

Town Water Risk Reduction Program

Stakeholder Advisory Panel meeting #22

16 November 2022

Acknowledgement of country

The Department of Planning and Environment acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.



What we will cover today



Acknowledgement of country and welcome	1	Pilot projects - update	7
Safety reflection	2	Dividend methodology review - update	8
Administrative matters Declarations of conflicts of interest	3	DPE Water training delivery	9
Actions arising from previous meeting	4	Phase 2 Town Water Risk Reduction Program	10
Operations - update	5	Other matters raised by Panel members	11
Safe and Secure Program – update	6	Items for noting	12

Safety reflection

2

Administrative matters and declarations of conflicts of interest

3

Declarations of interest

- **Ms Jenny Bennett** – Central NSW JO – Regional approach to local water utility strategic planning through IP&R - strategic planning pilot project
- **Dr Annalisa Contos** – Atom Consulting – Griffith City Council IWCM strategy/strategic planning pilot, incident and emergency management project; strategic planning guidance for understanding other key risks and challenges

Actions arising from
previous meeting

4

Actions arising from previous meeting

- Action 20.1: Meet with Cr Bill West (and other interested local water utilities) to better understand the barriers to progress they are experiencing in relation to strategic planning – Outstanding due December
- Action 20.2: Advise the Panel when the draft pricing guidelines are published – COMPLETE
- Action 21.1: Cr Bill West to share with the department how strategic risk management and evaluation works for other interactions between councils and NSW Government (eg roads). This could be added to the agenda for the meeting between Cr West and the department (Graham Attenborough and Jane Shepherd) in Action 20.1.
- Action 21.2: DPE Water to update the Panel on future role of DPE Water in training delivery.
- Action 21.3: DPE Water to incorporate Panel feedback incorporated into the design of the roadshows.

Operations – update

5

Key developments and activities

- DPE Water – Operations Division change program
 - Recruitment
- New regulatory and assurance framework implementation
- Water Directorate Forum
- Regional collaboration and assistance
- Health based targets implementation with NSW Health

Safe and Secure Program – updated

6

Pilot projects - update

7

Pilot projects

An update on:

- WaterNSW river operations pilot
- Bourke and Cobar remote technology pilot
- Mid North Coast asset management systems gaps and opportunities pilot

WaterNSW river operations pilot

WaterNSW river operations pilot

- Partnered with WaterNSW, Hay and Murrumbidgee Councils
- Pilot aimed to identify:
 - how WaterNSW can utilise its knowledge and expertise in river systems operation and water quality to assist local water utilities characterise raw water issues
 - changes to river operations or other system improvements
 - inputs to improve local water utility water supply services and resilience over time



