

14 August 2015

Independent Pricing and Regulatory Tribunal
Level 15
2-24 Rawson Place
SYDNEY NSW 2000

Re: Submission to the Review of Reporting and Compliance Burdens on Local Government

The Water Directorate welcomes the opportunity to make a submission to IPART on the reporting and compliance burdens on local government. The Water Directorate is a membership association that comprises 97 local water utilities from around NSW. The Water Directorate's mission is to provide leadership and support to the local government water supply and sewerage industry in regional NSW.

The Water Directorate membership supports the need for reform of the regulation of local government and their utilities. We believe the current regulatory model is inconsistent in application, creates confusion regarding roles and responsibilities, and limits the ability of local council owned water utilities to deliver the best outcomes for the community.

The Water Directorate supports the NSW Government's Better Regulation Principles and reform that achieves transparent regulation, removes inconsistencies and delivers a level playing field for the operation and delivery of water and sewage services in urban NSW.

This submission has identified a number of areas where reporting can be streamlined and compliance burdens reduced. Specifically the Water Directorate makes the following three recommendations:

1. Streamlining the EPA and DPI Water reporting requirements for EPA licensed activities:
 - 1.1. State Agencies agree on a set of reporting metrics for Local Water Utilities including timeframes and criteria
 - 1.2. All reports and information required to be provided to State agencies for which Council does not receive feedback and/or for which there is no discernible reason for its collection needs to be reviewed.
 - 1.3. Provision of one consolidated report to EPA
 - 1.4. DPI Water not require local water utilities data that has been previously supplied to EPA

2. Review and streamline the DPI Waters' Best Practice Management Guideline framework to meet current needs and co-ordinate rendition with the Office of Local Government Integrated Planning and Reporting Framework. This is particularly the case for Local Water Utilities with <10,000 connections.
3. Streamlining the approval processes by co-ordination and co-operation between government departments.

NSW Water Directorate would like to thank IPART for the opportunity to participate in this review and looks forward to the reduction or removal of unnecessary and excessive planning, reporting and compliance obligations imposed on its members. We are happy to discuss any of the recommendation with IPART directly. Please contact myself or Gary Mitchell, Executive Officer on 8267 3010 or gmitchell@waterdirectorate.asn.au

Yours sincerely

A handwritten signature in black ink, appearing to be 'JS', enclosed within a thin black rectangular border.

Jeffery Sharp
Chair

Water Directorate Submission to IPART

Review of Reporting and Compliance Burdens on Local Government

1 THE WATER DIRECTORATE

The Water Directorate is a voluntary member based organisation that represents 95% of all NSW LWUs (LWUs). Its mission is to provide leadership and advice to LWUs. Our members:

- provide 89% of reticulated water outside metropolitan NSW
- manage \$23 billion in assets
- have 3.2 times more customers than Hunter Water

The Water Directorate was initiated by local government water and sewerage practitioners in 1998. Our founding members recognised that the structure and legislative framework for water authorities in NSW was not ideal following the abolition of the Department of Public Works which had previously acted as the overall co-ordinating agency and mentor for regional NSW. An industry specific association was formed to address the lack of coordination between government departments and local authorities as well as the declining level of technical advice provided by the state agencies.

Since our establishment the Water Directorate has provided consistent state-wide management tools at a low cost to our members. As a result we have:

- invested more than \$3.5 million on developing relevant guidelines and technical documents to support industry best practice
- co-managed an \$8.73 million investment by the Federal Government and members in a water loss management program saving 5.5 billion litres of water annually
- advocated for LWUs including responding to the Armstrong/Gellatly Review, and a whole series of other Government reviews undertaken by Infrastructure Australia, the National Water Commission, the Productivity Commission and Infrastructure NSW
- supported the industry with valuable information through on-line discussion groups, technical workshops and informal mentoring not provided by State Government departments.

