

Local water utility regulators collaboration framework

Local water utilities, many of which are local council-owned, are responsible for delivering safe, secure, sustainable and affordable water supply and sewerage services to over 1.8 million people in regional NSW, protecting public health and the environment and supporting economic development and liveability.

NSW Government regulatory agencies are responsible for overseeing and supporting local water utilities within their own regulatory frameworks.

Agencies of the NSW Government work individually and collaboratively in line with the NSW Government sector core values of integrity, trust, service and accountability.

NSW Government local water utility regulators are committed to improving the way we work together and with local water utilities to support agreed local government water sector objectives to ensure:

- Safe and secure water supply to protect public health and the environment, and to support economic development and liveability.
- Effective sewerage services to protect public health and the environment, and to support economic development and liveability.
- Services that meet customer needs, expectations and preferences.
- Financially sustainable water utilities with efficient and affordable pricing for services.

Participants

This collaboration framework was developed by representatives from the following NSW Government regulatory agencies, collectively referred to as the local water utility regulators:

- Department of Planning and Environment – Water
- NSW Health
- NSW Environment Protection Authority
- Office of Local Government
- Natural Resources Access Regulator
- Dams Safety NSW
- Independent Pricing and Regulatory Tribunal of NSW.

Scope

This collaboration framework supports delivery of regulator actions identified in the Department of Planning and Environment's *Roadmap to an improved regulatory framework for local water utilities* (actions 4.6, 4.7 and 4.8).

Independence

Regulatory agencies sustain their independence when acting on regulatory matters, including policies, priorities, strategies, compliance and enforcement activities.

Roles and responsibilities

This section outlines roles and responsibilities within the local water utility sector.

Councils and local water utilities

Deliver safe, secure, efficient and affordable water and sewerage services to customers and communities, protecting public health, and supporting economic development, liveability and the environment under the *Local Government Act 1993*, the *Public Health Act 2010* and the *Water Management Act 2000*.

Department of Planning and Environment – Water

Regulatory lead: Water utility planning, operations and infrastructure

Oversee and support local water utilities in their delivery of safe, secure, efficient, sustainable and affordable water and sewerage services and management of risks to service provision by regulating and providing assurance, advice and support under the *Local Government Act 1993* and the *Water Management Act 2000*.

Regulate works on waterfront land and manage water licenses and approvals of larger entities including water utilities.

NSW Health

Regulatory lead: Public health, drinking water quality

Protect public health by regulating drinking water suppliers, including local water utilities, providing advice and support for the effective management of public health risks from water under the *Public Health Act 2010*.

NSW Environment Protection Authority

Regulatory lead: Environment

Protect the environment and human health via a suite of legislation that establishes a strong basis for environmental regulation that is outcomes-focused, proactive and contains appropriate compliance mechanisms.

The NSW EPA is a risk-based regulator that focuses and prioritises its activities to address the greatest risks. Regulates local water utilities that hold licences under the *Protection of the Environment Operations Act 1997*.

The Office of Local Government

Regulatory lead: Council and local water utility governance

Oversee council and local water utility governance, financial management and reporting under the *Local Government Act 1993*.

Natural Resources Access Regulator

Regulatory lead: Surface water and groundwater access and extraction

Enforce natural resources management legislation, including *Natural Resources Access Regulator Act 2017*, *Water Management Act 2000*, *Water Act 1912*, and associated regulations.

Dams Safety NSW

Regulatory lead: Dams safety

Preventing failure of declared dams through compliance monitoring of owners' management systems under *Dams Safety Act 2015* and the *Dams Safety Regulation 2019*.

Independent Pricing and Regulatory Tribunal of NSW

Regulatory lead: Pricing for some local water utilities

Set the maximum prices that Central Coast Council, Essential Energy and WaterNSW for the Fish River Water Supply Scheme, can charge for water and sewerage services under the *Independent Pricing and Regulatory Tribunal Act 1992*.

Communication and coordination

Coordination of regulatory activities

Local water utility regulators will collaborate with each other and provide a coordinated response to issues with the potential to significantly impact NSW communities.

Local water utility regulators will consult with each other on issues that may have implications for other agencies' regulatory areas, including where we communicate on these issues with local water utilities (see also roles and responsibilities).

Governance and communication

Delivery of this collaboration framework will be monitored and directed by:

- meetings at the Manager/Director/Executive Director level of the Local Water Utility Regulators Forum quarterly, or as otherwise agreed between agencies
- meetings at an officer level, including within regional NSW, initially on a bi-monthly basis, then as agreed between agencies, to provide coordination of local regulatory issues and information on current matters which may be of interest to Local Water Utility Regulators Forum members.

To deliver the relevant actions identified in the *Roadmap to an improved regulatory framework for local water utilities*, the Local Water Utility Regulators Forum will begin meeting in 2022 (facilitated by the Town Water Risk Reduction Program).

From 2023, the Local Water Utility Regulators Forum will meet quarterly, with ongoing leadership determined by Forum members.

Accountability and feedback

We welcome feedback on the way local water utility regulators are working together and with local water utilities. If you have feedback about our approach to communication and coordination or any other aspects of the framework, including any opportunities for improvement, please reach out to the relevant local water utility regulator/s.

You can also direct feedback on the collaboration framework to the Town Water Risk Reduction Program at regional.town.water@dpie.nsw.gov.au

Collaboration framework review

This collaboration framework will be reviewed in 2023, at a date to be decided by local water utility regulators.