Alternative Funding Models for Local Water Utilities

Berrigan Shire Council Submission

BERRIGAN SHIRE

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Challenges from Current Funding Models

1. What are the key factors that affect local water utilities' ability to recover costs through user charges?

The ability of local water utilities to recover costs through user charges is influenced by several key factors, each playing a critical role in shaping the financial sustainability and operational efficiency of these utilities. From economic conditions to regulatory frameworks, and from infrastructure investments to consumer behaviour, a multitude of elements interplay to determine the feasibility and effectiveness of cost recovery mechanisms. In this response, Berrigan Shire Council will delve into the primary factors affecting local water utilities' ability to recover costs through user charges.

First and foremost, the economic conditions of regions served by a water utility significantly impact is ability to recover costs. Factors such as income levels, unemployment rates and overall economic stability affect consumers' willingness and ability to pay for water services. In areas with lower income levels or economic instability, utilities may face challenges in collecting sufficient revenue through user charges, potentially leading to financial strain and inadequate maintenance of water infrastructure.

The above factors are especially pertinent to Berrigan Shire Council where a large proportion of the Shire are recorded as having low income levels. Economic instability is also a factor where federal and state government policies such as the current water buy backs process, undermine the economic certainty of the region.

Moreover, the regulatory environment plays a crucial role in shaping the cost recovery mechanisms available to water utilities. Regulations related to pricing, billing practices and allowable profit margins dictate the extent to which utilities can adjust user charges to cover their costs. Stringent regulatory frameworks limit the flexibility of utilities in setting prices, making it more difficult to recover the full cost of service provision through user charges alone.

Infrastructure investment and maintenance requirements also influence cost recovery for water utilities. Aging infrastructure, increasing population demands and evolving environmental standards often necessitate significant investments in upgrading and expanding water systems. These capital expenditures can put pressure on utilities to raise user charges to cover the associated costs adequately. However, balancing the need for infrastructure investment with affordability concerns for consumers poses a challenge for cost recovery efforts.

Additionally, the efficiency and effectiveness of water utility operations play a crucial role in determining the extent to which costs can be recovered through user charges. Utilities that implement sound management practice, optimise resource allocation and minimise losses due to leakage or non-revenue water are better positioned to keep costs down and maintain affordable user charges. Conversely, inefficiencies in operations can lead to higher costs and consequently, higher user charges to cover those costs.

For Berrigan Shire, as with most rural and remote Councils, we struggle to attract people to water and sewer operation as the positions are not seen as professional, therefore lower pay is provided to the people who keep our drinking water safe. Further, aging infrastructure leaks and those leakages are costly to fix and manage.

Consumer behaviour and attitudes towards water usage and pricing also impact cost recovery for water utilities. Conversation efforts, such as water-saving initiatives or behavioural changes to reduce consumption, can affect the volume of water sold by utilities and consequently, their revenue from user charges. Moreover, public perceptions of the value of water services and willingness to pay for improvements or expansions can influence the feasibility of implementing cost recovery measures.

The ability of local water utilities to recover costs through user charges in influence by a complex interplay of factors encompassing economic conditions, regulatory frameworks, infrastructure needs, operational efficiency and consumer behaviour. Achieving sustainable cost recovery requires utilities to navigate these challenges effectively, striking a balance between financial viability, affordability for consumers and the provision of high-quality water services. Effective management practices, proactive investment strategies and stakeholder engagement are essential components of a robust cost recovery strategy for water utilities.

2. What might be reasons for some local water utilities with similar size and remoteness to perform differently in terms of level and cost recovery?

In the Australian context, where local water utilities serve diverse communities across vast geographic areas, several factors can contribute to variations in the performance of utilities with similar size and remoteness in terms of level and cost of recovery. Despite sharing common characteristics, such as size and remoteness, each utility operates within a unique set of circumstances shaped by local demographics, environmental conditions, regulatory frameworks and management practices. This response explores some of the reasons behind the different performance of local water utilities in rural and remote areas.

One significant factor influencing the performance of local water utilities is the demographic composition of the communities they serve. Even utilities serving similar sized populations in remote areas may experience differences in consumer income levels, household water usage

patterns and willingness to pay for water services. Communities with higher incomes and greater water demand may find it easier to cover costs through user charges compared to those with lower income levels or reduced demand due to demographic trends or economic activities.

Moreover, the geographic and environmental conditions in which water utilities operate can significantly impact their cost structure and revenue generation potential. Utilities situated in regions with abundant water resources may incur lower operational costs for water sourcing and treatment compared to those operating in water-stressed areas, where investments in alternative water sources or conservation measures may be necessary. Additionally, utilities facing environmental challenges such as droughts, floods or water quality issues may experience fluctuations in costs and revenues, affecting their ability to achieve cost recovery targets consistently.

Regulatory frameworks also play a crucial role in shaping the performance of local water utilities. While similar sized utilities may operate under the same overarching regulations, policies, pricing regulations and governance structures create disparities in operational flexibility and ability to recover costs.

Furthermore, differenced in management practices, organisational capacity and strategic planning can contribute to variations in the performance of water utilities. Utilities with effective governance structures, transparent financial management and long term investment planning are better equipped to adapt to changing circumstances, optimise resource allocation and implement cost-effective measures to improve operational efficiency and cost recovery. Conversely, as is the experience of rural and remote Councils, utilities facing governance challenges, staffing constraints and inadequate strategic planning may struggle to maintain financial sustainability to achieve desired levels of cost recovery.

The performance of local water utilities in terms of level and cost recovery can therefore, vary significantly, even among utilities with similar size and remoteness. A multitude of factors, including demographic characteristics, geographic and environmental conditions, regulator frameworks, management practices and infrastructure considerations, shape the operating environment and financial sustainability of water utilities. By understanding these factors and adopting tailored strategies to address local challenges, utilities can enhance their performance and achieve more effective cost recovery outcomes.

3. What are key challenges with obtaining funding for water and sewerage infrastructure upgrades and investment?

In regional and remote NSW, obtaining funding for water and sewerage upgrades and maintenance investment presents several key challenges. These challenges stem from a

combination of financial constraints, competing priorities, regulatory requirements and evolving environmental and social considerations.

One of the foremost challenges is the substantial funding required to address aging infrastructure and meet growth demands and areas such as Berrigan Shire. Many of NSW;s water and sewerage systems were built decades ago and are now reach or exceeding their design life. Upgrading or replacing infrastructure to maintain service reliability, improve efficiency and comply with modern standards necessitates significant investment. However, securing funding for large-scale infrastructure projects, where they are not shiny new things, poses a challenge, particularly when budgets are constrained and competing priorities exist across various sectors.