2 ACRONYMS

Acronym	Legislation
BPM	Best Practice Water Supply & Sewerage Management
DSA	<i>Dams Safety Act 1978</i>
FPW	<i>Fluoridation of Public Water Supplies Act 1957</i>
IWCM	Integrated Water Catchment Management
LGA	<i>Local Government Act 1993</i>
LGR	Local Government (General) Regulation 2005
LWUs	Local Water Utilities
PEOA	<i>Protection of the Environment Operations Act 1997</i>
PHA	<i>Public Health Act 2012</i>
PIRMP	Pollution incident response management
WMA	<i>Water Management Act 2000</i>
WMR	Water Management Regulation 2011

3 COMMENTS ON ISSUES LISTED

Q1. Does Appendix B of the issues paper accurately represent the regulatory functions of councils, as imposed? Please identify any missing functions or amendments required.

Missing functions identified by Water Directorate members are shown in Table 1, and should be added to Table B.1 of the issues paper.

Table 1. Additional regulatory functions of NSW local government water utilities.

Topic	Subtopic	Function
Water and Sewerage	Water and Sewerage	Dam safety surveillance
		Recycled water supply management
		Trade waste management
		Management of water carters
		On-site management systems
		Plumbing inspections
		Fluoridation- Form 4 Monthly Report

Q2. In relation to Appendix C of the issues paper:

- *Are there any other sources of planning, reporting and compliance obligations imposed on councils by the NSW Government? Sources of obligations may include legislation, policies, directions or guidelines.*
- *What other plans or reports are councils required to prepare? Please identify any missing information.*

Missing functions identified by Water Directorate members are shown in Table 2, and should be added to the Water and sewerage Function area of Table C.1 of the issues paper.

Table 2. Additional sources of NSW local government water utility planning, reporting and compliance obligations.

Legislation relevant to function	Responsible agencies	Policy, Direction or Guideline	Plan or report
POEOA	EPA	Environment Protection Licences	Pollution incident response management (PIRMP)
			Effluent quality and volume annual report to EPA as per Licence condition
		Environmental guidelines: Use and disposal of biosolids products	Biosolids Producer Report
DSA	Dams Safety Committee		Dam Surveillance Reports
LGA, s60, s68	DPI Water	Water supply dam	

Legislation relevant to function	Responsible agencies	Policy, Direction or Guideline	Plan or report
		Water treatment works	Options Study Report, Concept Study Report, Specification, Detailed Design Report (Reports must be provided in draft and then finalised addressing all DPI Water's comments)
		Sewage discharge, treatment or supply	Options Study Report, Concept Study Report, Specification, Detailed Design Report (Reports must be provided in draft and then finalised addressing all DPI Water's comments)
		Recycled Water Management System Guidance Document	Recycled Water Management System
LGR	DPI Water	Trade Waste Management Guidelines	Annual Reporting
LGA, s409(6)	DPI Water	Best-Practice Management of Water Supply and Sewerage Guidelines	Integrated Water Cycle Management
			Financial Plan
			Strategic Business Plan
			Total asset management plan
			Long Term Financial Plan (duplicate of council LTFP)
			Development Servicing Plan
			Pricing policy
			Develop charges
			Trade waste regulation policy & approvals
			Water conservation measures
			Drought management plan
			Performance monitoring, including providing data on three separate platforms
			Recycled Water Management Systems and approvals
WMA, s315 WMR, c115, c196	DPI Water	Best-Practice Management of Water Supply and Sewerage Guidelines	Strategic Business Plan
PHA	NSW Health	NSW Guidelines for Drinking Water Management Systems	Drinking Water Management System (DWMS)
			Management of water carters
FPW	NSW Health	Fluoridation Code of Practice	Form 4- monthly report to NSW Health

Q3. Are the best practice regulatory principles (as outlined in the issues paper) a sound basis for assessing whether the planning, reporting and compliance obligations imposed by the NSW Government on councils are unnecessary or excessive?

