

# Town Water Risk Reduction Program—Outcomes and action items

Meeting 13 | 23 February 2022, 9:30 – 11:30 am

## Attendees

**Table 1. Attendees.**

Invitees	Guests	Others
<ul style="list-style-type: none"> <li>• Clr Bill West, Local Government NSW (items 7 (part) to 12)</li> <li>• Mr Brendan Guiney, NSW Water Directorate</li> <li>• Mr Michael Blackmore, Director Local Water Utilities, DPE – Water</li> <li>• Mr Aaron Drenovski, Goldenfields Water (items 7 to 12).</li> <li>• Mr Graham Kennett, Kyogle Council (items 1 to 6)</li> <li>• Dr Annalisa Contos, Atom Consulting (items 7 to 12)</li> <li>• Dr Katrina Wall, NSW Health Water Unit.</li> <li>• Ms Rebel Thomson, Namoi Unlimited Joint Organisation of Councils.</li> <li>• Ms Kerry Conroy, Principal Policy Officer, Office of Local Government (attending for Ms Melissa Gibbs)</li> <li>• Ms Erin Cini – Director Town Water Risk Reduction Program (<b>Chair</b>)</li> </ul>	<ul style="list-style-type: none"> <li>• Ms Amanda Chadwick, Executive Director Water Sector Reform, DPE Water (items 1 to 5)</li> <li>• Mr Shaun McBride, Chief Economist, LGNSW</li> <li>• Ms Carmel Krogh, Independent Advisor to DPE Water.</li> <li>• Ms Sarah Eastman, Executive and Projects Assistant, NSW Water Directorate</li> </ul>	<p>Town Water Risk Reduction Program team members:</p> <ul style="list-style-type: none"> <li>• Mr Sascha Moege</li> <li>• Dr Nanda Altavilla</li> <li>• Mr Josh Tickell</li> <li>• Mr Andrew Fraser</li> <li>• Ms Sonya Cochrane</li> <li>• Mr Tim Stevenson</li> <li>• Mr Glen Colley (<b>Secretariat</b>)</li> </ul>

## Apologies

- Mr David Kirby, Brewarrina Shire Council
- Ms Melissa Gibbs, Office of Local Government
- Mr Peter Marczan, Environment Protection Authority
- Mr Graham Attenborough, Chief Operating Officer, DPE Water

### Outcomes

Table 2. Agenda items and outcomes.

Agenda item	Outcomes															
1	<b>Acknowledgement of country/welcome</b>															
2	<p><b>Administrative matters</b></p> <table border="1"> <thead> <tr> <th>Member</th> <th>Organisation</th> <th>Noted project</th> </tr> </thead> <tbody> <tr> <td>Clr Bill West</td> <td>Cowra Shire Council</td> <td>TWRRP IWCM pilot</td> </tr> <tr> <td>Ms Annalisa Contos</td> <td>Atom Consulting</td> <td>Griffith Council IWCM pilot Emergency management project</td> </tr> <tr> <td>Ms Rebel Thomson</td> <td>Namoi JO</td> <td>TWRRP Trade Waste pilot</td> </tr> <tr> <td>Mr Graham Kennett</td> <td>Kyogle Council</td> <td>Potential WaterNSW pilot</td> </tr> </tbody> </table>	Member	Organisation	Noted project	Clr Bill West	Cowra Shire Council	TWRRP IWCM pilot	Ms Annalisa Contos	Atom Consulting	Griffith Council IWCM pilot Emergency management project	Ms Rebel Thomson	Namoi JO	TWRRP Trade Waste pilot	Mr Graham Kennett	Kyogle Council	Potential WaterNSW pilot
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3	<p><b>Outcomes/actions from the previous meeting</b></p> <ul style="list-style-type: none"> <li>The Panel received a briefing from the TWRRP team on the outcomes and actions from the previous meeting, which were accepted.</li> <li>The only outstanding item is related to Crown Lands – Glen has contacted Clr Bill West and will arrange conversation. Remove from action list.</li> <li>It was noted that recently machinery of government changes saw DPE Crown Lands merge with the OLG. This may provide opportunities to address Crown Lands issues for local councils in a more coordinated way.</li> </ul> <p><b>ACTION 13.1</b></p> <p><b>Glen to follow up with Clr Bill West re Crown Lands issues.</b></p>															