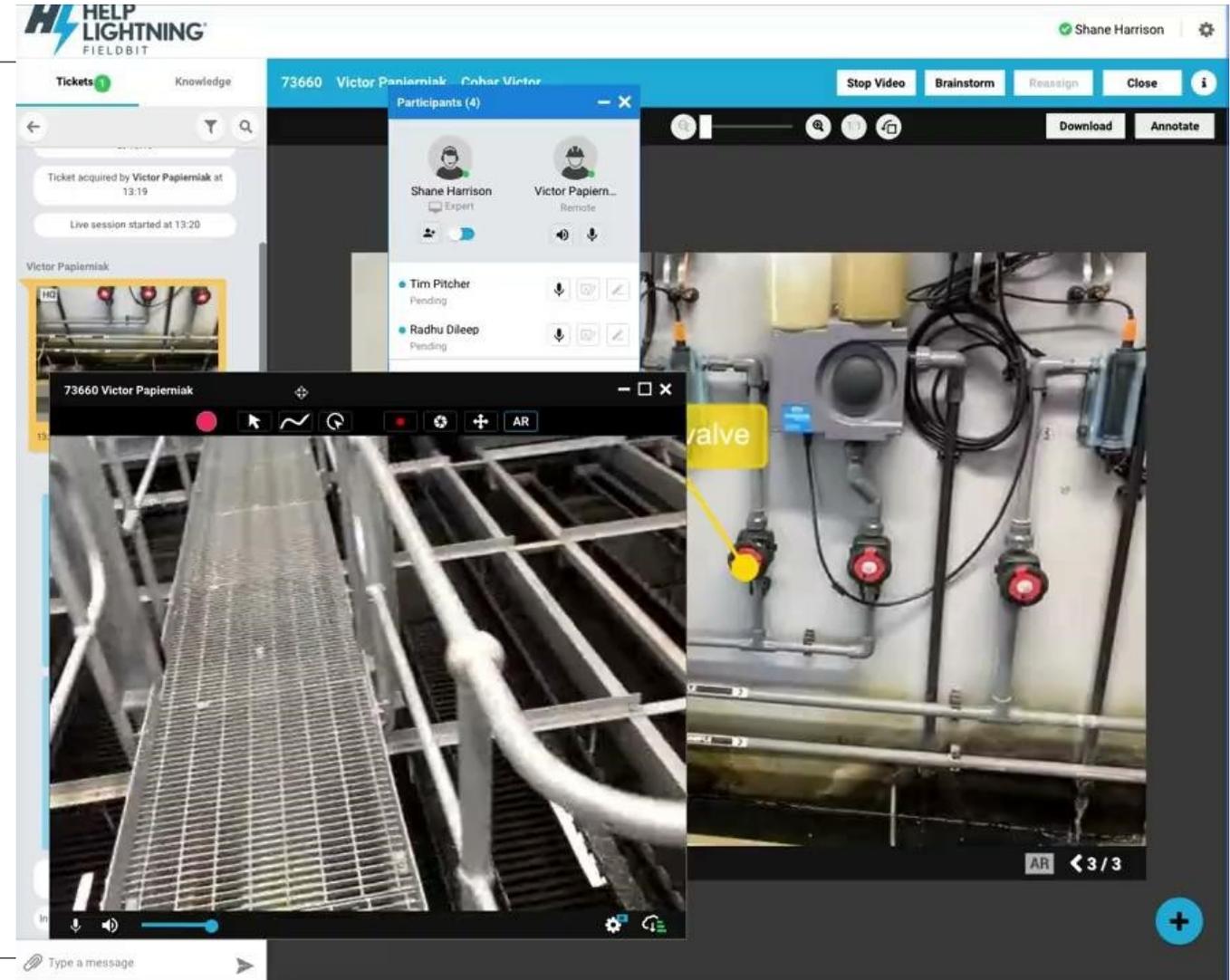
Preliminary evaluation findings

- Information shared by WaterNSW will be useful for the councils to inform future water supply planning and operational activities. Also useful for WaterNSW – including potential improvements in water quality analytes.
- Councils agreed ongoing program of support of this nature by WaterNSW would be beneficial.
- Face-to-face element and cross-agency collaboration of the pilot was particularly useful. Councils keen for the contact and support from WaterNSW to continue.
- Pilot impacted by the limited data available. The pilot scope was revised to focus on a risk assessment process undertaken with the councils.
- WaterNSW reported the pilot has given it a much greater understanding of: what is happening in the catchment, how to better engage with local water utilities in a way that is sensitive to their capacity and level of maturity.

