

Summary of submissions to the issues paper

WaterNSW operating licence review

14 December 2023

What does this information paper cover?

In this Information Paper, we have summarised the submissions in response to our issues paper that we received from:

- WaterNSW
- the NSW Government including the Department of Planning and Environment (DPE), NSW Health, the Environment Protection Authority (EPA)
- Sydney Water
- Central NSW Joint Organisation (CNSWJO)
- the Energy and Water Ombudsman (EWON)
- Gwydir Valley Irrigators Council
- The Hon. Dr. Joe McGirr
- Lachlan Valley Water
- Lithgow City Council
- NSW Irrigators' Council (NSWIC)
- Singleton Council
- The Water Directorate
- 2 individual and anonymous submissions

These submissions informed our draft recommendations for the WaterNSW operating licence. We have summarised how the submissions impacted our recommendations for the draft licence. For brevity, we have not sought to replicate the reasoning within our discussion paper. This information paper should be read in conjunction with our discussion paper.

The following symbols indicate the stakeholders' positions:





















-  Support our draft recommendation or propose minor changes
-  Support our draft recommendation but propose alternative approach OR agree with the question we asked in our Issues Paper where we did not make a draft recommendation
-  Disagree with our draft recommendation OR disagree with the question we asked in our Issues Paper where we did not make a draft recommendation
-  Have not provided a view but did provide further information on an issue





Table 1 Summary of submissions to the Issues Paper: Water NSW operating licence review







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
Catchment management					
1	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should WaterNSW's obligation to undertake catchment management activities extend to the non-declared catchment? If so, what could WaterNSW do in the non-declared catchment to encourage catchment management practices and source water protection?</p>	<p> WaterNSW supported expanding WaterNSW's catchment management function to the non-declared catchment areas. However, WaterNSW noted that the Licence would need to confer or impose a catchment management function with respect to the non-declared catchment areas.</p>	<p> DPE did not support extending WaterNSW's catchment management function to the non-declared catchment areas – noting that catchment management is currently the responsibility of several government agencies. DPE also noted that it is working to deliver key actions (Actions 3.2, 4.4 and 6.9) under the NSW Water Strategy and expanding this obligation to a state-wide requirement should consider the outcomes of the implementation of these actions.</p>	<p> Lachlan Valley Water does not support extending WaterNSW's catchment management function to the non-declared catchment areas. Lachlan Valley Water expressed concern that expansion of this function may translate into additional costs for water users and landholders for functions that are already undertaken by other agencies.</p> <p> Singleton Council supported extending WaterNSW's catchment management responsibility and noted downstream communities could benefit from this approach.</p> <p> The Water Directorate supported extending WaterNSW's catchment management function to the non-declared catchment areas.</p>	<p>Given multiple organisations are responsible for managing non-declared catchment areas, we do not propose to expand WaterNSW's catchment management responsibility to include the non-declared catchment areas. Instead, we propose to expand WaterNSW's responsibility around research on catchments and its educative role to include the non-declared catchment areas. We consider that this approach will provide WaterNSW an opportunity to feed into the implementation of Actions 3.2, 4.4 and 6.9 of the NSW Water Strategy.</p>


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2	<p>Our preliminary position: keep the obligation related to research.</p> <p>Question: Should WaterNSW be required to undertake a program of research in both the declared and the non-declared catchments?</p>	<p> WaterNSW supported expanding WaterNSW's program of research to include the non-declared catchment areas. WaterNSW noted that any new obligations should align with the Act, be supported by government policy, have a defined scope, articulate key drivers align activities with those that WaterNSW already undertakes and be supported by adequate funding.</p>	<p> DPE Water supports recognising this function of Water NSW in the Operating Licence and applying the function in both declared and non-declared catchments. This aligns with WaterNSW's function to undertake research on catchments generally that is listed in Section 7(1)(j) of the WaterNSW Act 2014. DPE Water considers research and monitoring as essential to protect water sources, their health and integrity (which is critical for consumers) and ensuring WaterNSW activities do not harm threatened species and ecosystems. DPE Water recommends strengthening this obligation by including a requirement to collaborate, as much as reasonably practicable, with other Government programs to ensure research programs across government are complementary.</p>	<p> Lachlan Valley Water Inc supports WaterNSW being required to undertake programs of research in declared and non-declared catchments as long as funding for such programs is funded by Government and not passed through to water users.</p> <p> Singleton Council supports the proposal as non-declared catchments are less well understood so should be further investigated to understand the catchment, risks and potential opportunities.</p> <p> The Water Directorate supports and agrees with WaterNSW's response.</p>	<p>We propose to extend the obligation for WaterNSW to undertake a program of research to include the non-declared catchment areas and associated river systems.</p>
3	<p>Our preliminary position: extend the requirement for WaterNSW to undertake an educative role in the community to the non-declared catchment areas.</p>	<p> WaterNSW supported expanding WaterNSW's educative role to include the non-declared catchment areas. WaterNSW noted that any new obligations should align with the Act, be supported by government policy, have a defined scope, articulate key drivers align activities with those that WaterNSW already undertakes and be supported by adequate funding.</p>	<p> DPE Water supported expanding WaterNSW's educative role to include non-declared catchments.</p>	<p> Lachlan Valley Water supported the proposed expansion, so long as funding for such programs is funded by the Government and costs are not passed through to water users.</p>	<p>We propose to extend the obligation for WaterNSW to extend community education programs to include the non-declared catchments.</p>







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	<p>Question: Should WaterNSW be required to undertake education programs in the community for both the declared and non-declared catchments?</p>			<p> NSWIC supported expanding the scope of the education programs. NSWIC noted that the complexity of NSW's water management architecture causes confusion and declining customer service centres in regional communities is problematic as WaterNSW staff located at a distance lack local knowledge.</p> <p> Singleton Council supported education programs extending to non-declared catchment areas and noted that education may be more important in the non-declared catchments given WaterNSW's limited ability to control activities occurring in the catchment.</p> <p> The Water Directorate supported WaterNSW's position.</p>	
4	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence specify what the education programs should include? If so, what should it specify?</p>	<p> WaterNSW supported specifying the scope of the education programs and noted that the programs should align with work already being undertaken in the various catchments.</p>	<p> DPE noted that the licence should be an outcomes-focused regulatory instrument which allows WaterNSW sufficient flexibility to innovate to deliver expected outcomes. DPE indicated that the licence should ensure that WaterNSW collaborates with agencies including Local Councils, DPE Water, the EPA and DRNSW on their education programs to ensure complementarity.</p>	<p> Lachlan Valley Water Inc did not comment on a licence requirement but noted the importance of community engagement during any water-related project that will have an impact on said communities and are briefed on any changes of scope and cost to these projects.</p>	<p>We propose to identify what the outcomes of WaterNSW's education program should focus on to allow WaterNSW flexibility in deciding how best to develop and implement education programs, so they continue to be fit-for-purpose and relevant to the various regions in which WaterNSW operates.</p>






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5	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should WaterNSW be required to manage river health, beyond monitoring and reporting against the catchment health indicators identified in the reporting manual?</p>	<p> WaterNSW supports the organisation having a larger and better-defined coordination, data collection and monitoring role. It noted the importance of improving river health in the catchments but did not explicitly support expanding its role to include the management of river health.</p>	<p> DPE does not support a licence requirement to manage river health and noted that expanding WaterNSW's responsibilities in this area would require wider policy consideration and may fall out of the scope of operating licence amendments.</p>	<p> NSWIC supported active education programs as water literacy is low across the broader community in NSW. NSWIC suggested that information about how water is managed/shared, current flow and storage levels, and drought stages are of importance.</p> <p> Singleton Council - suggested that the licence should specify a mix between active and passive education programs. In non-declared catchment areas, education programs should be a proactive engagement with property owners to support their abilities to reduce the risk of contamination in the catchment.</p> <p> The Water Directorate supported WaterNSW's response.</p> <p> Lachlan Valley Water Inc did not state a preference but stated that additional functions should be funded by Government and not passed on to water users.</p>	<p>We do not propose to include any obligations on WaterNSW that require it to manage river health beyond the current licence requirements. However, given the direct link between river health and water quality, we propose to expand the scope of WaterNSW's research on catchments to include research on river health.</p>




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		<p>It noted that the management of river health would require conferring or imposing a new function on WaterNSW under s7(4)(c) of the Act.</p> <p>WaterNSW noted the importance of clearly articulating the difference between monitoring and managing river health.</p> <p>WaterNSW noted there are currently multiple entities responsible for the management or monitoring of river health across NSW and noted the DPE Water Quality Roadmap. WaterNSW advised that the roadmap could form the basis for future river health management roles for WaterNSW.</p>		<p> Singleton Council supported expanding WaterNSW's role and considered that without a coordinated approach to managing river health, activities to manage river health would continue to be on an ad-hoc basis.</p> <p> The Water Directorate agreed WaterNSW's position.</p>	
Water planning and management					
6	<p>Our preliminary position: remove the existing requirements to implement the actions WaterNSW is responsible for in the GSWS.</p> <p>Question: Do you agree with removing licence conditions requiring WaterNSW to implement actions under the Greater Sydney Water Strategy?</p>	<p> WaterNSW supports our position to remove Operating Licence conditions requiring WaterNSW to implement actions under the Greater Sydney Water Strategy (GSWS). We support the outcome of this, which is to apply an adaptive management approach to the GSWS.</p>	<p> DPE Water supported our position to remove the Operating Licence clauses requiring WaterNSW to implement actions under the GSWS. This is consistent with our recommendation to remove the condition from the Sydney Water Operating Licence and reflects DPE Water's intention to support adaptive management.</p>	Nil.	We propose to remove the requirement to implement actions under the Greater Sydney Water Strategy.

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7	<p>Our preliminary position: retain the ability for the Minister to direct WaterNSW to implement specific actions of the GSWS.</p> <p>Should the Licence require WaterNSW to implement actions in the Greater Sydney Water Strategy requested by the Minister?</p>	<p> WaterNSW does not support the Operating Licence requiring WaterNSW to implement actions in the GSWS requested by the Minister. The Minister has powers to direct WaterNSW at any time and does not need this power through the Operating Licence. Having a requirement in the Operating Licence causes regulatory duplication. Furthermore, it does not align with the adaptive management approach of the GSWS.</p>	<p> DPE Water considers it appropriate to require WaterNSW to implement specific actions in the GSWS as directed by the Minister and supports retaining this clause. DPE Water supports expanding reference to the water strategies program in general, including requiring WaterNSW to participate in development, review, and implementation of Regional Water Strategies. Currently, only the GSWS is specifically referenced in the Operating Licence. Given the importance of the strategies program in setting the direction for water management across NSW, it is advisable that this is reflected more clearly in the Operating Licence.</p>	<p> Sydney Water does not express a view on whether the Licence should require WaterNSW to implement actions in the GSWS requested by the Minister, however, it supports licence requirements to participate cooperatively with all parties, including WaterNSW, in any review of the GSWS, to maintain a Long-Term Capital and Operational Plan (LTCOP) in cooperation with WaterNSW, and to maintain and review the Greater Sydney Drought Response Plan (GSDRP), jointly with WaterNSW.</p>	<p>We propose to remove the requirement to implement actions under the Greater Sydney Water Strategy that are requested by the Minister. We note that the Minister has the power to provide a direction to WaterNSW at any time and an additional provision in the Operating Licence is not needed.</p>
8	<p>Our preliminary position: update the requirement for WaterNSW to maintain a long-term capital and operational plan in cooperation with Sydney Water.</p> <p>Should the Licence require WaterNSW to maintain a long-term capital and operating plan (LTCOP), to be approved by the Minister?</p>	<p> WaterNSW supports the Operating Licence requiring them to maintain an LTCOP. WaterNSW suggests that any update to the Operating Licence obligation is also reflected in Sydney Water Corporation's Operating Licence.</p>	<p> DPE Water, the EPA, NSWRA and DRNSW supports our proposal to retain and update this clause, particularly, to require Minister approval and cooperation between parties. The LTCOP should be updated and reviewed every 5 years, with a draft provided to DPE Water for comment and sufficient opportunity to review prior to it being finalised and provided to the Minister.</p>	<p> Lachlan Valley Water supports the Licence requirement for WaterNSW maintaining an LTCOP to be approved by the Minister. This plan should be available to the general public with clear and detailed information including both operational and capital costs.</p>	<p>We propose the long-term capital and operating plan be submitted to the Minister for approval. We also propose that an accompanying report is provided to the Minister that explains the outcome of any review or changes. We consider this would be useful in understanding WaterNSW's progress in this area and alignment with the NSW Government's planning initiatives.</p>


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			<p>Operating Licence should continue to require a data sharing agreement between WaterNSW and DPE Water to assist with implementation and review of the State policy objectives in NSW water strategies and plans. The data sharing agreement should also require WaterNSW to provide a copy of any report related to water supply resilience/ augmentation and supply planning requested by DPE Water. There is an opportunity to consolidate the existing data sharing agreements between DPE Water and WaterNSW under this licence.</p> <p> DPE Water and DRNSW support expanding the current licensing condition to ensure that long term capital planning is extended to all WaterNSW assets including those beyond greater Sydney to ensure Government has visibility about the long-term pressures and opportunities, consistent with the Government's policy direction for all State Owned Corporations (SOCs). It is recommended that a summary of the LTCOP should be made publicly available and easily accessible. Where they relate to Greater Sydney operations, LTCOP provisions should align with mirror provisions in Sydney Water's licence.</p>	<p> Sydney Water does not express a view on whether the LTCOP should be approved by the Minister, however, it supports licence requirements to participate cooperatively with all parties, including WaterNSW, in any review of the GSWS, to maintain a Long-Term Capital and Operational Plan (LTCOP) in cooperation with WaterNSW, and to maintain and review the GSDRP, jointly with WaterNSW.</p> <p> Water Directorate notes that while the question appears to apply to Greater Sydney, it supports a long-term capital and operating plan that applies to regional NSW and helps to inform Local Water Utility (LWU) long term planning.</p>	





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			<p> DPI Fisheries recommends working collaboratively with WaterNSW under an MOU to develop a management plan for WaterNSW-owned fishways.</p> <p> DPE provides context to the strategic planning requirements of the FRWSS under the <i>Water Management Act 2000</i>. It submits that IPART should recognise these requirements in reviewing the operating licence conditions.</p>		
9	<p>Our preliminary position: require WaterNSW to review the Greater Sydney Drought Response Plan (GSDRP), in cooperation with Sydney Water, and maintain and implement the plan.</p> <p>Question: Should the Licence require WaterNSW to maintain and implement the GSDRP and participate in any review of the plan?</p>	<p> WaterNSW supports the Operating Licence requiring them to maintain and implement the GSDRP and participate in any review. WaterNSW suggests that firstly, any update to the Operating Licence obligation is to align it with the adaptive management approach of the GSWS, and secondly, is reflected in Sydney Water Corporation's Operating Licence.</p>	<p> DPE Water agree with IPART that the licence should require WaterNSW to maintain the GSDRP.</p> <p> DPE Water does not consider the Operating Licence should include a requirement to implement the GSDRP. There is a need to ensure that drought response is prioritised and implemented, however, a condition in the Operating Licence may create the unintended outcome of not facilitating changes in approach as part of adaptive management. Where they relate to Greater Sydney operations, Drought Response provisions should align with provisions in Sydney Water's licence.</p>	<p> Sydney Water supports licence requirements to participate cooperatively with all parties, including WaterNSW, in any review of the GSWS, to maintain a Long-Term Capital and Operational Plan (LTCOP) in cooperation with WaterNSW, and to maintain and review the GSDRP, jointly with WaterNSW. However, it does not express a view on whether WNSW should implement the GSDRP,</p> <p>We propose to retain the provision for WaterNSW to maintain and implement the GSDRP and participate in any review of the plan. This reinforces WaterNSW's commitment towards drought planning and management. It also ensures that the people of NSW are protected via adequate planning and in the best position in the event of a drought. We also propose to incorporate a condition for WaterNSW and Sydney Water to use best endeavours approach to updating the Greater Sydney Drought Response Plan.</p>	