Agenda item	Outcomes
4	<p><b>LGNSW Conference recap</b></p> <ul style="list-style-type: none"> <li>The TWRRP team asked for feedback from the Panel on the conference, held in Narrabri from 8 to 10 February 2022.</li> </ul> <p><b>GUIDANCE:</b></p> <ul style="list-style-type: none"> <li>Panel members provided the following feedback                             <ul style="list-style-type: none"> <li>The Conference was a very positive event and provided people with the opportunity for much needed face to face contact. Feedback from delegates was positive. Overall LGNSW noted that they were very happy with it and appreciated the strong support and presence of the department.</li> <li>There was more optimism than you would normally see at such conferences. TWRRP has built trust between the regulators and the sector and people expressed that they felt like their voice had been heard.</li> <li>It was positive to see a lot more councillors than at previous conferences, bringing with them a high level of interest and improving understanding.</li> <li>The Water Directorate were very grateful to have Jim Bentley in attendance at their meeting to hear his views on the key issues facing the sector and also as he made himself available to have conversations.</li> <li>The Water Directorate’s conference forum emphasised the need to consider Work Health and Safety as a key risk for all water utilities (not just regional). There was a very positive discussion with Graham Attenborough about this during the Water Directorate forum and it is suggested that this be considered in relation to local water utilities as part of the Town Water Risk Reduction Program.</li> <li>Nevertheless, there were still some issues for noting. There is still a degree of cynicism in the sector about whether all the issues the TWRRP is seeking to address can be done in the timeframe – particularly in relation to implementing the level of reform in respect to strategic planning and section 60).</li> <li>There is a view that the big picture issues still need to be focussed on (eg using the State and Regional Planning processes to provide the strategic leadership to solve large scale problems that local water utilities can’t solve on their own). However, it was noted that this is an emerging process and the sector is not in a hurry to judge at this time.</li> </ul> </li> </ul>
5	<p><b>Councillor training update – Update</b></p> <ul style="list-style-type: none"> <li>The TWRRP team provided an update on the councillor training/induction material in development.</li> </ul> <p><b>GUIDANCE:</b></p> <ul style="list-style-type: none"> <li>No feedback was received from the Panel.</li> </ul>
6	<p><b>Skills and training – Update</b></p> <ul style="list-style-type: none"> <li>The TWRRP team provided an update on the progress of this aspect of the program.</li> </ul> <p><b>GUIDANCE</b></p> <ul style="list-style-type: none"> <li>No feedback was received from the Panel.</li> </ul>

