

**Submission
No 8**

**JOINT SELECT COMMITTEE ON PROTECTING LOCAL WATER UTILITIES
FROM PRIVATISATION**

Organisation: Berrigan Shire Council

Date Received: 23 October 2023

Joint Select Committee on Protecting Local Water Utilities from Privatisation

Berrigan Shire Council Submission



BERRIGAN SHIRE

BAROOGA • BERRIGAN • FINLEY • TOCUMWAL



Berrigan Shire Council Introduction

Berrigan Shire Council understands the Joint Select Committee's Terms of Reference are to inquire into and report on how the Government can prevent and stop privatisation of local water utilities with reference to:

- (a) how local water utilities and their assets can be best protected against privatisation, forced amalgamations and sell-offs;
- (b) reviewing governance and other legislation relating to the potential privatisation of local water utilities; and
- (c) any other related matters.

Response

Berrigan Shire Council is one of 92 NSW Local Water Utility providers. It services four communities with separate treatment facilities in each township. Populations in the Berrigan Shire range from approximately 990 residents in Berrigan to 2900 in the largest township, Tocumwal. In total, the Berrigan Shire Council services the water utility needs of more than 8,900 residents. That delivery is tailored to the size and demands of each township.

Protection from Privatisation

Protecting Sydney Water and Hunter Water from privatisation reinforces the principle of public ownership and accountability for water utility providers in those catchments. A broader commitment to public ownership provides the opportunity to set a precedent that values water services as essential public assets across the state.

Constitutional protection of water utility assets will bring greater stability and reliability to water services, providing reassurance to communities about the long term security of those assets and the sustainability of water supply.

Assurance of public ownership may provide opportunities to attract funding and support for ageing infrastructure and expansion in rural and remote areas. The ripple effect of such a change would have positive effects on water services Statewide.

However the constitutional recognition of only Sydney Water and Hunter Water, without consideration of rural and remote councils, has significant implications on water utility provision across the state. While it protects Sydney Water and Hunter Water from potential privatisation threats by securing their status as public entities providing critical water services to their communities, rural councils who also face the same challenges in resource allocation, are not being afforded the same protections and funding. This impacts the capacity of rural and regional councils to continue to be invested in essential infrastructure upgrades and meet the water management needs of their communities.

At its core, the approach to provide constitutional protection to only Sydney Water and Hunter Water highlights a growing inequity between rural/regional areas and their city counterparts. Not only is this fundamentally unfair, it fails to recognise that the agricultural needs of the

urban communities are being largely met by rural/regional communities who require water security in order to service those needs.

Berrigan Shire Council Experience

Berrigan Shire Council has recently completed significant upgrades to its Finley Water Treatment Plant and has almost completed similar upgrades to its Barooga Water Treatment Plant. The funding, made possible through State government, has ensured increased efficiency and reliability of water supply in both communities. We are currently preparing plans to upgrade Tocumwal's water utility provision to sustain the increased population growth in that township but do not have funding to implement for the required infrastructure upgrades.

The Productivity Commission White Paper 2021 outlined some of the issues facing small rural Councils like ours, in providing water supply. Although Berrigan Shire agrees with many of the points raised in the paper, Council maintains that water supply is best operated and provided by local government. Water utility provision by Councils provides for local response to local needs and allows Council to respond appropriately and strategically to its growing population that only it knows and understands.

Council 3recognises the complexities of water utility provision, including providing water that meets health and other legislative requirements, meeting the needs of the community and sourcing appropriately qualified staff to maintain and operate these facilities. While upgrades have and are being undertaken in Finley and Barooga, the remaining infrastructure in Tocumwal and Berrigan is now more than 50 years old and although currently coping with community demands, there is a need to pursue upgrade options to meet the demands of the community into the future.

It is therefore, imperative that funding is made available to assist Council to improve and maintain infrastructure in the long term. Council considers efficient development of our water utility provision is essential to our communities.

Mitigation Strategies

Berrigan Shire Council is proposing the following strategies to address the concerns raised by the constitutional protection of only Sydney Water and Hunter Water.

1. The development of policies that ensure equitable treatment and support for both urban and rural/regional water utility providers, which consider the challenges faced by the local government sector across NSW.
2. The continued allocation of funding to support infrastructure investment and upgrades to rural/regional water utility providers, enhancing their capacity to deliver reliable and efficient water services.
3. Engagement with rural/regional communities to understand their specific water needs and challenges, incorporating their perspectives into water management and decision making processes.

4. Provision of training and capacity building programs to enhance the technical capabilities of rural/regional water utility staff, ensuring effective water system management, noting that currently there is no single qualification that recognises industry requirements in this area.
5. Encouragement of rural/regional partnerships and resource sharing initiatives between councils to optimise water service delivery and resource management.

Conclusion

The constitutional change to protect Sydney Water and Hunter Water from privatisation holds the potential to strengthen public ownership principles and secure water services for urban areas. Whilst this initiative is essential for the stability and reliability of water supply in populous urban areas, it fails to consider the implications on rural councils as water utility suppliers who are not afforded the same protection. By adopting an equitable approach, including extension of protections and implementing targeted mitigation strategies, the government can ensure sustainable and reliable water services across the whole of NSW.



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