



Summary Report July 2021

Town Water Risk Reduction Program

Client: Department of Planning, Industry and Environment

Date: 27 July 2021

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1 Overview

From May 2021 to July 2021 the Department of Planning, Industry and Environment (the Department) engaged with the local water utility (LWU) sector and staff, local and state government, co-regulators, private sector and others to co-develop a 'Roadmap to an Improved Regulatory Framework.' The Roadmap sets out how the Town Water Risk Reduction Program (TWRRP) team and stakeholders will work together to improve the regulatory approach.

The TWRRP is based on a new partnership approach, which recognises and leverages the wealth of expertise within local councils and local water utilities and provides opportunities for these stakeholders to design and refine better solutions in collaboration with the Department.

Elton Consulting was engaged by the Department to support this process via a series of activities, including:

1. 23 one-on-one interviews with a cross-section of stakeholders (May)
2. Four 90-minute online workshops aimed at co-developing key elements of the roadmap (2 & 15 June via Teams)
3. Five regional roadshow events (late June)
4. Appearance at Local Government NSW Water Management Conference 2021 in Narrabri (postponed due to Covid outbreak)
5. Sector-wide online survey (late July).

The input provided across these activities will be used to develop both the 'Roadmap to an Improved Regulatory Framework' and future regulatory improvements.

A total of 266 stakeholders participated in engagement activities and provided input to the Roadmap. Overall there was strong support for the program and robust feedback provided by those involved, with many people signalling their interest in contributing to the next steps in the co-design process. Feedback was largely consistent around challenges and issues faced across regional NSW, with larger LWUs recognising that smaller LWUs needed more support from the NSW Government.

A number of consistent themes emerged and were refined at each step in the consultation:

Improve regulation and support of LWU strategic planning

- » The role and purpose of IWCM and the complexity, length and expense of the process
- » Better integration of regional and local water planning
- » Utilise insights of councils and LWUs who are familiar with needs, values and preferences of customers and stakeholders at the local level
- » Access to agreed regional data to inform local planning
- » Clear guidelines from DPIE around strategic planning and adaptive planning frameworks
- » Link local water planning to IP&R
- » Support for smaller utilities and councils to undertake strategic water planning
- » Greater involvement of all regulators in strategic planning rather than seeking to changing things after the plans are developed and agreed.

Provide greater clarity around minimum service standards, agreed service levels, pricing and affordability

- » General support for minimum service levels and a community service obligation with some reservations:
 - > These would need to be developed in collaboration with the sector as a set of agreed rather than minimum standards

- > Addressing the reality of supplying water in small and remote communities
- > Funding and pricing consequences need to be understood
- > Some communities may not want to have this type of infrastructure as it could lead to more development and change the nature of where they live
- > Can a single standard address the different contexts in which town water supply and treatment occurs?
- » The role of LWUs and councils in having ongoing conversations with their communities and knowing their needs, values and preferences of local communities needs to be acknowledged.

Streamline infrastructure assessment and approvals process

- » S.60 is a worthwhile process in its intent however in application it isn't working
- » S.60 has an important role in due diligence, securing value for money, having a state-wide overview of town water infrastructure and decision-making support
- » Oversight role should be linked to degree of risk, scale maturity of LWU and whether the state is contributing to the investment.
- » Clear description of roles, processes, timeframes and assessment outcomes need to be set for each step. Presently it is confusing as to when the Department is advising or approving
- » S.60 is presently going well beyond its scope in looking at operational procedures and at times revisiting matters that have been signed off and agreed in strategic plans
- » An independent advisory capacity based on gathering and sharing contemporary best practice and technologies is important particularly for smaller LWUs and councils – this could include peer review; being a sounding board; partnering and helping to "share the load"
- » As s.60 currently works it is not conducive to sector innovation or openness to non-technical solutions encourages gold plating to meet requirements of very unlikely extreme events
- » Consider an expedited approvals pathway similar to complying development for:
 - > large utilities
 - > low risk profile
 - > when proven technologies are being proposed
 - > when the proposed infrastructure aligns with the solution agreed to in a strategic plan.
- » Decisions should not be down to a single individual for all of NSW there needs to be a panel of experts
- » Operational and capital expenditure need to be considered as well as non-technical water supply and demand management matters
- » The assessment process should be more collaborative and based on dialogue rather than yes or no after long gaps of time.

Improving government processes

- » The idea of a coordinating regulator is supported
- » An increased presence of skilled DPIE staff in regional areas to assist with problem solving, coordination across regulators and supporting local and regional strategic planning for water
- » Regional collaboration needs to be purposeful and yield a tangible outcome for example:
 - > Creating an IWCM template that is specified to the region
 - > Supporting integration of local and regional water planning
 - > Shared services
 - > Emergency support

- > Aligning and streamlining of reporting is needed with reports focussing only on collecting data that is actually going to be utilised.
- » Regulation is important for human health, the environment and securing water supply however the approach from all regulators should be facilitatory and focused on supporting LWUs to achieve a good outcome. Where problems exist regulators should support LWUs and councils through the process of remedying an issue.

This report tracks the evolution of stakeholder feedback collected during interviews, workshops and roadshows facilitated by Elton Consulting. Figure 1 below captures the number of stakeholders engaged at each activity.

Snapshot of engagement



2 Interviews

A total of 23 interviews were conducted during May 2021 with representatives from local water utilities, councils, joint organisations, co-regulators, private consultants and DPIE Water.

An interview guide (see Appendix A) was circulated to participants prior to the 45-minute interview providing background on the program, the purpose of this phase of engagement, and outlining the six interview questions listed below:

1. What role does your organisation play in delivering a safe, secure and sustainable town water supply and sewerage services in regional communities?
2. What do you see as the major risks or challenges to delivering a safe, secure and sustainable water supply and sewerage services to regional communities?
3. What is your understanding of the roles and responsibilities of the following entities in addressing these risks and challenges and ensuring safe, secure and sustainable water supply and sewerage services? What should these roles and responsibilities be?
 - > Councils/local water utilities
 - > NSW Government
 - > Department of Planning, Industry and Environment
 - > Other co-regulators (NSW Health, NSW EPA, OLG, NRAR).
4. When thinking about the regulatory framework and approach currently in place for local water utility strategic service planning, pricing and infrastructure approvals, what do you think (a) is working well and should remain, and (b) is not working well and needs to be addressed as a priority?
5. A goal for the TWRRP is to work collaboratively with stakeholders to build a sector where local water utilities are able to manage safe, secure and sustainable water supply and sewerage services in an efficient and customer-focused way. What do you see as the best ways for the TWRRP to work together with you/your organisation to achieve this goal?
6. The TWRRP is engaging and collaborating with a range of organisations to develop a 'Roadmap to an Improved Regulatory Framework'. How would you like the TWRRP to engage with you/your organisation to co-design an improved regulatory framework and approach? What would you like to see included in this Roadmap?

Overall there was significant interest in the program and participants provided well considered and thoughtful input to the discussion questions. Most were familiar with the program and expressed interest in participating in future engagement opportunities. A summary of feedback is provided below with more detailed outcomes provided at Appendix B.

What we heard

Roles and responsibilities:

- » **LWUs and local councils** play a role in service planning, operation and delivery (eg. storage, distribution, upkeep). They are owners of water/sewerage supply services. They are responsible for strategic planning, including future reliability, sustainability + integration with IP&R as well as providing safe and secure water supply and sewerage services. Other expectations of LWUs include staffing and skills training, compliance with regulations, risk management and community interface/education.
- » **NSW Government** provide state-wide water resource management, strategic direction and risk management. They are responsible for setting the regulatory framework and providing guidance, direction, support to LWUs. They also liaise with Federal Government and provide funding/financial support.

- » **DPIE** play a role in regulating and monitoring the sector. They provide support, best practice, help drive improvements and provide state-wide data. They are responsible for the review/approvals process (Section 60) and state-wide strategic planning. They are the delivery arm of government.
- » **Co-regulators** participate in strategic planning process and play an important role in managing risks and maintaining water quality. NSW Health oversee drinking water management supply, system and implementation plans/funding support to LWUs. NSW EPA protect health and safety of environment, licensing, pollution, point of source discharge. NRAR manages enforcement, regulation and licensing of extraction. OLG play a role in IP&R and provide guidance to CLS.

Major risks or challenges to delivering a safe and secure water and sewerage supply and services:

- » Differing capacity, resources and resourcing of LWUs/local councils means one size fits all doesn't work
- » Lack of shared data, information, modelling to inform planning and decision making
- » Funding/financial burden on LWUs
- » Struggles with resourcing, staffing and retaining expertise in LWUs/local councils
- » Concerns with ageing assets/infrastructure
- » Water security and supply in the face of drought and population growth
- » The need for resilience, future proofing in response to climate change
- » Lack of clarity around responsibility and processes for strategic planning (water security, safety and service provision)
- » Dealing with complex, confusing and outdated regulations and processes

What is working well?

- » Regional focus and local presence of LWUs and regional DPIE teams
- » Some joint-organisations enabling LWUs to support each other across a region
- » State and regional water planning (eg. Regional Water Strategies)
- » Some elements of Best Practice Management Guidelines (eg. benchmarking data) and Safe and Secure Water Program (funding)

What is not working well?

- » Integrated Water Cycle Management are perceived as prescriptive and expensive with little regard for size and scale of LWU/council. Lacks a collaborative approach
- » Best Practice Management Guidelines - some aspects are good but they can also be complex, narrow, inconsistent and inflexible
- » S.60 approvals and processes are not objective or transparent, not suited to design/construct approach. Confusion regarding the role of DPIE Water in this approvals process. Currently approach is not fit for scale
- » DPIE Water are taking an inconsistent approach to assessment and regulation. A lack of collaboration with the sector and inflexible in their application of regulation
- » Confusion around role and approach of regulators. Currently a very siloed approach where responsibilities are unclear and there are multiple requirements across regulations/legislation
- » 'One size fits all' approach doesn't work. There's a need for capacity building, support and guidance, and collaboration from government. Must think about how to differentiate/regulate between LWUs
- » There's a lack of access to data, modelling, guidance material to support strategic planning and regulation and delivery.