Agenda item	Outcomes
7	<p><b>Regulatory improvement/working groups and release of documents – Update</b></p> <ul style="list-style-type: none"> <li>The TWRRP team provided an update on the progress of the working draft of the regulatory framework and the proposed process for the release of the document.</li> <li><b>Note: Separate notes are attached at Appendix 1, covering a separate meeting with Graham Kennett and Cnr Bill West on 2 March 2022 regarding this issue, as they were unable to attend this part of the meeting.</b></li> </ul> <p><b>GUIDANCE (working groups)</b></p> <ul style="list-style-type: none"> <li>With respect to the section 60 approvals, a concern was raised that the new, proposed process may be broadly similar to the current process. <ul style="list-style-type: none"> <li>There is a strong view in the sector that the approval process is slow and unclear, and that the department has unreasonable powers to dictate the terms and timing.</li> <li>The TWRRP team confirmed that this will be addressed in the forthcoming working draft of the new regulatory approach with a focus on the department providing the proponent with approval at an early design stage, and the issuing of conditions to the approval where appropriate.</li> </ul> </li> </ul> <p><b>GUIDANCE (release of documents)</b></p> <ul style="list-style-type: none"> <li>Much of the devil will be in the detail. The scope of what is put up in today's presentation slides is fantastic, but water managers will be interested in what level of detail needs to be included (as opposed to staying at high level principles).</li> <li>There is a need to get the right level of detail in guidance materials. For example, don't throw away checklists completely as many local water utilities rely on them as a good practice guide. Just make them non-mandatory.</li> <li>Clarification was sought as to whether the TWRRP intended to include in the draft regulatory framework minimal levels of service in terms of departmental timeframes for processing. <ul style="list-style-type: none"> <li>The TWRRP team and Water Utilities Branch noted this concern and that the intention as to commit to timeframes. Noting that at this stage they had yet to determine whether the timeframes would be set in the draft regulatory framework or addressed later as the internal processes and detail developed to support the implementation of the framework.</li> </ul> </li> <li>A Panel member noted that some stakeholders have recently been raising concerns about the NSW planning gateway process for critical infrastructure.</li> </ul> <p><b>ACTION 13.2</b>  <b>TWRRP team to send updated slide pack for 23 February 2022 meeting to Panel members.</b></p> <p><b>ACTION 13.3</b>  <b>TWRRP team to send invitation to Panel members regarding 9 March 2022 working draft briefing meeting</b></p>
8	<p><b>Regulator forum – Update</b></p> <ul style="list-style-type: none"> <li>The TWRRP team provided an update on this issue.</li> </ul> <p><b>GUIDANCE</b></p> <ul style="list-style-type: none"> <li>No feedback was received from the Panel.</li> </ul>

Agenda item	Outcomes
9	<p><b>Implementation – Update</b></p> <ul style="list-style-type: none"> <li>• The Water Utilities Branch provided an update on                             <ul style="list-style-type: none"> <li>○ New resources: 8 new positions have been created in the Water Utilities Branch, in response to feedback on the value of regional resources and to resource newly funded Programs. Most (6) are recruited (two more in the process of being recruited).</li> <li>○ The Water Utilities Branch is continuing to look at how it resources implementation of the regulatory improvement process and cultural change (incorporating outcomes of the TWRRP).</li> <li>○ Various pilots are about to start under the Water Leakage program (working with Isle Utilities and other councils about technology and other issues.)</li> <li>○ Water security guidance (as discussed at the 15 December 2021 Panel meeting) is currently in development. It is looking at consolidating the separate pieces of guidance and running some test cases about how councils should use regional water strategy data.</li> <li>○ The Water Utilities Branch is looking at shifting some more training opportunities to online (or partial online).</li> </ul> </li> </ul> <p><b>GUIDANCE</b></p> <ul style="list-style-type: none"> <li>• No additional issues were raised by the Panel.</li> </ul>
10	<p><b>Panel items for discussion –</b> The following items were raised.</p> <ul style="list-style-type: none"> <li>• Regarding the approach of regulators – a Panel member sought clarification on work being undertaken to improve the capacity for regulators to talk directly to local water utilities about operational issues, beyond the strategic, co-regulator approach being coordinated by the TWRRP. The issues are broader than regulators talking together as a group and are also about how regulators resolve issues directly with LWUs. There may also be a role for Water Directorate and LGNSW here.                             <ul style="list-style-type: none"> <li>○ The TWRRP will identify some options for the regulator forum to consider about improving the resolution of local operational issues.</li> </ul> </li> </ul>
11	<p><b>Next meeting</b></p> <ul style="list-style-type: none"> <li>• On 9 March 2022 the TWRRP will hold a Panel briefing to provide an overview of the working draft of the regulatory framework. The TWRRP team will send an invitation to Panel members along with the updated slide pack from today’s meeting.</li> <li>• 23 March 2022 is the next regular Stakeholder Advisory Panel meeting.</li> <li>• No additional feedback was received from the Panel.</li> </ul>

## Actions arising from 23 February 2022 meeting

Table 3. Summary of actions.

