

Town Water Risk Reduction Program

Stakeholder Advisory Panel meeting #18

27 July 2022

What we will cover today



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Acknowledgment of country

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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.



Administrative matters and declarations of conflicts of interest

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Declarations of interest

- **Cr Bill West** – Cowra Shire Council – TWRRP IWCM Pilot
- **Ms Jenny Bennett** – Central NSW JO – Regional approach to local water utility through IP&R - strategic planning pilot project
- **Dr Annalisa Contos** – Atom Consulting – Griffith City Council IWCM pilot, Incident and emergency management project

Actions arising from
previous meeting

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Actions arising from previous meeting

- **Action 15.3** TWRRP to prepare a one-page overview of the WaterNSW river water qualities document and place on web page - **Complete**
- **Action 17.1** Panel members provide feedback on Stage 1 Alternative funding model to Director Water Reform Implementation Strategy, DPE Water, Chen Chou - **Complete**
- **Action 17.2** Panel members to provide to Director Water Reform Implementation Strategy, DPE Water, Chen Chou, a list of experts for alternative funding model consultation – **Complete**
- **Action 17.3** Report on NSW Water Directorate and Local Government NSW meeting – **Complete**

Stage 1 alternative funding models - Frontier Economics update

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Future partnership model
between the sector and
government agencies -
discussion

5

Draft skills and training recommendations

6

Key challenges for skills and training

DEMAND

Low uptake of accredited training in NSW water industry

No clear expectation of what training is essential to LWU

Regional utilities have difficulty attracting and retaining skilled staff

Skilled and competent operators are vital in managing drinking water quality. There is a lack of trained operators in NSW. This poses a high risk to communities.

Establish a sustainable training market for water operations

Need to address both supply and demand challenges to increase skills of existing operators, attract more operators into the sector and increase employment

SUPPLY

Lack of registered training organisations (RTOs) offering water operation training

No pathway for trainers to maintain training and technical skills

Progress against the draft skills and training action plan

- 200 fully funded training places for new water operations trainees each year were made available from December 2021
 - 80 places were filled between December 2021 and June 2022
- Quantitative analysis of workforce and training requirements for water operations in NSW
- Undertaking workforce planning pilot with Orana Water Utilities Alliance - Test regional approach to workforce planning, and operator competency and training (see also agenda item 8)
- Progressed development of business model options for the more efficient provision of training materials
- Consultation on draft of Skills and Training Action Plan, addressing both supply and demand side

Draft skills and training recommendations

From 2023, implement two-year skills and training action plan for NSW to address challenges arising from the thin market for water operators and technical skills focuses on:

- Stronger incentives to RTOs to deliver training that meet the needs of the local water utilities
- Advocacy and support to recognise water operations as a trade
- Strategies to upskill existing water operators, through part qualifications
- Investigating potential regulatory requirement for minimum competency or training requirement for water operators

Draft skills and training recommendations

Subject to negotiation with Training Services NSW and funding



Proposal to attract and retain skilled water operators at local water utilities

by:

- Continue funding of Smart and Skilled places for new operator traineeships
- Seeking funding for skills recognition and gap training of existing workers to achieve Certificate III
- Seeking funding to introduce Certificate II school-based traineeships
- Seeking funding for pre-employment skill set
- Advocate that water operations be a recognised as a trade.

Draft skills and training recommendations

Incentivise RTOs to deliver training that meet the needs of the local water utilities:

- Provide market with analysis of training gaps across regional NSW
- Make the case for higher Smart and Skilled subsidies for water operations training units, to align with trade qualifications
- Support development of quality training resources and a business model for sharing of resources
- Make the case for allowing interstate RTO to access Smart and Skilled subsidies for units of skill sets that are not currently offered by NSW RTOs
- Look at options to support RTOs to access a pipeline of accredited trainers (in DPE and utilities).

Draft skills and training recommendations



Advocacy and support to recognise water operations as a trade to help attract and retain staff in regions

- Certificate III in Water Industry Operations (NWO30219) transition to a trade qualification.
 - Make the case that water operations be listed on Federal Australian Skills Attraction Priority list
 - Make the case to increase funding under Smart and Skilled per training unit.

Recognition as a trade would help unlock funding for apprentices.

Implementing the regulatory and assurance framework - Update

7

Where are we at?