3 Workshops

A series of 90-minute online workshops were conducted with representatives from local water utilities, councils, joint organisations, co-regulators, private consultants and DPIE Water, including some who had participated in interviews. Workshops 1A and 1B were held consecutively on Wednesday 2 June and workshops 2A and 2B were held consecutively on Tuesday 15 June 2021. Most participants attended two workshops allowing for the conversation to build across the series.

Workshops were aimed at validating feedback from interviews and identifying key elements of the roadmap. An Agenda can be found at Appendix D.

A total of 56 people attended Workshops 1A and 1B. These workshops sought to understanding the roles and responsibilities in ensuring safe, secure and sustainable water supply and sewerage services. The first part focused on service provision, policy/regulation + support, and funding + resources, asking participants:

- What would you change if you could?
- Why would you change it?

The second part of the workshop asked participants to reflect on what is required to drive delivery of an improved regulatory framework in the following areas:

- Integrated Water Cycle Management
- Best Practice Management Guidelines
- Section 60, Local Government Act
- Working with co-regulators
- Regulation of LWUs
- Financial sustainability

A total of 49 people attended Workshops 2A and 2B. These workshops sought to confirm the outcomes of workshops 1A and 1B and test proposed solutions and goals for an improved regulatory framework under the following six key themes:

1. Improved strategic planning and coordination
2. Provide affordable, safe and secure access to water and services
3. Streamline infrastructure approvals
4. Support financial stability
5. Monitor compliance and performance
6. Improve government processes

Overall, participants were highly engaged with some choosing to provide further input following the workshop via email to the TWRRP team. The mix of stakeholders in each workshop enabled constructive discussion and shared solutions to emerge. The outcomes from these workshops were tested when engaging more broadly with stakeholders at regional roadshows and form the basis of the roadmap. Feedback from all workshops has been consolidated below under the six key themes with more detailed outcomes provided at Appendix E.

What we heard

Improved strategic planning and coordination:

- » Establish a clear, unified, strategic direction set by and for regulators
- » Achieve better integration of state, regional and local strategic planning
- » Build sector capacity and resilience by better alignment with shared long-term strategic focus

- » Address issues with IWCM to enable better strategic planning and risk management
- » Improve quality of and access to state-wide data collection, modelling and information sharing

Provide affordable, safe and secure access to water and services

- » There is a role for the NSW Government to set, commit to and, if necessary, fund minimum service levels and standards for all NSW communities
- » Acknowledge there is a Community Service Obligation which recognises that the 'user pays' principle does not always apply, particularly for smaller rural and regional communities, and that state funding may be justified for the overall benefit to the state
- » There is a role for local communities to play in setting non-mandatory service levels and LWUs must be able to consult with their communities to facilitate those outcomes
- » LWUs have the local and regional knowledge to understand what assets and infrastructure their communities need and want, but currently have little say in implementing preferred solutions

Streamline infrastructure approvals

- » Current approvals and assessments processes are too slow and result in 'roadblocks' to delivery and compromise access to equitable, safe and well-regulated town water
- » Section 60: Need for a more collaborative approach as decisions can be made with little or no consultation, an adherence to outdated approaches and technologies, little accountability or checks and balances, and no attempt to understand local issues
- » Section 60: Current process is cumbersome and overly prescriptive and once an application is submitted there is no further consultation or discussion until a decision is made, which can be a lengthy process
- » Section 60: Value is unclear as current assessment/approvals seem to be predicated on outdated 'business as usual' approaches (eg. infrastructure rather than wider conversations about reuse, recycle, value of water)

Support financial stability

- » Ability of the community to pay for water services, infrastructure and asset renewal can be limited by size, location and income profile of the community
- » Provide greater support to smaller LWUs/local councils with funding and funding applications to ensure equity of access, eg. via a Community Service Obligation model to support equity and mitigate disadvantage
- » Achieve greater flexibility in how and what LWUs can use funding for, eg. non-asset solutions such as planning, resourcing, operations as well as infrastructure and assets
- » Consider longer-term generational equity as well as immediate infrastructure needs
- » Current funding opportunities (eg. Safe and Secure Water Program) are risk-based and therefore can preclude smaller communities, leaving them more disadvantaged

Monitor compliance and performance

- » Lack of a consistent framework/logic around assessment, approvals and data collection
- » Move to a more coordinated approach to reporting and compliance to ensure that information being provided by LWUs is appropriate and actually required
- » Reduce complexity of and demands around reporting burden and to reduce duplication across agencies

Improve government processes

- » Absence of a nominated lead regulator is problematic as it leads to too great a variability in approaches and objectives
- » Need for a clearer, more proportionate and consistent approach to regulation across all regulators

- » Need for a more risk-based approach to regulatory needs, compliance requirements etc. based on population, scale and maturity of LWU
- » Need for DPIE to demonstrate and enact a clear separation between its guidance and support function and its regulatory and compliance function.

4 Roadshows

Five roadshows were held in locations across regional NSW including Tamworth, Queanbeyan, Coffs Harbour, Dubbo and Griffith. While roadshows were intended to be face-to-face engagements, engagement at Queanbeyan, Coffs Harbour and Tamworth were transitioned online due to a Covid-19 outbreak preventing people from travelling to the regions.

Roadshows sought to engage a wider cross-section of stakeholders including those who had not yet engaged with the program. A total of 138 people attended the five roadshows representing a diverse mix of representatives from local water utilities, councils, joint organisations, co-regulators, private consultants and DPIE Water (see Appendix H for attendees).

The purpose of this engagement activity was to:

- » Identify elements of an improved regulatory framework and priority areas, objectives and critical steps required for developing an improved regulatory framework
- » Identify critical elements of the roadmap to an improved regulatory framework, including consultation and collaboration mechanisms.

Attendees were split into small groups with a member of the TWRRP team facilitating discussion at each table / break-out room. This approach ensured each person had the opportunity to provide input and engage with others from the LWU sector in their region, allowing for region specific feedback to emerge.

Feedback from previous engagement activities was refined into four key themes, including:

1. Improve regulation and support of LWU strategic planning
2. Provide greater clarity around minimum service standards, agreed service levels, pricing and affordability
3. Streamline infrastructure assessment and approvals process
4. Improving government processes.

Under each theme, attendees were asked to discuss two questions:

- » What would you like to achieve?
- » How would you like to achieve it?

Feedback from the roadshows was consistent with the outcomes of interviews and workshops. This confirmed what the priority areas should be for an improved regulatory framework and helped the TWRRP team to understand how the sector would like to be consulted as part of the co-design process. Working groups were suggested as a way for stakeholders to work collaboratively with the team and address specific components of the roadmap.

Feedback captured across all five roadshows has been consolidated below under the key themes, see Appendix G for detailed outcomes.

What we heard

Improve regulation and support of LWU strategic planning

- » Most stakeholders agreed that it was very important to set clear regulatory objectives and requirement for LWU strategic planning. It was suggested that outcomes should be established at the outset of the IWCM process by LWUs, DPIE and consultants in collaboration
- » Data analysis requirements of IWCM are onerous. Suggest that the Department undertakes a gap analysis for individual LWUs as to what data is required and what can actually be collected/analysed and then provide support
- » It would be valuable to have regulators commit to recognising IWCMs (or equivalent) as *the* tool for LWUs to strategically address risks and to 'buy-in' to these strategies to a degree

- » Discussion around what outcomes focused means including; clear objectives, good asset management, financial planning and CAPEX planning, affordability / price, need to be aligned to drinking water objectives, alignment between state and council plans
- » Amendments should be made so LWUs can update parts of the strategy individually when the circumstances warrant it – eg. when the situation facing the utility has changed in some meaningful way
- » Regulatory framework and processes need to be streamlined and tailored to the need of each LWU
- » Consider whether the regulatory interventions are fit for purpose for the size, scale and capability of the LWU you are looking to support
- » Systems and processes need to remain “live” all the time and government regulators should look at it from this perspective
- » The IP&R and IWCM frameworks need to be meshed together well, particularly in relation to financial management aspect and asset management
- » Integration and planning with other utilities should be encouraged by government or initiated by existing relationships or catchment/geography
- » Regional Water Strategies should assist with better alignment between LWU strategic planning and the state
- » Strong support for data sharing between State and Local Government. LWUs need support to use the data for modelling. There could be one database which everyone accesses
- » Preference for more meetings or engagement between LWUs and regulators, with everyone around the table.

Provide greater clarity around minimum service standards, agreed service levels, pricing and affordability

- » Mixed feedback around setting clear service objectives for the sector around water security, quality and environment. Instead should be driven by the needs of the community and the LWU. Consider how to help communities to make an informed decision about health, risks, ageing infrastructure, standards, capacity to managed
- » Principal support for the setting of minimum service standards but it needs to be flexible, based on circumstances of the LWU and expectations of the community.
- » Support for NSW Government playing a role in providing funding to LWUs where communities/customers cannot afford to meet minimum service levels and standards
- » There’s a need for less government intervention in regulation but more guidance
- » Communities expect good performance from their councils – and in general councils are meeting those expectations.

Streamline infrastructure assessment and approvals process

- » General agreement that scope of s.60 should go beyond “due diligence” review and look at whether proposed solution is value for money
- » S.60 system is not broken but its application needs to change, especially for more mature LWUs that are able to manage their risks
- » Principle of s.60 is great in ensuring value for money and fit for service for community, but the application of it is a problem
- » More flexibility is needed in how risks are looked at. The assessment process should be more collaborative and should not go into every little detail
- » Suggestions that there more opportunities to share knowledge and provide peer review; sounding board; partnering and “sharing the load”, education function

- » DPIE should be more up to date with technology and innovation and assist knowledge transfer and piloting new tech in LWUs
- » DPIE can play a role in providing guidance for infrastructure but not procurement, this is a LWU responsibility
- » A detailed concept should be sufficient for s.60 approval rather than a detailed design
- » There's need for a more collaborative approach to approvals with more communication from DPIE
- » Another DPIE hat is as trainer or training coordination. This is really important and getting more so as other RTO quality/practicalities has declined over time
- » Support for a single centralised group with good well-resourced and collaborative regulators that have early and meaningful collaboration with LWUs to get good decisions and consistency across the State.

