

29 April 2022

Department of Planning and Environment
Locked Bag 5022
PARRAMATTA NSW 2124
Email: regional.town.water@dpie.nsw.gov.au

Dear Sir/Madam,

Re: Consultation draft: Regulatory framework for local water utilities – Replacing the Best Practice Management for Water Supply and Sewerage Guidelines

On behalf of Central Tablelands Water (CTW), I would like to thank you for the opportunity to provide support and feedback on the draft regulatory framework for local water utilities.

As background information, Central Tablelands Water (CTW) is a County Council proclaimed in 1944, which currently provides quality drinking water to approximately 15,000 consumers across the local government areas of Blayney, Cabonne, Weddin, Cowra and Bland. An emergency bi-directional pipeline was also commissioned in 2019, linking CTW and Orange City Council water filtration plants to further assist with regional water security.

CTW is also an associate member of the Central NSW Joint Organisation (CNSWJO), and as such has contributed to the drafting of the CSNSWJO regulatory framework feedback submission during recent stakeholder consultation meetings.

Given current competing priorities and the tight timeframe associated with providing feedback on the draft regulatory framework for local water utilities, CTW has unfortunately had very limited time to provide any in-depth feedback. However, CTW does support the CNSWJO submission and in particular the following points in respect to the draft regulatory framework:

- Acknowledgment of DPE in creating the Town Water Risk Reduction Program (TWRRP) in response to the Auditor General's Report on *Support for Regional Town Water Infrastructure* released in September 2020.
- The need for local water utilities to access appropriate levels of funding, support and guidance by DPE.
- Acknowledgment that sound outcomes regarding strategic planning based on best practice principles is critically important, as has been experienced through the Office of Local Government's Integrated Planning & Reporting (IP&R) framework.
- The need for DPE to lead a coordinated State agency response to support local water utilities in managing water security risks as a result of future droughts.

- Acknowledgment that additional time will be required to ensure that the IP&R framework will be optimally leveraged to incorporate the best practice management requirements and remove duplication. It is strongly recommended that this additional time be taken before considering any other regulatory change is to be gazetted.
- Decouple funding from regulation. This is critical for water supply when local water utilities are required (at short notice) to navigate and comprehend complex regulation in an attempt to secure vital funding to provide an essential service to their respective communities.
- Funding for water projects should be subject to business case analyses as per other State funding programs, with DPE supporting local water utilities in the development of the business cases.
- Strong support for the TWRRP to continue its positive work in reducing or removing duplication in water strategic planning requirements by transitioning requirements into the IP&R framework.
- DPE inspectors working in local water utilities is highly valued and welcomed. Accessibility in regional areas to the inspectors with an understanding and appreciation of the context of which the local water utility operates whilst working collaboratively to understand the risks and assist in addressing those risks is critical.
- It is important that the DPE inspectors are adequately resourced and trained to support local water utilities in the regions.
- DPE should not publish information about the results of inspections unless agreed to by the local water utility. An effective trust relationship between regulator and regulated that enables proactive resolution of risk and issues is the key by working together to resolve issues collectively. Operators should feel supported in addressing risks, not fearful of raising issues.
- Performance monitoring and reporting. CTW supports the alignment of performance monitoring and reporting requirements and those of the IP&R framework. Consolidating reporting requirements and reducing data duplication to various State agencies would greatly assist in achieving efficiencies and alleviate some resourcing challenges for local water utilities.
- The formation of a Regional Town Water Drought Response Steering Committee is also strongly supported. This committee would facilitate and guide collaboration to develop and execute plans to most effectively utilise available water to support social, economic, cultural and environmental outcomes for communities in drought conditions. It would also support long term development of town water security and water quality solutions across the region.



- CTW supports the CNSWJO in their continued advocacy for the role of the Town Water Security Co-ordinator to be made permanent enabling continuous engagement with communities and elected representatives.

On behalf of CTW, I would like to thank you once again for inviting CTW to provide support and feedback on the draft regulatory framework for local water utilities. If you require any further clarification regarding the points provided above in this submission, please do not hesitate to contact me [REDACTED]

Yours faithfully,

[REDACTED]

Gavin Rhodes
General Manager