- Minister for Lands and Water approved framework – effective from 1 July
- Framework and “what we have heard” feedback summary published
- Works approvals (s60): interim regulatory guidance approved and published with a refinement period of 8 weeks; application portal for local water utilities is live, draft internal processes in place on 1 July and finalised by 31 July.
- Strategic planning assurance: development of guidance material and internal process progressing; engagement on transition for utilities that are developing IWCM strategies underway.
- Quality assurance framework published as draft for consultation
- Risk-based regulation training for Water Utilities team, 3 modules (June to September)
- Performance monitoring – indicator set to be finalised for consultation
- Regulator collaboration framework endorsed by all regulators



Recap - Implementation of the framework



Implemented from 1 July

- Minister approved Regulation and assurance framework for local water utilities
- Quality Assurance framework in place (draft)
- Guidance on using IP&R Framework for local water utility strategic planning published
- Relevant sections are gazetted (progressing)
- Training for Water Utilities team for risk based regulation
- Regulator collaboration framework endorsed by all regulators, publishing imminent

Section 60: Assessment and approval of works from 1 July

- Application form available online, ability to track applications 60 day 'clock'
- External guidance published for applicants
- Internal process in place for assessing and approving applications as, received
- Clarity about all applications currently with the department and a plan for transition

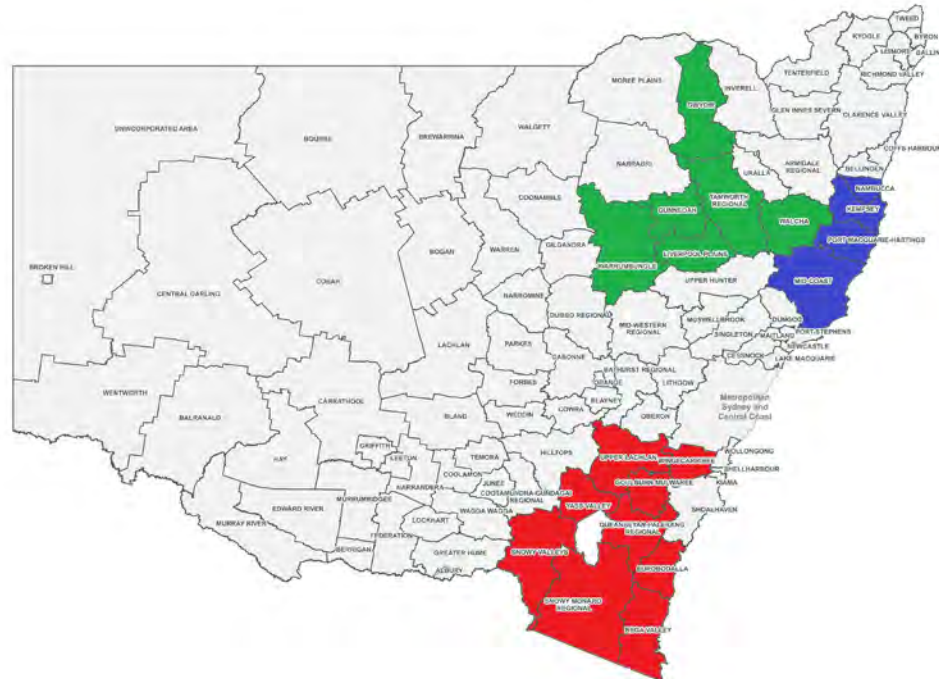
Strategic planning transition

- Commenced plan for engaging with each of the 40+ utilities undertaking IWCM strategies - to meet 'no disadvantage' commitment
- Guidance for each of the 12 strategic planning outcome areas by October 2022
- Assurance of strategic planning fully implemented by 1 December

Regional collaboration pilots - Update

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Regional collaboration pilots - update



- Namoi JO – Coordinated approach to trade waste management
- Mid-North Coast councils – shared asset maturity evaluation
- Canberra Region JO – Water Utilities Working Group (TWRRP assisting)

Note: Other pilots have a regional collaboration focus (e.g. Central NSW JO regional approach to strategic planning through IP&R).

Regional collaboration pilots - update

Pilot type	Councils/LWUs involved	Scope	Status
Test regional collaboration asset management and trade waste management	Namoi JO – Gunnedah, Gwydir Liverpool Plains, Tamworth, Walcha and Warrumbungle Councils.	Trade waste audit and development of shared service business case for the consideration of participating councils.	Draft gap analysis and business case has been reviewed by TWRRP Will be finalised by end of July 2022. Councils to consider business case (date TBC) TWRRP will evaluate the pilot in July/August
	Kempsey, Mid-Coast, Nambucca and Port Macquarie Hastings Councils	Reduce asset management risks through an shared asset management gap analysis and capacity building process.	Hunter H2O appointed to undertake project. Site meetings have taken place. Combined workshop in late July. Positive feedback from participating councils
	Canberra Region Joint Organisation	Possible asset management review	Has established a Water Utilities Working Group, with an opt-in model. Progress been limited (due to Canberra JO Exec Officer leaving and limited capacity of some member councils) TWRRP working with member councils to determine if more support can be provided.