Improving government processes

- » Prefer the idea of a coordinating regulator as there's a need to capture the expertise within regulators.
- » It's most important that regulators are accessible to LWUs, communicate properly and coordinate among themselves
- » Suggested the concept of Case Manager that triaged the regulators at a regional level
- » Essential that there's alignment of compliance and performance reporting systems across regulators for greater efficiency and to ensure objectives for reporting are clear and focused on what is actually needed. There should be the use of templates to make it as easy as possible to report
- » Need good collaboration with co-regulators before decisions are made, not after
- » The overriding need is consistency between the requirements of regulators
- » The public statement would help co-regulators to know when to engage and consultant. MOU first and then a public statement.

Appendices

- A Interview guide
- B Interview outcomes
- C Interview participants and quotes
- D Workshop agenda
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- F Roadshow agenda
- G Roadshow outcomes
- H Roadshow attendees

A Interview guide

Summary Report July 2021

Introduction

Safe and secure water supply and sewerage services are essential for community health and wellbeing, environmental protection, and the continued prosperity and growth of regional communities. Local water utilities (LWUs) are responsible for delivering these services to their communities (1.8 million people in regional NSW).

The Department of Planning, Industry and Environment (Department) is the lead agency for water resource policy, regulation and planning in NSW.

The Department and its main co-regulators NSW Health, the Environment Protection Authority (EPA), the Office of Local Government (OLG) and the Natural Resource Access Regulator (NRAR) regulate and support the 92 LWUs to ensure the provision of safe, secure and sustainable water supply and sewerage services. The NSW Government has also had a long history of supporting LWUs through dedicated infrastructure grant funding programs.

The Department, through its Best Practice Management of Water Supply and Sewerage Framework is the primary regulator and, broadly, responsible for:

- » overseeing and supporting strategic service planning (IWCM strategic planning) and best-practice pricing
- » assessing and approving water and sewerage treatment infrastructure
- » providing co-funding to the resolution of high priority town water service risks via NSW Government's \$1 billion Safe and Secure Water Program.

The NSW Government recognises that it has a role to play to address risks and challenges when regulating and supporting local water utilities. In January 2021, the Department established the two-year Town Water Risk Reduction Program (TWRRP) to work in partnership with the LWU sector to identify long-term solutions to the most fundamental barriers facing the sector.

The key objective of the TWRRP is to develop and implement a new approach of working together that enables LWUs to manage risks and priorities in urban water systems more strategically and effectively and, as a result, help reduce water quality, water security and environmental risks in communities in regional NSW.

The focus is on making system improvements that enhance local water utilities and their partners capabilities, to better support and coordinate with LWUs, regulate local water utilities more effectively and fund them more appropriately.

Why are we engaging with you?

The TWRRP is based on a new partnership approach, which recognises and leverages the wealth of expertise within local councils and local water utilities and provides opportunities for these stakeholders to design and refine better solutions in collaboration with the Department

The TWRRP plans to focus on [five key areas of reform](#). One of its first priorities is to work with industry and stakeholders to **develop and implement an improved regulatory framework for local water utility strategic planning, pricing and major asset approvals** that is focused on outcomes, based on risk and the maturity of local water utilities, and is transparent, co-ordinated and accountable.

How are we engaging?

Over the coming weeks, the Department will be engaging with LWU sector and staff, local and state government, co-regulators, private sector and others to co-develop a 'Roadmap to an Improved Regulatory Framework' that sets out how the TWRRP team and stakeholders will work together to improve the regulatory approach. Input to the roadmap will be provided via a series of activities:

1. 20 one-on-one interviews with a cross-section of stakeholders (May).
2. Four 90-minute online workshops aimed at co-developing key elements of the roadmap (2 & 15 June via Teams).
3. Five regional roadshow events (late June).
4. Appearance at Local Government NSW Water Management Conference 2021 in Narrabri (7-9 June).
5. Sector-wide online survey (June/July).

Engagement process

Elton Consulting has been engaged by the Department to support this process, including conducting early one-on-one interviews with stakeholders.

We thank you for agreeing to an interview. The input provided by your organisation will be used to help develop both the 'Roadmap to an Improved Regulatory Framework' and future regulatory improvements.

Stakeholder interviews

We would like to explore the following areas during our interview with you. However, the conversation need not be limited to these questions if there are other topics you would like to discuss:

1. What role does your organisation play in delivering a safe, secure and sustainable town water supply and sewerage services in regional communities?
2. What do you see as the major risks or challenges to delivering a safe, secure and sustainable water supply and sewerage services to regional communities?
3. What is your understanding of the roles and responsibilities of the following entities in addressing these risks and challenges and ensuring safe, secure and sustainable water supply and sewerage services? What should these roles and responsibilities be?
 - > Councils/local water utilities
 - > NSW Government
 - > Department of Planning, Industry and Environment
 - > Other co-regulators (NSW Health, NSW EPA, OLG, NRAR).
4. When thinking about the regulatory framework and approach currently in place for local water utility strategic service planning, pricing and infrastructure approvals, what do you think (a) is working well and should remain, and (b) is not working well and needs to be addressed as a priority?
5. A goal for the TWRRP is to work collaboratively with stakeholders to build a sector where local water utilities are able to manage safe, secure and sustainable water supply and sewerage services in an efficient and customer-focused way. What do you see as the best ways for the TWRRP to work together with you/your organisation to achieve this goal?
6. The TWRRP is engaging and collaborating with a range of organisations to develop a 'Roadmap to an Improved Regulatory Framework'. How would you like the TWRRP to engage with you/your organisation to co-design an improved regulatory framework and approach? What would you like to see included in this Roadmap?

B Interview outcomes

Table 1 Interview outcomes

1. Major risks/challenges to safe and secure water supply

Capacity of LWUs/councils

- » Scale, size, affluence of communities, capacity, resourcing and skills of LWUs is inconsistent and varies massively across the state
 - » Funding/resources/financial burden of LWUs is threat to future delivery and operation, especially smaller LWUs
-

Resources

- » Lack of skills + staff in LWUs/inability to attract and retain/lack of technical expertise
 - » Lack of readily available, trusted data and information to inform state-wide/LWU decision making/modelling
 - » Ageing assets/infrastructure no funding or planning for upkeep/investment/planning for future
-

Future proofing

- » Climate change/resilience/future water security and supply/contingency planning
-

Lack of clarity/understanding

- » Confusion/lack of clarity about roles and requirements of LWUs and other agencies in strategic planning
 - » Lack of state-wide strategic direction or shared sense of purpose/goals between all stakeholders around water direction
 - » Lack of communication/collaboration between agencies and stakeholders
 - » Lack of understanding/acceptance of community about water issues and importance/urgency
-

Regulation

- » S.60 is outdated and too prescriptive
-

2. Roles and responsibilities

2. (a) Roles and responsibilities – of NSW Government

- » State-wide water resource management + strategic direction + risk management
 - » Set regulatory framework
 - » Provide guidance, direction, support to LWUs
 - » Federal Government interface/liaison
- Funding/financial support and determination

(b) Roles and responsibility – DPIE

- » Regulate/monitor
- » Provide support/best practice/help drive improvements/learnings/provide state-wide data
- » Reviews/approvals (eg. s.60)
- » State-wide /strategic planning
- » Bulk water supply
- » Help manage risk
- » Delivery arm of government

Roles and responsibilities – of LWUs/Local councils

- » Service planning, operation and delivery (eg. storage, distribution, upkeep)
 - » Owners of water/sewerage
 - » Strategic planning, including future reliability, sustainability + integration with IP&R
 - » Safe and secure water supply and sewerage services
 - » Staff and skills training
 - » Compliance with regulations
-

- » Risk management
 - » Community interface/education
 - » Best practice
-

(c) Roles and responsibilities – Co-regulators

- » Communicating/collaborating between each other
- » Participate in strategic planning process
- » Manage risks/maintain quality eg. health, environmental
- » NSW Health: positive feedback about performance/operation/clarity of direction/ values
- » NSW Health: drinking water management supply, system and implementation plans/funding support to LWUs
- » NSW EPA: negative feedback about performance/operation
- » NSW EPA: role is to protect health and safety of environment, licensing, pollution, point of source discharge
- » NRAR: role is to manage enforcement, regulation and licensing of extraction
- » NRAR: role is to regulate bulk water supply safety
- » NRAR: negative feedback about performance/operation/approach to regulation
- » OLG: IP&R, guidance to CLS
- » OLG: Not sure what they do

3. (a) Current reg framework – what is working well?

- » Pricing framework
 - » Best Practice Guidelines working well—effective tool with benchmarking data and helps informed conversation (eg. pricing/charges)
 - » LWUs on-the-ground/local presence/ understanding
 - » S.60 (to support delivery and fit-for-purpose)
 - » Principles behind the framework
 - » DPIE structure, including regional staff, seems to work well
-

- » Federal Government funding to/for LWUs to support infrastructure
- » Regional Water Strategies+ strategic water planning
- » Safe and Secure Water Program funding for regional infrastructure (to a certain extent)
- » All mostly/generally working well

3. (b) Current reg framework – what is *not* working well?

BEST PRACTICE MANAGEMENT

Best practice guidelines

- » Best Practice Guidelines not working well (hard to find, too complex, not fit for purpose)

Section 60

- » S.60 is OK but is a cumbersome and difficult process and doesn't consider challenges for faced by different LWUs
- » S.60 is poor/not required as it is outdated/too much work/untenable/too slow/impedes/doesn't work

Integrated Water Cycle Mgt

- » IWCM difficult/complex/expensive for LWUs/councils dependent on their size/ resources
- » IWCM needs review/rebuilding/scrapping

Alignment and communication

- » Lack of clarity of/between regulators and co-regulatory frameworks (eg. IP&R, BPF, IWCM)
- » Lack of clarity over roles/responsibilities and who is ultimately responsible for what,
- » Regulatory framework unclear/not communicated well/confusing/what are objectives/not delivered well (or as well as it could be)
- » Lack of effective communication/collaboration between and with co-regulators, including among DPIE teams/silos

RESPONSIVENESS TO CONTEXT

- » Not fit for purpose/proportionate, 'one size fits all' doesn't work/not modern
 - » LWU/local council communities vary in size and resourcing, regulations don't accommodate and support ways of addressing/funding
 - » Lack of equity across the state—current approach/strategic approach/infrastructure funding needs to support equitable outcomes on projects/priorities
-

CULTURE AND VALUES

- » DPIE needs to take a more facilitatory approach to assisting, providing resources, navigate regulatory systems

POLICY AND STRATEGY

- » Pricing/funding constraints for LWUs/local CLS
- » Strategic planning across state could be clearer
- » LWU/council annual pricing inconsistent, doesn't consider regulatory framework
- » Government funding not clear—who gets what and when/too focused on capital

What are the best ways for TWRRP to work with you/your organisation?

