

IPART review of reporting and compliance burdens Local Government



Briefing for: Water Directorate Members

Date: 22/01/2016

Topic: IPART has released a draft report of their review of reporting and compliance burdens on Local Government (the Draft Report)

Analysis: The IPART recommendations for water and sewerage are a significant deviation from previous government positions and reviews. Specifically, IPART has recommended that:

- DPI Water undertake central water planning for all Local Water Utilities (LWUs); and
- LWUs with sufficient capacity to be regulated under the Water Industry Competition Act 2006.

There is limited detail on how these recommendations will be implemented.

Background

The Premier asked IPART to conduct a review to identify burdens placed on Local Government in the form of planning, reporting and compliance obligations by the NSW Government, and to make recommendations for how identified unnecessary or excessive burdens can be reduced. The aim of the review is to improve the efficiency of local government in NSW and enhance the ability of councils to focus on delivering services to their communities.

In July 2015, IPART released an “Issues Paper – Review of reporting and compliance burdens on Local Government (July 2015)”, and invited submissions. 43 submissions were received. The NSW Water Directorate provided a submission on behalf of its members, which identified a number of areas where reporting can be streamlined and compliance burdens reduced. Specifically, the NSW Water Directorate made the following recommendations:

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

Current Situation

The recently released Draft Report makes 49 draft recommendations aimed at addressing inefficient, unnecessary or excessive burdens placed on councils by the NSW Government in relation to reporting, planning or compliance. Draft recommendations 10, 11 and 12 are of high priority for Local Water Utilities:

Recommendation 10: That the Department of Primary Industries Water (DPI Water) undertake central water planning for Local Water Utilities (LWUs) to ensure that water supply and demand options are considered in the context of catchments, replacing the water planning LWUs currently undertake individually through Integrated Water Cycle Management Strategies.

Recommendation 11: That the NSW Government enable LWUs with sufficient capacity to be regulated under the Water Industry Competition Act 2006 as an alternative to their current regulation under the Best-Practice Management of Water Supply and Sewerage Framework and section 60 of the Local Government Act 1993.

Recommendation 12: That DPI Water amend the Best-Practice Management of Water Supply and Sewerage Guidelines to:

- streamline the NSW Performance Monitoring System to ensure each performance measure reported is:
 - linked to a clear regulatory objective
 - used by either most Local Water Utilities (LWUs) or DPI Water for compliance or meaningful comparative purposes
 - not in excess of the performance measures required under the National Water Initiative, and
 - not duplicating information reported to other State agencies.
- reduce the number of performance measures and/or the frequency of reporting for small LWUs with fewer than 10,000 connections
- align trade waste reporting with other performance reporting, on a financial year basis, subject to consultation with LWUs, LGNSW and the Water Directorate, and
- implement a risk-based auditing regime for LWU wanting to pay a dividend to their council’s general fund.

Issues

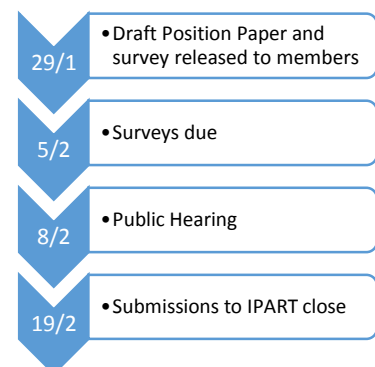
- Recommendations 10 and 11 are a significant deviation from previous government positions and reviews.
- The paper provided no detail on how Recommendations 10 and 11 would be implemented. The implications of adopting the recommendations is unclear.
- It is unlikely these recommendations are the preferred position of member councils.
- It is critical that the NSW Water Directorate responds to the Draft Report recommendations.

Next Steps

The Water Directorate is currently preparing a draft position paper to address the recommendations.

The position paper will be accompanied by a survey to assist us to compile member’s views. The paper will be issued by Friday 29th January. A Public Hearing will be held in Sydney on the 8th February 2016. It would be appreciated if members could return their surveys by the 5th February 2016 to allow the views to be compiled ahead of the meeting.

The NSW Water Directorate submission will be finalised after the public hearing



Further Information

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