Moreover, the decentralised nature of water and sewerage provision in NSW complicates funding arrangements. Responsibility for water and sewerage services is provided primarily by local governments who are forced to compete for any funding available in order to upgrade or replace these facilities and infrastructure. However, differing priorities, budget constraints and the lack of staff able to apply for these grants, hinder effective co-ordination and result in fragmented approaches to funding allocation.

Another challenge relates to the uncertainty and volatility of funding sources for water and sewerage infrastructure projects. Historically government grants and subsidies have been the primary source of funding for infrastructure upgrades and investment in NSW. However, the availability and allocation of these funds are subject to political decisions and changing policy priorities. Fluctuations in funding levels and eligibility criteria can create uncertainty for utilities and authorities planning long term infrastructure projects, making it difficult to secure funding commitments and effectively plan for future needs.

Furthermore, regulatory requirements and compliance obligations add complexity to funding arrangements. Utilities in NSW must adhere to strict regulatory standards set by bodies such as the Independent Pricing and Regulatory Tribunal (IPART) and the NSW Environmental Protection Authority (EPA). Meeting these standards often requires significant investments in infrastructure upgrades, treatment technology and environmental mitigation measures. However, funding these investments while maintaining affordable user charges and complying with regulatory constraints presents a formidable challenge for utilities.

In addition to financial and regulatory challenges, environmental and social considerations play an increasingly prominent role in funding decisions for water and sewerage infrastructure projects in NSW. Climate change, population growth and urbanisation are putting pressure on water resources and infrastructure resilience. Funding priorities are shifting towards projects that enhance water security, promote water conservation and mitigate the impacts of climate change. However, integrating these considerations into

funding frameworks requires careful planning, stakeholder engagement and innovative approaches to project design and implementation.

Obtaining funding for water and sewerage infrastructure upgrades and investment therefore presents several key challenges, including financial constraints, decentralised governance mechanisms, funding volatility, regulator requirements and evolving environmental and social considerations. Addressing these challenges requires co-ordinated efforts among government agencies, stakeholders and the community to develop sustainable funding mechanisms, prioritise investment needs and ensure long term resilience and reliability of water and sewerage systems in NSW.

Funding Model Principles

4. What factors should be taken into account in calculating government subsidies for local water utilities?

Calculating government subsidies for local water utilities in the context of regional and remote NSW requires careful consideration of many factors to ensure effective allocation of public funds, equitable distribution of resources and sustainable provision of essential services. Given the decentralised nature of water utility provision by local governments in NSW, it is essential to tailor subsidy calculations to account for the unique characteristics, challenges and priorities of individual utilities and the communities they serve. Moving away from competitive grants to subsidies will ensure the issues of equitable access to safe and secure drinking water is addressed more effectively across NSW.

Infrastructure Needs: The condition and capacity of water and sewerage infrastructure are fundamental determinants of subsidy requirements. Utilities facing significant infrastructure deficits or aging assets may require higher subsidies to fund essential upgrades, repairs and expansions necessary to maintain service reliability, comply with regulatory standard and meet growing demand.

Service Affordability: Ensuring access to affordable water and sewerage service is critical consideration in subsidy calculations. Low-income households and vulnerable communities may struggle to afford utility bills, leading to affordability challenges and social inequities. Subsidies can help mitigate affordability issues by reducing the financial burden on consumers whilst ensuring utilities can cover their costs and maintain service quality.

Regulatory Compliance: Compliance with regulatory standards and environmental requirements is paramount for water utility providers in NSW. Subsidies may be required to support investments in infrastructure upgrades, treatment technologies and environmental

mitigation measures necessary to meet regulatory obligations and project public health and the environment.

Climate Resilience: Building climate resilience and adapting to the impacts of climate change are increasingly important considerations for water utility providers in NSW. Subsidies may be required to support investments in infrastructure upgrades, drought resilience measures, water recycling and other initiatives aimed at enhancing water security, mitigating water scarcity and reducing vulnerability to extreme weather events, particularly in light of the 450GL buy backs currently in process.

Innovation and Efficiency: Encouraging innovation and promoting efficiency in water utility operations should be reflected in subsidy calculations. Investments in advanced technologies, smart infrastructure and best management practices can improve operational efficiency, reduce costs and enhance service delivery. Subsidies can incentivise utility providers to adopt innovative solutions and implement efficiency measures to benefit both ratepayers and the environment.

Stakeholder Engagement: Engaging stakeholders, including local communities, consumer advocates, industry associations and government agencies, is essential in subsidy calculations. Consultation and collaboration help identify priorities, assess needs and ensure subsidies are targeted towards addressing the most pressing challenges and delivering optimal outcomes for all stakeholders.

Calculating government subsidies for local water utility provision requires an holistic approach that considers infrastructure needs, service affordability, regulatory compliance, regional disparities, climate resilience, innovation, efficiency and stakeholder engagement. By accounting for these factors and tailoring subsidy arrangements to the specific circumstances of each utility provider and community, policy makers can effectively allocate resources, support sustainable water utility provision and ensure the continued deliver of safe, reliable and affordable water and sewerage services across NSW>

5. What might be the typical costs for delivering water and sewerage services for a well-run local water utility?

In rural and remote areas of NSW local governments are water utility providers. The costs associated with delivering water and sewerage service varies significantly due to unique geographic, demographic and infrastructure factors. Whilst there is no one size fits all answer to the typical costs of delivering these services, several key components contribute to the overall expenditure of a well-run local water utility in rural and remote NSW.

Infrastructure Maintenance and Operations: A substantial portion of costs for delivering water and sewerage services in rural and remote areas goes towards the maintenance and

operation of infrastructure. This includes the upkeep of water treatment plants, pumping stations, reservoirs, pipelines and sewer networks. Regular maintenance activities such as repairs, inspections, relining and cleaning are essential to ensure the reliability and efficiency of the system, particularly in areas where infrastructure may be aging or subject to harsh environmental conditions.

Water Sourcing and Treatment: Rural and remote water utilities often face challenges in sourcing and treating water due to limited availability of freshwater sources and the need to comply with stringent quality standards. Costs associated with water sourcing, treatment chemicals, filtration, disinfection and compliance monitoring can be significant, especially in areas where water scarcity or contamination issues exist. Investments in advanced treatment technologies and infrastructure upgrades may therefore be necessary to meet regulatory requirements and ensure the provision of safe drinking water to residents.