Bourke and Cobar remote technology pilot

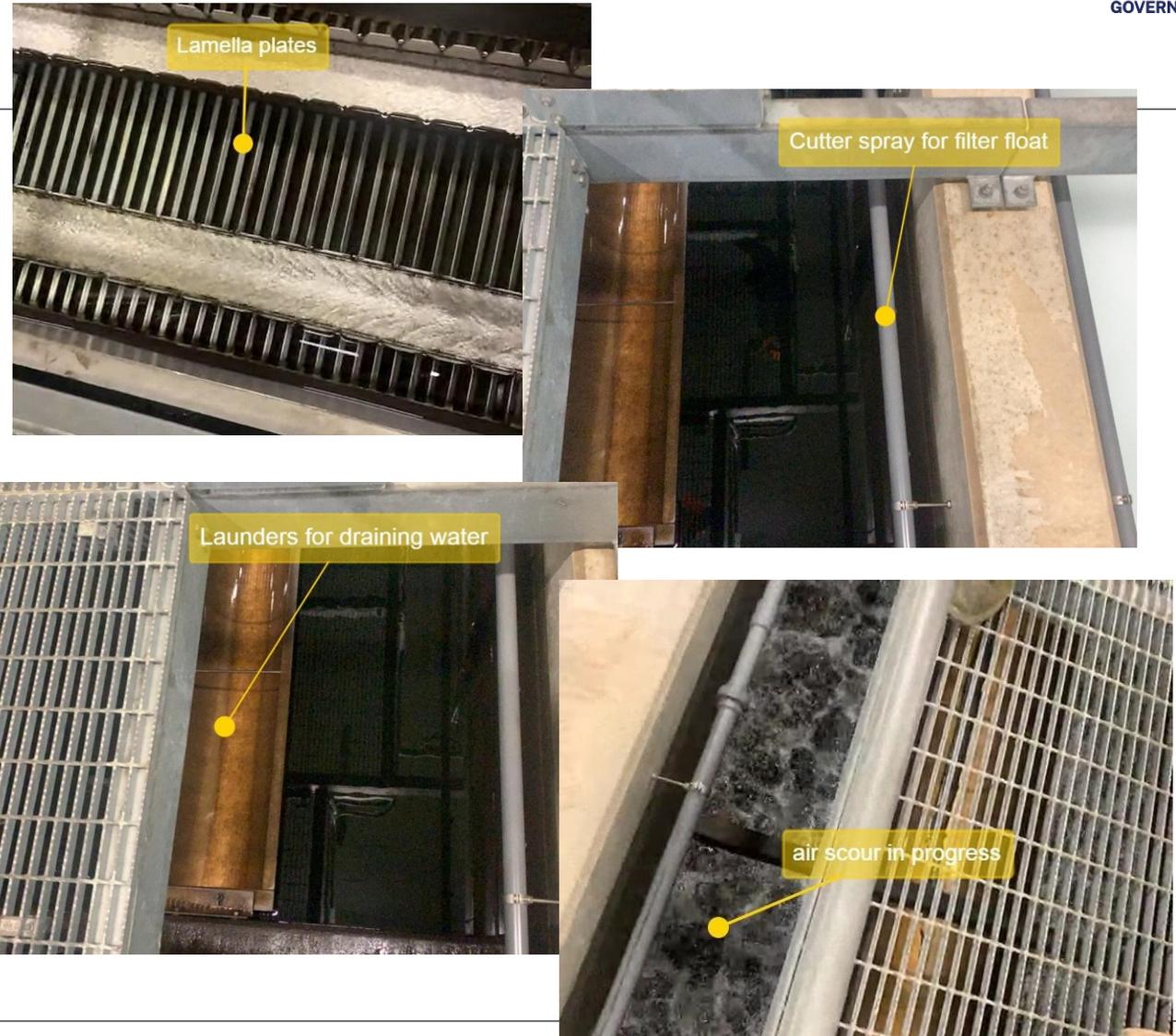
Bourke and Cobar remote technology pilot

- TWRRP engaged Veolia Water Australia to test two remote communications technologies – remote assistance and asset management.
- Partnered with Cobar and Bourke Shire Councils.
- Project aimed to assess both the technology and the effectiveness in supporting increased collaboration.



