

Regulators Advisory Panel –Minutes

Date and time	25 September 2023 2:00pm – 3:20pm
Meeting	Regulators Advisory Panel meeting 1
Members present	<p>Ms Carmel Donnelly, PSM – Chair, Independent Pricing and Regulatory Tribunal (IPART)</p> <p>Ms Amanda Jones – Deputy Secretary, NSW Department of Planning and Environment – Water (DPE Water)</p> <p>Mr Stephen Beaman, PSM – ED Regulatory Practice Services, NSW Environment Protection Authority (NSW EPA)</p> <p>Dr Kerry Chant, AO PSM – Chief Health Officer, NSW Health</p> <p>Mr Grant Barnes – Chief Regulatory Officer, Natural Resources Access Regulator (NRAR)</p>
Staff in attendance	<p>Ms Eva McBride – Principal analyst, IPART</p> <p>Ms Zahra Anver – A/Director of the Urban Water Strategy and Policy, DPE Water</p> <p>Dr Paul Byleveld PSM – Acting Director, Environmental Health, Health Protection NSW</p>

1. Acknowledgement of Country

The Chair opened the meeting with an Acknowledgement of Country.

2. Overview of IPART's 3Cs regulatory framework

Ms Carmel Donnelly, PSM provided an overview of IPART's new water review framework.

- People can't do without safe reliable drinking water and wastewater services. That hasn't changed. How we regulate and set prices for these services has changed to avoid incentivising short-term thinking and to deliver better planning, performance, and outcomes in the context of climate change, population growth and changing economic conditions.
- Principles based framework – 3Cs refers to customers, costs, and credibility.
- Looking to achieve best long-term interests of customers. It is not just affordability in the short-term but better long-term decisions and intergenerational equity.
- Noted that we regulate a diverse group of water businesses – The framework is flexible and able to accommodate different capabilities and circumstances.
- Water businesses sit in a context of many regulators. Tactically, while we recognise the independence of all the agencies, there may be areas where we can coordinate better. Strategically, IPART's new regulatory requirements should drive better understanding and transparency of longer-term challenges, investment needs and consumer impacts. There should be more sophisticated modelling and consumer consultation also. We hope this will be helpful to our co-regulators and inform policy development and advice to Government.

3. NSW Health introduction

Dr Kerry Chant, AO PSM introduced NSW Health to the RAP and outlined the key challenges as:

- community expectations for water quality and use of waterways
- supporting regional communities and local water utilities
- future use of recycled water
- water quality challenges
- importance of drinking water being not only safe and reliable but also palatable

4. DPE introduction

Ms Amanda Jones introduced DPE to the RAP and had similar key challenges as NSW Health:

- Importance of the State Water Strategy, Greater Sydney Water Strategy and regional water strategies
- Work on the Aboriginal water strategy progressing.
- Climate risk – water planning and allocations and ensuring water businesses have a long-term focus and strategies based on climate risk modelling.
- Support for regional local water utilities (LWU) to meet this challenge including in remote western NSW.
- Clarity of responsibility for water quality outcomes in response the OCSE report about fish deaths at Menindee.
- Response to drought is underway.
- Sydney's wastewater systems are nearing capacity and investment is required in the coming years to support housing targets.
- Water availability identified as an issue in some catchments to support regional housing growth.
- Development of the departments WAMC submission to ensure funding core functions under the WAM Act is well progressed including customer consultations.

5. NRAR introduction

Mr Grant Barnes introduced NRAR to the RAP.

NRAR was created 5 years ago, to ensure water is used lawfully. NRAR's focus is to enforce and ensure compliance with the laws. Issues discussed included:

- Importance of public trust in water compliance
- Minimising inadvertent non-compliance as a result of complexity.

6. EPA introduction

Mr Stephen Beaman, PSM introduced EPA to the RAP and outlined the key challenges for EPA:

- water quality
- wastewater discharges and water quality
- emerging technologies and contaminants
- long-term environment planning and the need for more reliable data.

7. Key current activities

Members discussed areas of mutual interest:

- Better support of rural and regional run water utilities.
- Emerging technologies and contaminants.
- Safe, affordable, and palatable water – sustainable ways that people can access palatable water.
- Better consultation with communities.
- Modelling for climate change.
- What should the water and wastewater system look like in 50 years?

8. 12-month work program

Members nominated topics to be explored more deeply by all agencies together to identify how the members can work together for better synergies and outcomes. These would be presented at the next RAP meeting.

- Rainfall independent water supply and drought proofing – options, policy, funding, price pathways and regulatory approach.
- Regional and rural water services to meet community needs - how to work collaboratively to support local water utilities.
- Updates from DPE on the strategic review of Sydney Water growth planning alignment with Government housing priority precincts. and implications for water services.

9. Forward Agenda

Future agendas should have conflict of interests as a formal item.

10. Next meeting

Monday 11 March 2024

Carmel Donnelly PSM

Chair