The Water Directorate generally agrees with the best practice regulatory principles, though it is noted that they:

- a) Need to take into account the relevance of the information gathering and the time lag in reporting the outcomes. This reporting can be as late as 18 months after the data gathering;
- b) The NSW Best Practice Management of Water Supply and Sewerage Guidelines are outdated and confusing. Some requirements have no basis for the timing eg Integrated Water Cycle Management and some aspects are based on random requirements eg the % of revenue from water usage charges. A complete overhaul of the guidelines is required rather than the current methodology of adding/modifying without an assessment of the overall governance framework, and
- c) Do not address the issue of the creation of obligations/requirements by State Agencies. In such cases Agencies may create obligations or requirements under guidelines or licenses which reflect the views of individuals within those Agencies instead of outcomes to be achieved. e.g. the requirement for wastewater treatment plants to be designed and operated to what is considered as "Best Available Technology" instead of environmental outcomes. Such an example is the requirement to remove nitrogen to very low levels when receiving waters are phosphorus limited. Similarly the requirement for full tertiary treatment of peak flows of wastewater that occur in flood conditions when it is to be discharged into flood waters of a significantly lower quality.

Q4. How should IPART take into account the NSW Government's Open Data Policy when developing options to streamline or remove reporting requirements on councils?

Data that is collected by one state government department should be available for use by another government department, or within the same department. State government departments should not require local government water utilities to provide reports containing the same or similar information already provided to a different department. Where the same information is required on different timeframes, the state government department, or sections within the department, should liaise and coordinate to determine what time frame would best ensure information is only reported once.

Where similar information is required by state government departments, or sections within departments, they should coordinate the data requirements to ensure the data is only collected once, in a format that is usable by all or various sections within a department. This is further discussed in the following section and additional examples provided in Table 4 at page 6.

Table 3. Example of streamlining data or reporting requirements

Current data reporting requirements	Recommendation to streamline or remove
Effluent quality and volume Annual report to EPA as per Licence condition and Performance Monitoring to NOW	Streamline to TBL Sewerage Performance report
Independent audit of compliance for the Best Practice Water Supply & Sewerage Management Guidelines (BPM)	Alter the conditions of requiring an audit to only where an audit has not been conducted in the preceding three years.
LWUs submit multiple variants of the same information for consideration by various State agencies e.g. Water utility data is required to be provided to the NSW Office of Water, Office of Local Government, Environmental Protection Authority and Department of Primary Industries(DPI) (and within DPI, DPI Water) under the S60 Approval process.	A central register of information would alleviate this duplication as councils would only need to provide information once. The problem extends even further to within State departments, and again as an example, the same information is required by the EPA in slightly varied forms for different branches.

Q5. Are there any other developments of best practice regulatory principles by other bodies or in other jurisdictions that IPART should consider in this review?

The Water Directorate is unaware of any other developments of best practice regulatory principles by other bodies or in other jurisdictions that IPART should consider in this review.

Q6. What planning, reporting or compliance requirements imposed by the State on councils could be removed? Please provide reasons as to why you believe removal of the requirement is justified.

and

Q7. What planning, reporting or compliance requirements imposed by the State on councils could be streamlined or reduced in some manner? If you have any suggestions for how the requirement can be streamlined or reduced, please specify.

The Water Directorate has identified a range of planning, reporting and compliance requirements that could be streamlined or reduced. We have three overarching recommendations:

1. Streamlining the EPA and DPI Water reporting requirements for EPA licensed activities;
2. Review and streamline the DPI Waters' Best Practice Management Guideline framework to meet current needs and co-ordinate rendition with the Office of Local Government Integrated Planning and Reporting Framework. This is particularly the case for LWUs with <10,000 connections; and
3. Streamlining the approval processes by co-ordination and co-operation between government departments eg the Section 60 Approval process.

Recommendation 1: Streamlining the EPA and DPI Water reporting requirements for EPA licensed activities

Local councils face an ongoing increasing burden as water and sewerage providers to their community as a consequence of continually changing regulatory requirements. There is significant reporting duplication both within sections of EPA and between EPA and DPI Water. Some examples are shown Table 4.