Regional collaboration pilots - update

Pilot type	Councils/LWUs involved	Scope	Status
Test regional approach to workforce planning, and operator competency and training	Orana Water Utilities Alliance (OWUA) Bogan Shire Council Bourke Shire Council Brewarrina Shire Council Central Darling Shire Council Cobar Shire Council Coonamble Shire Council Gilgandra Shire Council Mid-Western Regional Council Narromine Shire Council Walgett Shire Council Warren Shire Council Warrumbungle Shire Council	Reduce water quality, environment and operational risks Mapping competencies and skills for operators across the urban water cycle Develop training needs analysis for each utility in Alliance to identify training gaps and attracting training providers Develop template for other utilities to self determine training needs	In progress OWUA committed to providing human and data resources Final Report due 31 July To be evaluated by TWRRP, Water Utilities team and NSW Health in July/August
Remote technology support	Bourke Shire Council Cobar Shire Council	Test remote technologies as a way of supporting local water utility operations.	In progress. TWRRP has funded an external contractor to provide this support on a trial basis. To be evaluated by TWRRP team in July/August

Other matters raised by Panel members

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Next meeting and a look
ahead

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Next meeting and a look ahead

- Out of session Panel meeting: TWRRP Evaluation update and feedback on the Aither report – likely to occur in week of 8 August
- Next meeting Wednesday 24 August 2022 (9.30am)
 - Pilot evaluation process update.

Items for noting

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A

Guidance and internal process development - update

Guidance development – Strategic planning outcomes



Strategic planning	Delivery	Status
<i>Strategic planning outcomes</i>		
Understanding water security	TWRRP, DPE Water Utilities team	Progressing
Understanding water quality	TWRRP and NSW Health	Progressing
Understanding environmental impacts	TWRRP and EPA	Progressing
Understanding system capacity, capability and efficiency	External service provider	Procurement underway
Understanding other key risks and challenges	External service provider	Procurement underway
Understanding solutions to deliver services	External service provider	Procurement underway
Understanding resourcing needs	External service provider	Procurement underway
Understanding service needs (customers) and revenue sources	External service provider	Progressing (Frontier Economics)
Make and implement sound strategic decisions	External service provider	Procurement underway
Implement sound pricing and prudent financial management	External service provider	Progressing (Frontier Economics)
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	Procurement underway

Guidance/internal process development

Approval of works (section 60)	Delivery	Status
Approval of works (s60) - Guidance	External service provider	Delivered as interim guidance (Arup), published on 1 July. 8 weeks refinement/testing.
Approval of works (s60) - Internal process	External service provider	Progressing (Arup) draft delivered 30 June. Final will be delivered for 31 July.
Approval of works (s60) – Application portal and IT system	TWRRP & Water Knowledge Division	Delivered (minimum viable product).

Other internal to support implementation	Delivery	Status
Internal quality assurance – Report for implementation	External service provider	Delivered (Nous). Published for consultation.
Internal ways of working – Report for implementation	External service provider	Delivered (Nous)

B

Engagement summary

B. TWRRP engagement summary June/July 2022

Date	Who we met with	Issues covered
1-5 July	Various incident and emergency stakeholders	Proposed incident and emergency framework for local water utilities
24 June	Water Directorate Executive Committee	Stage 1 Alternative funding models project
28 June	TWRRP Senior Officers Group	Regulatory and assurance framework for local water utilities WaterNSW pilots Skills and training
4 July	County Council General Managers	TWRRP reflection on program achievements and progress Sought feedback on next steps for TWRRP
5 July	Central NSW Joint Organisation	Stage 1 Alternative funding models project
13 July	Treasury	Stage 1 Alternative funding models project
14 July	Water Directorate Executive Committee	TWRRP reflection on program achievements and progress Sought feedback on next steps for TWRRP Skills and training discussion
15 July	LGNSW and Water Directorate	TWRRP update as part of regular department liaison meeting with LGNSW and Water Directorate.

B. TWRRP engagement summary June/July 2022

Date	Who we met with	Issues covered
18 July	Performance Monitoring Focus Team	Draft performance indicators
19 July	TWRRP Technical Assessment and Approvals Working Group	Interim guidance for water supply and sewerage works approvals

Town Water Risk Reduction Program

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