- » Build more trust between state and local govt
- » Build a genuine approach to innovation and working together, honesty in what is working and what is not
- » Skills share approach across clusters of councils, especially smaller ones to help capacity building
- » Challenge current DPIE culture
- » Implement audit process to gauge current state and gaps
- » Adopt a position that 'we are all in this together' and need to work together to find solutions
- » Consultation: with 'on-the-ground' LWU staff and community—honour local feedback—facilitate/support local/regional conversations and capacity building
- » Don't view LWUs as 'homogenous'
- » Provide clarity on TWRRP and change process
- » Identify quick/early wins to build trust with LWUs
- » Provide continual feedback-two-way communication and collaboration

How should TWRRP communicate/engage to co-design an improved regulatory framework?

- » Provide a 'safe' and respectful space for genuine discussion, debate and solutions, inclusive, transparent
 - » Act professionally
 - » Close the feedback loop—show us how you've listened and what you've done/changed
-

- » Engage across multiple channels with different methods (eg. workshop, single group, case studies, regional roadshows) especially about future options/changes
- » Working groups
- » Water conferences
- » Online portal
- » Collaborate on priorities and projects—facilitate discussion across stakeholders/regions and gain input
- » TWRRP is a great initiative/opportunity to 're-set' the conversation
- » Continue the transparent and collaborative approach
- » Could approach universities or other research institutions to re-make framework more meaningful/practical

What should be in Roadmap?

- » Include an independent 'reality check' /input
- » Include clear goals/objectives/principles
- » Ensure input/contribution and buy-in from all stakeholders across spectrum
- » Clear timeframes—not open ended
- » Early draft provided, not 'blank slate'
- » Address regulatory confusion – who does what
- » Address strategic asset mgt/infrastructure to allow LWUs to be more proactive in line with state-wide thinking
- » Address Best Practice Guidelines—needs to be more flexible and integrated with other council planning and timelines
- » Address Best Practice Guidelines—needs to be clearer, written in plain English, accessible
- » Address/review IWCM process and framework
- » Address infrastructure backlog
- » Address length of time processes, sign-off, take with DPIE
- » Address funding framework and how funding is allocated eg. long-term grants/funding
- » Address issues with s.60
- » Address multiple requirements across multiple regulations and legislation (eg. LG Act, EP&A)

- » Improver collaboration/communication between stakeholders—co-design solutions and communications/resources
- » Continue stakeholder advisory panel and encourage opportunities for locally based approaches/solutions to individual utilities
- » Address lack of proportionality of regulations and requirements

Mechanisms used by larger LWUs to provide effective assistance to smaller LWUs to help overcome capacity or scale challenges

- » Look at joint procurement/standard contract opportunities between LWUs to share costs
 - » Joint Organisations
 - » County councils
 - » Regional alliances (eg. Orana Water Utilities Alliance, Centre West Councils Environment and Waterways Alliance)
 - » Look at case studies from other states and how they have managed similar issues (eg. QLD, TasWater)
-

C Interview participants and quotes

| Stakeholder representatives | Number interviewed |
|-------------------------------------|--------------------|
| Private consultants | 5 |
| Elected official (local government) | 4 |
| LWU/council staff | 10 |
| Co-regulator | 4 |

| Quotes | |
|--|-------------------------------------|
| "Establishment of TWRRP is a genuine attempt to listen, engage and generate solutions—the program is already on the right path" | Co-regulator |
| "[TWRRP] is a good initiative, I think it is fantastic... I actually think it's really good and have confidence for this to help utilities to do what they are paid to do" | LWU/council staff |
| "Councils also need to take more responsibility for better managing our own sewer and water assets and working more collaboratively. We are our own worst enemy in this space and roadmap needs to acknowledge this." | LWU/council staff |
| "I have a lot of confidence in the [TWRRP] process. My concern is when it gets to Cabinet" | Co-regulator |
| "Frank and honest discussions won't be held against anyone. This is about trying to see a path forward. I don't think it's broken when you think it took a serious drought event to show inadequacies... On speaking with a farmer with land across a number of regions [they said], 'I never expected them all to be hit at one time.'" | Elected official (local government) |
| "Regulatory framework must be consistent, clear... We're not saying make it less rigorous, just make it clearer." | Elected official (local government) |
| "IWCM doesn't make sense. We now have regional checklist. IWCM is daft." | LWU/council staff |
| "They [TWRRP] talking about pilot IWCMs. We don't want too many different templates to choose from, but maybe utility size." | LWU/council staff |
| "[Problems] in terms of approvals are around the outdated IWCMs and BP framework. One size fits all. Doesn't work... We all say we should be doing strategic planning but the way the BP is designed is a cookie cutter approach." | LWU/council staff |
| "Most councils don't have the resources to go through this process. Great intention but not practical and not working." | Private consultant |
| "Their role [NRAR] should be to manage the regs at extraction and licencing of extraction. At the moment they seem to be focused on all segments of service, irrigation and environmental. So far, all we've seen is arbitrary regulation, almost authoritarian approach... We think it's a case of low-hanging fruit." | LWU/council staff |

D Workshop agenda

Agenda 1A and 1B

Summary Report July 2021

Project Town Water Risk Reduction Program

Date [Date]

Venue Brendan Blakeley

Time [Time]

Purpose

- » Clarify current understanding of sector roles and responsibilities for delivering safe, secure and sustainable water supply and sewerage services
- » Identify key regulatory objectives and roles for developing an improved regulatory framework as part of the TWRRP.
- » Identify key elements for development of a Town Water Risk Reduction Program.

| Item | Timing | Discussion Point | Presenter |
|------|---------|--|--|
| 1. | 5 mins | Welcome <ul style="list-style-type: none"> » Welcome to workshop. » Acknowledgement of Country. » Workshop agenda. | Elton Consulting |
| 2. | 5 mins | Introduction <ul style="list-style-type: none"> » Program overview and priority areas. » Collaboration and co-design approach. » Opportunities and challenges. | TWRRP Team |
| 3. | 25 mins | Clarifying roles and responsibilities <ul style="list-style-type: none"> » What we heard. » Who should bear responsibility for? <ul style="list-style-type: none"> > Service provision (strategic planning, risk management, operation). > Policy and regulation. > Funding. | Elton Consulting + Workshop participants |
| 4. | 30 mins | Identifying regulatory objectives and roles <ul style="list-style-type: none"> » What we heard. » What elements of the current regulatory framework are working well and what elements need to be addressed as a priority? » Identify roles and objectives required to drive delivery of an improved regulatory framework. | Elton Consulting + Workshop participants |
| 5. | 15 mins | Developing a 'Roadmap to an Improved Regulatory Framework' <ul style="list-style-type: none"> » What we heard. » Identify focus areas for development of the 'Roadmap to an Improved Regulatory Framework'. » Identify 'quick win' collaboration opportunities and priorities. | Elton Consulting + Workshop participants |
| 6. | 10mins | Wrap-up <ul style="list-style-type: none"> » Re-cap of workshop outcomes. » Next steps | Elton Consulting |

Agenda 2A and 2B

Summary Report July 2021

Project Town Water Risk Reduction Program [Date]

Venue Brendan Blakeley [Time]

- Purpose**
- » Reflect on key outcomes from workshop series one.
 - » Identify priority areas, objectives and critical steps required for developing an improved regulatory framework.
 - » Identify critical elements of the roadmap to an improved regulatory framework, including consultation and collaboration mechanisms.

| Item | Timing | Discussion Point | Presenter |
|------|---------|--|--|
| 1. | 5 mins | Welcome <ul style="list-style-type: none"> » Welcome to workshop. » Acknowledgement of Country. » Workshop agenda. | Elton Consulting |
| 2. | 10 mins | What we heard <ul style="list-style-type: none"> » Overview of outcomes from workshop series one. | Elton Consulting |
| 3. | 60 mins | Identify objectives and critical steps to address the following: <ol style="list-style-type: none"> 1. Improving strategic planning and coordination 2. Providing affordable, safe and secure access to water and services 3. Streamlining infrastructure approvals 4. Supporting financial sustainability 5. Monitoring compliance and performance 6. Improving government processes | Elton Consulting + Workshop participants |
| 4. | 10mins | Wrap-up <ul style="list-style-type: none"> » Re-cap of workshop outcomes » Next steps | Elton Consulting |

