

Council happenings . . .

with Mayor
Glenn Wall

Lack Of Funding Water and Sewerage Projects.

About 30 per cent of the population of NSW lives outside the metropolitan areas of Sydney, Newcastle and Wollongong, and they rely upon local councils for water and sewerage services whereas metropolitan areas are served by state agencies.

Over the years the NSW Government has progressively introduced escalating standards for the management of these services. Also, in the case of household septic systems, 50 years experience has demonstrated their unsuitability for small lot sizes.

Besides the obvious risks to public health, the problem for Councils and communities is that despite expensive upgrades, these systems would still not meet current standards.

Reticulated sewerage has been introduced in most metropolitan areas, but in rural and regional areas there are many small communities that, according to the NSW Government, urgently require sewerage.

In 1994 the NSW Government introduced the Country Towns Water Supply and Sewerage Program to deliver adequate water supply and sewerage services in rural and regional communities. They identified all the projects to be included in the program, which included sewerage schemes for Clarence Town, Paterson, Vacy and Gresford.

The State agreed to provide \$85 million annually over 10 years towards capital costs of the Program if councils met the costs of expansion for population growth. Local Government has maintained its part of the bargain, but the promised level of state funding was never forthcoming.

In response to this situation, in 2004 they changed the rules to require local communities to contribute even more towards the capital costs of providing water and sewer projects. Grants for larger councils were reduced from 50 per cent to 20 per cent of project costs. For smaller councils, such as Dungog Shire, grant funding was reduced from 67% to 50%, which has rendered many projects unaffordable.

The Program has fallen short by \$430 million in real dollar terms, and this year they siphoned off \$14 million from the annual allocation for capital costs of water and sewerage projects to fund water carting operations for drought-stricken towns.

The NSW Auditor-General has confirmed that around 90% of the remaining 200 projects in the Program will not proceed with current levels of funding. Communities have wasted time and money investigating schemes that cannot proceed.

Funding for the Clarence Town sewerage scheme was confirmed in the State Plan, and after a State induced delay of three years, it is proceeding at the original 67% subsidy. Unfortunately, the proposed sewerage schemes for Paterson, Vacy and Gresford are too far down the list to receive funding, and even if State funding was forthcoming, without reinstatement of the 67% subsidy the annual costs to householders of about \$1600 would simply be unaffordable.

Sadly, the backlog has reached crisis point. The NSW Government claims to have no funds, but they can find \$1.5 billion of State taxpayers money for a Sydney-centric desalination plant, which apparently nobody wants.

The NSW Opposition has promised to commit \$100 million per year to the Program, with a further commitment to an open and transparent funding allocation process. This would assist many projects for upgrading town water supply schemes in particular, but without reinstatement of the 67% subsidy this would not address the provision of sewerage for small communities like Gresford, Vacy, Martins Creek and Paterson.

On the one hand the NSW Government has imposed tough new environmental and health standards for water supplies and onsite septic systems, but on the other hand the necessary funding to meet those standards has not been forthcoming.

21 February 2007