Table 4. Examples of duplicate reporting of information both within EPA and between EPA and DPI Water

	Immediately	Annual return	Annual Systems Performance Report	Biosolids Producer Report	National Pollution Inventory report	DPI Water Annual Performance Report
Volume of effluent treated		Y	Y		Y	Y
Biosolids			Y	Y		
Sewage overflow reports	Y	Y	Y			Y ¹
Monitoring data	Y ²	Y	Y			Y

1 Criteria is different to EPA requirements

2 Within 14 days on council website

As part of this recommendation Water Directorate recommends:

- 1.1 State Agencies agree on a set of reporting metrics for LWUs including timeframes and criteria.
- 1.2 All reports and information required to be provided to State agencies for which council does not receive feedback and/or for which there is no discernible reason for its collection needs to be reviewed.
- 1.3 Provision of one consolidated report to EPA
- 1.4 DPI Water not require LWUs data that has been previously supplied to EPA

Recommendation 2: Streamlining and coordinating DPI Waters' Best Practice Management Framework and the Office of Local Government Integrated Planning and Reporting Framework

NSW LWUs support effective and efficient planning frameworks. The Best Practice Management Framework (BPM) administered by DPI Water and the Integrated Planning and Reporting (IPR) Framework administered by OLG have different focusses, with IPR being general and BPM being long term water and sewerage infrastructure planning. However, the two frameworks should be better aligned. This will reduce duplication of information, reports and staff effort. Table 5 lists the similar planning requirements between IPR and BPM.

Table 5. Examples of similar planning requirements between IPR & BPM

IPR	BPM
10 Year Community Strategic Plan	30 year Strategic Business Plans
10 year Long Term Financial Plan	30 year Financial Plan
Asset Management Policy, Strategy and Plan	30 year Total Asset Management Plan
Workforce Plan	Work Force Plan within the SBP

Where there are similar planning requirements these should be aligned so they only need to be undertaken once, noting that 10 years is a short timeframe for hard infrastructure – consideration should be given to extending all infrastructure planning to 30 years.

The Water Directorate support in principle the additional components within BPM specifically for water and sewerage planning such as drought management planning and water conservation measures. However the requirements within the BPM Framework should represent a whole of government approach and demonstrate alignment with the better regulation principles.

For example the IWCM Checklist Item 9. Feasibility Review of Options N requires councils to consider all recycling options (including previously dismissed and potential new), including waterways discharge and

direct and indirect potable recycling. There is currently no framework within the NSW Government for the approval of indirect and direct potable recycling and in many circumstances EPA will not issue a licence for waterway discharge.

IWCM has a specific requirement for community consultation. Flexibility with this requirement would allow the consultation for IWCM to occur as part of the broader community engagement of IPR where appropriate to the community.

The value that IWCM planning (as described by the BPM) provides to communities that are not planning infrastructure upgrades is questionable.

There is strong concern about the relevance of the IWCM within the BPM framework as related to timing, cost and response particularly when such is linked to pre-requisite conditions. Please see the example given below regarding the rendition, delay and recommission of an IWCM at Recommendation 3 below.

Recommendation 3: Streamlining the approval processes including co-ordination and co-operation between government departments.

A whole of government approach is required to facilitate local government water utility projects. Councils must navigate a myriad of competing and at times contradictory state government requirements whether building new facilities or upgrading existing ones. Time sensitive projects can be delayed by under-resourced state government departments.

Delays due to under-resourcing of state government department

For example Parkes submitted their IWCM for approval in 2012. There was an 18 month delay in the review of the documents by the state agency (NOW). When council received the comments back on their IWCM they were also asked to address the requirement of the 2014 checklist. Council estimates it cost an additional \$110, 000 to recommission the study to meet the requirements of the new guidelines (in addition to the cost the address the comments for the 2012). An IWCM is a pre-requisite for funding approval under the Country Towns Water Supply and Sewerage Program so council's infrastructure program was delayed by these inefficiencies

EPA

The EPA offers little to no operational knowledge or input to the management of sewerage services and can be seen as an obstacle to planning for the future of this essential public health service. This is particularly difficult when trying to apply triple bottom line assessments of possible options and management of risks, with the triple bottom line process undermined by an external regulator with a single outcome focus, and with the regulatory powers used as justification rather than risk management and community and governments willingness to pay.