E Workshop outcomes

Table 2 Workshops outcomes

| Theme 1: Improve regulation and support of LWU strategic planning | |
|--|---|
| What we heard (issues) | What we would like to achieve (draft objectives) |
| <ul style="list-style-type: none"> » Lack of a clear, unified, strategic direction set by and for regulators » There is a need for IWCM to move to a more outcomes-focused approach with more guidance from DPIE about how to define and measure outcomes » IWCM one-size-fits-all approach is inefficient and outdated and lacks proportionality in the way risk is assessed and responded to » IWCM is unrealistic, requires detailed data inputs and does not encourage community engagement or input in identifying solutions or actions » Need for alignment and integration of long-term, state-wide, regional and local strategic urban water planning » Review the Department's strategic planning instrument (30-year IWCM strategy) to support a more transparent, risk-based and responsive approach to regulating and supporting LWUs » IWCM lacks whole-of-government and agency buy-in and commitment to outcomes » Ensure regulators take a coordinated approach to strategic service planning that supports consensus on IWCM strategies » Provide greater access to reliable data inputs and modelling to support robust and coordinated state-wide strategic service planning | <ul style="list-style-type: none"> a. Department sets clear regulatory objectives and requirements for LWU strategic planning (IWCM strategic planning) that are outcomes-focused b. Oversight and support of LWU strategic planning is flexible based on challenges faced by LWUs, risk profile of LWU systems, and LWU organisational maturity c. Regulatory framework and processes for LWU strategic planning are transparent, efficient and accountable d. The regulatory framework for LWU strategic planning enables and requires adaptive strategic systems and decision-making so that LWUs can identify and respond to strategic challenges when they present themselves. e. Regulators and LWUs coordinate well to balance regulatory objectives and take a collaborative approach to LWU strategic planning f. LWU strategic planning is integrated into councils' Integrated Planning and Reporting Framework to support best outcomes for the community g. That LWU strategic planning is informed by, and informs, state and, regional strategic planning processes (eg. Regional Water Strategies, urban and economic development planning h. That NSW Government provides a single source of data and modelling to support and enable robust LWU strategic planning, especially where data collection /generation is outside control of LWUs i. In addition to its regulatory role, the Department continues to provide guidance and specific support to individual LWUs, including on utilities on the development and implementation of LWU strategic planning. |

| How we could address it (solutions) | How we could achieve it (draft activities) |
|---|--|
| Investigate processes to better align local, regional and state-wide strategic water planning, eg. Regional Water Strategies and local government integrated planning framework | a. Integrate local town water planning more formally into the Integrated Planning and Reporting Framework for local councils in NSW |
| Require approval agencies/regulators to take a consistent approach to IWCM, with a 'principal' regulator appointed to provide leadership and approval | b. Investigate process/mechanism by which state and regional strategic planning around water (eg. State Water Strategy and Regional Water Strategies) can be better integrated and aligned with local planning and priorities |
| Review IWCM structure and processes to improve transparency, accountability and efficiency and allow for a more proportionate and flexible response to changing circumstance | c. Develop a Memorandum of Understanding or formal guidelines that establish how regulators, state agencies will interact with LWUs and each other to ensure consistency of outcomes, assessments and approvals |
| Review how the Department and other regulators support and regulate LWUs via IWCMs, ensuring a more collaborative and outcomes-focused approach | d. Identify processes by which regional, state and local strategic planning can be informed by local and regional community aspirations, priorities and need, eg. regional multi-agency platform/committee |
| Investigate opportunities for state, regional and local coordination and knowledge sharing about town water service planning, eg. via Joint Organisations | e. Conduct a review of IWCM strategic planning framework and processes via consultation with regulators, LWUs, local councils and state agencies/SOCs to ensure a risk-based, fit-for-purpose and flexible approach (eg. responsive to climate issues, community profile changes, urban planning directives) |
| | f. Consider feasibility of an approach to IWCM similar to that of the pe-lodgement SEARS requirements for an Environmental Impact Statement, ensuring that potential issues are identified early and that final approvals are informed by a collaborative approach between LWUs and regulators |
| | g. NSW Government to adopt the principle of 'open source' data and modelling sharing with LWUs/local councils to support local and regional strategic planning, based on shared assumptions around critical areas (eg. yield, water quality projections) |
| Theme 2: Provide greater clarity around minimum service standards, agreed service levels, pricing and affordability | |
| What we heard (issues) | What we would like to achieve (draft objectives) |
| Strategic planning for water needs to consider community aspirations, including minimum standards and agreed service levels | a. NSW Government to set clear service objectives for the sector and communities around water security, fit-for-purpose water quality and environment |

| | |
|--|---|
| There is a need for better, more informed community consultation about how water is used and sourced and what service levels are acceptable/required, including non-mandatory service levels | b. NSW Government sets and monitors minimum service levels for LWUs (eg. for water security, drinking water quality, environmental impact of sewerage services) |
| There is a role for the NSW Government to set, commit to and (where necessary) providing funding to ensure minimum service levels and standards are consistent across the state | c. NSW Government acknowledges a role in providing funding to LWUs where communities/customers cannot afford to meet minimum service levels and standards |
| It is the role of local councils/LWUs to determine how and when to meet minimum service level standards (eg. whether certain services are required) and when and how to meet or exceed them, based on local need and community aspiration | d. LWUs are responsible for consulting with community and customers to determine when and how they would like to exceed minimum service standards and how to pay to meet any identified need above minimum standards |
| It is the right of all communities to be provided with minimum service standards for safe, secure and sustainable access to water, regardless of their size or capacity to pay | |
| How we could address (solutions) | How we could achieve it (draft actions) |
| NSW Government to develop a framework for identifying and implementing minimum standards and service levels in consultation with LWUs, local councils and communities | a. Establish a working group of LWUs, local councils, state agencies, regulators and SOCs to investigate how to set state-wide, consistent minimum service standards that support CSO outcomes and consistent standards for water quality, security and health outcomes |
| LWUs and NSW Government to work in partnership to identify minimum standards and service levels for essential services, but LWUs/local councils to consult with their communities about acceptable service levels and standards above those minimums | b. Establish a set of agreed best-practice principles to guide the way service standards and levels are met and/or exceeded by LWUs around the state |
| NSW Government to set the framework for pricing in consultation with LWUs, and to monitor pricing, if required | c. Establish a set of agreed pricing principles including efficiency and affordability to inform pricing paths in strategic planning |
| NSW Government to commit to Community Service Obligation (CSO) principles with regard to supporting minimum standards and service levels to ensure equity of access for less advantaged communities | |
| Provide greater autonomy for local councils/LWUs to set service levels and standards and to develop solutions that address current and future infrastructure and asset needs | |

Theme 3: Streamline infrastructure assessment and approvals process

| What we heard (issues) | What we would like to achieve (draft objectives) |
|--|---|
| Current approvals and assessment processes are slow, result in 'roadblocks' to delivery and compromise access to equitable, safe and well-regulated town water | <p>a. The state government sets clear objectives, scope, expectations of LWUs for infrastructure approvals (s.60 LG Act), including ensuring there is greater certainty around what requires approval</p> <p>b. Requirements and processes are risk based</p> |
| Current s.60 process is lengthy and inflexible and there is no consultation or involvement of LWUs throughout the assessment process and until a decision is made | c. DPIE to ensure a transparent and well documented assessment and approvals processes (including reasons), with clear service standards and timeframes for decision making |
| Current s.60 process is overly prescriptive, tends to favour outdated technology and approaches, contains no checks or balances, and demonstrates little to no understanding of local issues | d. DPIE is up to date on technology and business and procurement processes and can provide or facilitate technical expertise and support to LWUs |
| Current s.60 fails to demonstrate an understanding of, or commitment to, contemporary approaches to safe and secure town water or to community preferences or priorities | e. In addition to its regulatory role, the Department continues to provide guidance and specific support to individual LWUs on infrastructure design and procurement, including on utilities on the development and implementation of LWU strategic planning. |
| Presence of regional-based DPIE Water staff is both valued and appreciated | f. Infrastructure approvals focus on a "due diligence" assessment, including the management of risk associated with procurement of large infrastructure and the consideration of stakeholder perspectives, strategic planning outcomes, customer preferences and priorities, local/regional issues and impacts and regulatory requirements. |
| How we could address (solutions) | How we could achieve it (draft actions) |
| Recruit additional DPIE regional staff to provide support and guidance to LWUs | a. Establish a working group to scope and review infrastructure assessment and approvals processes, ensuring working group includes regional-level and LWU representation |
| Recruit additional DPIE Water staff to speed up the assessment and approval timeframes and ensure more collaborative approach is taken with LWUs | b. Consider opportunity for regional-level delegation for some infrastructure assessment and approvals |
| Ensure early involvement of and discussions with DPIE Water staff before the assessment and approvals process commences, to ensure quick and optimal outcomes to s.60 process | c. Consider opportunities for incorporating 'exempt and complying' principles in review of infrastructure assessment and approvals processes to expedite delivery |
| Improve s.60 so it is more consultative and participative, has an outcome rather than output focus, includes early conversations with LWUs to | d. Investigate opportunity for ongoing collaboration around innovation and best practice in water and sewerage infrastructure design and delivery and how this can be incorporated into regulatory framework |

identify potential issues, solutions and roadblocks, and is supported by a clear process map and service level standards

e. Investigate definition and role of 'due diligence' in managing risk and in the context of s.60 assessment and approval process

Theme 4: Improving government processes

What we heard (issues)

What we would like to achieve (draft objectives)

Absence of a 'lead' regulator creates problems as it leads to a lack of leadership and direction and inconsistency in approaches and directives

a. Ensure co-regulators coordinate well and consider balancing the objectives of co-regulators to inform LWU strategic planning and infrastructure approvals processes; consider the concept of a "coordinating" or "lead" regulator

Need for clearer, more proportional and consistent approach to regulation across all regulators in the town water and sewerage space

b. Greater clarity around how DPIE's regulatory/approvals and guidance/support functions operate and how these two functions are managed and separated

Need for a more risk-based approach to regulation, compliance, and monitoring of LWUs based on the scale, operational maturity and customer profile of LWUs

c. Alignment of compliance and performance reporting systems across regulators for greater efficiency and to ensure objectives for reporting are clear and focused on what is actually needed

d. Co-regulators' roles and responsibilities in the regulatory framework for LWU strategic planning and infrastructure approval are clear.

How we could address it (solutions)

How we could achieve it (draft actions)

Nominate a lead regulator that LWUs can work alongside to limit confusion, conflict and contradiction in different regulatory processes

a. DPIE to develop a public statement that clearly sets out its regulatory objectives, regulatory functions and why and how they contribute to achieving outcomes/objectives, including when and how it interacts with co-regulators

Set service level standards for regulators around assessment and approvals processes

b. Develop a Memorandum of Understanding or formal guidelines to establish how regulators, state agencies will interact with LWUs and each other to ensure consistency of outcomes, assessments and approvals

Establish clear guidance for LWUs that provides clarity of roles, responsibilities, processes and scope of each regulator and addresses current contradictions/lack of clarity

c. Ensure appropriate authority and resourcing of the Department's regional teams to facilitate coordination of strategic issues among LWUs and state agencies

Improve quality of advice and support provided by DPIE to LWUs, enable a collaborative rather than adversarial approach

d. Establish a working group with LWUs/local councils, DPIE and regulators to map current processes across regulators—including reporting obligations—and identify service standards/KPIs

Improve ongoing collaborative mechanisms between regulators and LWUs/local councils

e. Establish greater collaboration across government agencies on process improvement initiatives

Improve s.60 processes (see Theme 3 above)

F Roadshow agenda

Details

Meeting: Roadmap to an Improved Regulatory Framework for Local Water Utilities

Location: Club Dubbo, 82 Whylandra Street, Dubbo, NSW 2830

Date/time: Wednesday 23 June 2021
11:00am – 3:00pm

Arrive from 10:30am for morning tea

Purpose: Identify elements of an improved regulatory framework and priority areas, objectives and critical steps required for developing an improved regulatory framework.