Energy Costs: Energy expenses constitute a significant portion of the operating costs for water utilities, particularly in rural and remote areas where long distance pumping and remote operation of facilities are common. Electricity of fuel costs associated with powering pumps, treatment process and distribution networks can contribute significantly to the overall costs of delivering water and sewerage services. Implementing energy-efficient practices, such as optimising pump operations or utilising renewable energy sources, can help mitigate these costs over time.

Labor and Personnel: The cost of labour and personnel is another major component of the operating budget for rural and remote water utility providers. This includes salaries for staff involved in operations, maintenance, customer service and administration. In areas with small populations or limited access to skilled labour recruiting and retaining qualified personnel may pose challenges, potentially leading to higher labour costs or reliance on external contractors for specialised services.

Compliance and Regulatory Costs: Rural and remote water utility providers must adhere to regulatory standards and environmental regulations set by authorities such as the EPA and Department of Climate Change, Energy, the Environment and Water (DECCEW). Compliance related costs, including monitoring, testing, reporting, permit and licence fees can add to the operational expenses of utilities. Investments in infrastructure upgrades or environmental management initiatives may be required to meet regulatory requirements and ensure environmental sustainability.

Community Engagement and Customer Service: Providing effective customer service and engaging with community are essential to running a well operated water utility. Local government are best placed to engage directly with their communities. Costs associated with customer billing, meter readings, inquiries, complaints handling and community outreach

programs however, contribute to the overall expenditure. Building positive relationships with customers, addressing their concerns and promoting water conservations practices are therefore integral to the long term success and sustainability of rural and remote water utilities.

Delivering water and sewerage services in rural and remote areas of NSW is therefore best placed with local government providers as they work most closely with community. Various costs associated with infrastructure maintenance and operations, water sourcing and treatment, energy consumption, labour, regulatory compliance and community engagement however, do need to be factored into the cost of water utility service provision. Whist the specific costs may vary depending on local conditions and priorities, a well run local water utility provider in rural and remote NSW always aims to allocate its resources effectively to ensure the reliable, safe and sustainable provision of essential services to residents and communities.

6. What indicators could be linked to funding to drive ongoing performance improvements and deliver value for money for customers?

Linking funding to specific performance indicators may be a strategic approach to driving ongoing improvements and delivering value for money to customers. By incentivising utility providers to meet key performance targets and outcomes, funding arrangements can promote accountability, transparency and efficiency in the delivery of water and sewerage services.

Water Quality and Compliance: Ensuring the provision of safe and reliable drinking water is paramount for rural and remote water utility providers. Funding could be linked to indicators related to water quality compliance, such as meeting regulatory standards for contaminants, disinfection by products and microbial pathogens. Utilities that consistently achieve high levels of water quality and compliance with health based guidelines should be rewarded with additional funding to incentivise ongoing investment in treatment of infrastructure and monitoring programs.

Care would need to be taken however to understand the starting point of those councils. Some currently do not have access to easily accessible water, making provision of safe and reliable drinking water very difficult. In those circumstances it should not be that these incentives further issues being faced by those communities. Improvements from the current base should also be considered where the starting point is below generally accepted standards to ensure an equity lens is included in allocation decisions.

Service Reliability and Continuity: Reliable access to water and sewerage services is essential for residents and businesses in rural and remote areas. Funding could be tied to indicators measuring service reliability, such as frequency and duration of water supply interruptions,

sewer blockages, or treatment plant failures. Utilities that demonstrate high levels of service continuity and minimise disruptions through proactive maintenance, infrastructure upgrades and contingency planning should be eligible for increased funding to support ongoing improvement efforts. Again the equity lens would need to be applied as suggested above.

Financial Sustainability and Affordability: Maintaining financial sustainability while keeping water and sewerage services affordable for customers is a key priority for rural and remote utilities. Funding could be tied to indicators measuring financial performance, such as a revenue sufficiency, operating efficiency and affordability metrics. Utilities that demonstrate prudent financial management, work towards cost effective operations and proactive measures to mitigate affordability challenges for customers, should be rewarded with funding support to sustainably deliver essential services.

Customer Satisfaction and Engagement: Engaging with customers and responding their needs and preferences is essential for building trust and satisfaction with water utility services. Funding could be linked to indicators measuring customer satisfaction, such as feedback surveys, complaint resolution times and participation in community engagement programs. Utilities that actively engage with customers, address their concerns and implement measures to enhance service quality and responsiveness should be eligible for funding incentives to support ongoing customer-focused initiatives.

Environmental, Sustainability and Conservation: Promoting environmental sustainability and water conservation is increasingly important in rural and remote areas facing challenges such as climate change, lack of water security and water scarcity. Funding could be tied to indicators related to environmental performance, such as water conservation targets, wastewater reuse initiatives and ecological impact assessments. Councils who prioritise environmental stewardship, implement innovative conservations measures and demonstrate commitment to reducing their ecological footprint should receive funding support to advance these goals.

Linking funding to performance indicates can be an effective strategy for driving ongoing improvements and delivering value for money for water utility customers. It must however, be considered that some communities are starting from a place of extreme disadvantage in this area and those measures should not increase that disadvantage. The importance of including equitable access to safe and secure drinking water should be the lens through which any performance funding is provided. Collaborative efforts between government agencies, stakeholders and the community are essential to design and implement funding frameworks that align with local priorities, promote continuous improvement and ensure the long term resilience and sustainability of water utility provision in rural and remote NSW communities.

Minimum Service Levels

7. Should the minimum service levels be applied universally to all towns within the area serviced by a local water utility, irrespective of size, remoteness or cost?

The question on whether minimum service levels should be universally applied to all towns within the service area warrants careful consideration. Whilst standardising service levels across all towns may seem equitable in principle, it is essential to recognise the unique characteristics, challenges and priorities of different communities, particularly those in rural and remote areas. If the metric is access to safe and secure drinking water, then there are many areas that will require significant work to get them to that baseline as a starting point.

Applying minimum service levels universally may overlook specific circumstances and requirements of individual communities. Rural and remote towns vary in size, population density, geographic location, economic activity and infrastructure capacity. All can influence water usage patterns, service demands and affordability. Imposing uniform service standards without considering these factors could result in inequitable outcomes, with some towns receiving services that exceed their needs while others fall short of essential requirements

Moreover, the cost implications of implementing minimum service levels uniformly across diverse communities must be carefully evaluated. Rural and remote areas often face higher costs associated with water sourcing, treatment, distribution and infrastructure maintenance due to factors including distance, terrain and limited economies of scale. Mandating uniform service levels without accounting for the cost differences could place undue financial burden on smaller or economically disadvantaged local government areas, potentially leading to affordability challenges or inadequate investment in essential infrastructure.