LWUs have encountered difficulties in progressing project due to EPA requirements changing the design outcome mid-project, which is particularly of concern with projects that have long lead in times such as new sewerage systems or upgrades to sewage treatment works. This more often than not leads to delays and costs increases and community frustration. This is particularly an issue in the provision of sewerage services to unsewered villages and towns, where precautionary and risk adverse water quality requirements can often lead to projects not proceeding because of the high costs associated with regulatory compliance. This is particularly ironic given that the impact of existing on-site sewerage

systems on public health and the environment is higher than would result from the implementation of reticulated sewerage with more realistic lower water quality requirements.

Effluent Reuse

LWUs often receive conflicting advice from government departments regarding STP upgrades and water recycling projects. EPA is seen to favour the reduction of waterway discharge regardless of community considerations or downstream users.

One result can be that council are pressured to use effluent irrigation for disposal rather than investing the money in upgrading the STP.

In this circumstance the EPA requires compliance with the DEC (2004) *Environmental Guidelines Use of Effluent by Irrigation*. The change in use requires a DPI approval under s60 of the *Local Government Act*, which requires the development of a recycled water management plan in accordance with the nationally endorsed *Australian Guidelines for Water Recycling* (2006). It is unclear to LWUs which one takes precedent and under what circumstance.

Regulation of recycled water schemes

The regulatory responsibilities for recycled water schemes should be clarified between the EPA, DPI Water and NSW Health. A joint licence could be issued by the three agencies for recycled water schemes. The concept of a joint EPA, DPI Water and NSW Health licence could also extend to water supply schemes and sewerage schemes.

LGA s60 approvals

Councils are required to seek approval under s60 of the LGA for any of the following:

- (a) as to works of water supply-construct or extend a dam for the impounding or diversion of water for public use or any associated works,*
- (b) as to water treatment works-construct or extend any such works,*
- (c) as to sewage-provide for sewage from its area to be discharged, treated or supplied to any person,*
- (d) as to flood retarding basins prescribed by the regulations-construct or extend any such basins.*

These approval requirements should be reviewed against the better regulation principles to establish the needs and the objectives of the approvals. Should similar technical approvals be required they must be adequately resourced by government or an alternative peer review development to ensure timely progress. It is considered that the s60 processes as set down by the DPI Water are outdated. The series of steps required for approval do not allow for innovation and can cause unnecessary delays. Whilst a program has been developed to review the status of the approval, this does not assist with the overall process of the activity to ensure that decisions are reached in a timely fashion.

The stated outcomes of the s60 approval process is that it provides an independent assessment of the proposed works to ensure they are fit for purpose and provide robust, cost effective, soundly based solutions that meet public health and environmental requirements. There are no outcome based indicators that demonstrate that the s60 process currently adds value or achieves the above stated outcomes of the approval process generally. This is particularly since EPA and Department of Health are the key regulators for the environment and health requirements.

FURTHER RECOMMENDATIONS FOR STREAMLINING

POEO Act Part 5.7

While pollution incident reporting is not specific to local government water utilities, the current reporting requirements impose onerous reporting conditions. Part 5.7 of the POEO Act requires all pollution incidents that involves actual or potential harm to the health or safety of human beings or to ecosystems that is not trivial to be immediately reported to the appropriate regulatory authorities, namely:

- a) the appropriate regulatory authority,
- b) if the EPA is not the appropriate regulatory authority—the EPA,
- c) if the EPA is the appropriate regulatory authority—the local authority for the area in which the pollution incident occurs,
- d) the Ministry of Health,
- e) the WorkCover Authority,
- f) Fire and Rescue NSW.

The immediate reporting requirement unnecessarily ties up valuable resources and delays the response to the pollution incident by the local government water utility. The terms “immediately” in s148 of the POEO Act should be changed to “as soon as practical” or “within 24 hrs”. A definition of what “not trivial” should also be included.

Immediate reporting should only be required for the regulatory authority required to attend to the pollution incident. For example sewage overflows are classified as pollution incidents requiring immediate reporting to each of the regulatory authorities. An overflow that will not have health impacts still must be reported to the Ministry of Health, WorkCover and Fire and Rescue.

Further streamlining recommendations are made in Table 6.