Identify critical elements of the roadmap to an improved regulatory framework, including consultation and collaboration mechanisms.

Agenda items

| No. | Description | Timing | Responsible |
|-------------------------------------|---|---------|--|
| Registration and Morning Tea | | | |
| 1 | Welcome to workshop <ul style="list-style-type: none"> Acknowledgement of Country Workshop agenda | 5 mins | Elton Consulting |
| 2 | Overview of the Town Water Risk Reduction Program <ul style="list-style-type: none"> Program overview and priority areas Collaboration and co-design approach Opportunities and challenges | 10 mins | Town Water Risk Reduction Program Team |
| 3 | Improving the regulatory framework <ul style="list-style-type: none"> Summary of consultation process and outcomes to date Interactive workshop activities. | 90 mins | Elton Consulting Workshop participants |
| Lunch | | | |
| 4 | Emergency support for councils and local water utilities <ul style="list-style-type: none"> Feedback on discussions to date Workshop activity: Identify priority areas for improvement | 25 mins | Town Water Risk Reduction Program Team |
| 5 | Regional collaboration and State Government support for local water utilities <ul style="list-style-type: none"> Workshop activity: Identifying opportunities for collaboration between councils Workshop activity: Identifying opportunities for State Government support | 50 mins | Town Water Risk Reduction Program Team |
| 6 | Wrap-up <ul style="list-style-type: none"> Re-cap of workshop outcomes Next steps | 10 mins | Elton Consulting Town Water Risk Reduction Program Team |

G Roadshow outcomes

Table 2 Outcomes from Roadshows

| THEME 1: IMPROVE REGULATION AND SUPPORT OF LWU STRATEGIC PLANNING | |
|--|---|
| What we would like to achieve (draft objectives) | Feedback |
| a. Department sets clear regulatory objectives and requirements for LWU strategic planning (IWCM strategic planning) that are outcomes-focused | <ul style="list-style-type: none"> » This objective is very important, particularly due to the challenges faced by some LWUs » Clear outcomes for the LWU need to be established and agreed to at the outset of IWCM by LWUs, DPIE and consultants in collaboration |
| b. Oversight and support of LWU strategic planning is flexible based on challenges faced by LWUs, risk profile of LWU systems, and LWU organisational maturity | <ul style="list-style-type: none"> » IWCM data analysis requirements are very onerous for smaller LWUs; while the level of analysis is probably needed to make good decisions, councils do not have the resources to do all of this (Gunnedah) » Suggest you undertake gap analysis for individual LWUs as to what data analysis is required and what can actually be collected/analysed; then provide support (consultant) » Government to develop a template version of the document – IWCM (Dubbo) » Data requirements should not be uniformly set but be flexible and collaborated on a case by case (DPIE Water) » It would be valuable to have regulators commit to recognising IWCMs (or equivalent) as <i>the</i> tool for LWUs to strategically address risks and to 'buy-in' to these strategies to a degree » Regulators should look at whether LWUs can demonstrate that they make informed decisions (Rous) » Regulation is a good thing, including to drive performance improvement but needs to be flexible and account for capability/maturity of LWU (Shoalhaven) » Develop minimum acceptable strategic planning requirements, not just best practice (Dubbo) » Discussion around what outcomes focused means including; clear objectives, good asset management, financial planning and CAPEX planning, affordability / price, need to be aligned to drinking water objectives, alignment between state and council plans |

| | |
|--|--|
| | <ul style="list-style-type: none"> » Tamworth should not have same approach as smaller centres – growth v non-growth, different water sources » Hard for small utilities to bring that level of resourcing and skills to the table to effectively manage these documents between the two periods » It should be possible to update parts of the strategy individually, and it should only be necessary to perform these updates when the circumstances warrant it – eg. when the situation facing the utility has changed in some meaningful way |
| c. Regulatory framework and processes for LWU strategic planning are transparent, efficient and accountable | <ul style="list-style-type: none"> » Needs to be streamlined and tailored to the needs to council. If no new infrastructure required, could be simplified. Low growth, secure supply, no new upgrades etc » Are the regulatory interventions fit for purpose for the size, scale and capability of the LWU you are looking to support? » Need to understand what the intent of the processes are – are processes more about clarity around how the regulatory environment will operate and interactions? » Don't make it overly prescriptive » Change "processes" to objectives |
| d. The regulatory framework for LWU strategic planning enables and requires adaptive strategic systems and decision-making so that LWUs can identify and respond to strategic challenges when they present themselves. | <ul style="list-style-type: none"> » General support for this objective but unclear how the regulatory system would support this » Should not be one size fits all. There should not be a time specific review period triggered by changes in circumstances that will lead to changes in servicing eg. growth. Councils should be able to decide what part of the water system do they want to prioritise and plan for in consultation with community » Systems and processes need to remain "live" all the time and government regulators should look at it from this perspective (Shoalhaven) » Everyone is entitled to safe and secure water services regardless of price (Dubbo) |
| e. Regulators and LWUs coordinate well to balance regulatory objectives and take a collaborative approach to LWU strategic planning | <ul style="list-style-type: none"> » Limited discussion on this objective |
| f. LWU strategic planning is integrated into councils' Integrated Planning and Reporting | <ul style="list-style-type: none"> » General support for this objective |

| | |
|--|--|
| Framework to support best outcomes for the community | <ul style="list-style-type: none"> » County council noted that there is duplication in the strategic business planning documentation under the BPM framework and the documentation required under IP&R » There should be no requirement to redo the plans every four years, just to review. If the strategy remains appropriate and supported by the community it should be maintained » Big disconnect between IP&R and IWCM frameworks. They need to mesh together. Particularly in relation to financial management aspect and asset management. Looking at the total planning framework and the timing (particularly in relation to the election cycle). Also need to address the silos within which councils operate » IP&R serves a number of purposes for councils. Key aspect of the IP&R framework is community aspirations and council priorities. Councils are also so financially constrained that only about 30 are in green currently, which makes funding for asset management and asset use very difficult. Bushfire and flood recovery activities are impacting on this significantly » Is there a role for joint organisations to coordinate to deliver efficiencies? |
| g. That LWU strategic planning is informed by, and informs, state and, regional strategic planning processes (eg. Regional Water Strategies, urban and economic development planning | <ul style="list-style-type: none"> » Integration and planning with other utilities should be encouraged by government or initiated by existing relationships or catchment/geography » Town water security for Tamworth is very different to the certainty and degree of town water security provided in other catchments - eg. Albury; perhaps because Tamworth is at the top of the catchment and the other towns are at the lower end (Tamworth) » This issue might be resolved by having access to better data, especially RWS data » Should result in better alignment of IWCM strategic planning and Regional Water Strategies |
| h. That NSW Government provides a single source of data and modelling to support and enable robust LWU strategic planning, especially where data collection /generation is outside control of LWUs | <ul style="list-style-type: none"> » General support for this objective » Need to recognise that system understanding, and data is very complex for groundwater systems; LWUs don't have data to understand this, government needs to take this on » While data sharing between State and Local Government is good, need support to use the data for modelling. This is complex, need to make data sharing and use easier » Data from WNSW should be available for LWU planning » Water modelling data is very important. State has invested money in paleo stochastic model, and it would be good to get access to this |

| | |
|--|---|
| | <ul style="list-style-type: none"> » Concern as to whether this might mean more reporting by LWUs (Goulburn) » There should be a central depository that everyone can access » Feeling that rules and expectations keep shifting (Dubbo) » Open data is the appropriate approach. Share in a way that is meaningful and useful. Need to work on interpretation and application » Why not consider DPIE doing the yield analysis? (Dubbo) |
| i. In addition to its regulatory role, the Department continues to provide guidance and specific support to individual LWUs, including on utilities on the development and implementation of LWU strategic planning. | <ul style="list-style-type: none"> » Modelling support is really needed, it's too complex to be done by regional utilities » More on the ground support needed (Dubbo) |
| Did we miss anything? | <ul style="list-style-type: none"> » Regional team of DPIE doing a great job (but feels like Government aren't connected - DPIE, WaterNSW and more) – the 'team' needs to manage the resources and services » Need to avoid reform that adds to reform (Dubbo) |

| How we could achieve it (draft activities) | Feedback |
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| a. Integrate local town water planning more formally into the Integrated Planning and Reporting Framework for local councils in NSW | <ul style="list-style-type: none"> » Strategic planning needs to recognise that every LWU is different (some county councils and some not practicable to connect so regional infrastructure solutions are not on the table) » Alignment with IP&R as assets already being reviewed » Strategic planning should not be prescriptive instead it should be linked to councils needs and systems » Just getting approval of a proposal to prepare IWCM and resources takes too much time |
| b. Investigate process/mechanism by which state and regional strategic planning around water (eg. State Water Strategy and Regional Water Strategies) can be better integrated and aligned with local planning and priorities | <ul style="list-style-type: none"> » Regional Water Strategies could address some issues across council areas » In Snowy Monaro region there are lots of regulated rivers » Being so close to Canberra, need to bring the ACT into this, we often don't engage with them |