Instead of imposing a one size fits all minimum service level, a more tailored approach that considers the unique characteristics and circumstances of each local government area is preferrable. This approach involves engaging with stakeholders, conducting needs assessments and developing customised service standards that reflect the specific requirements and priorities of individual communities. By involving communities, councils and other relevant stakeholders in the decision making process, a collaborative and participatory approach to setting service levels can ensure the diverse needs and preferences of rural and remote communities are adequately addressed.

Furthermore, flexibility in service level requirements allows water utility providers to prioritise investments and allocate resources based on the most pressing needs and priorities of each community. For example, communities experiencing rapid population growth or

facing water quality challenges may require higher service levels to meet increased demand or address environmental concerns. Conversely smaller communities with stable or declining populations and limited resources may prioritise affordability and basic provision of basic service over upgrades or increased service levels.

Adopting a performance based approach to service delivery, where utilities are evaluated on outcomes such as water quality, reliability, customer satisfaction and environmental sustainability can incentivise continuous improvement and accountability while allowing for flexibility in meeting diverse community needs. By focusing on desired outcomes rather than prescriptive standards, local councils can adapt their service deliver strategies to the evolving needs and priorities of rural and remote towns, ensuring that resources are effectively allocated to achieve optimal outcomes for all stakeholders.

Therefore, whilst the concept of applying minimum service levels universally may appear equitable, it fails to account for the diverse needs, circumstances and priorities of rural and remote communities. Instead, more nuanced and tailored approaches are required over prescriptive standards to ensure councils are able to meet the unique needs of their communities whilst delivering value for money and maintaining long term sustainability.

8. What metrics should be considered in minimum service levels?

As above, Berrigan Shire Council does not believe minimum service levels should be applied to the provision of water utility services in rural and remote areas.

9. What is the existing evidence on current basic service levels, customers' needs for minimum service levels and willingness to pay in regional and remote communities?

Understanding the existing evidence on current basic service levels, customers' needs for minimum service levels, and willingness to pay is crucial for informing decision-making and ensuring the effective provision of water services by local governments as water utility providers. While comprehensive studies specific to rural and remote communities in NSW may be limited, existing research and data provide valuable insights into these aspects, allowing policymakers and water utilities to better address the unique needs and priorities of these communities.

Current Basic Service Levels: Variations among communities in basic service levels depending on factors such as geographic location, population size, infrastructure condition, and funding availability. While some communities may have access to reliable water supply, adequate sanitation facilities, and responsive customer service, others may experience challenges such as intermittent water supply, limited wastewater treatment capacity, and infrastructure deficiencies. Existing evidence suggests basic service levels in rural and remote communities

can be influenced by factors such as historical investment patterns, regulatory requirements, community engagement, and resource constraints faced by local water utilities.

Customers' Needs for Minium Service Levels: Needs and preferences for minimum service levels in rural and remote NSW communities are highlighted by several key considerations. These include reliable access to clean and safe drinking water, effective wastewater management, affordability of water services, responsiveness of customer support, and environmental sustainability. In rural and remote communities there may be a strong desire for improved service reliability, water quality, and affordability, particularly in areas facing water scarcity, environmental degradation, or economic hardship. Customers in rural and remote communities tend to prioritise basic service levels that meet their essential needs while promoting health, well-being, and community resilience.

Willingness to Pay: Assessing customers' willingness to pay for water services in rural and remote communities is essential for determining the affordability of service upgrades and identifying funding mechanisms to support infrastructure investments. Whilst customers generally value access to reliable and safe water services, their ability to pay may be constrained by factors such as income levels, household budgets, and competing financial priorities. Affordability concerns are particularly pronounced in low-income households, agricultural communities, and remote Indigenous populations, where access to essential services may be limited, and economic resources may be scarce.

While it is important to consider basic service level requirements in rural and remote communities, future studies should aim to address customer preferences, and affordability constraints, taking into account the diverse needs and priorities of different communities. By leveraging evidence-based approaches to inform policy decisions, investment strategies, and service delivery initiatives, local governments can effectively meet the evolving needs of rural and remote communities while promoting sustainable development, social equity, and environmental stewardship.

10. What are the barriers to setting measurable service levels?

Setting measurable service levels is essential for ensuring accountability, transparency, and quality in the provision of water services. However, several barriers may hinder the effective establishment of measurable service levels in these contexts. Understanding and addressing these barriers is crucial for overcoming challenges and promoting sustainable service delivery.

One significant barrier is the limited availability of reliable data and information on water infrastructure, service performance, customer needs, and community priorities in rural and remote areas. Local governments and water utilities may lack comprehensive datasets, monitoring systems, or technological capabilities to collect, analyse, and report relevant information effectively. Without access to accurate and up-to-date data, setting measurable

service levels becomes challenging, hindering informed decision-making and performance monitoring efforts.

The complexity of delivering water services in rural and remote areas poses another barrier to setting measurable service levels. These communities often face unique challenges such as dispersed populations, harsh environmental conditions, limited resources, and aging infrastructure. Establishing standardised service levels that account for these complexities while balancing affordability, accessibility, and quality can be difficult. Tailoring service level indicators to reflect the specific needs and circumstances of each community is essential but requires careful planning, stakeholder engagement, and resources.

Limited financial, human, and technical resources pose significant barriers to setting measurable service levels in rural and remote NSW communities. Local governments as water utilities operating in these areas face budgetary constraints, staffing shortages, and capacity limitations that impede their ability to develop, implement, and monitor performance indicators effectively. Investing in data collection systems, staff training, and technology infrastructure is essential but may require external support and collaboration with government agencies, funding bodies, or industry partners.

Regulatory and policy frameworks governing water service provision may present barriers to setting measurable service levels, particularly if they lack clarity, consistency, or flexibility. Local governments must navigate complex regulatory requirements, compliance obligations, reporting standards, and performance targets set by state or national authorities. Aligning service level indicators with regulatory expectations while accommodating local priorities and community needs requires careful co-ordination and communication between stakeholders.

Engaging with rural and remote communities to identify their priorities, preferences and expectations for water services is essential for setting measurable service levels. However, limited community engagement and participation can pose barriers to accurately capturing diverse perspectives and incorporating them into service level frameworks. Overcoming language barriers, cultural sensitivities, geographic isolation and trust issues requires proactive outreach, inclusive consultation processes, and transparent communication strategies.