Table 6. State government planning, reporting and compliance requirements on local government water utilities

Planning, reporting and compliance requirements	Issue	Recommendation to streamline or remove?
Trade waste (DPI Water under the LGA and LGR)	Liquid Trade waste reporting time frame is different to others. It is by calendar year, while other reporting requirements are by financial year.	Change the reporting time frame to that of the financial year.
s68 approvals (Councils under the LGA), WMA (s305, s306, s307)	s68 of the <i>Local Government Act</i> , refers to s305 of the <i>Water Management Act</i> in that a Certificate of Compliance is to be sought, and s306 of the <i>Water Management Act</i> provides for pre-conditions, which in turn may identify works to be completed for which approval must be given under s68 of the <i>Local Government Act</i> , prior to issuance of a Certificate of Compliance under s307 of the <i>Water Management Act</i> , which is required to fulfil the conditions as per s109J of the <i>Environment Planning & Assessment Act</i> .	These sections need to be streamlined
BPM Independent audit of compliance	There is a requirement to undertake an audit of compliance with the BPM guidelines in order to pay a dividend to	Alter the condition requiring a BMP compliance audit to that of only when an audit has not been conducted in the

Planning, reporting and compliance requirements	Issue	Recommendation to streamline or remove?
	the General Fund of council. Whilst this might be appropriate for one-off or initial dividends, Utilities which comply each year and pay a dividend each year should be assessed on the previous independent audit. Changes to compliance under the BPM guidelines do not alter significantly across individual years.	past three years.
OLG reporting Special Schedule 7	There are a number of overlaps within Special Schedule 7 and the DPI Water Annual Performance Report.	The requirements of Special Schedule 7 should be compared with the requirements of the DPI Water Annual Performance Report.
Category 7 Data (Water Regulations 2008, Bureau of Metrology; BOM) and Annual Performance Report (DPI Water)	Councils are required to provide the same or similar data to DPI Water as part of the annual performance report as is provided and publically available through the BOM.	Data collection for the DPI annual Performance Report should not require BOM publically available information.

Q8. How could the State Government provide greater support to councils to help manage planning, reporting and compliance requirements? Please provide details of the type of support you believe could be provided, and in relation to which planning, reporting or compliance requirement/s.

The State Government could co-ordinate on:

- monitoring requirements and reporting parameters to avoid the need for similar information to be collected and reported in different ways
- reporting dates to ensure all data is reported on the same timeframe, avoiding duplication

NSW Health provides a water quality database to which water quality laboratory results are regularly uploaded. EPA could provide a similar database for the collection, storage and dissemination of pollution monitoring data, negating the need for POEOA s66(6).

Do the cost categories (as outlined in this paper) adequately cover the impacts of the planning, reporting and compliance obligations placed on local government by the State Government? If not, please detail any additional impacts.

The cost categories outlined in the issues paper include:

- administrative costs,
- substantive compliance costs,
- fees and charges,
- delay costs.

Additional cost categories could include monitoring costs – those relating to monitoring and analysis that are incurred to comply with regulation. These costs can include the purchase and maintenance of monitoring equipment and the cost of external analysis.

Q9. Do the planning, reporting and compliance obligations placed on local government by the State Government have any additional qualitative impacts? These may be impacts on councils, the NSW Government or the wider community.

Reporting of data without context can lead to inadvertent or deliberate misinterpretation by community members.

Q10. In relation to any planning, reporting or compliance obligations that you identify as unnecessary or excessive, please provide details of the costs involved in undertaking the obligation.

and

Q11. In relation to any planning, reporting or compliance obligations that you identify could be removed, streamlined or reduced, what proportion (%) of the costs involved (as identified in response to question 11) would be saved by doing so (eg, 100%, 50%, 10%)?