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| <p>c. Develop a Memorandum of Understanding or formal guidelines that establish how regulators, state agencies will interact with LWUs and each other to ensure consistency of outcomes, assessments and approvals</p> | <ul style="list-style-type: none"> » When we are planning to upgrade a water treatment plant or sewage treatment plant, there are meetings, but always project specific » Could have workshops with all the agencies – blue sky issues, what are the risks, where should we focus. Council could have a workshop with all the regulators with the agencies, they know what other councils have experienced » Interested in general catch ups which are regionally based. An opportunity to learn from the other councils. Snowy-Monaro would be interested in a regional catch up with; Bega, Snowy Valleys, QPRC, Icon Water. NSW Health supports this if there is a clear agenda and support to facilitate to make the changes needed » Doesn't need to be an MOU, just clear, plain English guidelines (Dubbo) |
| <p>d. Identify processes by which regional, state and local strategic planning can be informed by local and regional community aspirations, priorities and need, eg. regional multi-agency platform/committee</p> | <ul style="list-style-type: none"> » Council's strategic plans reflect community's investment in sharing their views |
| <p>e. Conduct a review of IWCM strategic planning framework and processes via consultation with regulators, LWUs, local councils and state agencies/SOCs to ensure a risk-based, fit-for-purpose and flexible approach (eg. responsive to climate issues, community profile changes, urban planning directives)</p> | <ul style="list-style-type: none"> » Limited discussion on this objective. |
| <p>f. Consider feasibility of an approach to IWCM similar to that of the pe-lodgement SEARS requirements for an Environmental Impact Statement, ensuring that potential issues are identified early and that final approvals are informed by a collaborative approach between LWUs and regulators</p> | <ul style="list-style-type: none"> » Can be a challenge where there is more than one council joined in the water supply |
| <p>g. NSW Government to adopt the principle of 'open source' data and modelling sharing with LWUs/local councils to support local and regional strategic planning, based on shared</p> | <ul style="list-style-type: none"> » Limited discussion on this objective |

assumptions around critical areas (eg. yield, water quality projections)

Did we miss anything? » Uncertainty around how the RWS will influence future planning

THEME 2: PROVIDE GREATER CLARITY AROUND MINIMUM SERVICE STANDARDS, AGREED SERVICE LEVELS, PRICING AND AFFORDABILITY

What we would like to achieve (draft objectives) Feedback

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| <p>a. NSW Government to set clear service objectives for the sector and communities around water security, fit-for-purpose water quality and environment</p> | <ul style="list-style-type: none"> » General agreement with this objective » There should be some leeway for different areas of the state eg. coastal vs inland » Capital and operational costs need to be considered. Need sufficient staff and other resources to make this feasible » Guidelines should be used but not applied rigidly » Consider how to help communities to make informed decisions about health, risks, ageing infrastructure, standards, capacity to managed » Need clear benchmark so that LWU can make informed choices » Driven by the needs of the community and needs of the utility |
| <p>b. NSW Government sets and monitors minimum service levels for LWUs (eg. for water security, drinking water quality, environmental impact of sewerage services)</p> | <ul style="list-style-type: none"> » Principal support for the setting of minimum service standards/levels » Questions were asked as to how they would be set in detail (this needs to be worked through first) » Can work off the basic framework that exists: ADWG, EPL etc » Needs to be flexible, based on circumstances and expectations in communities (Goulburn) » For minimum standards to work, a community education piece might be needed to help customers understand the risks that need to be addressed (consultant) » Some communities might not want to pay for it and/or might not want the development/uplift to happen because it might change the fabric of the community |

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| | <ul style="list-style-type: none"> » Could LWUs decide what their individual minimum service levels should be? How would funding work under this option? (Goulburn) » Setting uniform minimum service levels might be easier for drinking water quality but more difficult where the risk is not that "clear"; eg. water security and level of restrictions » Australian Drinking Water Guidelines already allow for flexibility as they set a trigger level (i.e. a minimum service level) at which a specific discussion is required as to what to do with this risk » In previous strategic planning exercises, some communities were comfortable with a lower level of water security (higher restrictions than 5/10/10) in order to not have to pay for it (Midcoast); noting that this was the mood of the time and might have changed now that they went through a significant drought with the obvious risk of running out of water (Midcoast) » Absolutely critical that communities who want less than regulated standards should be given the opportunity to opt out » The LWU should be able to establish service standards in consultation with its communities (there will be high variability within a LWU area let alone across) |
| c. NSW Government acknowledges a role in providing funding to LWUs where communities/customers cannot afford to meet minimum service levels and standards | <ul style="list-style-type: none"> » General support for this objective » For some communities basic service provision is not affordable » We have split between the water and sewer fund. Why can't we combine into one bucket of money to help with cash flow and add stormwater » Consideration is needed when designing any CSO funding model as to how to deal with LWU postage-stamp pricing and internal cross-subsidisation of communities with different cost structures and service levels » Consider a funding model that caters for growth (Shoalhaven) |
| d. LWUs are responsible for consulting with community and customers to determine when and how they would like to exceed minimum service standards and how to pay to meet any identified need above minimum standards | <ul style="list-style-type: none"> » Support for this objective, especially around production and use of recycled water » Contradicting opinions on the need for a price review by IPART » Councils already have a price review process through the community every year |
| Did we miss anything? | <ul style="list-style-type: none"> » Reality is that some councils will never be sustainable. In those councils (eg. Far West) a CSO makes sense |

- » There are some councils that may be costing their communities and taxpayers money unnecessarily where they could merge with neighbours and achieve financial sustainability. Need to be brave enough, to consider is it appropriate for taxpayers to subsidise these utilities
- » Our communities expect good performance from their councils – and in general councils are meeting those expectations
- » Need standards and regulations that consider both the wastewater discharge standards as well as energy requirements

How we could achieve it (draft actions)

Feedback

a. Establish a working group of LWUs, local councils, state agencies, regulators and SOCs to investigate how to set state-wide, consistent minimum service standards that support CSO outcomes and consistent standards for water quality, security and health outcomes

- » An independent tribunal was suggested

b. Establish a set of agreed best-practice principles to guide the way service standards and levels are met and/or exceeded by LWUs around the state

- » Less government intervention in regulation but more guidance
- » Needs genuine conversation with community and transparency (Dubbo)

c. Establish a set of agreed pricing principles including efficiency and affordability to inform pricing paths in strategic planning

- » Limited discussion on this objective

Did we miss anything?

- » Need guidance on user agreements for shared resources (Dubbo)
- » Some transitions/pathways needed to get to the minimum standards – and have visibility (Dubbo)

THEME 3: STREAMLINE INFRASTRUCTURE ASSESSMENT AND APPROVALS PROCESS

What we would like to achieve (draft objectives)

Feedback

a. The state government sets clear objectives, scope, expectations of LWUs for infrastructure

- » DPIE have a role in oversight, but not to make new decisions

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| <p>approvals (s.60 LG Act), including ensuring there is greater certainty around what requires approval</p> <p>b. Requirements and processes are risk based</p> | <ul style="list-style-type: none"> » Set clear processes and assessment outcomes for each step (clearer pathway through the process and when you need to ask DPIE) (Goulburn) » Risk based processes and decision making should be the critical underpinning concept » General agreement that scope of s.60 should go beyond “due diligence” review and look at whether proposed solution is value for money » S.60 system is not broken but its application needs to change, especially for more mature LWUs that are able to manage their risks (Tamworth) » Principle of s60 is great, ensuring value for money, fit for service for community, just the application of it a problem (Dubbo) » More flexibility is needed in how risks are looked at; the assessment process should be more collaborative (Namoi JO) and should not go into every little detail » Intent of s.60 is for the government to understand what infrastructure is in place and that it is build “okay” (Namoi JO, consultant, Tamworth) » Not clear when the Department is advising and approving » Share knowledge and provide peer review; sounding board; partnering and “sharing the load”, education function » Where proposed infrastructure aligns with solution in strategic planning, there is less need to have a detailed look at the proposed solution (Rous) » Noted that s.60 is not required for other water infrastructure (dams, pipelines, networks); it was questioned what that says about the intent of s.60 and how the other infrastructure is handled » S.60 process needs to be improved to allow for proper consideration of health risks; process is too rigid (NSW Health) » The intent and objectives of the approval should be clear |
| <p>c. DPIE to ensure a transparent and well documented assessment and approvals processes (including reasons), with clear service standards and timeframes for decision making</p> | <ul style="list-style-type: none"> » Noted that process is difficult to document of every type of situation eg. Drinking water processes different to sewerage approvals » Allow peer review of decisions » Absolutely – should be transparent, documented and public » Should be based on ADWG |

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| <p>d. DPIE is up to date on technology and business and procurement processes and can provide or facilitate technical expertise and support to LWUs</p> | <ul style="list-style-type: none"> » S.60 does not fit well into the design and construction procurement regime » Government should look at continuous improvement of process and education of regulators » DPIE should be more up to date with technology and innovation and assist knowledge transfer and piloting new tech in LWUs |
| <p>e. In addition to its regulatory role, the Department continues to provide guidance and specific support to individual LWUs on infrastructure design and procurement, including on utilities on the development and implementation of LWU strategic planning.</p> | <ul style="list-style-type: none"> » Guidance for infrastructure OK but not procurement, this is a LWU responsibility » Focus should be on smaller utilities in particular » Government should be an expert in providing fearless, unadulterated, not market driven advice but LWUs have ultimate say in what is constructed » Expert advice from DPIE water on water security, water treatment upgrades, wastewater upgrades as most of the regional councils do not have that expertise » Regional collaboration provides this expertise and support as well. Ability to bounce ideas off other LWU staff » Water Directorate may also be able to provide this expertise, knowledge sharing as well |
| <p>f. Infrastructure approvals focus on a “due diligence” assessment, including the management of risk associated with procurement of large infrastructure and the consideration of stakeholder perspectives, strategic planning outcomes, customer preferences and priorities, local/regional issues and impacts and regulatory requirements.</p> | <ul style="list-style-type: none"> » Consider a self-certification framework. Consider an opt in process where councils want more support and certainty when procuring/planning assets » Community always ask who has reviewed this to check council is getting value for money » Should check whether proposed risk management is sound for the procurement of the proposed solutions (MidCoast) » Value for money question needs to be asked at the strategic planning level not at the s.60 level (Rous) » A detailed concept should be sufficient for approval rather than a detailed design » Not a lot of correspondence as you progress through the application. Better approach with more communication needed » Exempt approvals concept makes sense where infrastructure being extended » Where does the strategic process finish and where does the infrastructure approvals process fit? |
| <p>Did we miss anything?</p> | <ul style="list-style-type: none"> » Need for an appeals process » Need process to be resourced sufficiently (Dubbo) |