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			 <p>DPE Water and DRNSW support consideration of expanding the role of WaterNSW in drought planning beyond Greater Sydney. Further discussions are needed prior to establishing any licence amendments on an expanded role.</p>		
10	<p>Our preliminary position: current system yield calculations are fit-for-purpose and should remain in the licence.</p> <p>Question: Are the current Licence requirements to calculate System Yield in the Declared Catchment Areas adequate? If not, what requirements are appropriate?</p>	 <p>WaterNSW considers the current requirements to calculate System Yield in the Declared Catchment Areas are adequate. WaterNSW suggests that the current requirement in the Operating Licence regarding advising the Minister, (ref: clause 2.5.2 (b)) if WaterNSW considers that future demand for Bulk Water may exceed that System Yield and when the exceedance might occur, should be aligned with the related responsibility for supply augmentation. Under current arrangements for example, this communication should be a joint responsibility with Sydney Water given the role of supply augmentation. WaterNSW suggests that a similar obligation is added to Sydney Water's Operating Licence to reflect this responsibility.</p>	 <p>DPE Water and DRNSW support IPART's preliminary position that the current system yield calculations are fit-for-purpose as one of multiple indicators about security and resilience of the system and should remain in the Licence. DPE Water and WaterNSW will consider the most appropriate approach for non-declared catchments. WaterNSW should be required to recalculate yield in the declared catchment after droughts or changes to the operating rules and advise the Minister of any changes to the system yield. It should also be required to recalculate yield if requested by DPE Water (based on Level of Service Criteria established by DPE Water). Any recalculation of yield should be explicit in how climate change was incorporated and reflect any guidance provided by DPE Water.</p>	 <p>CNSWJO and Lithgow City Council consider Secure Yield is a "must have" for LWUs regulated by DPE Water under its new Regulatory and Assurance Framework. It is imperative that the FRWSS provides secure yield advice to both Oberon and Lithgow so they can plan effectively and in line with their obligations to other regulators. Reporting to the Minister is not enough. The FRWSS must provide all the advice Councils need to inform their water planning, including secure yield.</p>  <p>Sydney Water submits that there is value in clarifying WNSW's role to provide system yield information – including recalculation if necessary – to Sydney Water upon request so that Sydney Water is able to carry out its supply augmentation planning function in a timely manner. Any new licence clauses should be in line with the Ministerial Direction and the MoU with WaterNSW.</p>	<p>We consider that the current conditions are generally fit-for-purpose. We have sought to update the calculation of system yield to incorporate climate change and clarify the definition of 'long-term' to mean at least 30 years. We have also updated the triggers for the recalculation of System Yield.</p>


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11	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence require WaterNSW to maintain an agreement, MOU or protocol with Sydney Water to support water supply augmentation?</p>	<p> WaterNSW expressed in principle supports for an MOU with Sydney Water (to the extent that it meets role and responsibilities in relation to water supply augmentation). WaterNSW already has working arrangements with Sydney Water, including a memorandum of understanding (MoU) to support the Transfer of the Supply Augmentation Planning Function primarily led by the Raw Water Supply Agreement, as well as other arrangements that sit under this, such as Operating Protocols and a Joint Communication Protocol.</p>	<p> DPE Water noted that it would support MOUs between parties to clarify each party's roles, responsibilities and expectations assisting with service delivery. The Licence should require WaterNSW to maintain a Relationship Management Framework with Sydney Water to deliver these outcomes. Such a Framework could encompass Water NSW's Raw Water Supply Agreement with Sydney Water, an MOU and a Data Sharing Agreement. Equivalent provisions should be included in Sydney Water's licence. If an MOU is a requirement of the Operating Licences, complying with the MOU is already implied, but the addition of a requirement to comply with MOUs would clarify this. This being said, it is noted there are currently a number of MOUs and Data Sharing Agreements under WaterNSW's Operating Licence, and consideration should be given to consolidating them to be clearer to all parties.</p>	<p> Sydney Water submits that given the transfer of planning accountabilities occurred outside the context of a licence review, it considers there is value in adjusting each of their licences to clarify the respective roles and accountabilities of Sydney Water and WaterNSW in relation to the supply augmentation planning function. Sydney Water supports licence requirements to participate cooperatively with all parties, including WaterNSW, in any review of the GSWS, to maintain a Long-Term Capital and Operational Plan (LTCOP) in cooperation with WaterNSW, and to maintain and review the GSDRP, jointly with WaterNSW. As these requirements require cooperation and collaboration between Sydney Water and WaterNSW, we propose they should include 'best endeavours' wording to ensure that the utility's compliance is measured only on aspects within its control.</p>	<p>We propose to add a condition for WaterNSW to maintain an MOU with Sydney Water. This is to facilitate the sharing of data, information and knowledge, and resourcing support to support water supply augmentation. This is also in line with our proposed approach to the ongoing Sydney Water operating licence review.</p>



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 **The Hon. Dr. McGirr, MP,** submits that the Ministerial letter issued to Sydney Water and WaterNSW on 22 January 2021 transferred some water supply augmentation planning functions to Sydney Water and created the requirement for an MOU. DPE Water notes the current intention is for this planning function to continue being shared and not completed in isolation, as WaterNSW manages and operates dams within the Sydney catchment as well as being responsible for protecting the health of Sydney's drinking water catchments.






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12	<p>Our preliminary position: the licence should require WaterNSW to develop and implement a new 5-year water conservation plan.</p> <p>Question: Do you agree with transitioning the existing requirements in the current Licence for WaterNSW to maintain a Water Conservation Plan that is consistent with the NSW Water Efficiency Framework, NSW Water Strategy and the Greater Sydney Water Strategy?</p>	<p> WaterNSW supports transitioning the existing requirements to maintain a Water Conservation Plan to be consistent with the NSW Water Efficiency Framework (response to Question 13 refers), NSW Water Strategy and the Greater Sydney Water Strategy. We consider that the Water Conservation Plan is an opportunity to identify efficiencies and limit loss. In transitioning to the new requirements, attention needs to be given to the extent to which the Strategies and the Water Efficiency Framework (response to Question 13 refers), can be applied to the WaterNSW context. Any changes would need to consider the cost and an appropriate timeframe for implementation.</p>	<p> DPE Water, DRNSW and NSWRA support IPART's preliminary position that the Operating Licence should require WaterNSW to develop and implement a new 5-year water conservation plan that:</p> <ul style="list-style-type: none"> • includes details of any water conservation work programs and projects over the life of the plan, including costs, volumes of water lost and saved • considers a range of measures, including but not limited to storage, transmission, leakage, and system operations • considers the NSW Water Efficiency Framework, including the need for robust economic assessment of options • considers the strategic context provided by the NSW Water Strategy and the GSWS • extends to all WaterNSW assets across declared and non-declared catchments • is submitted to DPE and IPART for review annually. 	<p> CNSWJO and Lithgow City Council agree with IPART's preliminary position that the Licence should require WaterNSW to develop and implement a new 5-year water conservation plan that is consistent with the NSW Water Strategy, the Greater Sydney Water Strategy and the NSW Water Efficiency Framework. It is anticipated that as part of its Water Conservation Plan, WaterNSW is identifying and repairing water leakage along the 236 kilometres of pipeline that forms part of the Fish River Water Supply Scheme that supplies water from Oberon Dam and Duckmaloi Weir to Oberon and Lithgow. This is not currently transparent to customers on the FRWSS. However, this region is concerned that this work will come at increased costs to members and implores IPART to include an efficiency gain reduction in costs for this work rather than increased costs.</p> <p> Lachlan Valley Water supports transitioning the existing requirements to be consistent with the NSW Water Efficiency framework and the continuation of water system efficiencies.</p>	<p>We propose to require WaterNSW to maintain a Water Conservation Plan that is consistent with the Greater Sydney Water Strategy, NSW Water Strategy and Water Efficiency Framework. We consider that this would improve system resilience and reduce the impact of drought enabling faster recovery.</p>





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13	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Is there anything else that WaterNSW's licence should authorise or require in relation to water conservation?</p>	<p> WaterNSW considers the NSW Water Efficiency Framework is a best practice guide for a broad range of water suppliers, distributors, customers and consumers, including government, water utilities, councils and large businesses. As a result, consideration to the extent that it can be applied to WaterNSW, in terms of their functions and operations needs to be clearly defined, as well as the Framework's relevance given key components can only be applied in the urban context.</p>	<p> DPE Water and DRNSW suggests expanding the Operating Licence to support WaterNSW play a greater role in water conservation planning and information sharing. In the context of WaterNSW's functions, water conservation generally refers to water efficiency measures in storage, transmission, and system operations. Greater information on how losses/surpluses are identified and managed would benefit interrelated NSW Government department programs, especially those relating to the efficient and effective use of water for the environment. Quantitative information about volumes of water saved (predicted and actual) through the measures and initiatives identified by WaterNSW would be of interest to all stakeholders via changes to the reporting manual. Measures in the operating licence relating to water conservation, should reflect consideration of the environment, including current arrangements under Water Sharing Plans or licensed environmental water. As per performance standards, it is important to ensure WaterNSW maintains all assets in a fit-for-purpose state for suitable operation and water conservation.</p>	<p> CNSWJO and Lithgow City Council suggests that WaterNSW should be required to commit to an Asset Management Improvement program under its Licence that includes active leak detection to ensure ongoing monitoring and repair of its infrastructure to reduce water loss. Under Integrated Planning and Reporting Councils must manage their assets in line with ISO 55000. This is a reasonable expectation of WaterNSW operations.</p>	<p>To improve the conservation of water in NSW, we propose to clarify that WaterNSW addresses a range of measures for water conservation including storage, transmission, leakage and system operations. We also consider that the Water Conservation Plan should be submitted to DPE and IPART for review annually, with a copy made publicly available online.</p>



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14	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Do you agree that planning and responding to flood emergencies is adequately regulated? If not, should we consider requiring WaterNSW to undertake any additional flood planning and emergency response activities?</p>	<p> WaterNSW does not support the inclusion of additional flood planning and emergency response activities under the Licence as it considers planning and responding to flood emergencies is adequately regulated and. WaterNSW maintains and implements, when required, flood operation protocols that can be actively operated during floods.</p>	<p> DPE noted that WaterNSW's role in relation to flood planning and emergency response activities is required to be coordinated with whole of government responsibilities for emergency preparedness, response, and recovery, including the role of NSW RA and DPE Water.</p>	<p> CNSWJO submits that the management of the Wyangala Dam by WaterNSW is a significant and ongoing issue for communities of Parkes, Forbes and Condobolin that have been heavily affected by flooding in the Lachlan River Valley over recent years. The region is not convinced that the management of WaterNSW dams is sufficiently alive to the impacts of climate change including for more intense and frequent flood events as well as longer and hotter droughts. This calls for very different management of water sources.</p>	<p>To help mitigate the impact of flooding, we propose that WaterNSW maintain an early warning system to provide advance notifications of significant changes to water flow from its works. This includes actual significant dam releases or overflow; predicted significant dam releases or overflow for the next 24 hours; and predicted downstream water heights at nominated gauging stations.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>There is an ongoing need to improve and exercise flood planning and emergency response activities with the Bureau of Meteorology (BoM), State Emergency Service (SES), Councils, and other stakeholders, particularly with the impacts of climate change on flood risk. WaterNSW's existing role in managing water release from storage facilities ahead of potential flood events needs to be closely coordinated with flood planning led by other agencies.</p>	<p>The Joint Organisation submits that there needs to be a complete rethink on the value of water for human consumption and the social and economic impacts of flooding in the forward planning for WaterNSW assets.</p> <p> Lachlan Valley Water agrees that planning and responding to flood emergencies is generally adequate and well regulated.</p> <p> NSWIC is concerned about the adequacy of the gauging network, particularly along the Darling River. WaterNSW is responsible for operating water management works, gauging stations and other monitoring equipment, including during flood emergencies. The data that the BoM and SES rely on to manage an event is only as good as the measured data. An improved gauging network across the system would provide more accurate and reliable data for flood emergencies (and enable more real-time management, which will be essential for newly commencing rules and regulations for connectivity).</p>	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p data-bbox="1301 347 1659 576">During emergency responses, quick and informed decisions are necessary. Water users are concerned that losses in vital corporate knowledge due to restructures (such as changes in the WaterNSW river operations team) have hindered recent flood emergency responses.</p> <p data-bbox="1301 596 1659 1182">  Gwydir Valley Irrigator Association notes a distinct disconnect between the performance standards for customers and water supplied and the asset management systems, at a valley level when it comes to operating a dam (or water management work) during floods and spills. It submits that there are no performance measures associated with the WaterNSW operating licence or the asset management system that relates to the outcomes in the "Dam Operation during Floods and Spills" section of the Water Supply Work agreement for assets in the Gwydir Valley. The association provided an example of WaterNSW's operation of the Copeton Dam's spill release strategy in 2022. </p>	






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p>The association recommends that there should be guidance provided by the IPART licence conditions to monitor and report performance against dam spill operations and a clarity provided to WaterNSW how to balance the management of their works during high stress times, such as flood operations.</p>	
15	<p>Our preliminary position: the Licence should also authorise flood mitigation for the Sydney catchment area.</p> <p>Question: Should the Licence authorise WaterNSW to undertake flood mitigation and management in all parts of NSW including the Sydney catchment area? If so, are there any terms and conditions that are appropriate for this?</p>	<p> WaterNSW does not support the Licence expanding the authorisation for WaterNSW to undertake flood mitigation in the Sydney catchment area. Reasons include:</p> <ul style="list-style-type: none"> • duplications of flood management functions under other legislations • that dams in the Sydney catchment area were designed and built for water supply security only • operating dams for flood mitigation would reduce the system yield • a flood mitigation authorisation would be inconsistent with the current Government's position not to raise the Warragamba Dam wall and not aligned with the GSWS • NSW Reconstruction Authority is developing a plan to guild a whole-of-government response to flood mitigation in the Hawkesbury-Nepean Valley 	<p> DPE does not support authorising WaterNSW undertaking flood mitigation management throughout NSW. As yet, no decision has been made by the NSW Government on WaterNSW's role in flood mitigation and management in the Sydney Catchment area. WaterNSW will be a key stakeholder in Disaster Adaptation Planning led by NSWRA.</p>	<p> CNSWJO submits yes to this question. It notes that it is also important to plan effectively for this work and refers to the advice provided at Question 14.</p> <p> Lithgow City Council submits yes to this question. It notes that it is also important to plan effectively for this work.</p> <p> The Hon. Dr. Joe McGirr noted that IPART should recommend that the entire balance of clause 1.2, starting at the top of page 2 of the Operating Licence, be amended by adding a number of subheadings (for ease of reading), and making minor changes to current clauses 1.2.1 a to k (to correspond with the order in the "listed functions" as given in 7(1) of the Water NSW Act), and making minor changes to and reordering of current clauses 1.2.2 to 1.2.7 (for ease of reading), and adding substantive new clauses (for reasons given further below), and renumbering clauses, all as follows:</p>	<p>To avoid public confusion, we propose to maintain the existing condition for WaterNSW to undertake flood mitigation and management in all areas of New South Wales, except for the Sydney catchment area. Should the NSW Government decide to alter WaterNSW's role in flood mitigation and management, then the Operating Licence can be amended accordingly.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<ul style="list-style-type: none"> risk of creating an obligation for these dams for flood mitigation, even if the policy and regulatory instruments have not been adopted. 		<p>"1.3 Listed functions 1.3.1 The listed functions of Water NSW are as set out in s 7(1) of the Act, which are as follows (and in some cases paraphrased) are: a. to capture and store water: ... [then as per paras a to h of current clause 1.2.1] i. to undertake flood mitigation and management; [based on current clause 1.2.1 k, and now using the same 6-word phrase in s 7(1)(i) of the Water NSW Act]. j. to undertake research on catchments generally, and in particular on the health of declared catchment areas; and [same as current clause 1.2.1 ii]".</p>	
16	<p>Our preliminary position: keep the existing requirements to notify stakeholders of significant changes to flow release patterns from WaterNSW's dams.</p>	<p> WaterNSW provides and maintains the early warning network for downstream notifications to residents, landholders and customers to notify them of changes to flow release patterns. WaterNSW considers that what constitutes additional notification of water releases needs to be defined, and should take into account notification requirements, system functionality and capability, implementation and cost.</p>	<p> DPE Water considers the notification of changes to flow release patterns could extend to the transfer of water from the Shoalhaven to Sydney down the Upper Nepean and Wingecarribee/Wollondilly rivers. This should be done with adequate notice to all landholders along those rivers.</p>	<p> Lachlan Valley Water recommends better integration of IT systems and customers portals, potentially with a single customer sign-in to access all portals. Currently the Early Warning System login is different to the WaterNSW portal for example.</p> <p> The Hon. Dr. Joe McGirr noted that Water NSW must maintain an effective system to provide, to registered users referred to in clause 1.10.2, at the times described in clause 1.10.3, reliable notifications of at least the following types of information: a. storage volumes for a specified water storage;</p>	<p>As mentioned in response to question 14, to help mitigate the impact of flooding we propose that WaterNSW maintain an early warning system to provide advance notifications of significant changes to water flow from its works. This includes; actual significant dam releases or overflow; predicted significant dam releases or overflow for the next 24 hours; and predicted downstream water heights at nominated gauging stations.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: How could the advanced notification of changes to flow release patterns be strengthened to further warn and protect downstream customers and other stakeholders of water releases from the dams (not for the purpose of flood warning)?</p>	<p>Furthermore, one of the reasons that the online platform WaterInsights has been developed is a means to provide transparency around their operations, including Operational Updates that explain our release decisions to our customers and the community. The portal also provides the ability to establish customisable near real-time alerts for flow and river height thresholds chosen by users, for any WaterNSW operated gauge.</p>	<p> NSW Health supports the advanced notification of releases to downstream drinking water suppliers, including changes to offtake levels to allow LWUs to be prepared to manage water treatment for town water supplies. Changes to offtakes should consider water quality and the impact to downstream customers. NSW Health understands that changes to the offtake level at Glenbawn Dam in 2020 resulted in the release of higher turbidity water and impacted the ability of Upper Hunter Shire Council to provide safe drinking water. This contributed to boil water alerts. Please see also response to questions 35 - 37.</p> <p> DRNSW suggests including current inflows, expected inflows predicted out to the next 24-36 hrs, predicted flow volume and heights at gauges downstream be better communicated. This requires coordination with the BoM and other relevant agencies to avoid confusion.</p>	<p>b. airspace volumes for a specified water storage; c. daily inflows for a specified water storage; d. release rates from a specified water storage; e. flow rate, for a specified river downstream of a specified water storage, at a specified river gauge; f. river level, for a specified river downstream of a specified water storage, at a specified river gauge; g. any material change, being a change by 5% or more, in any of types a to f above since the last notification of that type made to registered users generally; h. Water NSW's reasonable view of the possible effects of types a to g above, for a specified river downstream of a specified water storage, for a future period nominated in the notification. 1.10.2 Water NSW must enable persons to register to receive one or more types of the notifications referred to in clause 1.10.1, and to specify one or more water storages, and rivers and water gauges where relevant, and to at any time vary their registration.</p>	