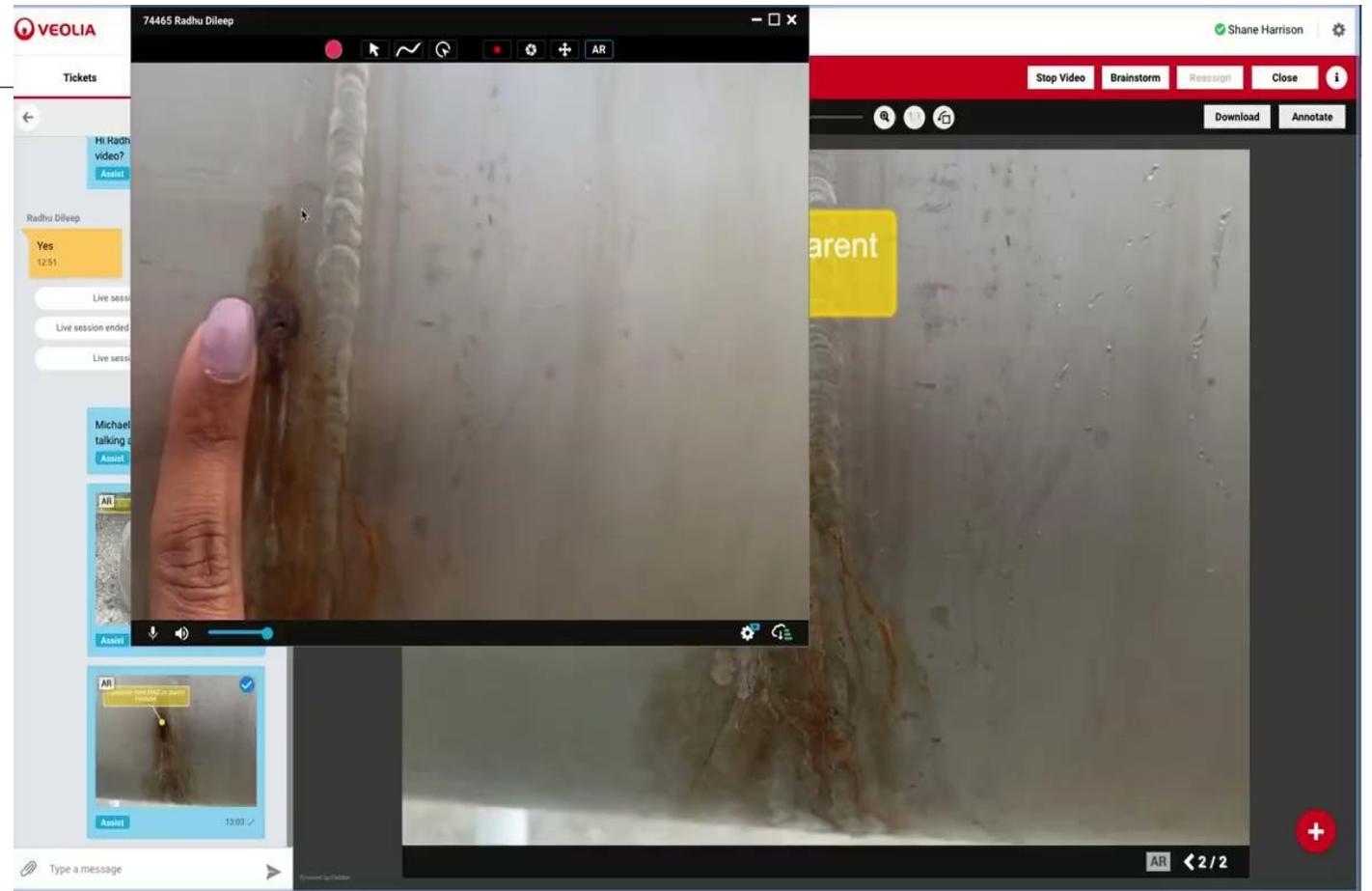
Bourke and Cobar remote technology pilot

- Live support test – backwashing.
- Cobar WTP was unsure whether backwashing was effective.
- Live video platform used by DPE Water experts to observe backwash in real-time and provide performance feedback.
- Users positive about opportunities for use of technology.



Bourke and Cobar remote technology pilot

- Remote support and 3D model test – corrosion.
- Corrosion observed on new pipework at Cobar WTP.
- Live video platform and 3D scans used by DPE experts to assess.
- Combination of technologies allowed effective assessment and logging of defects.



Preliminary evaluation findings

- Resource constraints impact effectiveness. Specific person tasked with end-user facilitation of technology is key.
- Video quality very good and sufficient to observe and provide remote assistance. Audio less good.
- Audio/video headset provided limited benefit over mobile phones for most activities.
- Must manage IT platform issues - ie, passwords, install app on phone, firewalls.
- Best use of live video platform – early assessment of operational issues.
- Best use of 3D models – logging of defects during liability period.

Mid North Coast asset management systems gaps and opportunities pilot

Mid North Coast asset management systems gaps and opportunities pilot

Pilot project with four councils close geographically but not part of a common Joint Organisation or Alliance:

- Kempsey Shire Council
- Mid-Coast Council
- Nambucca Shire Council
- Port Macquarie Hastings Councils

High level assessment of the state of each local water utility's asset management system (not an audit but based on good practice and ISO standard)

Any opportunities for improvements using joint or collaborative practices

Findings and lessons

- Different levels of maturity – but “bigger” \neq “more mature”
- Executive leadership level of engagement and emphasis a key to better systems
- Number of outdated plans – some last revisions 9 years ago
- Renewal planning not driven by asset condition data
- Limited resources
- Limited system integration – eg, feedback loops from operational data
- No consistent approach across the 4 councils

Opportunities for collaboration (and barriers)



- Informal networks at asset officer level
- Shared learnings from what individual councils are doing well
- Common resource potential but requires leadership commitment
- Lack of historical collaboration requires a new starting point
- Competing demands with high development – reactive vs proactive

