water Utilities from Privatisation

Supplementary questions: Coolamon Shire Council

1. How does Coolamon Shire collaborate with the county council to deliver infrastructure projects?

Response:

- Coolamon Shire Council has a close working relationship with Goldenfields County Council in regard to strategic planning of infrastructure extensions, we do this formally through the LEP process and through regular discussions with both organisations Senior Management teams.
- The current model whereby elected representatives from the relevant Local Government body are the delegate to the County Council model is appropriate as it gives community representation to the operations of the Water Authority. Care needs to be taken with how that representative model is established when there is a mixture of bulk purchasing Councils that have their own water infrastructure and those that are direct reticulated customers. The delegate representing the reticulated customer has no benefit in the decision making process whereby a Council Delegate from a bulk purchase Council has a conflict over interest over pricing and infrastructure improvements within their own Council operations.
- An example of the collaboration of Coolamon Shire and Goldenfields was the Fast Fill Water Station in Ardlethan. At the time of funding being announced Federally for drought affected communities, the major concern in the Ardlethan district was the time taken for Farmers to fill trucks for stock and domestic purposes. The old standpipes were tediously slow and required infrastructure upgrade and the replacement of a new fast fill facility to allow increased capacity. Council collaborated with the local Water Authority and chose to allocate this funding to a third party (Goldenfields) as it was the most important infrastructure required as a result of the drought. The funding criteria set by the Federal Government did not allow Water Authorities to be a party to the funding. This can happen in a variety of State and Federal funding programs. We think it would be appropriate if Water Authorities, both Local Councils and County Councils could have access to infrastructure improvements under appropriate funding models.
- The major issue we are experiencing in regard to collaboration around the delivery of infrastructure projects is when communities expand and the initial developer wears the cost and therefore risk of extending infrastructure which allows secondary developers to piggy-back off their significant investment.

2. If there were legislation to ban privatisation of local water utilities, what critical functions or operations would need to be protected (for example, ability to outsource to the private sector, ability for single counties or county councils to collaborate)?

Response:

It is our understanding that the banning of privatisation would be to the Governance structure and management of the organisation as a whole, but should not extend down to the ability for the Board to seek appropriate external providers subject to their needs. The real goal in relation to non-privatisation is to keep decision making at the local level to reflect local needs without any disbursements to share holders and therefore a return back into the service provisions of the Water Authority. The Board structure and ownership should operate as a not for profit, whereby all returns are reinvested into the operations of the Water Authority.

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

Response:

Yes, Council would support a CSO funding model in principle, provided the funding pool is available for water and sewer infrastructure and is administered appropriately. Due to the nature of these businesses, they have long life assets which require significant proactive planning and management to ensure they are appropriate for current and future needs. This means that any funding model must consider this and could include direct funding or loans to undertake betterment work rather than waiting for a potential disaster or failure to the system..

In summary we acknowledge we don't have all the answers to how to fund and manage various water and service models across the State. What we do know is that the privatisation of sewer and water utilities in Rural and Regional Areas is definitely not the answer. There may be a need for legislative changes to strengthen the operations of these Water Utilities but they must be maintained as not for profit.