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
Climate risk readiness					
17	<p>Our preliminary position: not to include conditions about abatement in the licence.</p> <p>Question: Should the objectives in the Licence be amended to explicitly refer to abatement?</p>	<p> WaterNSW supports mandating WaterNSW's contribution and reporting on progress towards achieving the State's Net Zero by 2050 target. The recent audit of the catchment health of the Declared Catchment (under s42 of the Act) also identified as a desired outcome to reduce Greenhouse Gas (GHG) emissions in the catchment to help meet the State's Net Zero emissions target and made the following specific recommendations to the Government:</p> <ul style="list-style-type: none"> • Recommendation 2 – Identify major sources of GHG emissions from the catchment; • Recommendation 3 – Demonstrate how major sources of GHG emissions in the catchment are being reduced or eliminated; • Recommendation 4 – Demonstrate how potential major sources of GHG emissions in the catchment are being avoided or minimised <p>However, WaterNSW proposes that any obligation for abatement of GHG emissions should be limited to Scope 1 and 2 emission categories (excluding fugitive emissions) at this time, as the Government's position on Scope 3 is yet to be determined.</p>	<p> DPE Water and EPA support including an explicit reference to climate change in the licence objectives, as it would remove any doubt on the need for WaterNSW to incorporate appropriate climate change mitigation and adaptation measures into its operations. Such a change is consistent with the 'principal' and 'other' objectives in the Act to protect public health and the environment and to be a successful business, including by having regard to the interest of its customers and the community. The NSW Government supports IPART's preliminary view that there could be benefit in requiring WaterNSW to:</p> <ul style="list-style-type: none"> • develop and maintain a climate-related risk management program consistent with the <i>NSW Climate Risk Ready Guide</i>. This would require WaterNSW to be consistent with ISO 14091:2021, aligned with principles in the <i>NSW Climate Change Adaptation Strategy</i> and informed by guidance as it is updated via the Government's AdaptNSW program • publish its progress towards Net Zero. 	<p> Lachlan Valley Water has no preference.</p> <p> Water Directorate agrees with WaterNSW's submission.</p> <p> Sydney Water notes that IPART has proposed similar requirements on WaterNSW as it has proposed in relation to Sydney Water's licence review. Sydney Water is generally supportive of IPART's proposed licence changes but, like WaterNSW, sees potential risks of regulatory duplication. Sydney Water consider that further clarity from IPART on the content and timing of these proposed licence requirements may help to reduce the risk of regulatory duplication. For example, from FY25, NSW Treasury will require Sydney Water and WaterNSW to publish climate-related financial disclosures every financial year in alignment with the <i>Taskforce on Climate-related Financial Disclosures</i> (TCFD) recommendations.</p>	<p>Given that there are currently no specific conditions about climate change in WaterNSW's Licence and there was broad support for explicit climate change considerations, albeit with caveats around avoiding duplication and funding implications, we recommend updating WaterNSW's obligations in this area.</p> <p>We propose to require WaterNSW to engage in ongoing climate risk management activities, report on and publish climate related disclosures and net zero progress on their website. The reporting on climate-related disclosures and net zero progress will not be required if undertaken as a requirement of other legislation.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>To prepare for climate change risks, including changing water quantity and quality, WaterNSW should be required to build in climate forecasts and plans into their policies and programs.</p> <p>There are currently no specific conditions about climate change in WaterNSW's Licence, despite the interplay between WaterNSW's operations and climate risk readiness.</p> <p>At a minimum, conditions should be consistent with those in the Hunter Water and Sydney Water Licences. The EPA notes that conditions within the Licence are aligned with the EPA's <i>Climate Change Policy and Action Plan 2023-26</i>.</p>	<p>In June 2023, the International Sustainability Standards Board (ISSB) issued its sustainability-related disclosure standards. The ISSB standard builds on the TCFD recommendations, foreshadowing more holistic sustainability reporting and disclosure requirements that may be adopted by NSW Treasury in the future. It is unclear when this will occur or how this will be appropriately audited. So, while it may be reasonable to request further visibility on WaterNSW's progress towards achieving Net Zero, Sydney Water shares WaterNSW's concerns of introducing a licence clause that requires reporting against the ISSB's sustainability-related disclosure standards. Changes to the Licence and reporting requirements should not be duplicative or risk conflicting with current and future requirements.</p> <p>Sydney Water supports the benefits of aligning to the <i>NSW Climate Risk Ready Guide</i> and supports WaterNSW developing a Climate Risk and Adaptation Plan, which addresses the requirements of the Guide.</p>	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
18	<p>Our preliminary position: not to include conditions about resilience and adaption in the licence.</p> <p>Question: Should the objectives in the Licence be amended to explicitly refer to climate change resilience and adaption?</p>	<p> WaterNSW agreed that the Licence should not explicitly refer to climate change resilience and adaption. WaterNSW considers climate resilience and adaptation as actions to reduce the impact of changing climate conditions on our assets, systems and water. WaterNSW plans, manages and assesses climate change risks in keys areas of the business, with various climate change adaptation and mitigation measures currently being implemented. These high-level measures cover strategic planning, including Environment, Social and Governance (ESG) Strategy and Long-Term Capital and Operational Plans, long-term and short-term forecasting and supply, research and planning in both declared catchments and rural valleys, as well as the implications for dam safety.</p> <ul style="list-style-type: none"> The ESG Program has a key focus area that directly relates to climate change, Net Zero Emissions and Climate Change Adaption. The ESG Program and Action Plan will be consistent with <i>ISO 14091:2021(en) Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment.</i> 	<p> DPE Water welcomes further consideration of the potential inclusion of licence conditions concerning abatement, resilience and adaptation, in support of the NSW Government's commitment to achieve Net Zero by 2050.</p>	<p> Lachlan Valley Water agreed that the Licence should not be amended to explicitly refer to climate change and adaption, and believes the Water Sharing Plan already accounts for Climate Change considerations.</p> <p> Water Directorate agrees with WaterNSW's submission.</p> <p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p>	<p>In line with contemporary public expectations around intergenerational equity, we seek to broaden the Licence objectives to require WaterNSW to conduct their activities in a manner that considers the impacts of climate change and equity between generations.</p> <p>See also response to Question 17.</p>


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<ul style="list-style-type: none"> The Climate Change Adaptation Plan (CCAP) is a component of the ESG Program. This plan will enable WaterNSW to understand and document its current and proposed approach to managing climate risk and result in the development of a Strategy that can manage WaterNSW risks related to climate change. WaterNSW undertakes long-term supply forecasting and system modelling. It is also building and further enhancing climate change forecasts into regional models to support water delivery and flood operations across NSW. Under the Portfolio Risk Assessment for WaterNSW dams, Hydrologic Risk Assessments for the high-risk priority dams (which include assessment of likely climate change impacts on rainfall and river flows) are being completed and related models developed. There are also numerous projects being undertaken to research climate change in the Declared Catchments as part of WaterNSW's Science Program. 			







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
19	<p>Our preliminary position: require WaterNSW to develop and maintain a climate-related risk management program consistent with the Climate Risk Ready NSW Guide, including identifying priority risks and mitigative actions.</p> <p>Question: Should the objectives in the Licence be amended to explicitly refer to a climate risk management program?</p>	<p> WaterNSW does not support the requirement to develop and maintain a climate-related risk management program consistent with the Climate Risk Ready NSW Guide. This would result in regulatory duplication. WaterNSW is required by NSW Treasury under the <i>Government Sector Finance Act 2018</i> to report on climate-related financial disclosures in alignment with the Taskforce on Climate-related Financial Disclosures (TCFD). The Government mandated timing for reporting under the TCFD has been revised to commence 1 July 2025 in recognition of both the very recent issuing of standards for the metrics required, and to allow agencies and SOCs to establish appropriate measurement systems within their organisations. Given this delay, WaterNSW intends to still report using the framework structure for FY24. This will be used as a pilot reporting year, and as an opportunity to learn from the experience, refine the reporting and identify any issues to be addressed before the formal reporting requirement the following year FY25.</p>	<p> DPE Water believes that licence objectives should not refer to a climate risk management program but should refer to climate risk generally.</p> <p> DPE Water and DRNSW support the need for a licence requirement for WaterNSW to establish a climate risk management process that addresses climate-related risks specifically, including identifying priority risks, and implementing adaptation and mitigation actions for their operations and assets. This should form part of a wider program to lift WaterNSW's climate change maturity. A climate change risk management process should be consistent with the <i>Climate Risk Ready NSW Guide</i> and informed by guidance as it is updated via Government's AdaptNSW program. Such a system should be developed, maintained, and regularly updated given the significant impacts of droughts, floods, and fires on water infrastructure management and riverine health. They support climate risk being integrated into existing risk management systems.</p>	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> The CNSWJO and Lithgow City Council agree with IPART's preliminary position to require WaterNSW to develop and maintain a climate-related risk management program consistent with the <i>Climate Risk Ready NSW Guide</i>, including identifying priority risks and mitigative actions. It is critical that a state-owned water corporation with obligations to provide domestic water and flood mitigation services to communities is applying the same level of rigor to climate risk readiness as is expected of State Agencies and Councils. Further, a mechanism for greater transparency and accountability around this is supported. The CNSWJO also has concerns regarding costs and highlights the need to codesign this work with stakeholders.</p> <p> Lachlan Valley Water has no preference.</p> <p> Water Directorate agrees with WaterNSW's submission.</p>	<p>We seek to broaden the Licence objectives to require WaterNSW to conduct their activities in a manner that considers the impacts of climate change and equity between generations. We consider that including a focus on climate change ensures that there continues to be a strong focus on climate change risks and mitigations into the future.</p> <p>See also response to question 17.</p>






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			They support IPART auditing WaterNSW's compliance and providing assurance that climate-related risks are being identified, prioritised, and managed.		
20	<p>Our preliminary position: require WaterNSW to develop and maintain a climate-related risk management program consistent with the Climate Risk Ready NSW Guide, including identifying priority risks and mitigative actions.</p> <p>Question: Is there anything further that we should consider when deciding whether WaterNSW should be required to develop and maintain a climate related risk management program consistent with the Guide?</p>	<p> WaterNSW is seeking to be aligned to the <i>Climate Risk Ready NSW Guide</i> to develop and maintain a climate-related risk management program. The Guide aims to ensure government entities undertake a robust approach to climate risk assessment and response and is aligned with NSW Treasury's Risk Management Policy. The TCFD reporting requires an assessment of climate risk and mitigation actions. Application of the Guide allows government owned entities to have a consistent approach to how climate risk matters are addressed within the disclosure documents. WaterNSW is currently developing a Climate Risk and Adaptation Plan, which addresses the requirements of the Guide. Consequently, there is no need for further regulation under the Licence.</p>	<p> DPE Water recommend that IPART and the community have visibility of how WaterNSW's organisational climate change maturity is improving over time. To encourage continuous improvement, the <i>Climate Risk Ready NSW Guide</i> provides a Climate Risk Maturity Health Check Tool and options to increase organisational climate change risk maturity. Climate risk maturity is a key determinant of how successful an organisation will be in adapting to climate change. The guide recommends that NSW Government organisations seek to meet a Systematic level of climate risk management maturity. At an enterprise level, Systematic maturity is distinguished by standard, consistent processes.</p>	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> Lachlan Valley Water has no preference.</p> <p> Water Directorate agrees with WaterNSW's submission.</p> <p> NSWIC consider a key element of a climate-related risk management program must be consideration of how climate change will impact the customer base of WaterNSW, particularly the revenue implications. Specifically:</p>	Refer to response for Q. 17







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<ul style="list-style-type: none"> Declining/volatile revenue-base for WaterNSW – climate change is already causing more variable inflow patterns, including longer drought periods. These climatic drivers, coupled with policy drivers (such as increased regulation and costs), are putting significant financial pressure on farm businesses. This is leading to a decline in the number of agricultural water users, as well as a lower ability to pay. This then concentrates the costs to be recovered on fewer and fewer water users. Increasing expenditure pressures – climate change is driving heightened public interest in water management and this in turn is driving new and higher-standards in water management practices (i.e., the new non-urban water metering reform is widely recognised as a gold standard, and its roll-out is proving costly and burdensome for water users, NRAR and government). This simultaneous reduction/volatility in the revenue base, and increasing demands driving more expenditure, presents an increasingly financially unstable model. 	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
21	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence require WaterNSW to include climate risks in their operations, water quality and asset management risk assessments? If so, should WaterNSW be made to report on its implementation of risk management measures?</p>	<p> WaterNSW does not support the requirement to report against the International Sustainability Standards Board's (ISSB) sustainability-related disclosure standards. This would result in regulatory duplication. The ISSB sustainability-related disclosure standards/metrics are incorporated into the TCFD, which requires WaterNSW to have a climate risk management plan. Requiring separate reporting against the ISSB's sustainability-related disclosure standards under the new Licence would create reporting duplication. The requirement to undertake a climate-related risk assessment and identify adaptation options also forms a key pillar of WaterNSW's ESG Strategy. Furthermore, WaterNSW's Climate Change Risk Assessment and Adaptation Plan is being developed in line with:</p> <ul style="list-style-type: none"> • <i>ISO 31000:2108 - Risk management guidelines</i> 	<p> DPE Water and DRNSW agree that WaterNSW should assess climate risk for the assets they own and operate, and the services they provide as a State-Owned Corporation, including operations, water quality and asset management. As WaterNSW increases its understanding of climate risks for individual aspects of water management, it would be beneficial to understand the relationship between these using a systems approach e.g., the relationship between the physical, natural, socioeconomic, and institutional sub-systems. The recent audit of Sydney drinking water catchment highlighted the risk of climate change and the inter-relationship between these sub-systems. The Audit 2019-2022 found climate-driven events and cumulative impacts have had a negative influence on Catchment health. Examples included:</p> <ul style="list-style-type: none"> • Reduced availability of suitable raw water due to severe drought, bushfires, and subsequent heavy rainfall. 	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> CNSWJO and Lithgow City Council support the Licence including this requirement and refer to their responses to question 19 above. CNSWJO and Lithgow CC note for the communities of Lithgow and Oberon that rely on the WaterNSW managed Fish River Water Supply System for domestic water, WaterNSW should absolutely be required to include climate risks in their water quality and asset management risk assessments and be made to report on it. Highly regulated Council owned and managed LWUs are required to include climate risks in their water quality and asset management risk assessments, it is only appropriate that the same is applied to WaterNSW.</p> <p> Lachlan Valley Water has no preference.</p>	Refer to response for Q. 17