Dividend methodology review - update

8

Dividend methodology review - update



- **Consultation with sector:**
 - Five weeks before Christmas holiday
 - Consultation paper issued week on 11 November; submissions due Friday 16 December
 - Regional workshops and targeted consultations (LGNSW, Water Directorate, group of county councils, NSW Government agencies) following release of paper
 - Consult with the TWRRP Focus Group on Pricing and Financial Management
 - First targeted briefing held on 14/11 with LGNSW/JO Water Working Group
 - Briefing with county councils on 15/11 and Water Directorate on 16/11

DPE Water training delivery

9

The department's future role in training



Continue to take a leadership role in water industry workforce development to increase the skills and capacity of the water sector

- Continue delivering existing water and wastewater operator courses for 2023.
- Planning detailed engagement with industry to work out how best to use our depth of training and operations experience to support RTO delivery in the future.
- Considering how best to support quality training delivery by RTOs, for example reviewing course content and assessments, and mentoring and on site support for staff in training.
- Ensure we have the right approach to managing any probity issues

Phase 2 Town Water Risk Reduction Program

10

Other matters raised by
Panel members

11

Reflecting on the Stakeholder Advisory Panel



The purpose of the Panel is to be a forum for key sector stakeholders and regulators to:

- sense-check the Program's scope, approach and progress
- provide direction and feedback on the Program's strategic approach, risks and overall engagement approach as well as high-level policy issues
- be a sounding board for the Program team on issues that cannot be resolved in more focused stakeholder working groups, e.g. because they raise higher-level policy questions, are sensitive or relate to multiple focus areas
- provide advice to the Program team regarding policy and technical issues that the more focused stakeholder working groups should consider.

Items for noting

12

A

Strategic planning transition - update

Overview of the strategic planning implementation process

- Departmental commitment to ensure that local water utilities progressing an IWCM strategy are not disadvantaged by the new framework.
- Commencement of the strategic planning assurance process deferred until 1 December 2022 to:
 - Ensure local water utilities understand the new strategic planning approach (and where existing IWCM focussed work fits in)
 - Develop departmental guidance and procedures and revise SSWP guidelines to align with the new framework
 - Ensure communication with local water utilities about the above occurs in a consistent transparent and consistent way.

The department's commitment

- Engage with all local water utilities that currently have in place or are in the process of developing an IWCM strategy, including those funded under the SSWP for this purpose.
- Work with these utilities individually to develop a clear transition program.
- This will involve the offer of meetings with members of the Town Water Risk Reduction Program and Local Water Utilities teams, as well as Water Infrastructure NSW's SSWP team where necessary, to tailor transition to local circumstances.

What the department has done so far

- Internal regional meetings - Regional Engineers, Managers and Policy team reps, as well as a Safe and Secure Water Program (SSWP) rep - to determine where local water utilities are up to in relation to strategic planning and prioritise contact.
- An internal workshop involving Directors to drive consistency across departmental teams in relation to messaging to local water utilities.
- Responding to ongoing contact from councils wanting more information.
- Working on standardising the information we provide to local water utilities, and ensuring all relevant departmental teams are involved in conversations about transition.
- Outcomes guidance is currently in development (see later slides for more information).

Next steps

- By end of September - the department contacted all local water utilities currently in the SSWP strategic planning funding pipeline – “Priority A” utilities (i.e. those with an active deed or who have in-principle approval for funding) to ensure:
 - the LWU understands where their current SSWP funded IWCM strategy project fits into the new framework (whether in delivery or in scoping), and
 - the department understands how each LWU intends to progress, (and whether adjustments to existing SSWP funding agreements are required).
- By 1 December, the department will do the same for “Priority B” councils (i.e. those not in the SSWP strategic planning funding pipeline).

Next steps

By the end of November:

- Outcomes guidance, delivered by TWRRP
- Internal processes for strategic planning assurance process, delivered by TWRRP
- SSWP funding guidance as well as internal SSWP scoping and assessment processes, delivered by WINSW

Guidance development – Strategic planning assurance outcomes



Strategic planning assurance	Delivery	Status
<i>Strategic planning outcomes</i>		
Understanding service needs	External service provider (Frontier Economics)	Progressing
Understanding water security	TWRRP, DPE Water Utilities team	Progressing/delay
Understanding water quality	TWRRP and NSW Health	Published
Understanding environmental impacts	TWRRP and EPA	Executive approval phase
Understanding system capacity, capability and efficiency	External service provider (Stantec/Cardno)	Published
Understanding other key risks and challenges	External service provider (Atom with Stantec/Cardno)	Published
Understanding solutions to deliver services	External service provider (Frontier Economics)	Progressing
Understanding resourcing needs	External service provider (Frontier Economics)	Approved, to be published
Understanding revenue sources	External service provider (Frontier Economics)	Published
Make and implement sound strategic decisions	External service provider (Frontier Economics)	Progressing
Implement sound pricing and prudent financial management	External service provider (Frontier Economics)	Published as consultation draft
Promote integrated water cycle management	DPE Water Utilities team	Progressing