Table 7. Costs and potential savings

Area	Associated costs	Proportion (%) would be saved by removal or streamline
IWCM development by Consultants	IWCM Evaluation- \$45,000 IWCM Strategy- \$ 85,000- \$200,000	100% if requirement for councils without growth did not have to prepare them but serious consideration should be given to the overall benefit achieved from a specific IWCM undertaking to meet compliance criteria. \$5,000-10,000 if community consultation could be incorporated with IPR consultation \$1,000-5,000 if requirement to consider items for which there is no approval framework were removed
Independent audit of compliance for the Best Practice Water Supply & Sewerage Management Guidelines (BPM)	\$15,000	66%

The impacts of legislative and regulatory reporting are generally not quantifiable as the staff time and costs of compliance reporting are not separately identified and costs. Staff carry out the necessary planning and reporting because it is required, however this can result in less time available for other valuable and strategic work that is not being done. Doing reports more regularly such as monthly rather than quarterly or annually also has a significant cost in resourcing. The waste of skilled personnel to do this means that highly skilled staff are tied up and not available elsewhere. The costs in the end are borne by the community through higher rates and less delivery of outcomes.

Q13 In relation to any planning, reporting or compliance obligations that you identify as unnecessary or excessive, what are the savings to NSW Government agencies from removing or streamlining these obligations?

Table 8. Savings to NSW Government Agencies

Saving	Description
Administrative savings	Streamlining reporting timeframes and having fewer reporting requirements, will result in a reductions of administrative and management costs.
Resource savings	Fewer reporting requirements and reduced duplicated reporting, should decrease resources needed to be spent on the reviewing process.

Q14. Are there any more qualitative benefits that would be realised through a reduction in the regulatory burden on councils? If so, please describe these benefits.

Table 9. Additional qualitative benefits

Benefit	Description
Resource saving	Less reporting requirements, less resource requirement.
Skill resource	Minimise the shortfall of skill resources, especially in smaller water utilities.
Lower rates	If reduction on management and operation cost, rates could be lowered.
Savings passed onto community	There is the potential for any savings generated by LWUs to be passed on to the community through increased services or reduced costs.

Q15. What are the risks to the community or the NSW Government from removing or reducing the planning, reporting or compliance obligations identified as inefficient or unnecessary?

There are no risks to the community or the NSW Government- it's about reducing unnecessary planning and reporting requirements, doing jobs efficiently without compromising quality standards.

The comments and recommendations contained within this submission relate to better information management by agencies, and as such there should be minimal if any increase in risk. The recommendations relate to duplication or unnecessary demands of reporting. The use of the better regulation principles would provide an evaluation tool which considers the value of the information gathered and the risk in altering how this information is collected.

Q16. What are the risks to councils from removing or reducing the planning, reporting or compliance obligations identified as inefficient or unnecessary?

The risks appear to be minimal as council's strategic planning processes/capabilities are continually improving and Key Performance Indicator (KPI) identification and use are becoming more relevant.

Standard management plans, like Drinking Quality Management Systems, help to maintain operational quality. Rather than being reduced, this type of system could be extended to sewerage, recycle water and Liquid Trade Waste, allowing the operator to respond on time to rectify the issue spontaneously. It is more important to address the issue/cause on time, rather than reporting the incident.

4 CONCLUSION

The Water Directorate would like to thank IPART for the opportunity to participate in this review, and looks forward to the reduction or removal of unnecessary and excessive planning, reporting and compliance obligations imposed on its members.

This submission has identified a number of areas where reporting can be streamlined and compliance burdens reduced. Specifically the Water Directorate make the following 3 recommendations:

1. Streamlining the EPA and DPI Water reporting requirements for EPA licensed activities
 - 1.1. State Agencies agree on a set of reporting metrics for LWUs including timeframes and criteria
 - 1.2. All reports and information required to be provided to State agencies for which council does not receive feedback and/or for which there is no discernible reason for its collection needs to be reviewed.
 - 1.3. Provision of one consolidated report to EPA
 - 1.4. DPI Water not require LWUs data that has been previously supplied to EPA
2. Review and streamline the DPI Waters' Best Practice Management Guideline framework to meet current needs and co-ordinate rendition with the Office of Local Government Integrated Planning and Reporting Framework. This is particularly the case for LWUs with <10,000 connections.
3. Streamlining the approval processes by co-ordination and co-operation between government departments.

This will improve the effectiveness and efficiency of local government water utilities and enhance the ability of local government water utilities to focus on delivering water and sewage services to their communities.