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<ul style="list-style-type: none"> ISO 14091 – Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment WaterNSW's Corporate Risk Management Plan, which includes climate change Recommendations of the Taskforce on Climate-related Financial Disclosures (2017). 	<ul style="list-style-type: none"> Deteriorating wetlands due to the combined effects of bushfire and longwall mining. Declining macroinvertebrate communities due to instream and riparian habitat degradation associated with changes to water flows, water quality and vegetation. <p>With reference to question 19, the requirement for a comprehensive climate risk assessment should be captured if WaterNSW is required to assess and manage climate risks consistent with the <i>Climate Risk Ready NSW Guide</i>. The Guide refers to physical risks resulting from direct impacts, transition risks or opportunities from moving to lower-carbon economies and liability risks.</p>	 Water Directorate agrees with WaterNSW's submission.	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
22	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence require WaterNSW to undertake climate change risk assessments consistent with <i>ISO 14091:2021 Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment</i>?</p>	<p> WaterNSW does not support the requirement to undertake climate change risk assessments consistent with <i>ISO 14091:2021 Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment</i>. This would result in regulatory duplication. ISO 14091 is made redundant by the <i>Climate Risk Ready NSW Guide</i> and creates unnecessary regulatory duplication. Additionally, the EPA is the regulatory authority for monitoring emissions, with the intent that climate change risk assessments will also be regulated by the EPA. WaterNSW has an Environment Protection Licence with the EPA (for the Duckmaloi Water Treatment Plant) and will likely be required to address climate change risk, resilience, and adaptation strategies for that facility in the future as part of EPA licence requirements.</p>	<p> DPE Water and DRNSW support the Licence requiring WaterNSW to undertake climate change risk assessments consistent with ISO 14091:2021. The <i>Climate Risk Ready Guide NSW</i> is aligned to the general process and considerations contained in <i>ISO 31000:2108 – Risk management guidelines</i> and <i>ISO 14091 – Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment</i>. If WaterNSW is not required to undertake climate risk assessments consistent with the <i>Climate Risk Ready NSW Guide</i>, then the Licence should require WaterNSW to undertake climate change risk assessments consistent with ISO 14091:2021.</p>	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> The CNSWJO and Lithgow City Council support this licence requirement, with the provisos around costs and codesign.</p> <p> Lachlan Valley Water has no preference.</p> <p> Water Directorate agrees with WaterNSW's submission.</p>	<p>We seek to add new requirements, consistent with the NSW Climate Risk Ready Guide. As it is aligned generally to <i>ISO 31000:2108 – Risk management guidelines</i> and <i>ISO 14091 – Adaptation to climate change – Guidelines on vulnerability, impacts and risk assessment</i>. We do not seek to reference this standard.</p> <p>Refer to response for Q. 17</p>





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
23	<p>Our preliminary position: require WaterNSW to report on its progress towards achieving Net Zero and to report against the ISSB's sustainability-related disclosure standards.</p> <p>Question: Should WaterNSW be required to report on its progress to Net Zero?</p>	<p> WaterNSW supports, as outlined in response to question 17 above, being required to report on WaterNSW's contribution and progress towards achieving the State's "net zero by 2050" target.</p>	<p> DPE Water, NSWRA and DRNSW support WaterNSW publicly reporting on its progress to Net Zero through the reporting manual. We acknowledge there may not be benefit in WaterNSW publicly publishing its emissions data from specific systems or facilities; however, this information should be made available if required by IPART or Government for the purposes of audit and transparency on how progress toward Net Zero is being calculated and tracked.</p>	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> The CNSWJO and Lithgow City Council support this reporting requirement, with the provisos around costs and codesign. They support the IPART position that there would be benefits in terms of public accountability and gaining trust in placing an obligation on WaterNSW to publish its progress towards Net Zero.</p> <p> Lachlan Valley Water has no preference.</p> <p> Water Directorate agrees with WaterNSW's submission.</p>	<p>In line with community expectations to progress towards Net Zero, we propose to recommend adding a new requirement for WaterNSW to report and publish annually its progress towards Net Zero and to report against the ISSB's sustainability-related disclosure standards. However, where this reporting may be already required under another law, WaterNSW will not be required to duplicate this reporting. In either case, WaterNSW will be required to make the information publicly available.</p> <p>Refer to response for Q. 17</p>





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
24	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence include any other reporting requirements related to abatement, adaptation, resilience or climate risk?</p>	<p> WaterNSW does not support including any other reporting requirements. WaterNSW is adequately regulated through the <i>Climate Risk Ready NSW Guide</i> and under the <i>Government Sector Finance Act 2018</i> to report on climate-related financial disclosures in alignment with the TCFD. In addition, WaterNSW has obligations, including reporting under the <i>National Greenhouse and Energy Reporting Act 2007</i>. Some of the information and data collected is also a reporting requirement under WaterNSW's Licence, specifically the National Water Initiative environment indicators, which are reported to the BoM.</p>	<p> DPE Water note that the <i>Climate Risk Ready NSW Guide</i> recommends the development and implementation of an adaptation plan including actions to improve climate risk maturity. DPE Water would support the publishing of a climate adaptation or action plan.</p> <p> DRNSW support WaterNSW providing clear evidence about how they are managing water infrastructure and water resources effectively to address risk from a climate ready context. As compounding and cascading impacts of climate change are anticipated, there will be a need to improve the integration of climate impacts in long term planning, drought and incident management and the integration between them. As individual strategies and plans are published it will be important to see how they relate to each other and the governance that supports them.</p>	<p> Sydney Water has grouped its response to climate risk issues into its response to question 17.</p> <p> Lachlan Valley Water has no preference.</p> <p> Water Directorate encourages customer engagement as suggested by WaterNSW in their response. Our view is the Customer Advisory Groups (CAG's) have been ineffective with regard to water supply for critical human needs for towns and cities in regional NSW.</p>	<p>Refer to response for Q. 17 and 23</p>







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
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 **DPE Water** acknowledges there is multiple and increasing climate change related reporting requirements from regulators of WaterNSW and NSW water utilities, including and beyond the focus on water. DPE Water would like to work with IPART and wider Government (State and Federal) to minimise the reporting burden on water utilities, improve the consistency of the information gathered and increase the insights captured from the reporting.





Performance standards



25	<p>Our preliminary position: IPART will review the current performance standards for capture, store, release (CSR) Water and amend, remove or set new performance standards for water delivery, water quality and service interruptions.</p> <p>Question: Are the current CSR performance standards still relevant to WaterNSW's operations?</p>	<p> WaterNSW supported our position to review the current performance standards for water Supplied and CSR Water performance standards. WaterNSW noted that the performance standards should:</p> <ul style="list-style-type: none"> • align to shareholder/Board defined success • be inform by its customer engagement process • focus on outcomes • seek to drive business performance if this aligns to customer expectations • be fully costed and funded appropriately. 	<p> DPE Water considered the current CSR performance standards considered that the existing CSR performance standards are relevant to WaterNSW's operations and support maintaining these. DPE advised that any new performance standards should be outcomes-based and ensure a minimum level service while allowing WaterNSW sufficient flexibility to innovate and improve its performance in line with customer expectations and willingness to pay.</p>	<p> CNSWJO (including Lithgow City Council) noted WaterNSW's performance standards should align with reporting requirements for local water utilities. This is in line with the international standard for Asset Management (ISO 55000).</p> <p> Lachlan Valley Water considered the current performance standards are relevant.</p>	<p>We propose to include a new water quality performance standard for water release services with the aim of promoting water quality in systems with multi-level offtake dams. We consider this would benefit downstream customers (as we note the compounding effects of poor-quality water) and the downstream river systems and environment, receiving the water.</p> <p>Our revised performance standards aim to provide WaterNSW's customers more clarity around communication requirements and other aspects of delays to their service (including prior to cease-to-pump orders being made).</p>
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#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p> The Water Directorate did not consider the current CSR performance standards are relevant and encouraged customer engagement in developing new standards. The Water Directorate advised that Customer Advisory Groups are ineffective with respect to water supply for critical human needs for towns and cities in regional NSW.</p>	<p>We assessed the appropriateness of including performance standards that align with the standards which local water utilities report against but consider that those standards would be better used to drive performance. We do not consider this aligns with our approach for performance standards (i.e. to inform customers about the level of service they can anticipate from WaterNSW). Therefore we have not developed performance standards akin to local water utility reporting requirements as we do not seek to drive performance through the standards. We consider that performance above the minimum standard should be considered as part of WaterNSW's price determination, if increased levels of service align with customer preferences.</p>
26	<p>Our preliminary position: we did not have a position on this in our issues paper.</p>	<p> WaterNSW suggests that a new set of performance standards be developed that includes, but is not limited to, water delivery, water quality and service interruptions, as required under Section 12(2)(a)(ii) of the <i>Water NSW Act</i>.</p>	<p> DPE Water and DRNSW do not support the inclusion of additional performance standards for CSR water. DPE stated that additional performance standards would need to be informed by further discussions and policy. DRNSW support this being explored further with relevant agencies in terms of water quality standards within reservoirs and for downstream water releases in declared and non-declared catchments.</p>	<p> Lachlan Valley Water Inc support additional performance standards for CSR water and would be open to discussion and consultation regarding additional standards.</p>	<p>See response to question 25.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: Should we explore the inclusion of additional performance standards for CSR water? If so, what types of performance standards (e.g. water delivery or water quality) should we include?</p>			<p> CNSWJO and Lithgow City Council supported additional CSR water performance standards and noted that asset breakdowns repairs should be considered under water delivery standards. Lithgow City Council noted that the local water utility reporting requirements could inform the performance standards.</p> <p> The Water Directorate did not consider the current CSR performance standards are relevant and encouraged customer engagement in developing new standards. The Water Directorate advised that Customer Advisory Groups are ineffective with respect to water supply for critical human needs for towns and cities in regional NSW.</p>	
27	<p>Our preliminary position: IPART will review the current performance standards for Supplied water and amend, remove or set new performance standards for water delivery, water quality and service interruptions.</p>	<p> WaterNSW supported our position to review the current performance standards for water Supplied and CSR Water performance standards. WaterNSW noted that the performance standards should:</p> <ul style="list-style-type: none"> align to shareholder/Board defined success be inform by its customer engagement process focus on outcomes seek to drive business performance if this aligns to customer expectations 	<p> NSW Health supported a performance standard that aligns WaterNSW's operations with its WQMS for supplied water.</p>	<p> CNSWJO and Lithgow City Council stated water delivery performance standards should be related to volume, timing and availability of supply.</p> <p> CNSWJO and Lithgow City Council noted that WaterNSW have volume-based drought restrictions, which can reduce water available to each customer without any warning. CNSWJO proposed that prices should reflect the changes.</p>	<p>We have proposed new water quality performance standards for water release services.</p> <p>We also propose revised water delivery performance standards that relate to the timeliness of supply to direct water supply service customers, and timeliness of communication and supply for water release service customers.</p>



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: What performance standards should apply to water delivery, water quality and service interruptions?</p>	<ul style="list-style-type: none"> be fully costed and funded appropriately. 	<p> DPE stated additional performance standards would need to be informed by further discussions and policy. DRNSW support this being explored further with relevant agencies in terms of water quality standards within reservoirs and for downstream water releases in declared and non-declared catchments.</p> <p> DPE Water supported changes to the performance standards and noted that it would seek to explore opportunities through which WaterNSW could consult with other agencies (such as DPE Water, DPE Environment and Heritage Group) on the timing of water delivery works under water sharing plans. DRNSW noted that historically, maintenance works on WaterNSW infrastructure has been timed over winter when irrigation demand is typically low. DRNSW noted the potential impact on winter flows during these times. DRNSW considers an addition to the MOU or similar tool may be the suitable place to capture this.</p>	<p>CNSWJO and Lithgow City Council also proposed that service Interruptions should also have performance standards for time and length of breakdown.</p> <p> Lachlan Valley Water Inc consider the existing standards to be adequate.</p> <p> Sydney Water supported our outcomes-focused approach to setting minimum service levels to meet legislative requirements and provide a safety net for customers. Sydney Water</p> <ul style="list-style-type: none"> Considers any performance above minimum levels of service, as informed by customer preferences, should occur through the price review. Supports the requirement for a water quality performance target to be included in the licence and to be integrated with the requirements of Sydney Water's Water Quality management system. Sydney Water states this will not only reduce duplication and ensure alignment with respect to NSW Health and customer requirements, but will also align with technical and commercial requirements downstream as part of a total water quality management system. 	<p>We further propose new service interruption performance standards linked to cease-to-pump events for direct water supply service customer; and related to rescheduled water orders and preventable delays for water release service customers. We considered the suggestion to develop performance standards for time and length of asset breakdown. However, performance standards linked to assets, in this way, does not align with our approach for performance standards (i.e. to inform customers about the level of service they can anticipate from WaterNSW). We have not developed performance standards related to asset failure and rectification or repair as we do not seek to drive performance through the standards. We consider that performance above the minimum standard should be considered as part of WaterNSW's price determination, if increased levels of service align with customer preferences.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<ul style="list-style-type: none"> Proposes that in adopting a system-wide approach, WaterNSW should also work collaboratively with Sydney Water to ensure they are actively supporting Sydney Water's minimum services standards for water continuity and make available the best available raw water quality.  The Water Directorate encourages customer engagement as suggested by WaterNSW in their response. The Water Directorate's view is the Customer Advisory Groups have been ineffective with regard to water supply for critical human needs for towns and cities in regional NSW. 	
28	<p>Our preliminary position: we did not have a position on this in our issues paper.</p>	 WaterNSW proposes that these performance standards should be: <ul style="list-style-type: none"> aligned to its shareholders and Board defined measures of success informed by its customer engagement process as part of the 3 CCCs (Customers, Costs and Credibility) approach that will be used to underpin its Pricing Proposal and ultimately the IPART price determination output and outcomes focussed 	 DPE Water, DRNSW and NSW Health support performance standards for water delivery, water quality service interruptions, and expanding these standards to consider environmental impacts. DPE Water, DRNSW and NSW Health consider, where appropriate, performance standards for water quality should follow established industry guidelines including the Australian Drinking Water Guidelines and Australian and New Zealand Environment and Conservation Council (ANZECC) and Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ).	 CNSWJO and Lithgow City Council state that WaterNSW should have standards for other areas, similar to other utilities, including asset maintenance, asset repairs and ongoing planning such as strategic plans and linkages to legislation similar to Councils' IP&R framework.	See responses to question 25-27.

