

# Town Water Risk Reduction Program—Outcomes and action items

Meeting 16 | 26 May 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</li> <li>• Mr Graham Kennett, Kyogle Council</li> <li>• Mr Brendan Guiney, NSW Water Directorate</li> <li>• Mr Michael Blackmore, Director Local Water Utilities, DPE – Water</li> <li>• Dr Katrina Wall, NSW Health Water Unit.</li> <li>• Mr Peter Marczan, Manager Technical Assessments &amp; Advice, Environment Protection Authority</li> <li>• Dr Annalisa Contos, Atom Consulting</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 Performance, DPE Water</li> <li>• Ms Carmel Krogh, Independent Advisor to DPE Water</li> <li>• Mr Graham Attenborough, Chief Operating Officer, DPE Water</li> <li>• Mr Shaun McBride, Chief Economist, LGNSW</li> <li>• Mr Patrick Lee, LGNSW</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>• Mr Glen Colley</li> <li>• Mr Tim Stevenson</li> <li>• Ms Althea Kannane</li> <li>• Ms Sonya Cochrane (Secretariat)</li> </ul>

## Apologies

- Mr Aaron Drenovski, Goldenfields Water
- Ms Melissa Gibbs, Office of Local Government
- Mr David Kirby, Brewarrina Shire Council
- Ms Rebel Thomson, Namoi Unlimited Joint Organisation of Councils

### Outcomes

Table 2. Agenda items and outcomes.

Agenda item	Outcomes
1	<p><b>Acknowledgement of country and meeting welcome</b></p>
2	<p><b>Administrative matters</b></p> <p><b>- Declarations of conflicts of interest</b></p> <ul style="list-style-type: none"> <li>• Clr Bill West – Cowra Shire Council – Strategic Planning pilot</li> <li>• Dr Annalisa Contos – Atom Consulting – Griffith City Council Strategic Planning pilot, incident and emergency management project</li> </ul> <p><b>- Resignation from Panel</b></p> <ul style="list-style-type: none"> <li>• Ms Rebel Thomson, Executive Officer Namoi Unlimited Joint Organisation of Councils, is resigning from her position as Executive Officer and therefore her membership on the Stakeholder Advisory Panel. Thanks was extended to Ms Thomson for her significant contributions during her time as a member.</li> </ul>
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.</li> <li>• Action 15.3 TWRRP to prepare a one-page overview of the WaterNSW river water qualities document and place on web page – carried over, in progress.</li> </ul>
4	<p><b>Draft regulatory framework update</b></p> <p>The TWRRP team provided a detailed update on the feedback received on the consultation draft Regulatory Framework. 18 public submissions and 13 survey responses were received. Those for publication are on the TWRRP website and a 'What we heard' document will also be made available once finalised.</p> <p>Overall, submissions provided positive feedback and support to move to a risk-based and outcomes focused regulatory approach. Potential risks to be managed for successful implementation were raised and specific requests for additional guidance and clarity around roles and language made. Detailed feedback and responses are provided in the Stakeholder Advisory Panel presentation from May 2015 slides.</p> <p><b>GUIDANCE:</b></p> <p>Members acknowledged the departments active response to the feedback, demonstrating the sector, staff and other stakeholders are being listened to.</p> <p>A Panel member raised concerns with ambiguity and possible misinterpretation of the terms 'reasonable standard' and 'assurance', suggesting consultation should be undertaken on these terms. The TWRRP team, and the department's Director Water Utilities agreed that the guidance supporting the framework needs to be very clear about expectations of what would meet a 'reasonable standard'. It was explained that reasonable is defined by outcome</p>