Item no.	Action	Responsibility	Due date
13.1	Contact Clr Bill West to discuss Crown Lands issues	Glen Colley	23 March 2022

Item no.	Action	Responsibility	Due date
13.2	Send updated slide pack for 23 February 2022 meeting to Panel members	Glen Colley	23 February 2022
13.3	Send invitation to Panel members regarding 9 March 2022 working draft briefing meeting	Glen Colley	2 March 2022

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### Appendix 1: Notes form additional meeting on draft regulatory framework - 2 March 2022

#### Attendees:

- Clr Bill West, Local Government NSW
- Mr Graham Kennett, Kyogle Council
- Mr Sascha Moege, Town Water Risk Reduction Program
- Mr Glen Colley, Town Water Risk Reduction Program
- Ms Erin Cini, Town Water Risk Reduction Program.

#### Purpose:

This meeting was convened to provide an update to those Stakeholder Advisory Panel members who were unable to attend the briefing on the draft regulatory framework in the meeting of 23 February 2022.

#### Feedback:

The Panel members present provided the following feedback.

#### General

- While it is clear that the department has heard the views of the sector through the TWRRP process, there is a need to ensure there is not a big brother type approach from the department in terms of implementation.
- It must also be recognised that, while inroads have been made in terms of improving the co-ordination between regulators.
- It was suggested that the regulatory framework needs to be centred on a capacity for local water utilities to engage with the regulators early, to avoid things building up to problems.
- It was noted that there is a need to build skills and capacity within the department, to successfully implement the framework
- The Government must be careful not to rush these changes (avoid rushing as the process comes to critical decision points).
- Resourcing the implementation of the new the regulatory framework is critical. The department must also ensure there is capacity to role the program on beyond the two-year time frame to embed the departmental and council cultural change aspect.
  - The Panel members asked that the Stakeholder Advisory Panel address the future of the TWRRP (ie. beyond the December 2022 cabinet submission) at an upcoming Panel Meeting.
  - The Panel should also focus on evaluation and monitoring of stage 1 outcomes, to ensure that things that aren't quite working and can be tweaked in any ongoing program.

### *Section 60 process*

- Clarification was sought the signoff/concurrence process with other regulators for section 60. The strong preference of the sector is to see all regulators sign off on the approval (concurrence) to avoid complications and delays later in the process
- The TWRRP team advised that the regulatory framework will include opportunities for regulators to coordinate, noting that other regulators are responsible for overseeing local water utilities within their own regulatory frameworks.

### *Local Water Utility strategic planning*

- The TWRRP team advised that the strategic planning framework will be more outcomes focussed, as a result of strong feedback from the working groups.
- The framework will move away from the current approach of one IWCM strategy document, to giving councils choice about how they undertake planning in line with the outcomes.
- The Panel members reiterated that:
  - o IWCM should not be thrown out altogether as this is still best practice. It should be reiterated that the IWCM issues paper and general strategy are a good starting point (and the councils can implement them in other ways – eg. through the Integrated Planning and Reporting framework).
  - o the department must not lose all the IWCM and Best Practice Management guidance material. The issue isn't the guideline, it has been mandating the guideline.
  - o what would happen to councils who are part way through an IWCM strategy when the new framework commences must be clarified early. The TWRRP team advised that more work needs to be done on this (and broader transition issues) at the draft stage. However, it will be highlighted in communications around the draft framework and assurances given to councils that they will be assisted through the transition.
  - o the department factor in drawing out key risks (for a State-wide risk register) through the strategic planning process. This will inform a conversation between the regulator and the council.
  - o there should be a clear difference between guidance and regulation in interpreting and addressing risks,
  - o the strong view across the sector is that strategic planning must not be linked to funding. Regulator coordination is a key issue. The ERIL process under the Safe and Secure Water Program must not be undervalued in relation to both risks identified by also lessons learnt in how to allocate funding for risk.