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: Should the Licence prescribe any other performance standards in relation to Supplied Water? i.e. in addition to the required performance standards related to water delivery, water quality and service interruptions, minimum standards could be prescribed for timing of delivery and customer service.</p>	<ul style="list-style-type: none"> based on driving business performance that aligns to customer expectations fully costed and funded appropriately. <p>WaterNSW notes it is undertaking customer engagement processes over the coming months, through its CAGs, and other mechanisms, to inform performance standards and its pricing proposals and will also participate in IPART workshops with other stakeholders to inform the development of performance standards.</p>		<p> Lachlan Valley Water Inc states that the Customer Service Hotline hours should be mandated to include public holidays and weekends, and that performance standards for customer service should be detailed in the licence. Lachlan Valley Water Inc consider that water users don't have an option to cancel/modify water orders outside of the current customer service hours. Lachlan Valley Water Inc would be happy to consult further regarding as to what those standards might be.</p> <p> The Water Directorate encourages customer engagement as suggested by WaterNSW in their response. The Water Directorate's view is the Customer Advisory Groups have been ineffective with regard to water supply for critical human needs for towns and cities in regional NSW.</p>	


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
Water quality					
29	<p>Our preliminary position: maintain the requirement to maintain and implement a WQMS and consider if there is benefit in maintaining separate conditions for the declared and non-declared catchment areas.</p> <p>Question: Is there benefit in maintaining separate licence conditions in the licence for the declared and the non-declared catchments.</p>	<p> WaterNSW supports maintaining separate licence conditions for the Water Quality Management Systems (WQMS) in declared and non-declared catchment areas. Management of water quality in these catchments is significantly different in relation to legal and regulatory requirements, catchment characteristics and management, assets and operations, and end-water use.</p>	<p> DPE Water and NSW Health support maintaining the existing requirements as set out under clause 2.1 in the current Operating Licence. The separation of declared and non-declared catchments reflects the level of control WaterNSW has in various catchments and the differences in management. Separate licence conditions may be appropriate depending on the drivers, outcomes and level of control for water quality monitoring in the declared and non-declared catchments. It is noted that differences in water quality standards depending on geographical location may create a need for separate conditions.</p>	<p> Sydney Water supported the development of an integrated water quality monitoring system as part of WaterNSW's water quality management. Sydney Water believes better transparency and reporting of catchment management activities could assist in improving water quality outcomes for customers. Sydney Water noted the impact that water quality in the catchments (managed by WaterNSW) have on Sydney Water's assets at the downstream point.</p> <p> Lachlan Valley Water sees no benefit in maintaining separate licence conditions, especially if it reduces regulation and costs for water users.</p> <p> Water Directorate submits that in the long run, the appearance is that there are two different standards for water quality in NSW. It notes the significant difficulties, and it respectfully ask for a whole-of-government response including a long-term water quality strategy.</p>	<p>Our position to maintain a WQMS was supported and did not change, however we propose flexibility for WNSW to decide whether they have separate WQMSs or a consolidated one.</p>


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
30	<p>Our preliminary position: require WaterNSW to monitor water quality against targets developed in consultation with NSW Health and relevant stakeholders.</p> <p>Question: Should WaterNSW be required to define and monitor Water Quality Performance targets in consultation with NSW Health and relevant stakeholders?</p>	<p> WaterNSW rejects the proposal to monitor water quality against targets developed in consultation with NSW Health and relevant stakeholders. WaterNSW already has an obligation to meet the requirements of the Australian Water Drinking Guidelines (ADWG), which ensure that WaterNSW provides water of an appropriate quality to its customers. In addition to this, WaterNSW has individual Customer Supply Agreements, which outline WaterNSW's obligations. Requiring WaterNSW to monitor performance against water quality performance targets goes beyond this and would add further complexities and costs for both WaterNSW and our customers.</p>	<p> DPE Water supports evidence-based approaches to evaluation of programs and decision making. The use of performance targets, especially for prescribed drinking water standards, will reflect on how well programs such as catchment management are achieving outcomes, and support adaptive management. WaterNSW have water quality performance targets for routine monitoring, but also targets for incident-based water quality monitoring, where additional monitoring is required to manage the incident. DPE Water recommends consideration of a water quality incident monitoring plan being required in the licence for the Menindee / Lower Darling, and the Murray, to make clear what WaterNSW is required to do, so that these incidents can be properly managed, and minimise the risk of large-scale fish deaths. It notes that the Government's Response to the Independent Review into the 2023 Mass Fish Deaths in the Darling-Baaka River at Menindee has yet to be released, and may influence what the most appropriate response is in WaterNSW's licence.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO and Lithgow City Council submits that where currently there is no obligation for WaterNSW to comply with water quality performance targets for the quality of water it supplies to its bulk water customers under its existing licence, it is suggested that compliance with the Australia Drinking Water Guidelines should be mandated in the licence requiring WaterNSW to report against targets or measures. Current agreements with Councils say that WaterNSW will endeavour to meet the ADWGs not that they must. This leaves Council purchasing water from WaterNSW that is not fit for potable use on occasions and further incapable of treating this water further to bring up to standards.</p>	<p>See responses to question 25-27 relating to performance standards.</p> <p>See responses to questions 35-37 relating to bulk water quality for drinking water suppliers.</p> <p>We also propose a requirement for WaterNSW to identify research opportunities for improvement and how WaterNSW can implement research findings to address the recommendations made by the Chief Scientist and Engineer in the report titled 'Independent review into the 2023 fish deaths in the Darling-Baaka River at Menindee' (29 September 2023).</p>











#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			 <p>NSW Health notes some raw water quality characteristics are unlikely to change significantly through the water treatment process, while others can significantly impact the ability to treat water. Looking to the future, these characteristics could be used to establish bulk water standards or water quality performance targets that could be complied with under the Operating Licence, although WaterNSW's ability to influence water quality may be limited and variable depending on the level of catchment control. Defining any such standards would be a longer-term piece of work, which would require consulting existing guidelines and respective Government agencies with carriage of setting and monitoring outcomes related to human and environmental health: NSW Health, the EPA, DPE Water, WaterNSW, Sydney Water, DPE Environment and Heritage Group and DPI Fisheries.</p>	 <p>NSWIC supported water quality performance targets but noted that the targets must be accompanied by an appropriate policy framework to respond to poor water quality. For example, there are a number of causes of water quality decline, including invasive species such as European carp. Policy responses must be more nuanced than 'just adding more water' from farmers in an attempt to dilute the problem rather than addressing the root causes. Responses need to consider the broader circumstances leading to water quality issues. There is increasing emphasis on water quality, as well as water quantity, in water policy. If water regulation means increasing consideration of water quality, there is an expectation that WaterNSW would have the adequate frameworks in place to define, monitor, report on and respond appropriately.</p>	





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
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 **Singleton Council** supports water quality performance targets as WaterNSW's operations can have significant impact on the ability of its customers to produce drinking water. Defining and monitoring water quality performance targets as well as action that can be taken by WaterNSW to improve water quality, including changing offtake levels/locations and aeration, would encourage a partnership arrangement with WaterNSW and drinking water providers to get a better quality outcome.








 **Water Directorate** asks for a whole-of-government response including a long-term water quality strategy, noting the significant difficulties.



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
31	<p>Our preliminary position: exclude drinking water in private water supplies (picnic areas and regional sites) from the scope of the WQMS.</p> <p>Question: Is there any reason we should not specifically exclude picnic areas from the WQMS obligations in the licence?</p>	<p> WaterNSW supports excluding drinking water in private water supplies (picnic areas and regional sites) from the WQMS obligations in the Operating Licence. WaterNSW manages water quality in accordance with the WQMS. Therefore, any additional requirements in the operating licence would be regulatory duplication. WaterNSW's private water supply sites are regulated under Section 25 of the <i>Public Health Act 2010</i> and overseen by NSW Health. Private water supplies have historically been managed as part of our WQMS, but excluded from the annual operational audit because it is regulated by NSW Health.</p>	<p> NSW Health supports the exclusion of picnic areas from the Water Quality Management System obligations in the licence as these supplies are subject to regulation under the <i>Public Health Act 2010</i>, and this is the most appropriate mechanism. WaterNSW currently include management of the water quality at these sites within their Water Quality Management System, though it is regulated separately by Health.</p> <p> DPE Water suggests including as a footnote in the Operating Licence a reference to relevant standards and obligations that apply to picnic areas, to support the existing regulation under the Public Health Act. This would clarify expectations without creating overly prescriptive licence conditions.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> Lachlan Valley Water did not express a preference.</p>	<p>We propose to exclude drinking water in private water supplies (picnic areas and regional sites) from the scope of the WQMS to remove any perceived regulatory duplication.</p>
32	<p>Our preliminary position: consider if there is benefit in separating the FRWSS from the current WQMS licence condition.</p>	<p> WaterNSW does not support creating an additional and separate requirement to maintain a WQMS specifically for the FRWSS. The FRWSS is already covered in the WQMS for nondeclared catchments and is also regulated under the Public Health Act. Further delineation would create regulatory duplication and unnecessary burden on WaterNSW.</p>	<p> DPE Water supports separate conditions for the FRWSS. Separating the obligations for FRWSS from the current obligation could help FRWSS customers better distinguish and understand the services they receive from WaterNSW. DPE Water's Performance Reporting framework is currently being reviewed to further streamline and make consistent with the National Performance reporting framework for urban water utilities.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO and Lithgow City Council support separating out conditions for the FRWSS for WQMS and reporting requirements, given the water quality issues experienced by Lithgow and Oberon who source raw and potable water from the FRWSS as detailed in its submissions.</p>	<p>Given the mixed support, our considered position was to provide an option to WaterNSW to either have a consolidated or a separate WQMS for FRWSS.</p> <p>See also responses to questions 25-27 relating to performance standards.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: Should conditions for FRWSS be separated out in the licence? For example, a separate condition for WQMS and reporting requirements.</p>		<p> NSW Health suggests the inclusion of an additional subclause under 2.1 to refer to the FRWSS and require WaterNSW to maintain a Water Quality Management System with the same conditions as 2.2.1.</p>	<p>The cost of any additional mandated requirements of WaterNSW relating to water quality and reporting must not be borne by these customers.</p>	
33	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the FRWSS be excluded from some obligations under the Licence where there is duplication with the WMA? If so, which Licence obligations or activities should be excluded?</p>	<p> WaterNSW is yet to form a position on whether the FRWSS related conditions should be modified where there is ambiguity or duplication with the <i>Water Management Act 2000</i>.</p>	<p> DPE refers to its response to Question 8.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO and Lithgow City Council submits that where there is duplication it should be excluded but only if the intention of each clause and actions associated are the same. They should not be removed if the inference of these clauses causes different outcomes.</p>	<p>We do not propose including any requirements in the licence or exclude obligations from the licence, in relation to WNSW's obligations under the <i>Water Management Act 2000</i>.</p>
34	<p>Our preliminary position: consider if there is benefit in separating the FRWSS from the current WQMS licence condition.</p> <p>Question: Should the Licence include new conditions in relation to FRWSS?</p>	<p> WaterNSW does not support including any new conditions in the Operating Licence. The FRWSS is adequately covered by the WQMS for non-declared catchments.</p>	<p> See response to Question 8 regarding clause 121B. Regarding clause 121A of the Regulation, DPE Water suggests conditions in the licence reflect that FRWSS is required to report to DPE Water as per DPE's performance reporting framework for local water utilities. This will enable DPE Water to report FRWSS data (along with other local water utilities data) to the BoM for publication in the National Performance report for urban water utilities, which will avoid duplication of FRWSS reporting.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO refers to its response to questions 30 and 32 relating to water quality and question 10 relating to secure yield.</p> <p> Lithgow City Council refers to its response to questions 30 and 32 relating to water quality and question 10 relating to secure yield.</p>	<p>See response to question 32 relating to WQMS.</p> <p>See also responses to questions 25-27 relating to performance standards.</p>



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
35	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Is there benefit in increasing WaterNSW's responsibilities to monitor and provide information on water source events and the quality of raw water supplied to LWUs?</p>	<p> WaterNSW supports and suggests that for Local Water Utilities (LWU) a Water Quality Plan is required to inform a whole-of-government approach to water quality monitoring and management. Such a Plan would develop a more coordinated approach to managing this issue and clarify roles and responsibilities for all relevant agencies. It would also provide clarity on WaterNSW's role and could be used to inform future obligations in the Operating Licence, including a transition period to establish appropriate monitoring and reporting, which would require additional resources. The Plan would need to integrate with already established requirements, align with and be dependent upon pending recommendations and outcomes from various investigations and programs.</p>	<p> DPE Water, NSW Health and DRNSW support consideration of increasing WaterNSW's responsibilities as there is significant benefit in WaterNSW monitoring and proactively providing this information to LWUs. This information should also be made available to DPE Water and NSW Health to allow for proactive risk management. LWUs often do not have adequate resilience and/or capability in their storage and treatment infrastructure to deal with (sudden or significant) changes in raw water quality, flow, or delivery, including from WaterNSW operated river systems.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO considers that it is necessary for WaterNSW to monitor and report on water quality routinely. Most importantly, there should be an obligation to inform stakeholders as soon as practicable of changes to water quality that may have a bearing on water treatment. It recommends that this type of work be undertaken collaboratively with stakeholders in the region rather than through an IPART process.</p> <p> Lithgow City Council submits yes to this question.</p>	<p>We propose to remove the current licence requirement for WaterNSW to have an information request procedure since it has not been widely used by LWUs during the current and previous licence terms. We propose to add requirements for a bulk water policy and parameters and service commitments for drinking water suppliers, as well as an early warning system to notify customers and other stakeholders of changes to flow release patterns. We also propose to increase WaterNSW's responsibilities to monitor and provide information on water source events and the quality of raw water provided to drinking water suppliers.</p>






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<p>As part of developing the Plan, the relevant agencies could investigate and provide recommendations over the next five years, in time for the next Operating Licence Review. Part of this Plan could also be to develop appropriate performance standards related to water quality monitoring and reporting for LWUs that could be included in its operating licence in the future. WaterNSW recognises that it is best placed to provide these services to LWUs and understands NSW Health also support WaterNSW having a more active role in this area. However, LWUs also have obligations to their customers. Consequently, clearly defining the roles and responsibilities of all relevant agencies, WaterNSW and LWUs would also be required.</p>	<p> NSW Health considers that there may be benefit in formalising WaterNSW's responsibility to monitor and provide information on bulk water quality released to downstream water utilities. This can be addressed through an obligation/responsibility for WaterNSW to provide timely and adequate information (upfront and unprompted) to LWUs when WaterNSW identifies significant changes in water parameters, including water quality and water delivery reliability/security. With appropriate monitoring and sufficient warning, downstream utilities can take action to control risks. Further discussion is required around reservoir stratification and cost burden to LWUs of treating poor quality water (low dissolved oxygen, high metals, high nutrients) given where (at what distance) LWUs extract water from the storage.</p>	<p> Singleton Council submits yes to this question. It notes that to continue to rely on the passive nature of an LWU making requests for water quality would be a missed opportunity. The power of water quality information for drinking water is often in collecting and acting on contemporaneous information rather than making ad-hoc requests for large data sets after the fact (acknowledging the power of these data sets for planning purposes). Singleton Council would be appreciative if a partnership approach between WaterNSW and LWUs could be developed. This would enable data sharing on a timely basis.</p> <p> Sydney Water supports the development of an integrated water quality monitoring system from 'catchment to tap' as part of WaterNSW's water quality management, as impacts in the upstream part of the network can have significant consequences downstream. Sydney Water believes better transparency and reporting of catchment management activities could assist in improving water quality outcomes for customers.</p>	<p>A more proactive and customer focused arrangement would have greater utility to drinking water suppliers in planning and adjusting treatment and delivery of drinking water to their customers.</p>




#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p> Water Directorate submits yes to this question. It notes that there is big difference between 'push' data with alerts and alarms and 'pull' data where LWU's need to request data after the event. Real time monitoring is possible and available, and would greatly assist councils with their drinking water responsibilities. Water Directorate supports WaterNSW's suggestion for a Water Quality Plan for water quality monitoring. This will contribute immensely to reducing water quality risk for small towns across NSW. It is important that we construe this to mean all catchments in NSW – undeclared and unregulated.</p>	
36	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the information request procedure be recast to require WNSW to provide information to the LWU when specified parameters have not been met?</p>	<p> See response to Question 35.</p>	<p> DPE Water supports recasting the information request procedure, as per the response to question 35.</p> <p> NSW Health considers that the Operating Licence is the most appropriate place to set out requirements in relation water quality for downstream utilities. The effective monitoring and communication of potential risks to public health is in the best interests of the community.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO refers to its response to Question 35.</p> <p> Lithgow City Council submits yes to this question.</p>	See response to question 35