Inadequate technological and data infrastructure can hinder the establishment of measurable service levels in rural and remote NSW communities. Limited access to reliable internet connectivity, information technology systems, and digital tools may impede data collection, analysis, and reporting efforts. Investing in infrastructure upgrades and technology adoption initiatives is essential to overcome these barriers and enable effective performance monitoring and decision-making.

While setting measurable service levels is essential for ensuring accountability and quality in water service provision, several barriers must be addressed to achieve this goal effectively. Overcoming challenges related to data availability, service complexity, resource constraints, regulatory frameworks, community engagement and technological infrastructure requires collaborative efforts, strategic planning, and targeted investments. By addressing these barriers and adopting evidence-based approaches to service level setting, local governments as water utility providers can promote transparency, efficiency, and sustainability in delivering essential water services to rural and remote communities.

11. What are challenges with monitoring and reporting against minimum service levels?

Monitoring and reporting against minimum service levels pose several challenges for rural and remote local governments serving as water utility providers. While establishing minimum service levels is crucial for ensuring the provision of safe, reliable, and equitable water services, effectively monitoring and reporting on these standards requires overcoming various obstacles unique to rural and remote contexts.

Rural and remote local governments often face constraints in terms of financial resources, technical expertise, and staffing capacity. Monitoring and reporting against minimum service levels require dedicated resources for data collection, analysis, and reporting, as well as staff with specialised skills in performance measurement and reporting. However, smaller councils with limited budgets and staffing may struggle to allocate sufficient resources to these tasks, resulting in gaps or inconsistencies in monitoring and reporting efforts.

The vast geographic size and dispersed population of rural and remote NSW communities present logistical challenges for monitoring and reporting against minimum service levels. Accessing remote areas, inspecting infrastructure, and collecting data from dispersed water systems can be time-consuming and costly. Moreover, the rugged terrain and harsh environmental conditions in some areas may further complicate monitoring efforts, requiring specialised equipment and expertise.

Ensuring the accuracy, reliability, and completeness of data collected for monitoring and reporting purposes is essential but can be challenging in rural and remote areas. Local governments may lack robust data collection systems, standardised protocols, and quality control measures, leading to inconsistencies or inaccuracies in the data collected. Additionally, limited access to technology and digital infrastructure in some communities may hinder data collection efforts, particularly in areas with poor internet connectivity or outdated information systems.

Rural and remote local governments must comply with regulatory requirements and reporting obligations set by state or national authorities. Monitoring and reporting against

minimum service levels may involve navigating complex regulatory frameworks, compliance standards, and reporting deadlines, which can be daunting for smaller councils with limited regulatory expertise or administrative capacity. Ensuring alignment with regulatory expectations while meeting local priorities and community needs requires careful co-ordination and communication with regulatory agencies.

Engaging with rural and remote communities to communicate minimum service levels, gather feedback and address concerns is essential for effective monitoring and reporting. However, limited community engagement and communication channels can pose challenges in ensuring residents are aware of their rights, responsibilities, and entitlements regarding water services. Overcoming language barriers, cultural sensitivities, and geographic isolation requires proactive outreach, targeted communication strategies, and collaboration with community leaders and stakeholders.

Building the capacity of rural and remote local governments to effectively monitor and report against minimum service levels is crucial but may require targeted training and capacity-building initiatives. Providing councils with access to training programs, technical assistance, and best practice guidelines can help enhance their knowledge and skills in performance measurement, data management, and reporting. However, delivering training programs tailored to the specific needs and priorities of rural and remote communities may require innovative approaches and collaboration with industry partners and educational institutions.

Monitoring and reporting against minimum service levels therefore presents several challenges for rural and remote water utility providers. Overcoming these challenges requires addressing issues related to limited resources and capacity, geographic and infrastructure constraints, data collection and quality, regulatory compliance, community engagement, communication, and capacity building. By adopting a proactive and collaborative approach to addressing these challenges, local governments can enhance their ability to effectively monitor and report on minimum service levels, ultimately improving transparency, accountability, and service delivery for rural and remote communities.

Alternative Funding Options

12. What are the desired outcomes for addressing the challenges currently faced by local water utilities?

Addressing the challenges currently faced by local water utilities in rural and remote NSW is essential for ensuring the provision of safe, reliable, and sustainable water services to communities across the region. By overcoming these challenges, local water utilities can

achieve several desired outcomes that contribute to the well-being, resilience, and prosperity of rural and remote NSW communities.

Improving the reliability of water services is a key outcome desired by rural and remote communities. Addressing challenges such as aging infrastructure, intermittent supply, and system vulnerabilities can help local water utilities deliver more dependable services that meet the needs of residents, businesses, and agricultural enterprises. Enhancing service reliability reduces the risk of disruptions, improves community resilience to water-related emergencies, and fosters economic growth and development in rural and remote NSW.

Ensuring the provision of clean, safe, and potable drinking water is another critical outcome for local water utilities in rural and remote NSW. Addressing challenges related to water quality, contamination risks, and treatment deficiencies helps protect public health, promote environmental sustainability, and comply with regulatory standards. Improving water quality enhances community confidence in the safety and reliability of drinking water supplies, supporting public health outcomes and quality of life for residents.

Achieving greater environmental sustainability in water service provision is a desired outcome for local water utilities in rural and remote NSW. Addressing challenges such as water scarcity, ecological degradation, and climate change impacts requires adopting sustainable water management practices, promoting water conservation measures, and minimising environmental impacts associated with water extraction, treatment, and distribution. Enhancing environmental sustainability contributes to the preservation of natural ecosystems, biodiversity, and water resources, benefiting present and future generations.

Achieving greater financial sustainability is a desired outcome for local water utilities in rural and remote NSW. Addressing challenges such as revenue constraints, funding gaps, and affordability concerns requires implementing sound financial management practices, optimising cost recovery mechanisms, and diversifying revenue streams. Enhancing financial sustainability ensures the long-term viability and resilience of water utility operations, enabling continued investment in infrastructure upgrades, service improvements, and community benefits.

Strengthening governance structures and building organisational capacity will also assist water utility providers to addressing challenges such as governance deficiencies, capacity limitations, and staff turnover. Sound governance requires investing in leadership development, professional training, and institutional reforms such as professionalising the water utility industry. Improving governance and capacity enhances the effectiveness, efficiency, and accountability of water utility operations, enabling better decision-making, risk management, and performance outcomes.

Addressing the challenges currently faced by local water utilities in rural and remote NSW can lead to several desired outcomes that benefit communities, the environment, and the economy. By enhancing service reliability, improving water quality, promoting environmental sustainability, enhancing financial sustainability, and strengthening governance and capacity, local water utilities can deliver more resilient, equitable, and sustainable water services to rural and remote NSW communities, ultimately improving quality of life and supporting the long-term prosperity of the region.

