

**Submission
No 22**

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

Organisation: Rous County Council

Date Received: 3 November 2023

Our Ref: PR:LE D23/24279

29 October 2023

The Chair

Joint Select Committee on Protecting Local Water Utilities from Privatisation

Parliament House

Macquarie Street

SYDNEY NSW 2000

BY EMAIL: waterutilities@parliament.nsw.gov.au

Dear Chair

Inquiry into Protecting Local Water Utilities from Privatisation – Submission by Rous County Council

Thank you for the opportunity to make a submission to the Committee in relation to its inquiry into protecting local water utilities (LWU) from privatisation.

Rous County Council ('Rous') is opposed to the privatisation of LWUs and supportive of their continued public ownership, particularly under the county council model.

The County Council Model

County councils are established by proclamation of the NSW Governor under the *Local Government Act 1993* (NSW) ('LG Act'). However, a county council differs from a local council (or 'general purpose' council) in several key areas:

- The area of operation of a county council often covers more than one Local Government Area ('LGA').
- County councils are specifically established to provide one or more functions of a local council. In the case of Rous those functions are bulk water supply, flood mitigation, and/or weed biosecurity services (under the *Biosecurity Act 2015* (NSW)).
- County councils do not act as a consent authority for development and do not undertake roads, rates, and rubbish functions typically exercised by general purpose councils.
- A county council's governing body is made up of elected representatives from its constituent councils (member councils).

Rous is the only multipurpose county council in NSW exercising all three (3) core functions identified above. Rous has four (4) constituent councils (Ballina Shire Council, Byron Shire Council, Lismore City Council, and Richmond Valley Council) who elect two (2) of their councillors to sit on the governing body of Rous. The community serviced by the water that Rous treats and produces is in excess of 100,000 people.

A county council factsheet and a short introduction to Rous video are provided for the Committee's further information at [Attachments 1 and 2](#).

Benefits, Challenges, and Opportunities of the County Council Model

As water catchment areas, and the effects of a changing climate, do not adhere to LGA boundaries, county councils are well positioned to achieve a consistent, regional approach to the management and supply of drinking water due to their authority to operate across multiple LGAs.

By way of example, the water Rous supplies comes from at least three (3) different water catchment areas across the Northern Rivers region of NSW. These water catchments traverse the LGAs of Ballina, Byron, Lismore, and Richmond Valley.

As a LWU, Rous is required to implement an Integrated Water Cycle Management (IWCM) Strategy that sets out its plan for securing and providing affordable, cost-effective, and sustainable water services that meet community needs and protect public health and the environment.

As a county council constituted under the LG Act, Rous is also subject to most of the same planning and regulatory requirements that are imposed on general purpose councils.

This means that LWUs currently operating under the county council model are overburdened by regulatory requirements designed for the more complex and diverse functions exercised by general purpose councils. In order to operate in this highly regulated environment a higher proportion of the revenue of a smaller organisation, such as Rous, must then be spent on meeting administration costs rather than capital or operational costs compared to that of a larger general-purpose council or statutory corporation.

Opportunities exist to maximise the effectiveness of the county council model for the benefit of the community. These include through legislative change by reducing red tape to ensure a tailored and appropriate level of governance and regulation to better reflect the narrow county council remit, considering a holistic catchment-to-tap approach (e.g., responsibility for drinking water and wastewater), and reducing the touchpoints within the regional drinking water supply network (e.g. Rous and its four (4) constituent councils each have a separate Drinking Water Management System).

As an industry stakeholder, we appreciate the opportunity to provide this initial feedback and would value the opportunity to participate further in the process. In the meantime, should the Committee require any further information from us, please do not hesitate to contact the writer by telephone on [REDACTED] or by email at [REDACTED].

Yours faithfully

[REDACTED]

Phillip Rudd
General Manager

Enclosures:

1. Factsheet: *County Councils in NSW – Size and Scale*
2. YouTube video: *Introduction to Rous County Council* - <https://youtu.be/PgtzBIEnnY0>



Size and scale

County Councils in NSW

Providing vital services to more than **238,000** people across 18 Local Government Areas

What is a county council?

Local councils take care of 'roads, rates and rubbish' and everything else in between.

In regional NSW, county councils undertake one or more critical services on behalf of a group of local councils.

In doing so, a county council provides an efficient outcome for the community and is more cost effective.

For example, a dam may supply the drinking water for six local government areas. Rather than each local council individually sourcing, treating and supplying water from the dam, they can establish a county council to manage the entire region's drinking water supply.

Other examples include managing floods or weed biosecurity, where a whole-of-region strategic approach to an issue is needed.

How many county councils are there in NSW?