- » Another DPIE hat is as trainer or training coordination. This is really important and getting more so as other RTO quality/practicalities has declined over time

How we could achieve it (draft actions)

Feedback

a. Establish a working group to scope and review infrastructure assessment and approvals processes, ensuring working group includes regional-level and LWU representation

- » More support for single centralised group with good well-resourced and collaborative regulators that have early and meaningful collaboration with LWUs to get good decisions and consistency across the State
- » Important subject to local resourcing
- » Vast majority of DPIE water regional staff are very helpful
- » Is there any consideration for the State to resource a position within councils for a staff member to undertake these activities?

b. Consider opportunity for regional-level delegation for some infrastructure assessment and approvals

- » Technical limitations – as the technical expertise is centralised
- » Opportunities to leverage software and technology tools – unified software platform based on geolocation. Customisable at a number of levels. Happens with storm water quality - a knowledge database
- » Idea to build on the role of inspectors for regional approvals

c. Consider opportunities for incorporating 'exempt and complying' principles in review of infrastructure assessment and approvals processes to expedite delivery

- » Worth consideration but both scope (type of) and scale of infrastructure needs to be taken into account
- » There are some projects that 'exempt' might work. Others are laying down the next 40+ years

d. Investigate opportunity for ongoing collaboration around innovation and best practice in water and sewerage infrastructure design and delivery and how this can be incorporated into regulatory framework

- » Tap into the experts – think about adaptability, time (lifetime/modular?)
- » Role for sharing information / knowledge
- » Strengthen the role of regional engineers and inspectors
- » Consideration of innovation should be at early stages of collaboration

e. Investigate definition and role of 'due diligence' in managing risk and in the context of s.60 assessment and approval process

- » Panel approval concept could work
- » There are ways to manage conflicts
- » Adhering to guidelines and set targets, not costs

Did we miss anything?

- » Biggest gap is that the Department is not clear on what s.60 requirements are (eg. Misplaced perceptions on the 'way through') (Dubbo)

THEME 4: IMPROVING GOVERNMENT PROCESSES

What we would like to achieve (draft objectives)

Feedback

a. Ensure co-regulators coordinate well and consider balancing the objectives of co-regulators to inform LWU strategic planning and infrastructure approvals processes; consider the concept of a "coordinating" or "lead" regulator

- » A coordinating role rather than a lead. Need to capture the expertise within the regulators. Take a can-do approach to get all the regulators to work together
- » Lead regulator might be useful, but it could also stay as is provided that regulators are accessible to LWUs and communicate properly and timely and coordinate among themselves (Midcoast)
- » Need to recognise that there are often complex pathways involving various regulators (NSW Health)
- » Can be hard to navigate multiple regulators when trying to work on a small project/clear scope
- » How would a coordinated role work? Lead on issue or single lead? Will this take more time?
- » Get regulators together to find an answer, solution and way forward. This may work just as well as a single/lead regulator
- » Better coordination was something that most thought was achievable
- » Concept of Case Manager that triaged the regulators at a regional level was considered as the best solution
- » Some LWUs noted that they are able to deal with regulators and coordinate well with them (Shoalhaven, Goulburn)
- » Need for more clarity/better guidance on when individual regulators need to be involved (Shoalhaven, Goulburn)
- » Bigger problem is communication from the regulators - it is hard to get a timely and proper response (Shoalhaven)
- » A coordinating regulator was seen as useful when LWUs want to get an answer on a specific question/problem relatively quickly
- » The concept of a lead regulator was seen as unrealistic by some
- » "At the moment it's so fragmented, regulators only focus on the part that they're involved with." Advantages of one body coordinating all the bits and pieces, bringing everything together

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| <p>b. Greater clarity around how DPIE's regulatory/approvals and guidance/support functions operate and how these two functions are managed and separated</p> | <ul style="list-style-type: none"> » Lack of understanding of what everyone does » Operators seem to enjoy having inspectors to come and assist, fresh eyes and independent advice |
| <p>c. Alignment of compliance and performance reporting systems across regulators for greater efficiency and to ensure objectives for reporting are clear and focused on what is needed</p> | <ul style="list-style-type: none"> » Councils feel like the annual performance reviews are not useful - weeks' worth of work to collect, collate and report data » Would be great if the state and federal reporting requirements were aligned » Very onerous, not much use. What is the purpose/objective/benefit? » Use the data sometimes, director for 15 years and have probably looked at the data twice » "Good to be able to benchmark with other utilities of the same size. Best practice of our systems." » One reporting system that everyone could access. Rather than a separate report to each person » Use of templates to make it as easy as possible to report » Data given should be of use to both the LWU and government eg. benchmarking or continuous improvement » Should consider whether data could be collected smarter |
| <p>d. Co-regulators' roles and responsibilities in the regulatory framework for LWU strategic planning and infrastructure approval are clear.</p> | <ul style="list-style-type: none"> » Would help the co-regulators to understand their role better (but also when to consult with other regulators) » Need to know who is the clear lead for each matter eg. NSW Health has the decision-making power for water quality and public health |
| <p>Did we miss anything?</p> | <ul style="list-style-type: none"> » Clarity that LWU provide safe, secure and affordable water and that government facilitates this » Not clear when DPIE is consulting/advising or setting the standard/requirements (Dubbo) » Need to good collaboration before decisions are made and the State needs to support LWU for delivery and addressing obstacles (Dubbo) |

| How we could achieve it (draft actions) | Feedback |
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| <p>a. DPIE to develop a public statement that clearly sets out its regulatory objectives,</p> | <ul style="list-style-type: none"> » The overriding need is consistency between the requirements of regulators |
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| <p>regulatory functions and why and how they contribute to achieving outcomes/objectives, including when and how it interacts with co-regulators</p> | <ul style="list-style-type: none"> » Consistency should be achieved before conditions are imposed not after » The public statement would help co-regulators to know when to engage and consultant. MOU first and then a public statement » It's an occasional issue but not huge |
| <p>b. Develop a Memorandum of Understanding or formal guidelines to establish how regulators, state agencies will interact with LWUs and each other to ensure consistency of outcomes, assessments and approvals</p> | <ul style="list-style-type: none"> » Limited discussion on this objective |
| <p>c. Ensure appropriate authority and resourcing of the Department's regional teams to facilitate coordination of strategic issues among LWUs and state agencies</p> | <ul style="list-style-type: none"> » Regional team has been overruled so some greater authority would be worth investigating » Generally, the regional teams are valued » These roles are critical and should have the resources / capacity to coordinate |
| <p>d. Establish a working group with LWUs/local councils, DPIE and regulators to map current processes across regulators—including reporting obligations—and identify service standards/KPIs</p> | <ul style="list-style-type: none"> » Supported but requires resourcing as it is resource intensive |
| <p>e. Establish greater collaboration across government agencies on process improvement initiatives</p> | <ul style="list-style-type: none"> » Limited discussion on this objective |
| <p>Did we miss anything?</p> | <ul style="list-style-type: none"> » |

H Roadshow attendees

| Location | Representatives |
|--|---|
| Griffith Monday 21 June | A total of 23 people attended representing: <ul style="list-style-type: none"> » Atom Consulting » Riverina Water County Council » Water Directorate » Hay Shire Council » Public Interest Advocacy Centre » Griffith City Council » Goldenfields Water County Council » Murray River Council » Berrigan Shire Council » Leeton Shire Council » DPIE Water |
| Dubbo Wednesday 23 June | A total of 31 people attended representing: <ul style="list-style-type: none"> » Narromine Shire Council » Devitt Consulting » Mid-Western Council » Warrumbungle Shire Council » Public Interest Advocacy Centre » Central NSW Joint Organisation » NSW Health » Orange City Council » Warrumbungle Shire Council » Forbes Shire Council » Dubbo Regional Council » Central Tablelands Water » Bourke Shire Council » Walgett Shire Council » Warren Shire Council » Bathurst Regional Council » Cobar Shire Council » Bogan Shire Council |

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| | » DPIPE Water |
| Queanbeyan Friday 25 June (online via Teams) | <p>A total of 24 people attended representing:</p> <ul style="list-style-type: none"> » Water Directorate » DPIPE Water » Snowy Monaro Regional Council » Tomorrow Today Strategic Engineering and Planning » SMEC » Yass Valley Council » Queanbeyan-Palerang Regional Council » EPA » Goulburn Mulwaree Council » Canberra Joint Organisation » NSW Health » MBA Consulting » Shoalhaven City Council » ACT Government - Utilities Technical Regulation » Thermo Fisher Scientific » Focused Asset Services » Public Works Advisory » GHD » Bega Valley Council |
| Tamworth Tuesday 29 June (online via Teams) | <p>A total of 29 people attended representing:</p> <ul style="list-style-type: none"> » NSW Health » Public Interest Advocacy Centre » Gunnedah Shire Council » Singleton Shire Council » Tamworth Regional Council » Namoi Joint Organisation » HunterH2O » Inverell Shire Council » EPA » Water Directorate » DPIPE WATER » Gwydir Shire Council » Armidale Regional Council » Moree Plains Shire Council |

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|---------------------------|--------------------------------------|
| | » Uralla Shire Council |
| | » Liverpool Plains Shire Council |
| Coffs Harbour | A total of 31 attended representing: |
| Wednesday 30 June | » Bellingen Shire Council |
| (online via Teams) | » Midcoast Council |
| | » NSW Health |
| | » Independent Advisor |
| | » Tweed Shire Council |
| | » Rous Water |
| | » Coastal Works |
| | » Clarence Valley Shire |
| | » Nambuca Valley Council |
| | » NSW Health |
| | » EPA |
| | » Water Directorate |
| | » Kyogle Council |
| | » Coastal Works |
| | » Richmond Valley Council |
| | » Coffs Harbour City Council |
| | » Port Macquarie-Hastings Council |
| | » LGNSW |
| | » DPIE WATER |