13. What are obstacles to greater use of loan from financial institutions to fund infrastructure investments in water and sewerage services?

Local government in rural and remote NSW face some obstacles preventing greater use of loans to fund infrastructure investments in water and sewerage services which will vary across location. While loans can provide a valuable source of funding for essential infrastructure upgrades and expansions, several challenges hinder their uptake in these communities. Understanding and addressing these obstacles is crucial for unlocking the potential of loans to support sustainable water service provision in rural and remote NSW.

Rural and remote local governments often have limited revenue streams and financial capacity to service debt from loans. These communities may have smaller ratepayer bases, lower property values, and less economic activity compared to urban areas, resulting in constrained borrowing power. Additionally, competing financial priorities, such as transport, housing and healthcare, may limit the availability of funds for debt servicing, making it challenging for local governments to take on additional debt for water infrastructure investments.

Infrastructure investments in water and sewerage services often involve high upfront costs and long payback periods, which can deter local governments from pursuing loans. Rural and remote communities may require significant investment in new infrastructure or upgrades to aging systems to meet regulatory standards, address population growth, or improve service reliability. However, the prospect of taking on debt with extended repayment schedules may be daunting for councils with limited financial reserves and uncertain revenue projections.

Financial institutions assess the creditworthiness and risk profile of borrowers when extending loans for infrastructure investments. Rural and remote local governments may be perceived as higher-risk borrowers due to factors such as smaller populations, weaker economic indicators, and limited collateral assets. This perception of increased risk can result in higher borrowing costs, stricter lending terms, or outright rejection of loan applications, making it challenging for these communities to access affordable financing options for water infrastructure projects.

Regulatory constraints and fiscal limitations imposed by state or national governments may restrict the ability of rural and remote local governments to take on debt for water infrastructure investments. Legislative frameworks governing debt levels, debt servicing ratios, and borrowing caps may limit the amount of debt councils can incur, constraining their capacity to finance critical infrastructure projects through loans. Moreover, regulatory requirements for financial sustainability and accountability may discourage councils from taking on additional debt without clear plans for repayment and risk management.

Procuring and administering loans from financial institutions can be complex and time consuming for rural and remote local governments with limited administrative capacity and expertise. Navigating the loan application process, negotiating lending terms, and complying with reporting and monitoring requirements can be daunting tasks, particularly for councils with small staff numbers and competing priorities. The administrative burden associated with loans may deter councils from pursuing this financing option, opting instead for alternative funding sources with less bureaucratic overhead.

Economic uncertainty, fluctuating interest rates, and volatile financial markets can pose risks for rural and remote local governments considering loans for water infrastructure investments. Uncertain economic conditions or changes in interest rate environments may affect borrowing costs, debt servicing obligations and overall financial stability, making it challenging for councils to accurately forecast and manage financial risks associated with loans. These uncertainties may deter councils from committing to long-term debt obligations, opting for more flexible funding arrangements or delaying infrastructure investments altogether.

While loans from financial institutions can provide valuable funding for water infrastructure investments in rural and remote NSW, several obstacles hinder their greater use by local governments. Limited revenue and financial capacity, high upfront costs and long payback periods, creditworthiness and risk perception issues, regulatory constraints and fiscal limitations, complexity of loan procurement and administration and uncertainty and volatility in financial markets are among the key obstacles facing rural and remote councils. Addressing these challenges requires collaborative efforts between government agencies, financial institutions, industry stakeholders, and rural communities to develop tailored financing solutions, build capacity, mitigate risks, and promote sustainable water service provision in rural and remote NSW.

14. What measures would drive investment planning that takes account of climate change risks and ongoing costs of infrastructure maintenance?

Investment planning that takes into account climate change risks and ongoing costs of infrastructure maintenance is essential for rural and remote water utility providers. These

communities are particularly vulnerable to the impacts of climate change, such as changing precipitation patterns, increased frequency of extreme weather events, and heightened risks of droughts and floods. To address these challenges effectively and ensure the long-term sustainability of water infrastructure, several measures can be implemented in the context of rural and remote NSW:

Climate Risk Assessment: Conducting comprehensive climate risk assessments is the first step towards integrating climate change considerations into investment planning for water infrastructure. Local governments, in collaboration with state agencies, should assess the potential impacts of climate change on water resources, infrastructure assets and service delivery, considering factors such as changing rainfall patterns, temperature variations, sea-level rise and extreme weather events. By identifying vulnerable areas, assets, and populations, councils can prioritise investments and adaptation measures to enhance resilience and minimise climate related risks.

Adaptive Infrastructure Design: Incorporating climate resilient design principles into infrastructure planning and development is essential for building infrastructure that can withstand future climate impacts. Encouraging and assisting rural and remote local governments to consider factors such as increased flood risk, water scarcity, and temperature extremes when designing and upgrading water infrastructure assets, such as dams, reservoirs, treatment plants, pipelines, and drainage systems will provide better long term outcomes for their communities. Implementing nature based solutions, green infrastructure and decentralised water management approaches can enhance resilience while reducing vulnerability to climate change.

Long Term Asset Management: Adopting a long-term asset management approach that considers the ongoing costs of infrastructure maintenance and operation is critical for ensuring the sustainability of water services. Local governments are developing asset management plans that assess the condition, performance, and lifecycle costs of water infrastructure assets over time. By incorporating climate change projections and associated risks into asset management strategies, councils can prioritise investments, allocate resources effectively, and optimise maintenance schedules to mitigate future impacts and minimise lifecycle costs. The plans need to be considered by state agencies to ensure they are part of the decision making process when funding is allocated to councils for these purposes.

Integrated Water Resource Management: Embracing integrated water resource management (IWRM) principles is essential for addressing climate change risks and optimising investments in water infrastructure. Rural and remote councils should be assisted in developing and adopting an holistic approach to water management that considers the interconnections between water supply, demand, quality, and ecosystem health. By integrating land use planning, water conservation measures, and ecosystem protection into

investment planning processes, councils can enhance water security, resilience, and sustainability while maximising the benefits of infrastructure investments.

Capacity Building and Knowledge Sharing: Building the capacity of rural and remote councils to effectively integrate climate change considerations into investment planning requires training, technical assistance, and knowledge sharing initiatives. Government agencies, industry organisations, academic institutions, and non-governmental organisations can provide support and resources to councils, including climate risk assessment tools, best practice guidelines, and case studies. By investing in staff training, professional development, and knowledge exchange networks, councils can enhance their ability to plan, implement, and manage climate resilient water infrastructure projects effectively.

