

8 March 2018

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Sydney NSW 2001
www.emergency.nsw.gov.au

Water Utility Performance Indicators Review

Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Sir/Madam,

This letter is in response to the recently exhibited *Review of Water Utility Performance Indicators*. The Office of Emergency Management (OEM) acknowledges and commends the work of Independent Pricing and Regulatory Tribunal (IPART) NSW in reviewing the performance indicators reporting requirements of NSW Water utilities.

The recently released *2017 NSW State Level Emergency Risk Assessment (SLERA)* assesses the priority risks faced by NSW at a state level. It identifies as a priority 'The resilience of critical infrastructure is understood and improved'. To achieve this, recommendation 12 of the SLERA is a 'NSW Critical Infrastructure Strategy that takes into account vulnerabilities, risks and interdependencies'. Additionally, recommendation 14 states that 'Emergency management and resilience continues to be embedded into State infrastructure strategies'.

The OEM will release a *NSW Critical Infrastructure Resilience Strategy (CIRS)* in late-2018. A Cabinet endorsed Discussion Paper was released at the end of 2017 for public comment. It proposed principles and outcomes for consideration in the CIRS, including embedding resilience into the thinking and culture of government, businesses, communities and people.

In respect to Question 2 of the *Review of Water Utility Performance Indicators*, the OEM encourages IPART to consider incentivising performance using performance indicators. Incentivising operators to reduce service interruptions over 5 hours or minimise sewer spills will inevitably lead to investment in more resilient infrastructure.

Additionally, performance indicators that address organisational resilience including emergency plans and business continuity plans is encouraged. Strategic plans that take into consideration slow onset stresses such as aging assets, population growth, climate change and the likelihood of more frequent, severe weather events should also be incentivised.

OEM welcomes the opportunity to provide comment on the *Water Utility Performance Indicators Review* and will support IPART in embedding resilient thinking across the water utility sector with the aim of building a NSW which is safer, and more resilient to disasters.

Yours faithfully



Planning
Management