

**Submission  
No 15**

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

**Organisation:** Coolamon Shire Council

**Date Received:** 28 October 2023

This submission supports the position that Water Infrastructure in rural and regional NSW must be retained under public control. Coolamon Shire Council contends that privatisation of Water Assets will only erode the quality of service to rural customers, but will have a serious impact on smaller communities and potentially result in cost blowouts which will make it financially unviable for private investors to extend the water and sewerage networks in our communities thereby devastating the potential for future growth.

To exemplify this argument, I use the Coolamon Shire Council as a case study. Coolamon Shire is a local government area in the Riverina region of south-western New South Wales., Australia. The Shire comprises 2,433 square kilometres with a population approaching 5000. The Shire includes the towns of Coolamon, Ganmain, and Ardlethan, and the villages of Matong, Marrar, and Beckom. The land predominantly includes Residential, Commercial, Industrial, Hobby and Mixed Farming use enterprises. The shire is bordered by four other shires: Narrandera to the west, Bland to the north, Temora to the north-east, Junee to the east, as well as the Local Government Area of Wagga Wagga to the south.

Coolamon Shire Council is a General Purpose Council which maintains its own sewer network. Water supply and infrastructure to the Shire is provided by Goldenfields Water County Council (GWCC). The Goldenfields Water County Council was proclaimed under the NSW Local Government Act on 24 April 1997, and, from 1 July 1997, became responsible for water supply functions within the local government areas of Bland, Coolamon, Harden (now part of Hilltops), Junee, Temora, Young (now part of Hilltops) and part of Cootamundra (now part of Cootamundra-Gundagai) and Narandera. These functions were previously carried out by Northern Riverina County Council (NRCC) Electricity and Water and the South West Tablelands Water Supply. The Original South West Tablelands Water Supply Scheme was constructed by the Public Works between 1929 and 1936.

The NSW Government announced mergers on 12 May 2016 resulting in Harden, Boorowa and Young being merged to form Hilltops Council, and Cootamundra and Gundagai to form Cootamundra-Gundagai Regional Council. As a result of this Goldenfields Water County Councils constituent councils now consist of seven local government areas - Bland, Coolamon, Cootamundra-Gundagai, Hilltops, Junee, Temora, and Narandera.

Localities at the southern end of the Coolamon Shire are supplied water from the Mt Arthur scheme and the supply is bore water. Localities to the north of the Shire are supplied by the Oura Scheme from the Murrumbidgee River. The water supply network across the Shire is extensive, but aging. GWCC has undertaken an extensive renewal program in recent years and have also completed major works particularly in the Coolamon township to upgrade an aging infrastructure which has allowed considerable growth in the town.

The County Council Model provides Coolamon Shire Council with a seat at the table via council's delegate to the Board of GWCC. Together with Delegates from the other LGA's in the GWCC footprint, the County Council has a similar structure as is the case with General Purpose Councils. Each elected delegate sits on the Board of GWCC and have a clearly defined fiduciary responsibility to GWCC. Because GWCC is a County Council, it employs locals who live and work in our communities. These employees are invested in our communities. GWCC has demonstrated its ability to deliver major water infrastructure in a timely and cost effective manner. Recent examples include the Mandamah Water Scheme and the Thanowing Road upgrade. Both of these project were undertaken by GWCC using their own staff and were delivered under budget with the construction team achieving a significant saving per kilometre of pipe laid. This is an achievement that must be acknowledged and clearly shows that County Councils can deliver major projects when funded properly.

At the 2020 Local Government Conference, I put forward a motion seeking the Local Government Association to advocate for equitable funding for County Councils in Regional NSW. Currently, Regional County Councils are excluded from applying for grant funding readily available to GP councils, particularly via the Federal Assistance Grant Scheme (FAGS). I would encourage the enquiry to look at the current FAGS funding model and form a view that the NSW Government should actively seek an increase in FAGS being returned to the State and then ensure that rural and regional NSW is given appropriate funding to allow GP Councils and Water County Councils to focus on essential infrastructure upgrades.

The management of sewer infrastructure in the Coolamon Shire is vested in Coolamon Shire Council. In the past 12 months, Coolamon Shire has delivered a \$4M project in the Ardlethan township and has undertaken major upgrades to sewer services in Coolamon. The ongoing management of this vital asset can be achieved by Council employed staff who are multi tasked and locally based. Funds raised via annual rate income is reserved by law for the purpose of management of the sewer system, ensuring the funds are readily available to council. As with water, should the provision of

sewer be privatised it is obvious to me that these 'community' funds would be absorbed into the corporate world and not used for the purpose they were intended. Regrettably, there are too many examples of this occurring in the past when public utilities were privatised and I believe it is essential that the NSW Government protect rural and regional water and sewer infrastructure and acknowledge these as vital community assets. We need only look at the problems of corporate under investment with electricity and transport (rail) following privatisation of these former State assets.

Coolamon Shire Council firmly believes that it is essential that rural and regional water and sewer assets remain the responsibility of General Purpose Councils and/or County Councils. We ask the enquiry to consider a position on appropriate and equitable funding to improve water and sewerage infrastructure in rural and regional NSW, recognizing that Councils ability to fund such infrastructure cannot be achieved from own source funding (rates) alone, simply because of the scale of distance. Metropolitan Water Authorities are able to derive significant rate income from 10km of pipe but when only 2 customers who are more than 10km apart are on the line, it cannot be expected they should be asked to make up the difference in income alone.

Simply put, protecting rural and regional water authorities and local councils who manage sewer assets is essential for growth in regional and rural NSW. These authorities employ local people, who live locally and are invested in their communities. The idea that privatisation is the panacea for all is simply wrong.

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Mayor

Coolamon Shire Council

Former Deputy Chair, Goldenfields Water County Council