



Council Ref: KA:KW:ecm

NSW Productivity Commissioner
Peter Achterstraat AM
28 March 2024

Dear Sir

RE: Review into Alternative Funding Model for NSW Local Water Utilities

Council is pleased to make the following brief submission in response to the three summary points of the paper as follows:

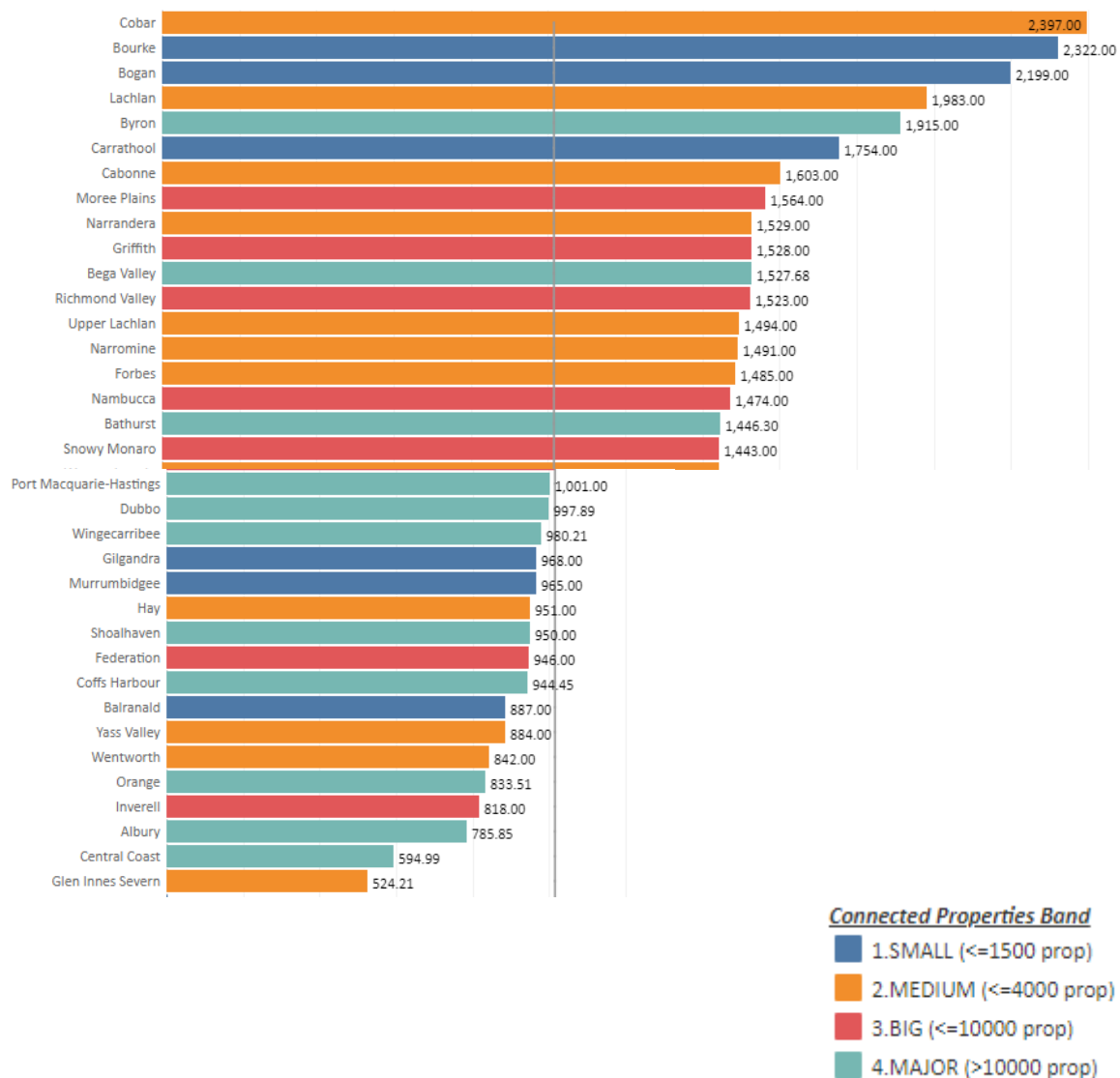
1.1 "Small communities face higher bills and make up more of the higher risk systems"

Comment:

Operating cost per property for water and sewer is just \$524 in Glen Innes compared to its larger neighbour Armidale at \$1059 despite having similar climate.

Factors such as distance from source supply, local topography for pumped vs gravity systems, local climate, distance to regional centres etc all have an impact.

Given the four-fold range in cost per property across the state and the relative spread of community size within the data the statement is not supported by data.



Source <https://water.dpie.nsw.gov.au/our-work/local-water-utilities/local-water-utility-performance>

1.2 “Minimum service levels are needed to inform funding models”

Comment:

The summary statement states that there are no mandatory minimum service levels. This tends to ignore those very important minimum standards set by the requirements of the NSW Public Health Act and associated Public Health Regulation 2022 as detailed in the latter sections of the report.

Other requirements are set by mechanisms such as environmental protection licences etc. The remaining flexibility is subject to the Integrated Planning and Reporting framework and able to be established according to the local community need.

1.3 “Alternative funding models need to address lack of economies of scale and improve water resilience”

Comment:

Alternate funding models may need to address economies of scale, but as noted above this is just one factor among many impacting the relative cost of water business operations, and perhaps one of the least important if targeted and expert external assistance is readily available either on a contract basis or from other levels of government.

Where communities are not able to self-fund a sustainable business model, additional funding should be targeted to maximise the internal efficiency of the operation on a case by case basis.

This would be aided by the provision of additional services following external expert technical assessment of operating conditions.

Glen Innes has recently received such assistance through the Advanced Operational Support Program and this has been a very effective program.

Please do not hesitate to contact me directly to discuss the above.

Yours Sincerely



Keith Appleby
DIRECTOR OF INFRASTRUCTURE SERVICES

Glen Innes Severn Council acknowledges and pays respect to the Ngarabul people as the traditional custodians of this land, their elders past, present and emerging and to Torres Strait Islander people and all First Nations people.