Driving investment planning that takes account of climate change risks and ongoing costs of infrastructure maintenance requires a proactive and integrated approach. By conducting climate risk assessments, adopting adaptive infrastructure design principles, implementing long-term asset management strategies, embracing integrated water resource management approaches, and building capacity through training and knowledge sharing, councils can develop resilient and sustainable water infrastructure that meets the needs of current and future generations while minimising climate-related risks and costs.

15. Who are most at risk from high water bills in regional, remote and metropolitan New South Wales?

In regional, remote, and metropolitan NSW, several groups are particularly at risk from high water bills due to various socioeconomic factors and circumstances. These vulnerable populations may face challenges in meeting the costs associated with accessing clean and reliable water services, impacting their financial stability, health, and well-being. A number of these groups and the challenges they face are listed below.

Low Income Households: Low income households, including individuals and families living on fixed incomes or in poverty, are among the most vulnerable to high water bills. These households may struggle to afford basic necessities, including water, especially if they face rising living costs, unemployment, or financial hardship. High water bills can exacerbate financial stress, forcing low-income households to make difficult trade offs between paying for essential utilities and meeting other basic needs, such as food, housing, and healthcare.

Elderly and Pensioners: Elderly individuals and pensioners, particularly those living alone or on limited pensions, are at risk from high water bills, especially if they have low water usage allowances or face additional charges for exceeding usage thresholds. With fixed incomes and potentially declining health or mobility, elderly and pensioner households may find it challenging to manage high water bills, leading to increased financial strain and social

isolation. Ensuring affordability and accessibility of water services for this demographic is critical for maintaining their well-being and independence.

Indigenous communities: Indigenous communities in regional and remote areas of NSW are disproportionately affected by high water bills due to factors such as limited access to affordable water services, inadequate infrastructure, and socioeconomic disadvantage. Many Indigenous households face challenges related to water quality, supply reliability, and affordability, which can have significant impacts on health, cultural practices and community resilience. Addressing the water affordability needs of Indigenous communities requires culturally sensitive approaches and targeted support to ensure equitable access to safe and reliable water services.

Rural and Remote Residents: Residents of rural and remote areas in NSW often experience higher water costs due to factors such as decentralised water supply systems, long distribution distances and limited economies of scale. These communities may rely on alternative water sources, such as rainwater tanks or boreholes, which can incur additional maintenance and treatment expenses. High water bills can pose a significant burden for rural and remote residents, particularly those living in drought prone regions or facing water scarcity issues.

Tenants and Renters: Tenants and renters, especially those living in privately owned or rental properties, may be vulnerable to high water bills if they lack control over water usage and billing arrangements. Landlords or property owners may pass on water costs to tenants, who may have limited ability to negotiate or contest billing discrepancies. High water bills can contribute to housing affordability pressures, housing instability, and tenant displacement, particularly in areas with high rental demand and limited affordable housing options.

In summary, low-income households, elderly and pensioners, Indigenous communities, rural and remote residents and tenants and renters, are among the groups most at risk from high water bills in regional, remote, and metropolitan NSW. Addressing water affordability challenges for these vulnerable populations requires targeted interventions, policy measures, and support mechanisms to ensure equitable access to safe, reliable, and affordable water services for all residents across the state.

16. What are examples of projects or operations associated with a funding model based on regional collaboration for local water utilities? What were the challenges?

The Safe and Secure Water Program has facilitated regional collaboration among local water utilities to address water infrastructure needs and enhance water security in communities across the state. Projects funded through this program, such as the development of state-of-

the-art water treatment plants in Finley and Barooga by Berrigan Shire Council, exemplify successful regional collaboration efforts. However, these projects also encountered challenges that highlight the complexities of implementing collaborative funding models for water utilities.

Finley Water Treatment Plan has been recently commissioned and opened. Barooga is currently finalising its construction and will soon commence the commissioning process. Working closely with the funding body meant Council was able to access expert advice and work collaboratively with the state government to deliver these important projects.Some of the challenges faces have included sourcing suitably qualified private providers to design and deliver the projects, delivery of required products and equipment and accessing sufficient funding to allow Council to afford the own source requirement of the grant.

Council opted for a loan under the Low Cost Loan Initiative of $4M from NAB to construct the Barooga facility and was able to part fund the Finley facility through the provision of a $2.6 internal loan from Council's sewer fund. These decisions were taken to ensure Council did not deplete its own reserves to a point where regular and requirement maintenance could not occur.

During the delivery of the project Council has also faced staffing shortages and turn over that has increased risk to the project overall due to inconsistent contacts, access to suitably qualified people within council and loss of corporate knowledge. Berrigan Shire Council have in this way, experienced all of the barriers to delivery mentioned throughout this response.

Further, Council has had to carefully consider the effect of undertaking the delivery of these water treatment plants on the service delivery outcomes for Council in other areas. A number of projects have had to be "pushed" to other years to ensure delivery of these projects was possible. Aging infrastructure across Council's water and sewer service delivery remains a concerning matter and one Council is actively considering.

Since the delivery of these water treatment plants, growth in Tocumwal has begun to outstrip the serviceability of the current utility supply. Although both Finley and Barooga were assessed as the highest risk plants for water delivery outcomes, the growth of Tocumwal will now mean Council needs to prioritise that township more urgently than previously provided for. Council will therefore require significant assistance to maintain consistent delivery outcomes across all communities within its local government area.

Berrigan Shire Council has therefore benefited from projects funded through regional collaboration under programs such as the Safe and Secure Water Program. These programs demonstrate the benefits of pooling resources, expertise, and funding to address water infrastructure needs in NSW. While successful, these projects encounter challenges related to securing funding, access to consistently qualified staff, and coordinating construction

activities. Overcoming these challenges requires effective leadership, governance structures, and communication mechanisms to sustain collaboration and deliver tangible benefits to communities across the region.

17. What has worked well and what have been challenges for local water utilities in leveraging the scale and expertise of State Owned Corporations?

Local water utilities in other jurisdictions such as South Australia, have sought to leverage the scale and expertise of State Owned Corporations (SOCs) to address various challenges and opportunities in water service provision. While there have been successes in this collaborative approach, there have also been challenges that highlight the complexities of partnerships between local utilities and SOCs.