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>The information that WaterNSW is best placed to collect (i.e., physical, and chemical quality, and cyanobacteria in storages), could usefully inform a LWU's drinking water quality assurance program. NSW Health does not expect there will be significant costs associated with the monitoring and reporting of basic water quality characteristics. Any monitoring data collected by WaterNSW may be relevant to inform a utility's quality assurance program, not just health related data.</p>	<p> Singleton Council submits yes to this question. It notes that this would aid in active water quality management for LWUs and make best use of the water quality information collected in a timely manner.</p> <p> Water Directorate submits yes to this question. See response to Question 35.</p>	
37	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: How else could WaterNSW be more proactive in notifying LWUs of water source events or sharing of information?</p>	<p> See response to Question 35.</p>	<p> NSW Health supports proactive reporting of water quality data to downstream water utilities. NSW Health considers that the Australian Drinking Water Guidelines provide comprehensive guidance on water quality management in relation to raw water supplied for treatment. Most importantly the Guidelines Framework for the Management of Drinking Water Quality must be implemented, and this is a requirement of clause 2.1 of the current Operating Licence.</p>	<p> Sydney Water's response to question 29 applies.</p> <p> CNSWJO refers to its response to Question 35.</p> <p> Lithgow City Council recommends that this type of work be undertaken collaboratively with stakeholders in region rather than through an IPART process.</p>	See response to question 35


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>The Framework requires consideration and control of risks to water quality. In relation to raw water, this should include monitoring quality and managing the supply to provide the best quality water for treatment. The Framework also requires incident management, for example where incidents or events lead to poorer quality raw water being supplied for treatment, the downstream utility must be notified.</p>	<p> Singleton Council submits that forming an event response team (or similar) for specific events that challenge or threaten either the supply or quality and result in significant challenges for water treatment would be of significant benefit to LWUs. These events could include bushfire, flood, blue green algae and drought. This would enable preparing for immediate challenges with water quality and treatment or with longer term challenges with water supply. Councillors and the community would often appreciate additional information and understanding given their heightened sense of awareness and willingness to help conserve water.</p> <p> Water Directorate submits yes to this question. See response to Question 35.</p>	



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
WaterNSW's obligations to its customers					
38	<p>Our preliminary position: WaterNSW should develop and implement a family violence policy that includes provisions to protect customer privacy and ensure access to payment difficulty arrangements.</p> <p>Question: Should WaterNSW be required to have a family violence policy that protects customer privacy and ensures that family violence sufferers can access payment difficulty arrangements? If so, what as a minimum, should the condition include? Would a change to the Code of Practice on Payment Difficulties also be required?</p>	<p> WaterNSW supports the requirement to have a family violence policy; recognising that an appropriate timeframe would be necessary to update and implement any changes required to existing systems, policies and procedures. The family violence policy would be its own living document, which would require training and education of employees as part of the implementation process. Embedding it into WaterNSW's existing systems and related policies and procedures, such as the Code of Practice on Payment Difficulties, would require time to update, and review to ensure that the policies are aligned.</p>	<p> DPE: The NSW Government supports WaterNSW being required to have a family violence policy that protects customer privacy and ensures that family violence sufferers can access payment difficulty arrangements. The condition should include minimum policy standards that are to be considered in the Family Violence policy.</p>	<p> EWON strongly supports introducing a requirement for WaterNSW to have a family violence policy. EWON supports WaterNSW's request for adequate time to develop and implement its family violence policy and ensure staff readiness. For consistency, the minimum requirements should be as similar to those in the Hunter Water and Sydney Water Operating Licences as possible, taking into account any relevant differences in functions, operations and stakeholders. We suggest that WaterNSW update the Code of Practice on Payment Difficulties to explicitly reference the availability of the family violence policy once implemented.</p>	<p>We propose to require WaterNSW to have a family violence policy that protects customer privacy and ensures that family violence sufferers can access payment difficulty arrangements. This is fully supported by stakeholder feedback.</p>




#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
39	<p>Our preliminary position: change the current Licence obligation to be more outcomes focused and allow WaterNSW to determine how it engages with its customers.</p> <p>Question: Should the Licence require WaterNSW to engage with its customers, but allow WaterNSW to determine the best way for engagement?</p>	<p> WaterNSW supports more outcomes-focussed engagement requirements with customers and communities, allowing WaterNSW to determine the best way for engagement. WaterNSW does not support any additional/prescriptive engagement requirements in relation to government agencies. An outcomes-focussed process would guide the outcomes being sought from engagement, but not prescribe how it should be done. WaterNSW suggests that a similar clause to clause 29 of the Hunter Water Corporation's Operating Licence could be inserted into WaterNSW's Operating Licence instead of clauses under sections 6.5 and 6.6; and adjusted and adapted to WaterNSW's. WNSW supports developing a Customer and Community Consultation Procedure that outlines how they engage with them.</p>	<p> DPE: The NSW Government supports operating licence amendments to require WaterNSW to engage with customers, including:</p> <ul style="list-style-type: none"> Inviting relevant government agencies to participate in discussions on waterways and water management Ensuring customers can efficiently and effectively be engaged on matters that are important to them. <p>DPE Water supports flexibility for Water NSW to determine the best way to engage with its customers, noting the need for input from its stakeholders. The NSW government also supports changes to the Operating Licence to support culturally appropriate engagement of Aboriginal stakeholders. This should be informed by Aboriginal people and include the opportunity for representation on Customer Advisory Groups as well as separate and dedicated Aboriginal Engagement programs.</p>	<p> EWON: supports engagement with customers, including an explicit requirement to engage with different customer groups. EWON supports reducing prescription of how that engagement should be conducted.</p> <p> Lachlan Valley Water: supports engagement with customers but suggests there needs to be set requirements on the minimum engagement types, frequency, and appropriateness (such as mandatory CAGs). Lachlan Valley Water is concerned that allowing WaterNSW to determine the method of engagement runs the risk of WaterNSW further disengaging with water users. Lachlan Valley Water also suggests that where WaterNSW are determining costs/policy that affects only "Impactors" then community consult groups should be limited to the group the cost/policy will affect.</p> <p> NSWIC: supports engagement with customers. Suggests consultation is currently not inclusive, too time-consuming and lacking access to important information.</p>	<p>We propose to allow WaterNSW to determine the best way for engagement with its customers. In doing this, we will still retain the provision for WaterNSW to engage with Customer representatives from a broad range of stakeholders. This is to balance autonomy and reduced prescription with minimum expected levels of service.</p>



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
40	<p>Our preliminary position: change the current Licence obligation to be more outcomes focused and allow WaterNSW to determine how it engages with its customers.</p> <p>Question: Is there any value in continuing to require WaterNSW to utilise CAGs to engage with different customer groups?</p>	<p> WaterNSW considers that the current Operating Licence requirements in relation to CAGs are too prescriptive and do not provide the most optimal way for engagement. WaterNSW supports continued engagement with customers and communities in a way that works for both parties but considers that the prescription in relation to CAGs is not necessary and could instead be incorporated under the proposal outlined in Issue 39. An outcomes-based approach would allow government agencies (other than licensed environmental water holders) to participate in customer forums in an advisory or information sharing capacity.</p>	<p> DPE: CAGs provide a valuable consultation mechanism to keep water customers and regulatory agencies abreast of valley specific issues, while also providing a forum for discussion and recommendations for WaterNSW consideration. Current member requirements are that CAGs include at least one customer representing 'environmental water users' (among the other categories). Current membership includes representatives from NSW and Commonwealth environmental water holders. Clause 6.5.4 could be updated to reflect this. As per the response to question 39 above, CAGs should also ensure continued engagement across Aboriginal water users. Interagency discussions will explore effective forums for regulatory bodies that oversee the management of NSW waterways (including NRAR, DPE Water, DPE Environment and Heritage Group and DPI Fisheries) to collaborate.</p>	<p> CNSWJO and Lithgow City Council noted that the CAGs do not offer enough to those Councils who are party to them. They are more about information provision than an opportunity to codesign optimisation in the interest of customers. It would be preferable if CAGs were setup with customers who have similar priorities or situations as opposed to geographically. There would be benefit to the CAG's including and utilizing an irrigators group and a utilities group as the systems may be different but the sourcing of water is much the same.</p>	<p>See response to question 39.</p>


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p> Lachlan Valley Water disagreed with our position and supported having WaterNSW continue to use CAGs. CAGs need to become more effective – recent experience that issues of concern raised by customers during CAG meetings are not translating into tangible actions. There needs to be processes put in place so that feedback from customers is addressed appropriately, CAG charters reviewed by IPART and the customers, and a simple process where failures to perform can be reported to IPART, included as requirements in the operating licence.</p> <p> Lithgow City Council and Singleton Council noted that CAGs are of value typically to those who are directly involved or those who represent a strong alliance of water users. They are not a successful mechanism to engage with water users on operating and water quality issues.</p>	






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				 <p>NSWIC disagreed with our position and supported the continuation of CAGs. The CAGs engage people with the relevant skillsets and experience to contribute meaningfully and constructively as representatives of their communities. NSWIC suggested the CAGs could be more effective if:</p> <ul style="list-style-type: none"> • they merge with River Operations Stakeholder Consultation Committee (ROSCCo) – there are concerns that the creation of the ROSSCo has led to fragmentation and made the CAGs too high-level and generic. • They demonstrate valuable use of time. CAGs should not be a one-way street with WaterNSW merely passing on information, but an opportunity for customer representatives to shape decisions. This includes feedback on how each matter is dealt with or progressed. • sufficient detail is provided so that CAG members have all the specific information required, and to avoid being too high-level to be effective. 	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p> Gwydir Valley Irrigators Assoc Inc recommended that the agenda for CAG meetings contain content driven by customers up to 50% to ensure that the CAG remains relevant to customer needs so that customers can share information, raise concerns and work to address challenges.</p> <p> The Hon. Dr. McGirr submits that, IPART should recommend that a set of additional clauses be added to the Operating Licence, perhaps located between current clauses 6.7 and 6.8, which would mirror with appropriate adaptations, and where necessary differ from, current clauses 6.5.1 to 6.6.4 of the Operating Licence as follows:</p> <p>(a) The equivalent of clause 6.5.2 would be to the effect that Water NSW must regularly consult with the relevant Community Advisory Groups in regions in regional NSW in those circumstances where, based on Bureau of Meteorology ("BoM") forecasts, and all the other relevant circumstances, it was likely that issues concerned with flood mitigation and management may arise in that region.</p> <p>(b) The equivalent of clause 6.5.4 would be to the effect that, for each Community Advisory Group, the membership must meet the following requirements:</p>	






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				(i) Each individual should be representative of those in the community who have experienced one or more flooding events (whether in the region or elsewhere) or who work or reside in a place in the region which has been the subject of one or more flooding events within the preceding 30 years; and (ii) Each individual must not have a conflict of interest between the membership and purpose of the Community Advisory Group, and any of the categories of "water user" listed in paras a. to l. of clause 6.5.4.	
Access to information and data					
41	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Do you agree that WaterNSW is responsible for collecting, managing, and sharing data and information of water resource data on behalf of the NSW Government? If so, does this obligation extend beyond the data and information it uses for its own purposes.</p>	<p> WaterNSW agrees that it should be responsible for collection, managing, and storing information and data. WaterNSW considers the Operating Licence should not apply prescriptive or duplicative measures that are already addressed through existing agreements or through the application of the NSW Government Open Data Policy. In addition, the obligation required by clause 6.19.4, will lead to agreed standards and metrics for data accuracy, quality, continuity and timeliness of data provision.</p>	<p> DPE agrees that WaterNSW can be responsible for collecting, managing, providing access to open source data and, where appropriate, sharing data and information that is not open source. It is important that sharing arrangements enable NSW Government agencies to self-serve access to the open source data at any time, and not be dependent on WaterNSW to provide data extracts when requested. It is also important that access to historic data is maintained, and visibility on reports, assumptions and modelling underpinning the data is provided.</p>	<p> CNSWJO (includes Lithgow City Council) supports having one entity collecting and managing water resource data. It suggests that all entities collecting data on water share their information and look for gaps and duplication before embarking on taking on more data collection.</p>	<p>As the custodian of a large volume of water sector data and information, we propose to include an obligation in the Licence that requires WaterNSW to develop a data management system (with various policies related to data quality and sharing). We also propose to formalise WaterNSW's responsibility around the ongoing project developing a new data system that provides for the central storage, management and access to water data for all relevant departments and NSW government agencies.</p>








#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<p>WaterNSW does not support a requirement to perform data analysis, interrogation, interpretation or perform insights on behalf of other agencies unless it is under some sort of Service Level Agreement or other agreement with associated funding to achieve those objectives. In the absence of that, agencies accessing data should conduct their own analysis to achieve their mandated purpose. WaterNSW considers that it should be mandated and funded appropriately to collect data and/or information if additional requirements are included in the Operating Licence.</p>	<p>DRNSW supports the establishment of an operating licence requirement for a Data Sharing Agreement being developed between DPI and WaterNSW.</p>	<p> Lachlan Valley Water agrees that WaterNSW is responsible for collection, managing, and storing information and data. Lachlan Valley Water believes there should be a simple process for sharing customer information (with their consent) to membership/user advocacy bodies to assist with water management at local levels.</p> <p> NSWIC supports that WaterNSW is responsible for collecting, managing, and sharing data and information of water resource data on behalf of the NSW Government. NSWIC is of the view that this obligation does extend beyond the data and information WaterNSW uses for its own purposes, particularly as other agencies such as NRAR and DPE-Water need this information to carry out their functions, as well as water users to meet licence conditions.</p>	

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				<p>NSWIC notes concerns that WaterNSW has not adequately maintained the customer database/water register. This has led to NRAR having challenges contacting water users and determining rates of compliance. WaterNSW has responded that the responsibility is on water users to update their contact details and information. NSWIC disagrees and is of the view WaterNSW must have an obligation on its licence to ensure this database is maintained and fit for purpose.</p> <p> Water Directorate: has not reviewed the Roles and Responsibilities agreement but note that there is a significant difference between real-time data and post-event data. Suggests improved compliance for regional LWU's if WD can understand water quality (surface water or groundwater) in real time through alerts or alarms to avoid pumping water that is difficult to treat into LWU water treatment plants.</p>	






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
42	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Is the licence the right instrument to ensure all NSW data and information users can adequately access water resource data for the state?</p>	<p> WaterNSW's response to question 41 applies.</p>	<p> DPE agrees that the Operating Licence is an appropriate instrument to set out requirements for data sharing agreements and information that should be shared publicly, complemented by other instruments like the Roles and Responsibilities Agreement. DRNSW notes the value of WaterNSW moving towards providing all water resource data to interested NSW Government parties via a central database repository.</p> <p> NRAR agrees that the operating licence is the appropriate instrument to set out requirements for data sharing agreements and information that should be shared publicly. However, NRAR considers that current agreements have not reliably delivered data, systems and information necessary to NRAR's statutory functions. Having clear standards imposed by the regulator (IPART) is more likely to deliver higher certainty and efficiency to NRAR, and higher confidence in water management across the water sector and community, than the current negotiated agreements.</p>	<p> CNSWJO (includes Lithgow City Council) supports having one entity collecting and managing water resource data. It suggests that all entities collecting data on water share their information and look for gaps and duplication before embarking on taking on more data collection.</p> <p> Water Directorate: has not reviewed the Roles and Responsibilities agreement but note that there is a significant difference between real-time data and post-event data. Suggests improved compliance for regional LWU's if WD can understand water quality (surface water or groundwater) in real time through alerts or alarms to avoid pumping water that is difficult to treat into LWU water treatment plants.</p>	<p>See response to question 41.</p>









#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
43	<p>Our preliminary position: WaterNSW is responsible for collecting and maintaining data to meet the needs of DPE and NRAR.</p> <p>Question: Does the current licence condition to agree to, and comply with, the Roles and Responsibilities agreement adequately obligate WaterNSW to provide access to information and data to all NSW data and information users?</p>	<p> WaterNSW's response to question 41 applies.</p>	<p> DPE: NSW Government agencies support exploring opportunities for improved data access and information sharing to support their ability to perform their functions. This could be achieved through a range of mechanisms, including increased interagency collaboration, amendments to strengthen existing Data Sharing Agreements and the Roles and Responsibilities Agreement between WNSW, DPE Water and NRAR, and changes to operating licence conditions. A dedicated Data Sharing Agreement between DPI and WaterNSW is recommended, to ensure that in particular, DPI Fisheries can discharge its legislative obligations related to conserving fish stocks and key fish habitats, threatened species, populations, and ecological communities and, to promote ecologically sustainable development. The Operating Licence should not prescribe the content of the Data Sharing Agreement, but the submission provides context on the kinds of information sharing that would support DPI Fisheries.</p>	<p> Water Directorate: has not reviewed the Roles and Responsibilities agreement but note that there is a significant difference between real-time data and post-event data. Suggests improved compliance for regional LWU's if WD can understand water quality (surface water or groundwater) in real time through alerts or alarms to avoid pumping water that is difficult to treat into LWU water treatment plants.</p>	<p>We propose to retain the requirement for WaterNSW to maintain the RRA between itself, DPE, NRAR and WAMC.</p>








#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			 <p>NRAR considers that the current Roles and Responsibility Agreement condition does not adequately obligate WaterNSW to provide access to information and data to all NSW data and information users including NRAR. To ensure outcomes are not compromised by financial or resource impediments, it is essential that this requirement is mandated.</p>		
44	<p>Our preliminary position: the Roles and Responsibilities agreement appears to contain sufficient detail to require WaterNSW to collect and manage data to meet the needs of DPE, NRAR and other stakeholders. Data availability and access remain an issue.</p> <p>Question: Does the Roles and Responsibilities agreement require WaterNSW to provide sufficient access to information for other agencies (such as DPE and NRAR) to undertake their functions/statutory obligations?</p>	 <p>WaterNSW's response to question 41 applies.</p>	 <p>DPE: "Access" is not currently defined in the Roles and Responsibilities Agreement, and what WaterNSW considers sufficient and timely may differ to what DPE and NRAR considers sufficient and timely. The Roles and Responsibilities Act specifies that data ownership resides with the system owner. This means data ownership transitioned with systems at the time of business transfer. Defining 'ownership' acting on behalf of NSW Government could be considered. The Joint Technology Roadmap with DPE Water, Water NSW and NRAR may address some of these issues, including Cyber Security issues preventing backend access to data.</p>	 <p>Lachlan Valley Water believes there is opportunity to improve the requirement, by providing better integration of IT systems between services, and better definition of roles and responsibilities so that agencies work more effectively together. Customer experience has shown that when there is an issue it's difficult to get resolved as each agency attributes blame/responsibility to the others.</p>  <p>NSWIC agrees that "the intent of the R&R Agreement is to require WaterNSW to not only collect, manage and provide access to data it collects for its own purposes, but extend this obligation to collect, manage and provide access to all water resource data on behalf of the NSW government".</p>	See response to question 41.