There are nine county councils in NSW. The four major county councils are:

- Central Tablelands County Council
- Goldenfields Water County Council
- Riverina Water County Council
- Rous County Council

These four large county councils serve more than 238,000 people on behalf of 18 local councils and invest more than \$50M each year to deliver essential infrastructure and services for the many rural and regional communities they are entrusted to serve.

How are county councils governed?

A county council is a separate organisation to local councils in its service area. These 'constituent councils' nominate Councillors from each local government area to make up the County Council's Board.

Their role is to represent their communities and make decisions that are in the best interest of the area the county council serves.

Each county council is also required to employ a General Manager and operates under the Local Government Act like a local council.



www.ctw.nsw.gov.au



www.gwcc.nsw.gov.au



www.rwcc.nsw.gov.au



www.rous.nsw.gov.au

Size and scale

County Councils in NSW

Goldenfields Water County Council



With an extensive footprint of 22,500km², Goldenfields Water oversees the longest local water utility network of water mains (24,000km) in NSW. Infrastructure to support this area includes five water treatment systems, 39 pumping stations, and 114 reservoirs.

NSW Region:	South West Slopes and Riverina
Year Formed:	1997
Functions:	Water supply
Local Government Areas:	Bland, Coolamon, Junee, Temora, Cootamundra Gundagai, Narrandera & Hilltops
Population & Service Area:	Services more than 46,000 people over 22,500km ² between the Lachlan and Murrumbidgee rivers
Key Organisation Stats:	<ul style="list-style-type: none"> • Over 70 staff • Total Assets \$339.5M • Capital Expenditure \$14M (2021/22) • Total Income \$22.6M (2021/22) • Total Expenditure \$23M (2021/22)

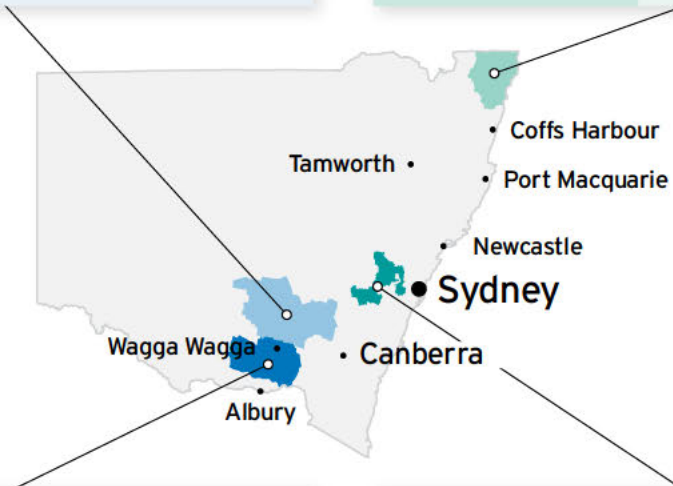
Rous County Council



With a proud history dating 100 years, Rous County Council is the only multi-purpose county council in NSW. Over the next decade, it will invest a record \$140M in new infrastructure and service improvements.

NSW Region:	Northern Rivers
Year Formed:	Amalgamated in 2016
Functions:	Bulk water supply, weed biosecurity & flood mitigation
Local Government Areas:	Ballina, Byron, Lismore & Richmond Valley, weed biosecurity only Kyogle and Tweed
Population & Service Area:	Services approx. 100,000 people across 3,000km with bulk water
Key Organisation Stats:	<ul style="list-style-type: none"> • Over 100 staff • Total Assets \$555.6M • Capital Expenditure \$17.2M (2021/22) • Total Income \$34.5M (2021/22) • Total Expenditure \$32.3M (2021/22)

NSW context



Riverina Water County Council



With its headquarters in the regional capital of Wagga Wagga - a NSW Government Special Activation Precinct - Riverina Water is planning for a population boom in the coming years.

NSW Region:	Southern Riverina
Year Formed:	1997
Functions:	Water supply
Local Government Areas:	Wagga Wagga, Lockhart, Federation & Greater Hume
Population & Service Area:	Services over 77,000 people across more than 15,000km ²
Key Organisation Stats:	<ul style="list-style-type: none"> • Over 115 staff • Total Assets \$387.54M • Capital Expenditure \$10.4M (2021/22) • Total Income \$31.05M (2021/22) • Total Expenditure \$24.4M (2021/22)

Central Tablelands County Council



For over 78 years Central Tablelands Water has been providing quality drinking water to its consumers across the Central West of NSW.

NSW Region:	Central Tablelands
Year Formed:	1944
Functions:	Water supply
Local Government Areas:	Blayney, Cabonne & Weddin
Population & Service Area:	Services approximately 15,000 people over 8,000km ²
Key Organisation Stats:	<ul style="list-style-type: none"> • Over 23 staff • Total Assets \$105.6M • Capital Expenditure \$1.99M (2021/22) • Total Income \$7.8M (2021/22) • Total Expenditure \$6.7M (2021/22)