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	<p>standards. It was reinforced that there are different ways to achieve outcomes and the department is not being prescriptive about how it is achieved.</p> <p>In response to the concept of assurance and who is providing it, it was explained that the local water utility provides assurance to its community and the department is assured the local water utility is working to a reasonable standard.</p> <p>In both instances, the department acknowledges the importance of being adaptive. The framework and guidance are not a 'set and forget', the department will continue to review and improve the documents.</p>										
5	<p><b>Implementation – Update</b></p> <p>The department's Director Town Water Risk Reduction Program provided an update on the Framework's design to facilitate the change to outcome focussed regulation. The Framework itself is facilitating implementation It includes accountability and transparency measures, Quality Assurance and review of decisions.</p> <p>The Director Town Water Risk Reduction Program and Director Water Utilities have been working together with the Water Utilities team involved in all steps of regulatory and assurance framework design, guidance and process design. Training for Water Utilities team for risk-based regulation is being undertaken and process development is underway to ensure a clear interim structure and resources to support change implementation, ahead of broader realignment.</p> <p>A legal and editorial review is being undertaken this week followed by an Executive review prior to ministerial briefings. The Framework commences 1 July 2022, however, the full implementation of strategic planning assurance won't commence until 1 December 2022.</p> <table border="1" data-bbox="296 1312 1391 1630"> <tbody> <tr> <td data-bbox="296 1312 647 1435">1 July 2022</td> <td data-bbox="652 1312 1391 1435">New regulatory and assurance framework commences Section 60 guidance published Section 60 internal processes in place</td> </tr> <tr> <td data-bbox="296 1442 647 1480">1 July – 30 November 2022</td> <td data-bbox="652 1442 1391 1480">Transition period for strategic planning assurance only</td> </tr> <tr> <td data-bbox="296 1487 647 1525">1 October 2022</td> <td data-bbox="652 1487 1391 1525">Strategic planning guidance published</td> </tr> <tr> <td data-bbox="296 1532 647 1570">1 November 2022</td> <td data-bbox="652 1532 1391 1570">Strategic planning internal processes in place</td> </tr> <tr> <td data-bbox="296 1576 647 1615">1 December 2022</td> <td data-bbox="652 1576 1391 1615">Assurance of strategic planning fully implemented</td> </tr> </tbody> </table> <p><b>GUIDANCE:</b></p> <p>A member of the Panel asked if a review process will be established where there is disagreement on the outcome of decisions. The department's Director Town Water Risk Reduction Program explained the framework is not designed under a compliance and enforcement structure, but transparent processes and conversation designed to resolve potential issues through the process. The guidance will set out interactions in internal processes in more detail. There is an internal review process and an option for an external technical review should it be needed.</p>	1 July 2022	New regulatory and assurance framework commences Section 60 guidance published Section 60 internal processes in place	1 July – 30 November 2022	Transition period for strategic planning assurance only	1 October 2022	Strategic planning guidance published	1 November 2022	Strategic planning internal processes in place	1 December 2022	Assurance of strategic planning fully implemented
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Agenda item	Outcomes
	<p>Concerns were raised whether strategic planning outcome areas are essentially a checklist. Transparency and robustness on the issues that are being asked in strategic planning was recommended.</p> <p>It was recommended that a mechanism is needed to identify risks and ensure confidence in what quality assurance is. It was suggested that a modified Safe and Secure risk identification process be utilised, which will also help to identify what is trying to be achieved. The Director Town Water Risk Reduction Program agreed, noting that in a risk-based framework it is essential that this is addressed. Attention is also being given to how risk assessments are set up for smaller local water utilities.</p> <p>Panel members asked about transition of the approx. 40 IWCM strategies already underway with the Safe and Secure Water Program. The Director Town Water Risk Reduction Program and Director Water Utilities confirmed those utilities currently undertaking IWCM strategies will not be disadvantaged under the new framework and are working with the Safe and Secure Water Program director to resolve the process, in particular necessary updates to the Safe and Secure Water Program guidelines. It was also noted that a local water utility will be deemed to have met reasonable standard if it has concurrence from department in place or has recently paid a dividend.</p> <p>A question was raised by a Panel member about clarification of the department's role of when a dividend is being paid. The Director Town Water Risk Reduction Program advised that in response to feedback, the dividend section was revised and is now clearly addressed in section 4 Dividends to say that if a dividend is being paid from surplus, the local water utility must meet the expectations in Section 3, Strategic Planning. It therefore becomes a regulatory requirement for councils paying a dividend from surplus.</p> <p>With regard to section 60 approvals, a Panel member asked if the feedback requesting clearer recognition of councils' responsibilities in terms of their service risks and delivery risks will be in the guidance or the processes on the responsibility for risk and approval process. The Director Town Water Risk Reduction Program advised it is clarified that the local water utility is responsible for managing risks and meeting standards, the department is not responsible for the construction of infrastructure or its delivery, however, the department will review this section again to ensure the language makes it very clear.</p> <p>A Panel member asked what involvement the Town Water Risk Reduction Program had in Regional Water Strategies, and the level of engagement with councils and local water utilities on draft strategies. The Director Town Water Risk Reduction Program advised they would follow up on the issues raised and escalated to the appropriate Executive Director.</p> <p><b>ACTION ITEM 16.1</b></p> <ul style="list-style-type: none"> <li>• <b>Review section 60 language around clarity of councils' responsibility for service and delivery risks</b></li> </ul> <p><b>ACTION ITEM 16.2</b></p> <ul style="list-style-type: none"> <li>• <b>Follow up with Regional Water Strategies team about issues related to engagement with councils and local water utilities.</b></li> </ul>
6	<b>Secure yield/water security and planning – Update</b>

