



## PARLIAMENT OF NEW SOUTH WALES

Joint Select Committee on Protecting Local Water Utilities from Privatisation

### Supplementary questions: Walgett Shire Council

1. 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)?
  - Level of service – Water is essential commodity. Any deterioration in level of service will lead to undesirable consequences. For example, if a property is cutoff from water for extended period, where there is a dialysis patient, it may critically affect the patient if that person is unable to operate dialysis machine that heavily relies on clean water. The basic hygiene and health can be severely impacted by extended delay in water service restoration as well.
  - Water Rates: the remote and rural communities are typically less affluent than metropolitan areas. Also, the low density of population makes water service provision costly. If the water rates rise too high, it may further increase cost of living pressure.
  - Local Employment: Local water utilities employ significant number of employees from Local Population. It also offers opportunities for the recruitment of trainees from local communities. Any capital works undertaken by local utilities employ a large number of local skilled and unskilled workforce. All these have a trickle-down beneficial effect to local communities.
2. What has been your experience with funding programs such as the Safe and Secure Water Program and Town Water Risk Reduction Program? What improvements could be made to these programs to benefit your council?

Funding programs such as Safe and Secure Water Program and Town Water Risk Reduction Program typically followed a certain model where Local Water Utilities (LWU) had to undertake Integrated Water Cycle Management (IWCM) process to be able to qualify for funding. This process was bureaucratic and did not always relate to the immediate need for funding. In 2021, the auditor general report identified this as an issue as majority of the IWCM process were not complete since inception after three years. Since then, the office of water has removed the requirement of IWCM for funding qualification. However, the bureaucratic mindset has not changed. Some officials have been assessing the funding requirement with historic approach of assessing the funding applications. This causes undue delay and hurdle in accessing infrastructure funds. Also, the funding streams considers new assets or assets upgrade only. Often LWUs in remote and regional areas lack in available fund to replace existing assets.

The fact that, when new assets are created, it increases the financial burden on LWUs to replace the assets in the future, funding streams need to consider replacement of at least a portion of critical assets for Rural LWUs in my view.

The assessment process for infrastructure funding approval should be made less bureaucratic. It should be simplified and consider the need and urgency of the infrastructure and should be assessed on a case-by-case basis rather than one model fits all approach for rural LWUs in my view.

3. Do you support a CSO model in your council? If so, why? How would this benefit your community versus other funding models?

Walgett shire is a large local government area with disperse communities. A CSO model has benefits in Walgett Shire Council as well as its challenges.

However, managing large area from a central location may lead to communication and supervision issue.

I do not have a broad in-depth knowledge on CSO model and am unable to comment further.

4. What strategies could be employed to better protect drinking water supplies from eutrophication and algal blooms?

From a water treatment perspective, treatment technologies, such as Granulated activated Carbon (GAC) or Powdered Activated Carbon (PAC) could be added to the treatment process to remove blue green algae that is present in source water.

Algal Bloom and eutrophication occur due to various factors. Streams and rivers receiving nutrient from catchments, temperature, stratification, stagnation of streams are all contributory factors. I do not have in depth knowledge on management of eutrophication and algal blooms and am unable to comment further.

5. How could government improve funding opportunities for asset renewal and maintenance rather than new capital infrastructure?

Rural and remote LWUs with low customer base and dispersed customers typically have high service delivery cost due to high cost of infrastructure per service and high operating cost per unit of water consumption. Therefore, a standard model for renewal of infrastructure from operating surplus cannot always be applied. Many rural and remote LWUs are subject to pressure from community for not increasing the water fees and charges as it leads to cost-of-living pressure to the community. This is why many of the rural and remote LWUs sometimes operate on an operating cost recovery model and cannot apply asset replacement cost recovery model.

Prudent financial management is also necessary so that operating surplus is used wisely by the LWUs.

In my view, there should be some form of funding available for remote and rural LWUs to assist with asset maintenance and renewal and approval of funding should be assessed on a case-by-case basis. This assessment process should be made simpler and faster.

Also, a financial reporting process could be developed and implemented by the state government authorities by which a prudent financial management by LWUs can be demonstrated.