#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p> NRAR: The Roles and Responsibilities agreement does not require WaterNSW to provide sufficient access to information for NRAR to undertake its functions to meet its statutory obligations. The obligations established in the operating licence should enable NRAR free and unfettered access to information and data required across the full remit of NRARs functions and require data and systems to meet the standard required for compliance and enforcement of the Water Management Act.</p>	<p>NSWIC suggests that further clarification be made regarding the information and data required by DPE and NRAR to undertake their responsibilities.</p> <p> Water Directorate: has not reviewed the Roles and Responsibilities agreement but note that there is a significant difference between real-time data and post-event data. Suggests improved compliance for regional LWU's if WD can understand water quality (surface water or groundwater) in real time through alerts or alarms to avoid pumping water that is difficult to treat into LWU water treatment plants.</p>	
45	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Are there any reasons why an arrangement could not be made with WaterNSW to address the data quality and data access requirements of DPE and NRAR?</p>	<p> WaterNSW's response to question 41 applies.</p>	<p> DPE – see responses to questions 43 and 44.</p> <p> NRAR: WaterNSW data availability and data access remain an issue for NRAR. NRARs considers that negotiated arrangements are not consistently delivering data and information to standards required to efficiently and effectively enforce the water laws.</p>	<p> CNSWJO (Includes Lithgow City Council) is of the view that more data needs to be readily accessible to enable good decision making and strategy. It queries why LWUs are not included in the entities needing better data given they provide drinking water.</p> <p> Lachlan Valley Water believes there are no reasons why such an arrangement couldn't be made, however any resulting costs to do so should be funded by government.</p>	See response to question 41.





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>Without a legally binding requirement, WaterNSW is likely to set work programs and priorities accordingly, constrained by resourcing and funding below that required to meet the necessary standards required to enforce the laws.</p>	<p> Water Directorate – see responses to questions 43 and 44.</p>	
46	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Do the current conditions provide DPE and NRAR the access to information and systems they need? What, if any changes are required?</p>	<p> WaterNSW's response to question 41 applies.</p>	<p> DPE: See responses for Q 43 and 44. There is room for improvement. Current development suggests that future access may be limited if formal requirements are not put in place. Relevant agencies may also benefit from accessing telemetered data through a central data repository for relevant agencies. It's acknowledged that Water NSW cannot share non-public information without appropriate data sharing agreements in place, and that a range of open source data is already available through WaterInsights.</p> <p> NRAR considers that the current conditions do not provide it with the information and systems needed to consistently be able to effectively and efficiently enforce the law. Existing clauses in the Operating Licence should be revised to remove ambiguity and specify measurable outcomes.</p>	<p> CNSWJO (Includes Lithgow City Council) is of the view that more data needs to be readily accessible to enable good decision making and strategy. It queries why LWUs are not included in the entities needing better data given they provide drinking water.</p> <p> Water Directorate – see responses to questions 43 and 44.</p>	See response to question 41.


#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
47	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence require WaterNSW to develop, operate and maintain IT systems, and provide support, to allow access to users of NSW water resource information and data? If so, what information and data should the system provide access to?</p>	<p> WaterNSW's response to question 41 applies.</p>	<p>The Operating Licence conditions should obligate WNSW to ensure all data and systems required for compliance and enforcement of the Water Management Act and associated regulations, are at standards needed to enforce the law and that NRAR has free and unfettered access to this data and information.</p> <p> DPE Water supports requiring WaterNSW to develop, operate and maintain IT systems, and provide support, to allow access to users of NSW water resource information and data. As noted above, a Joint Technology Roadmap has been developed between DPE Water, Water NSW and NRAR. The licence could require WaterNSW to co-design any new systems with relevant NSW government agencies to ensure functionality. Also see response to question 43.</p> <p> NRAR considers that WaterNSW should be required by the Operating Licence to develop, operate, and maintain IT systems, and provide support to NRAR for access to water resource information and data. NRAR notes that systems and ICT platforms change over time, so would suggest that the operating licence avoid this level of prescription.</p>	<p> CNSWJO (includes Lithgow City Council) agree that WaterNSW should enable access to water resource information and data. Water quality and secure yield are a priority for LWUs in this region.</p> <p> Lachlan Valley Water believes there needs to be better integration of user's systems and a better system to order water and would support a "one-stop-shop" approach. The cost to do so should be funded by the efficiencies realised through better system integration.</p> <p> Water Directorate – see responses to questions 43 and 44.</p>	<p>See response to question 41.</p>








#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
48	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: How else could WaterNSW facilitate the sharing of water resource information with the NSW water sector?</p>	<p> WaterNSW's response to question 41 applies..</p>	<p> NRAR considers that WaterNSW should be required by the Operating Licence to develop, operate, and maintain IT systems, and provide support to NRAR for access to water resource information and data.</p>	<p> CNSWJO (includes Lithgow City Council) supports having one entity collecting and managing water resource data. It suggests that all entities collecting data on water share their information and look for gaps and duplication before embarking on taking on more data collection.</p> <p> Water Directorate – see responses to questions 43 and 44.</p> <p> Lachlan Valley Water believes that WaterNSW should be required to produce and provide an annual "Water User Price List" that breaks down the costs and services of normal operational services, and additional cost services. Currently water users have no idea of what is covered by their payments, and what any additional services there are, and what the cost to the user of each additional service are."</p>	<p>See response to question 41.</p>
49	<p>Our preliminary position: the Data Sharing Agreements should remain in the licence.</p>	<p> WaterNSW supports the continuing inclusion of the data sharing agreements as part of the requirements of the Operating Licence.</p>	<p> DPE suggests introducing service levels to monitor and maintain performance could be considered. The current Roles and Responsibilities Agreement and licence do not have any agreed Service Levels to monitor and maintain performance.</p>	<p> CNSWJO (Includes Lithgow City Council) is of the view that more data needs to be readily accessible to enable good decision making and strategy. It queries why LWUs are not included in the entities needing better data given they provide drinking water.</p>	<p>We propose to remove the obligation requiring WaterNSW to having a data sharing agreement with DPE and NRAR. We consider that the proposed data management system requirements will address issues around data accuracy, quality, continuity and timeliness of provision.</p>





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
	<p>Question: Do the Data Sharing Agreement adequately address the needs of NRAR and DPE Water in relation to data accuracy, quality, continuity and timeliness of data provision?</p>	<p>WaterNSW supports a better definition of data quality at the critical data element level. We also understand DPE and NRAR are seeking improvements to the quality of data stored over many years prior to WaterNSW taking control of these systems. Improvement to data quality (especially when it is historical) is an onerous task and requires resources and funding to complete.</p>	<p>DPE Water is currently reviewing its Data Sharing Agreement with Water NSW and will make any improvements through that process.</p> <p> NRAR: The Data Sharing Agreement (DSA) does not adequately address data accuracy, quality, continuity, and timeliness of data provision. These issues should be addressed through Operating Licence conditions.</p>		
50	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should the Licence require WaterNSW to manage data consistently with any standards or guidelines? If so, which standards would you recommend and why? (NSW Government Standards for Data reporting, ISO 8000:1, ISO 9001:2015, or another standard or guideline not listed)</p>	<p> WaterNSW considers that if it is deemed a data custodian, it has an obligation to adopt the "NSW Data & Information Custodianship Policy" instead of any ISO 8000 requirements. Additional standards or guidelines may be adopted within Data Sharing Agreements or if mandated by the federal Data Commissioner.</p>	<p> DPE recommend that agreed quality levels could be considered, these could be defined by agreed standards.</p> <p> NRAR supports the need to manage data consistently with agreed standards. The Operating Licence should specify standards for accuracy, quality, continuity, currency and timeliness of data and data provision. There is likely a need for more than one standard in parallel to comprehensively address these needs, or a combination of standards with additional clauses where there is no suitable standard. The NSW Government Standards for Data reporting add value by providing guidance on describing and evaluating the characteristics of data.</p>	<p> CNSWJO supports having one entity collecting and managing water resource data. It suggests that all entities collecting data on water share their information and look for gaps and duplication before embarking on taking on more data collection.</p> <p> Lithgow City Council supports managing data consistently with applicable ISO standards for quality management, Asset Management and Data management (ISO 8000:1).</p> <p> Sydney Water supports WaterNSW's position outlined in its response to IPART's Issues Paper and agrees that there is value in WaterNSW continuing to maintain an asset management system (AMS) consistent with ISO55001.</p>	<p>We propose to require WaterNSW to develop a data governance and management policy that aligns with the 'NSW Data and Custodianship Policy' and the State Records Act 1998. We also propose that the new data quality policy aligns with the NSW Government's 'Standard for Data Quality Reporting'; and the data sharing policy aligns with the NSW Government's 'Open Data Policy'.</p>







#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
51	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Are there any other options to improve data integrity and reliability we have not considered?</p>	<p> WaterNSW suggests the Operating Licence could include a new obligation to develop more quantitative "Data Quality Statements" (DQSs). DQSs assign a qualitative assessment to data as to its quality. The obligation would also establish the imperative for WaterNSW to allocate resourcing and focus to both hosting data for the sector and remediating gaps with submissions made by water users. WaterNSW's technology roadmap is also targeted at improving data quality with data quality measurements forming an integral part of this program.</p>	<p> DPE would like agreed service and performance levels to be considered along with quality levels, these could be defined by standards.</p> <p> NRAR -The requirement for WNSW to improve data integrity and reliability should be imposed as a mandatory obligation.</p>	<p> CNSWJO* considers that Water NSW role is to sell water.</p> <p> Lithgow City Council - It would be reasonable to see a system that is sharable and accessible to customers.</p>	<p>See response to question 41.</p>
52	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should we amend the current Licence condition about accounting for water extracted or supplied to account for the needs of other agencies?</p>	<p> WaterNSW does not support changing the frequency of determining accuracy of water extracted or supplied. Increasing the frequency is likely to incur additional costs which will ultimately be borne by the customer. Historically, the frequency was once higher, but the cost outweighed the benefit. WaterNSW recognises there is a need to increase the number of ground-truthing sites and site audits as the move towards telemetry coverage increases.</p>	<p> DPE Water notes that Schedule 1 of the Roles and Responsibilities Agreement lists reporting requirements for environmental water. The accounting and provision of information (including accounting information) to environmental water holders is different to that of other water users and the operating licence could be amended to include the specific requirements needed to meet NSW water reforms and commitments made under the Basin Plan, particularly in the southern Basin, to require monthly reporting of environmental water use and return flows by licence holders.</p>	<p> CNSWJO (includes Lithgow City Council) noted that there needs to be recognition of the primacy of human consumption in the Licence. The license condition should reflect the need for all water extracted to be recorded in some fashion so yield and availability can be appropriately measured and reported.</p> <p> Lachlan Valley Water has no issue with extraction/supply details being supplied to other agencies, however would like it noted that water users have paid for telemetry, so this should be accessible without further costs to the water users.</p>	<p>We have proposed changes to the current obligation that remove any references to WaterNSW collecting this data for the purposes of billing its customers. We consider that the data is necessary for other agencies to undertake their functions. However, we do not propose to amend the frequency that WaterNSW must collect this data at this stage (noting that some data is already collected via telemetry).</p>





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<p>WaterNSW suggests removing the Operating Licence requirement (clause 6.18.2) to download LIDs at least annually, as the numbers required to be downloaded are less than 0.01%. In WaterNSW's experience, the data can be corrupt and is subsequently rendered unusable by any other agency or the customer.</p>	<p> NRAR agrees that the clause should be amended to account for the needs of other agencies. There should be a single source of truth to ensure community confidence of water management in NSW about regulating and accounting for water take from water sources in NSW.</p>		
53	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Is there other data that should be collected, and accuracy confirmed, at a greater frequency than is already required?</p>	<p> WaterNSW does not support changing the frequency of determining accuracy of water extracted or supplied. Increasing the frequency is likely to incur additional costs which will ultimately be borne by the customer. Historically, the frequency was once higher, but the cost outweighed the benefit. WaterNSW recognises there is a need to increase the number of ground-truthing sites and site audits as the move towards telemetry coverage increases. WaterNSW suggests removing the Operating Licence requirement (clause 6.18.2) to download LIDs at least annually, as the numbers required to be downloaded are less than 0.01%. In WaterNSW's experience, the data can be corrupt and is subsequently rendered unusable by any other agency or the customer."</p>	<p> DPE Water: Requiring WaterNSW to include daily environmental flow release data from storages managed by WaterNSW into the notification system would support implementation of the water sharing plans. Agreement should be reached between Sydney Water, Water NSW and DPE to ensure the accurate and timely sharing of environmental flow data. DPE Water notes that the environmental water accounting information collected by WaterNSW is needed on a regular basis by environmental water holders for their portfolio management. There is also regular operational reporting that WaterNSW are required to provide to the Murray Darling Basin Authority.</p>	<p> CNSWJO (includes Lithgow City Council) – Any data relevant to human consumption including water quality and secure yield needs inclusion. Information on Asset location and work on the management system to appropriately plan maintenance and capital works should be completed following secure yield works.</p>	<p>We do not propose any changes to the frequency of data collection. We consider that implementation of the proposed data management system will ensure data quality statements are clarified for the datasets.</p>






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
			<p>Through the Aboriginal Water Program (AWP), DPE Water is working with Aboriginal communities across NSW. The lack of telemetry enabled gauging stations across NSW unregulated rivers is a significant concern to Traditional owners and Native Title holders and they would like to see a solution. The AWP has heard repeated concern from Aboriginal stakeholders that there are no records or data on pumping levels in most unregulated rivers or groundwater sources. Aboriginal stakeholders are concerned that even with the introduction of compulsory metering on pump diameters of 200mm and 100mm, significant volumes of water taken are not being measured. Further discussions between all impacted agencies and stakeholders are required to progress solutions to the issues noted above.</p>		
			<p> NRAR requires free and unfettered access at all times to data that enables it to carry out its statutory functions. NRAR requires evidence grade data for the breadth of enforcement matters under the Water Management Act and associated regulations. This extends to data and information that may not be necessary for WaterNSW to carry out its functions.</p>		






