

**Submission
No 25**

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

Organisation: Country Mayors Association of NSW

Date Received: 1 November 2023



THE COUNTRY MAYORS ASSOCIATION OF NSW INC

"What we want is nothing more than equity"

Country Mayors Association of NSW

Submission – Inquiry into protecting local water utilities from privatisation

30 October 2023

The Select Committee,

Sincere thank you for the opportunity to provide a submission on behalf of the Council members of the Country Mayors Association of NSW (CMA).

The CMA is a LG based organisation with 84 members covering the vast majority of Rural and Regional areas of NSW. We collectively account for over 90% of the state of NSW and Water is almost unanimously our major priority. We are the area most subject to the vagaries of both weather and availability of Critical Human needs water. It is the source of many of the serious events that are common in these regional parts of the state. During the drought of 2017-2019 we had 50 communities literally on the verge of running out of drinking water. Cobar Shire was in the process of organising train deliveries to sustain their community. The Macquarie River stopped running at Warren, an unheard of situation.

In many instances the distances are vast and summer can be inhospitable and the availability of good clean drinking water is critical and to have the ability to be responsible for the maintenance of these utilities taken from us, most worrying. Our staff are locals who share the same concerns for our Water Utilities as does all community members and relying on outsiders is an untenable situation. The notion of having to wait whilst specialist operators are brought to some of our more remote locations would cause considerable concern in all regional communities.

The CMA is very much in favour of maintaining the status quo and having water utilities stay in the ownership of our local Councils. We are very much against the privatisation of the utilities and have seen the impact on Energy privatisation whereby the cost has risen exponentially. Regional areas deserve the same level of protection from privatisation as does the Sydney and Hunter Water Boards.

The Regional utilities utilise private resources within our communities and have built up relationships with private contractors over decades with a trust that is deserving of being maintained. The contractors and our staff work together harmoniously and collaborative knowing their families rely on keeping this infrastructure in as good a condition as is affordable. To have outside maintenance will no doubt add significantly to the cost of water and lead to far inferior outcomes for all water users.

The issue for all Local Governments is not an overwhelming desire to have our utilities privatised but indeed quite the opposite. The autonomy that comes with ownership is too important to squander. The real priority is for more funding to bring our water utilities up to modern standards that require less maintenance. Training further staff should be a major priority and the Alliance of Western Councils is proposing a training facility be government funded at Trangie to service all shires in Regional NSW. The lack of availability to attract staff is directly due to the poor salaries and career opportunities currently facing water operators. The skills needed by these staff deserve at least trade status or a technicians level remuneration. Climate change and the recent droughts add to the argument that utilities remain in LG ownership.

Relaxing some of the over bureaucratic approach to water utilities would also go a long way towards resolving many of the issues faced by local Councils. A level of considered and sensible autonomy would add to the ability of regional operators to maintain their water assets in the most cost effective manner and ensure timely outcomes. In the case of installing new and significant assets such as filtration plants the time for the process can stretch to 6-8 years. At this point the cost can have doubled and how any justification can be given for this timeframe is a mystery to all but the bureaucracy.

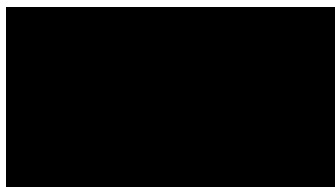
Safe and Secure water program needs a major and immediate injection of significant funding. The Current rate of funding is approximately \$124mil per annum which exactly mirrors the situation 20 years ago. Indexed for inflation would suggest the minimum level of Government investment be in excess of \$250 million per annum. If government is able to provide a structured roll out of water infrastructure funding, local government is in a position to prepare and implement the funding. The current arrangement of 'ad hoc' grant funding makes it difficult for local government to project plan for infrastructure upgrades with any certainty and be in a position to provide resources to deliver the project as required and as agreed. That should be a very obvious situation to any service provider.

My own area which includes much of the Western areas of the state is possibly in more dire need of support given the low population, vast distances and lower socioeconomic circumstances that exist within. The ability of smaller councils to maintain excessively costly infrastructure is creating an unserviceable cost burden in many instances and exacerbating the unsustainability of many of the smaller population councils. Their total lack of any economies of scale makes the task harder at ever circumstance and the focus needs to shift to providing Critical Human needs water effectively, efficiently and within an affordable cost structure. Almost half the state is deemed to be remote in terms of distance to major Regional center's.

More consultation with the CMA would provide greater depth of detail for decision makers and lead to better outcomes for all rural and regional communities. Having private operators would be to the detriment of all water users across the regional and rural areas of NSW. Allow Local Government the opportunity to maintain both ownership and maintenance responsibilities of this vital infrastructure.

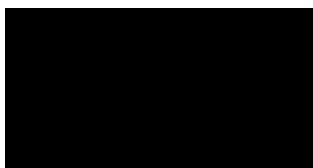
We appreciate being given this opportunity to provide this submission.

Submitted by



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Compiled by



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