Agenda item	Outcomes
	<p>The Director Water Utilities provided an update on secure yield/water security and planning, discussing the importance of robust water security planning and adequate investment in water infrastructure and the potential risks including drought, severe water restrictions or supply failure. The new approach to modelling under the Regional Water Strategies will use a four-step approach to better understand past and future climate risk and will underpin town water security planning.</p> <p>GUIDANCE</p> <p>Panel members asked about timeframes for results and how it will tie in with drought plans under allocation being developed by WaterNSW. The Director Water Utilities advised production and availability of guidance will be produced this year and piloted in some areas. If all data information and guidelines are available, then it will allow council to get contractor to do scenario planning more easily. Not all modelling has been completed in each Regional Water Strategy area, but the department is escalating that work. Water modelling sessions were requested by some Panel members for their organisations.</p> <p><b>ACTION 16.3</b></p> <ul style="list-style-type: none"> <li>• <b>Follow up with Kyogle Council and WaterNSW to arrange water modelling sessions</b></li> </ul>
7	<p><b>Quality assurance – Update</b></p> <ul style="list-style-type: none"> <li>• Postponed to next meeting due to reaching the end of the meeting time. An update will be emailed to Panel members prior to this meeting.</li> <li>•</li> </ul> <p><b>ACTION 16.4</b></p> <ul style="list-style-type: none"> <li>• <b>Send Panel members an update on the Quality Assurance Framework prior to the next meeting.</b></li> </ul>
12	<p><b>Next meeting</b></p> <ul style="list-style-type: none"> <li>• The next Panel Meeting is 22 June 2022, and will include the following:             <ul style="list-style-type: none"> <li>○ Regulatory framework update</li> <li>○ TWRRP quality assurance framework</li> <li>○ Implementation skills and training</li> </ul> </li> </ul>

## Actions arising from 25 May 2022 meeting

Table 3. Summary of actions.

No	Action	Responsibility	Due date	Status
15.3	TWRRP to prepare a one-page overview of the WaterNSW river water qualities document and place on web page	TWRRP team	25 May 2022	Pending

No	Action	Responsibility	Due date	Status
16.1	Review section 60 language around clarity of councils' responsibility for service and delivery risks	TWRRP team	31 May 2022	Pending
16.2	Follow up with Regional Water Strategies team about issues related to engagement with councils and local water utilities.	TWRRP team	27 May 2022	Pending
16.3	Follow up with Kyogle Council and WaterNSW to arrange water modelling sessions	Director Water Utilities	16 June 2022	Complete
16.4	Send Panel members an update on the Quality Assurance Framework prior to the next meeting	TWRRP team	16 June 2022	Pending

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