Guidance/internal process development – Strategic planning



Strategic planning	Delivery	Status
<i>Additional strategic planning guidance</i>		
Using the IP&R framework for local water utility strategic planning	TWRRP	Delivered
Incident and emergency management guidance for strategic planning	External service provider	Pending development after consultation on proposed incident and emergency management framework
<i>Strategic planning assurance</i>		
Strategic planning assurance – internal process	External service provider (AECOM)	Progressing on schedule

Guidance development – Strategic planning assurance



- Final guidance material will be subject to ongoing feedback and continuous improvement
- Comprehensive review of whole framework 2 years from finalisation, periodic reviews (5-yearly)

Strategic planning outcome	Development and consultation *Note that all guidance has been developed with the department's Local Water Utilities Branch
Understanding service needs	Consulted with volunteers from TWRRP working group on strategic planning oversight (customer section only) Consulted with TWRRP focus group on pricing and financial management (customer section only) Sought volunteers for demand analysis section, with no response.
Understanding water security	In development. Considered previous feedback from working group in developing guidance, and incorporated learnings from IWCM strategy pilots and regional town water strategies. Incorporates draft interim water security guidance delivered in 2021. No specific consultation with TWRRP working group on guidance document.
Understanding water quality	Developed with NSW Health. No consultation with TWRRP working group on guidance document (not needed, clear position from NSW Health).
Understanding environmental impacts	Developed with input from EPA. No consultation with TWRRP working group on guidance document (not needed, clear position from EPA).
Understanding system capacity, capability and efficiency	Consulted with volunteers from TWRRP working group on guidance document.
Understanding other key risks and challenges	Consulted with volunteers from TWRRP working group on guidance document.
Understanding solutions to deliver services	Consulted with volunteers from TWRRP working group on guidance document.
Understanding resourcing needs	Consulted with volunteers from TWRRP working group on guidance document.
Understanding revenue sources	Consulted with volunteers from TWRRP working group on guidance document. Consulted with TWRRP focus group on pricing and financial management.
Make and implement sound strategic decisions	Consulted with volunteers from TWRRP working group on guidance document.
Implement sound pricing and prudent financial management	Consulted with TWRRP focus group on pricing and financial management. Issued as draft for consultation in November 2022. Will consider and incorporate feedback to final guidance. Sought volunteers to review guidance document, with no response.
Promote integrated water cycle management	Considered feedback from working group in developing guidance, and incorporated learnings from IWCM strategy pilots and regional town water strategies. No consultation with TWRRP working group on guidance document. Expected guidance update following NSW integrated water cycle management policy in 2023.

Works approval guidance/internal process development



Approval of works (section 60)	Delivery	Status
Approval of works (s60) - Guidance	External service provider (Arup)	Delivered
Approval of works (s60) - Internal process	External service provider (Arup)	Finalised and handed over
Approval of works (s60) – Application portal and IT system	TWRRP & Water Knowledge Division	Delivered (minimum viable product).

Other internal to support implementation	Delivery	Status
Quality assurance framework - final	External service provider (Nous)	Published
Internal ways of working – Report for implementation	External service provider (Nous)	Delivered

B

Engagement summary

B. TWRRP engagement summary October/November 2022



Date	Who we met with	Issues covered
3 November	State government agencies	Integrated Water Cycle Management key features workshop
4 November	Tamworth Regional Council	TWRRP represented at the Tamworth Regional Council Water Security Plan workshop
9 November	Water Directorate Forum	Strategic planning assurance, incident and emergency management, skills and training.
11 November	LGNSW and Water Directorate	Regular LGNSW/Water Directorate/DPE water liaison meeting.
14 November	LGNSW JO Water Working Group	Review of local water utility dividend settings
15 November	County Councils	Review of local water utility dividend settings
16 November	NSW Water Directorate Executive Committee	Review of local water utility dividend settings

Town Water Risk Reduction Program

regional.town.water@dpi.nsw.gov.au