One aspect that has worked well for local water utilities in leveraging the scale and expertise of SOCs is access to specialised knowledge and technical capabilities. SOCs often have extensive experience, expertise, and resources in water management, engineering, and infrastructure development, which can be valuable assets for local utilities facing complex challenges such as aging infrastructure, water quality issues, or regulatory compliance requirements. By partnering with SOCs, local utilities can tap into this expertise to enhance their capacity, improve service delivery and implement innovative solutions to water-related problems.

Additionally, collaboration with SOCs can provide local water utilities with access to economies of scale and cost efficiencies in procurement, operations, and maintenance. SOCs often have larger budgets, purchasing power, and operational capacities than individual local utilities, allowing them to achieve economies of scale in infrastructure investments, equipment procurement, and service delivery. By leveraging the scale of SOCs, local utilities can reduce costs, streamline processes, and optimise resource allocation, ultimately improving efficiency and affordability for customers.

Moreover, partnerships with SOCs can facilitate knowledge sharing, capacity building, and best practice exchange among local utilities. Through collaborative initiatives, training programs and technical assistance, SOCs can support local utilities in developing skills, enhancing capabilities, and adopting industry-leading practices in water management, governance, and innovation. This knowledge transfer can empower local utilities to overcome challenges, adapt to changing circumstances, and deliver high-quality water services to their communities effectively.

However, despite these benefits, there have been challenges for local water utilities in leveraging the scale and expertise of SOCs. One significant challenge is the potential for power imbalances and conflicts of interest in collaborative arrangements between SOCs and local utilities. SOCs may have their own priorities, objectives, and agendas that may not

always align with the interests or needs of local communities. Balancing the autonomy and decision-making authority of local utilities with the strategic direction and oversight of SOCs requires clear communication, mutual trust, and effective governance mechanisms to ensure equitable partnerships and avoid conflicts.

Rural and remote communities in these instances have experienced reduced access to water utility provision, poor water quality and artificial restrictions to growth posed by inequitable access to water. Some communities have been forced to access rainwater for their drinking water supply, which whilst it seems a viable option, provides increased risk of giardia and other water borne disease, thereby increasing risks to public health outcomes in these communities.

Additionally, differences in organisational culture, governance structures, and operating procedures between SOCs and local utilities can pose challenges for effective collaboration. Local utilities may have different priorities, community expectations and regulatory requirements compared to SOCs, leading to potential friction or misunderstandings in joint initiatives. Overcoming cultural barriers, fostering collaboration, and aligning strategies require ongoing dialogue, relationship building, and shared commitment to common goals.

Therefore, whilst partnerships with State Owned Corporations potentially offer valuable opportunities for local water utilities to leverage scale and expertise, they also pose challenges related to power dynamics, organisational culture, and regulatory compliance. Overcoming these challenges will requires proactive communication and adaptive governance structures to ensure equitable and effective collaboration that benefits communities and enhances water service provision in NSW.

18. How could government and local water utilities better partner with Aboriginal communities to improve their water and sewerage services?

Improving water and sewerage services in collaboration with Aboriginal communities requires an holistic and participatory approach that respects Indigenous rights, values cultural perspectives and addresses historical injustices. Government and local water utilities can better partner with Aboriginal communities by prioritising Indigenous leadership, fostering meaningful engagement, promoting co-design and co-management approaches, enhancing capacity-building initiatives, and ensuring equitable access to resources and decision-making processes.

First and foremost, government and local water utilities must recognise and respect the inherent rights, knowledge, and sovereignty of Aboriginal communities in water management. This includes acknowledging Indigenous cultural connections to water, land, and country, as well as honouring traditional ecological knowledge and customary practices in water governance. By prioritising Indigenous leadership and decision-making authority,

governments and water utilities can empower Aboriginal communities to actively participate in shaping policies, programs, and projects that affect their water and sewerage services.

Meaningful and genuine engagement with Aboriginal communities is essential for building trust, fostering collaboration, and co-creating solutions that address community needs and priorities. This involves establishing respectful relationships based on transparency, reciprocity, and mutual respect, as well as ensuring culturally appropriate communication and consultation processes. Government and water utilities should engage with Indigenous stakeholders early and often, seeking their input, feedback, and consent throughout all stages of planning, implementation, and evaluation of water projects.

Promoting co-design and co-management approaches that recognize Aboriginal rights and responsibilities in water management can lead to more sustainable and inclusive outcomes for communities. This includes partnering with Aboriginal Traditional Owners, Land Councils, and Indigenous representative bodies to develop collaborative governance structures, joint management agreements, and Indigenous-led water initiatives. By sharing decision-making authority and resources with Aboriginal communities, governments and water utilities can foster greater ownership, stewardship, and accountability in managing water and sewerage services.

Enhancing capacity building initiatives and skills development opportunities for Aboriginal communities is essential for building self determination and resilience in water governance. This includes providing training, mentorship, and technical assistance to Indigenous leaders, organisations and community members on water management practices, governance principles, and regulatory frameworks. By investing in Indigenous capacity-building, governments and water utilities can empower Aboriginal communities to effectively participate in decision-making processes, advocate for their rights, and implement sustainable water solutions.

Ensuring equitable access to resources, funding, and decision making processes is critical for advancing water justice and closing the gap in water and sewerage services for Aboriginal communities. This includes providing dedicated funding streams, grants, and financial support for Indigenous led water projects, as well as prioritising water infrastructure investments in underserved Aboriginal communities. Governments and water utilities should also establish mechanisms for revenue sharing, benefit-sharing and co-investment with Aboriginal stakeholders to ensure Indigenous communities receive a fair share of the benefits derived from water resources.

Partnering with Aboriginal communities to improve water and sewerage services therefore requires a collaborative, rights-based, and culturally sensitive approach that centres Indigenous voices, values, and aspirations. By prioritising Indigenous leadership, fostering

meaningful engagement, promoting co-design and co-management approaches, enhancing capacity building initiatives and ensuring equitable access to resources and decision making processes, governments and local water utilities can work together with Aboriginal communities to achieve water justice, reconciliation, and sustainability for all.

Conclusion

Berrigan Shire Council is a rural council in NSW. We recognise the importance of collaboration, innovation, and equity in addressing water and sewerage challenges facing our community. We have made significant strides in improving water infrastructure, enhancing service delivery, and promoting sustainability, however we know we will need support to continue that journey effectively.

Moving forward, we remain committed to inclusive, sustainable, and community-driven approaches to water and sewerage management. By continuing to collaborate with stakeholders, embrace innovation, and prioritise equity, we aim to ensure all residents of Berrigan Shire have access to safe, reliable, and equitable water services that support the health, well-being, and prosperity of our community now and for generations to come.

[redacted]

Dr Julia Cornwell McKean GAICD
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[redacted]

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