NSW 2

PARLIAMENT OF NEW SOUTH WALES

Joint Select Committee on Protecting Local Water Utilities from Privatisation

Supplementary questions: Riverina and Murray Joint Organisation

1. How does your joint organisation support the sustainable delivery of water supply and sewerage services? Are there any impediments to collaboration and how can these be overcome?

The Riverina and Murray Joint Organisation (RAMJO) plays a significant role in supporting the sustainable delivery of water supply and sewerage services in the region. Here are some ways RAMJO contributes to this:

- 1. **Collaboration and Advocacy**: RAMJO facilitates collaboration between member councils to address common issues related to water supply and sewerage services. By working together, member councils share resources, knowledge, and best practices to enhance the sustainability of their water services.
- 2. **Regional Planning and Strategy Development**: The Joint Organisation (JO) helps in developing regional strategies and plans that focus on the sustainable management of water resources. This includes addressing challenges such as water scarcity, climate change impacts, critical infrastructure and population growth.
- 3. **Funding and Investment**: RAMJO advocates for the provision of secure funding and investment in regional water infrastructure projects. This includes upgrading treatment plants, developing new water sources, and implementing water efficiency programs.
- 4. **Capacity Building and Training**: The JO seeks opportunities for its member councils to participate in capacity building and training. RAMJO also highlights broader training challenges within the sector, including calling for a standardised training program to help meet councils staffing needs. This helps to ensure that local government staff are equipped with the skills and knowledge necessary to manage water supply and sewerage services sustainably.

However, there are impediments to collaboration in the region, including:

- 1. **Funding Constraints**: Limited financial resources can hinder the implementation of collaborative projects and initiatives.
- 2. **Regulatory and Policy Barriers**: Inconsistencies in regulations and policies across different levels of government can complicate collaborative efforts.

To overcome these impediments, RAMJO and its member councils can:

- 1. **Establish Clear Governance Structures**: Implementing clear governance structures and decision-making processes can help align the interests and priorities of member councils.
- 2. **Seek Diverse Funding Sources**: Exploring various funding opportunities, including grants, public-private partnerships, and state and federal government support, can alleviate financial constraints.
- 3. **Engage in Policy Advocacy**: Working together to advocate for policy changes and regulatory alignment can help reduce barriers to collaboration.
- 4. **Foster Open Communication**: Maintaining open and transparent communication channels among member councils can facilitate trust and cooperation.

By addressing these challenges, RAMJO can enhance its support for the sustainable delivery of water supply and sewerage services in the Riverina and Murray region.

2. Are there ways in which the alliance model can be improved with the support of State Government?

The adoption of a co-design methodology by the alliance model and partnering with Local Government entities such as RAMJO by committing to advancing the below points, could help to see improvements.

- 1. **Clear Objectives**: The State Government can work with alliances to set clear, achievable objectives that align with both the public interest and the goals of the alliance.
- 2. **Transparent Processes**: By ensuring that the operations and decision-making processes of the alliance are transparent, the government can help build public trust and accountability.
- 3. **Regular Communication**: Regular meetings and updates between the State Government and the alliance can ensure that both parties are aligned and can address any issues promptly.
- 4. **Funding and Resources**: The government can provide funding and resources to support the initiatives of the alliance, particularly those that are in the public interest.
- 5. **Policy and Regulatory Support**: The State Government can also offer support by reviewing and adjusting policies and regulations that may hinder the alliance's effectiveness.
- 6. **Capacity Building**: Offering training and development programs to the members of the alliance can improve their ability to manage projects and achieve outcomes.
- 7. **Risk Management**: Collaborating on risk management strategies can help both the State Government and the alliance to mitigate potential issues that could arise during their partnership.

8. **Evaluation and Feedback**: Implementing a robust system for evaluation and feedback can help the alliance and the government to continually improve their collaboration.

Each of these strategies would need to be tailored to the specific circumstances of the alliance and the relevant State Government to be most effective, hence why a genuine codesign approach is needed.

3. Do you support a community service obligation (CSO) funding model for local water utilities? If so, why would this be preferable to other funding models?

RAMJO in principle supports a CSO funding model for local water utilities as they can be beneficial in, especially in regions where RAMJO operates, for the following reasons:

- 1. **Equity in Service Delivery**: CSOs help to ensure that community members have access to essential water services at a reasonable cost, regardless of their location or the profitability of providing those services. This is crucial in rural and remote areas where the cost of service delivery is high i.e. within the RAMJO footprint.
- 2. **Subsidization of Essential Services**: Under a CSO model, services that are not commercially viable but are essential for the community can be subsidized. This means that even unprofitable services necessary for public welfare, like water supply to a remote town, can be maintained.
- 3. **Transparency in Costs and Funding**: CSOs can provide a transparent framework for the allocation of government funds, making it clear why certain services are funded, which can enhance public understanding and support.
- 4. **Focus on Public Health and Environment**: A CSO model allows water utilities to focus on delivering services that have significant public health and environmental benefits, rather than just those that are financially lucrative.
- 5. **Stability and Predictability**: CSO funding can offer more stable and predictable financial support for essential services, allowing for better long-term planning and investment in infrastructure.
- 6. **Support for Sustainable Practices**: The model can facilitate the implementation of sustainable water management practices by ensuring that utilities have the funds needed to invest in such initiatives without relying solely on revenue from user charges.

However, it's important to note that CSOs are just one funding model, and the choice of funding model should be based on a thorough analysis of local conditions, financial sustainability, and the specific needs and objectives of the water utilities and the communities they serve. Again, co-designed reviews and programs can help to understand the underlying challenges and likewise help identify relevant solutions.

Other models may include full cost recovery through user charges, government grants, public-private partnerships, or a mix of these with CSO funding.