#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
Fostering collaboration with other agencies					
54	<p>Our preliminary position: include similar obligations in the new licence.</p> <p>Question: Should the nature or purpose of the MOUs with NSW Health and EPA change? If so, what should the revised nature and/or purpose of the MOUs be?</p>	<p> WaterNSW agreed with our position for no changes to the MOUs with NSW Health and the EPA. It considers the MOUs to be fit for purpose and working effectively.</p>	<p> EPA supported keeping the MOU with no change.</p> <p> NSW Health supported retaining MOU with no change.</p>	<p>Nil</p>	<p>We do not propose to make any changes to the obligations requiring MOUs with NSW Health and the EPA.</p>
55	<p>Our preliminary position: include a similar obligation in the new licence.</p> <p>Question Should the Licence further specify the contents of the MOU (or similar) between WaterNSW and NRAR? If so, what should the MOU prescribe? Alternatively or additionally, should the Licence directly impose conditions on WaterNSW related to NRAR?</p>	<p> WaterNSW does not support further specifying the content of the MoU with NRAR. WaterNSW already has an MoU, Roles and Responsibilities Agreement (RRA) that NRAR is a signatory to, and a Data Sharing Agreement with NRAR.</p>	<p> NRAR notes the Licence should be used to impose legally binding obligations such as data and information standards. MOUs should be limited to addressing matters that are by mutual agreement, not legally binding requirements. NRAR noted that the Licence could prescribe broad categories or types of matters that should be addressed by the MoU.</p>	<p> Lachlan Valley Water believes that any MOU between WaterNSW and NRAR should address any overlap of services and clarification between agencies of their roles and responsibilities.</p> <p> Water Directorate appreciates a multi-agency approach, but does not support prescriptive arrangements through the Licence. Councils would appreciate being informed on strategic decisions as they are the frontline in emergencies and incidents during drought, fire and flood in regional NSW through Local Emergency Management Committees.</p>	<p>We have not proposed any material changes to the MOU with NRAR.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
56	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Are there any other parties that WaterNSW should enter into an MOU (or similar) with? If so, who are these parties and what should the Licence require for each of the parties? Alternatively or additionally, should the Licence directly impose conditions on WaterNSW related to other agencies?</p>	<p> WaterNSW considers that there is merit in exploring and improving relationships with other stakeholders where necessary. However, we do not agree that this needs to be prescribed and regulated through the Licence. WaterNSW has in place agreements at various levels for the exchange of data, information and/or services with other key stakeholders such as, DPE, NRAR, Sydney Water, LRS, DPI Fisheries, Fire & Rescue NSW and the BoM.</p>	<p> The AWP, as part of DPE Water, supports a relationship management arrangement (potentially comprising MOU and Data and Information Sharing Agreement) between DRNSW (DPI Fisheries) and WaterNSW, and recommends arrangements are put in place with the NSW Aboriginal Land Council (representing all local Aboriginal Land Councils) and the Native Title Service Provider Corporation (representing all registered native title bodies corporate). The purpose of these MOUs would be to clearly articulate the roles and responsibilities of parties in forming cooperative and collaborative relationships for related actions.</p>	<p> The CNSWJO raises the concern that there should be collaboration with local government rather than treating them as customers in the system same as any other customer. This approach completely undervalues the primacy of human consumption and needs a complete rethink.</p> <p> Water Directorate appreciates a multi-agency approach, but we do not support prescriptive arrangements through the Licence. Councils would appreciate being informed on strategic decisions as they are the frontline in emergencies and incidents during drought, fire and flood in regional NSW through Local Emergency Management Committees.</p>	<p>We propose to include 1 new cooperation protocol in the licence with NSW Fisheries. The purpose of the protocol is to form a cooperative and collaborative relationships between the parties to the licence. At this stage, we do not propose to include obligations for WaterNSW to develop protocols with NSWALC and NTSCORP. We will consult with the parties to understand if protocols would address any issues that they may have experienced during the term of the current licence. We have not proposed any changes related to local water utilities as we consider CNSWJO's concern is better addressed through the local water utility early warning system.</p>





#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
57	<p>Our preliminary position: retain an obligation in the licence related to local water utilities.</p> <p>Question How effective are the current mechanisms in achieving the required relationship and information sharing needs between WaterNSW and LWUs?</p>	<p> WaterNSW considers that the current mechanisms for managing WaterNSW's relationship with LWUs is effective. We recognise that continuous improvement is part of any working relationship with our stakeholders, and we welcome comments from LWUs in relation to this. WaterNSW has established pathways of communication and access to data for LWUs.</p>	<p> NSW Health notes that many utilities may be unaware of the existing procedure to obtain information from WaterNSW and supports policy to improve how WaterNSW proactively shares information with LWUs. NSW Health is aware of instances where releases from WaterNSW storages have negatively affected drinking water supplies. Some LWUs have been unaware of releases, or if aware, did not have the treatment capacity to adequately treat poorer water quality due to releases from offtake changes or cyanobacterial blooms, leading to community complaints and boil water alerts. NSW Health considers that the <i>Australian Drinking Water Guidelines</i> provide comprehensive guidance on water quality in relation to raw water quality parameters that may impact on treatment. NSW Health does not support individual MOUs with 83 LWUs, as this would require significant resourcing by WaterNSW and LWUs to develop and maintain. NSW Health supports a policy approach and is willing to work with IPART, WaterNSW and LWUs to develop a policy.</p>	<p> The CNSWJO raises the concern that there should be collaboration with local government rather than treating them as customers in the system same as any other customer. This approach completely undervalues the primacy of human consumption and needs a complete rethink.</p> <p> Lithgow City Council notes that outside of regular monthly reports, information is not readily available including meter reading and water quality.</p> <p> Singleton Council notes that the current mechanisms are ineffective. Council being on a register of LWUs does not currently provide Council with any WaterNSW contacts, consultation methods, early warnings or ability to request changes to WaterNSW operations to support LWU activities.</p> <p> Water Directorate do not agree WaterNSW's mechanisms are effective and believe that there is room for improvement:</p> <ul style="list-style-type: none"> • With real time alerts, councils (LWU's) would appreciate early warning of water quality issues 	<p>We propose to remove the current licence requirement for WaterNSW to have a register and an information request procedure for LWUs. We recommend adding new conditions for proactively providing information to drinking water suppliers and a more coordinated approach to water quality monitoring management. See also response to question 58.</p>



#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
58	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Should WaterNSW be required to manage its relationships with LWUs through an MOU, protocol or policy?</p>	<p> WaterNSW does not support further specifying our relationship with LWUs through an MoU or other form of agreement. We consider that any agreement should be determined by the parties involved, and not prescribed and regulated through the Licence. WaterNSW already has agreements and adequate regulations in place to manage these relationships.</p>	<p> DPE Water support consideration of licence amendments to formally recognise the role of the customer in guiding the work of LWUs and WaterNSW. Whilst DPE Water acknowledge there are already key customer commitments in the WaterNSW Licence, DPE Water want to ensure that there are no barriers to WaterNSW lending support to LWUs in the Licence.</p>	<p> The CNSWJO raises the concern that there should be collaboration with local government rather than treating them as customers in the system same as any other customer. This approach completely undervalues the primacy of human consumption and needs a complete rethink.</p> <p> Lithgow City Council believe it would be best to design this with a protocol for data gathering and provision. Many times, when Lithgow City Council have requested data that should be readily available, there has been a massive delay in acquisition due to those in WaterNSW not knowing where to obtain the information or who to obtain it from.</p>	<p>We propose to add licence requirements requiring WaterNSW to have a bulk water policy, service commitments, water quality monitoring enhancements and an early warning system to notify customers and other stakeholders of changes to flow release patterns. A more proactive and customer focused arrangement would have greater utility to drinking water suppliers in planning and adjusting treatment and delivery of drinking water to their customers.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
		<p>WaterNSW suggests that consideration needs to be given to the broader planning/ policy/ governance framework that WaterNSW operates within. We understand that DPE are developing a Water Quality Roadmap, as well as delivering the River Condition Index in January 2024 as part of their WAMC deliverables. WaterNSW is also directly involved in the Town Water Risk Reduction Program with LWUs. We suggest that clarity is sought from DPE in relation to these; as together with the Chief Scientist's Review, will have implications for managing our relationships with LWUs.</p>		<p> Singleton Council would appreciate the development of an MOU, protocol or policy to enable a partnering arrangement with Water NSW.</p> <p> Water Directorate believe a relationship should be maintained through some form of instrument because the current situation is not acceptable. It would refer and rely upon DPE Water to put an arrangement in place.</p>	
Management systems					
59	<p>Our preliminary position: retain conditions concerning the EMS.</p> <p>Question: Should the current Licence conditions relating to an EMS be changed? If so, what should these changes include?</p>	<p> WaterNSW's submission is in line with our proposal and does not support any changes and considers the current licence conditions relating to an Environmental Management System to be appropriate and fit-for-purpose.</p>	NIL	<p> CNSWJO: supports keeping the EMS obligation as it benefits customers through improved quality of systems, assets, management and the assurance of quality products.</p> <p> Lachlan Valley Water supports changes that minimise onerous regulation that's holds up major works, maintenance, and repairs to water infrastructure.</p>	We do not propose to make any changes to the current EMS obligations in the licence.

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
60	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: Would adding a requirement under the licence requiring WaterNSW to develop, maintain and implement a QMS provide benefit to WaterNSW and/or its customers? If so, what are these benefits?</p>	<p> WaterNSW does not support adding the requirement for a Quality Management System (QMS) as it already has a QMS for parts of the business where it is considered necessary. WaterNSW noted that it implements standards-based management systems such as a WHSMS (consistent with ISO 45001), EMS (consistent with ISO 14001), AMS (consistent with ISO 55001), and WQMS (consistent with the ADWG). Furthermore, DPE are coordinating a review under Section 10 of the Water Management Act, with the final Report yet to be published by the Minister. We consider that the Operating Licence Review should consider the recommendations of this Report. WaterNSW considers it could be heading towards an agency wide QMS at some point in the future, but obligating at this point in time (i.e. through the operating licence) would not be appropriate.</p>	<p> DPE support adding a requirement under the licence requiring a quality management system. A QMS would be beneficial to WaterNSW and its customers by providing improved assurance in system operations decision making and is a requirement in the Hunter Water Operating Licence. The Department has also agreed to develop a Quality Management Framework (QMF) in response to recommendations from the Water Management Act section 10 Review.</p>	<p> CNSWJO (including Lithgow City Council): supports inclusion of an QMS as it benefits the customers through improved quality of systems, assets, management and the assurance of quality products being delivered in the management of the infrastructure.</p>	<p>We propose that WaterNSW develop and implement a quality management system for its business. We consider that there could be benefit to customers. We note WaterNSW's involvement in implementing the quality management framework to provide assurance that decisions are being made consistently and in accordance with documented systems and processes. However, we note that given the gaps identified in DPE's section 10 review, a QMS would benefit WaterNSW, its customers and other stakeholders. We also consider that the requirement for WaterNSW to have a QMS aligns with the s10 review.</p>
61	<p>Our preliminary position: we did not have a position on this in our issues paper.</p> <p>Question: What other mechanisms could be included in the licence to improve WaterNSW's corporate record keeping.</p>	<p> WaterNSW maintains a corporate document management system, including controlled document procedures; as well as a dedicated records management function within WaterNSW."</p>	<p>Nil</p>	<p> CNSWJO suggests an AMS should be maintained and reported with asset renewals and asset maintenance completed.</p>	<p>See response to question 60.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
				 <p>Lachlan Valley Water believes that some operational IP in relation to river management has been "lost" as result of WaterNSW's restructure. Lachlan Valley Water supports adding mechanisms that include knowledge capture/sharing, maintenance of IP, appropriate succession planning and training, and transparency of supporting systems to the customer. This is evident in the recent Evaporation Rule that was applied to water users without consultation with industry and was different to what was agreed to during the State Advisory Panel in 2018. WaterNSW were unable to produce the original document. The new rule negatively impacts the water users.</p>	
62	<p>Our preliminary position: retain conditions concerning the AMS.</p> <p>Question: Should the current Licence conditions relating to an AMS be changed?</p>	 <p>WaterNSW did not support changing the current Licence conditions relating to an Asset Management System. It considers the current Licence conditions to be appropriate.</p>	 <p>DPE Water noted that the current AMS should be applied to the Fish River Water Supply Scheme (FRWSS). DRNSW noted that asset management is limited for environmental infrastructure including fishways and multi-level outlets that mitigate cold water pollution.</p>	 <p>CNSWJO (including Lithgow City Council) suggests an AMS should be maintained and reported with asset renewals and asset maintenance completed.</p>	<p>We propose to amend the obligation to require WaterNSW to comply with the latest version of ISO 55001. However, we propose no other material changes to the clause. We also propose to require WaterNSW to enter into a protocol with NSW Fisheries. We consider that approach will allow WaterNSW and NSW Fisheries to form a collaborative relationship which will ultimately allow the parties to address environmental asset management issues.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
63	<p>Our preliminary position: update the licence to reflect the most recent version of ISO 55001.</p> <p>Question: Should WaterNSW be required to comply with the latest version of ISO 55001?</p>	<p> WaterNSW supports being consistent with the requirements of the latest version of ISO 55001. WNSW suggest that when the new standard has been finalised and published, that an agreed transition period is granted.</p>	Nil	<p> Lachlan Valley Water supports changes to the AMS to include a system/process to work with owners of privately owned assets such as weirs so that jointly the assets are maintained to at least a minimum safe standard for WaterNSW staff to be able to operate them in regulated river/creek systems. This may include WaterNSW being responsible for producing annual repair/maintenance reports (including estimated costs) so that owners can ensure the assets meet WaterNSW's safety requirements.</p> <p> Lachlan Valley Water supports WaterNSW needing to comply with the latest version of ISO 55001.</p> <p> CNSWJO and Lithgow City Council support WaterNSW needing to comply with the latest version of ISO 55001.</p>	<p>We propose to amend the obligation to require WaterNSW to comply with the latest version of ISO 55001. We seek to propose a 3-year transition period to allow for this change. We note that our proposal also includes the option for WaterNSW to nominate another standard, should the new standard come into effect later than anticipated.</p>

#	Our position and question we asked in our issues paper	WaterNSW's response	NSW Government response	Other stakeholder response	How did this impact our recommendations for the draft licence?
64	<p>Our preliminary position: impose national security clearance requirements for executive level employees responsible for operational technology security, network operations security, and personnel security operations; and at least two board members.</p> <p>Question: Do you agree that the Licence should impose national security clearance requirements for executive level employees responsible for operational technology security, network operations security, and personnel security operations; and at least two board members?</p>	<p> WaterNSW does not support the Licence imposing additional national security clearance requirements. WaterNSW is already moving towards having select staff hold the most appropriate level of security vetting. WaterNSW is required to comply with the Security of Critical Infrastructure Act 2018 (SOCI Act). WaterNSW has developed appropriate processes to address our obligations under the Act. We consider that an Operating Licence requirement adds no additional or beneficial elements to the SOCI Act. The number of people/positions that is proposed in IPART's Issues Paper is excessive. WaterNSW does not agree with the prescription of stipulating in the Licence the number of staff and positions requiring national security clearance. WaterNSW does not support Board members being required by the Operating Licence to have NV1 security clearance.</p>	Nil	<p> Sydney Water does not support including national security requirements in the licence. The Commonwealth Government's Security of Critical Infrastructure Act 2018 ('SOCI Act'), as amended provides a mechanism for regulating critical infrastructure assets across a broad range of sectors. With the new rules of the amended SOCI Act due to formally commence on 17 August 2024, Sydney Water consider that the SOCI Act is the most appropriate mechanism for regulating utilities in this area and there is no longer any need for operating licences to include critical infrastructure security requirements.</p>	<p>We do not propose to impose national security clearance requirements for executive level employees responsible for operational technology security, network operations security, and personnel security operations; and at least two board members. In the absence of a Licence condition, WaterNSW is still required to adhere to obligations listed under the Commonwealth Government's <i>Security of Critical Infrastructure Act 2018 (Cth) (SOCI Act)</i>. This includes producing and complying with a Critical Infrastructure Risk Management Program.</p>
65	<p>Do you have any other issues or concerns you would like to raise relating to WaterNSW's Licence?</p>	<p>WaterNSW looks forward to the opportunity to discuss some minor errors and inconsistencies within the Licence and associated Reporting Manual with IPART.</p>	Nil	Nil	N/A