

**Legatus Group CWMS Advisory Committee**

Friday 4th November 2019

 10.00 – 11.30 am

Legatus Office

Main Road, Clare

**AGENDA**

1. **Welcome and apologies**
2. **Previous Minutes**

Draft Minutes from the meeting of the Legatus Group CWMS Advisory Committee (the Advisory Committee) on 19th July 2019 are attached:



1. **Proposal to extend LGA funding**

Legatus has updated the LGA CWMS Management Committee on its CWMS activities and is proposing an extension of the current arrangements which fund the Project Officer role from 11 March 2020 to end June 2021.

The update and proposal are available as **Appendix 1** below.

*It is* ***for discussion*** *that the Advisory Committee recommends to the Legatus Group that it forward its support for the proposal to the LGA CWMS Management Group.*

1. **A proposal for a training course in regulatory compliance**

The Advisory Committee’s program includes work aimed at cutting the cost of regulatory compliance and it has heard that those costs are higher for regional Councils because of a lack of specialist staff and skills and because of the high turnover of staff.

The Advisory Committee has responded initially by working with TAFE to have a Certificate III course in wastewater management delivered over 2018-19. While well received, as the Advisory Committee has previously heard, it is a nationally designed course for wastewater plant operators and does not provide training on South Australian regulation and compliance requirements.

Legatus and TAFE and three regulatory agencies (ESCOSA, SA Health and the Office of the Technical Regulator) have discussed a further initiative to develop an on-line, on-demand training course in CWMS regulatory reporting requirements for delivery in 2020. This would not be a Certificate course *per se* but an Award would be provided on successful completion.

TAFE would host a series of five half hour lectures covering the principles and practice of CWMS regulation in South Australia. In addition, students will work independently through a hypothetical, arithmetic example designed to illustrate and highlight the reportable items, regulatory issues and processes that are commonly found to be difficult or problematic.

The content of the course comes from the detail of the regulations and must be created in collaboration with the regulators who have a generally favourable, initial view, offering support for a hypothetical, illustrative example and a willingness to assist in developing the content.

Some of the discussion with regulators focussed on identifying the gaps in skills and understanding. Legatus, in conjunction with the LGA, will work with officers in the regulatory agencies and with CWMS reporting officers as part of the upcoming feedback workshops to identify gaps and inform the course content. Further discussions with the LGA have considered the possibilities that the information might be made available in a manner other than as a user pays course such as the on-line course of the Queensland Water Directorate (<https://www.qldwater.com.au/Skills_Legislative_Training>).

*It* ***is recommended*** *that the Advisory Committee indicates its support to the Legatus Group for Legatus to work with TAFE and the regulatory agencies to define the process and cost to deliver the course.*

1. **An ESCOSA proposal to trial Ethical Business Regulation**

At the Legatus CWMS conference in August 2019, ESCOSA outlined a new approach to compliance reporting, based on the idea that reporting from trusted organisations can be simpler and therefore less costly.

The concept is known as Ethical Business Regulation (EBR)[[1]](#footnote-1) and it originated in the United Kingdom where it is central to the current regulatory review[[2]](#footnote-2) but it has not yet been trialled in Australia. It is described as a new paradigm in compliance and enforcement in which an effective relationship is established between the entity and its regulator, resulting in better outcomes for both.

Compliance costs can be cut because the regulators establish good reason to trust the regulated, meaning less need for close attention and detailed reporting. Regulatory self-assurance replaces routine, frequent and universal reporting.

To establish this model requires a stepped process of verification-trust-verification-trust. At each iteration, trust is enhanced and the complications and cost of verification are reduced. At this stage ESCOSA has indicated it would be prepared to work with the Advisory Committee to scope a means of trialling EBR. The prospect is enhanced by the fact that Legatus Councils have a good record of compliance and therefore have taken a first step in the reciprocal process. ESCOSA’s presentation at the conference can be seen as a second step.

The details of the trial are yet to be determined but the essence is that some of the information on wastewater pricing and costings reported annually to ESCOSA need not be provided each year. A truncated reporting can focus on significant change and many routine matters will be assumed to have remained compliant. Of course, all the information required for detailed reporting must be kept at hand.

*It is* ***recommended*** *that the Advisory Committee indicates to the Legatus Group its support for further work with ESCOSA to develop and promote a trial of EBR for CWMS among Legatus Councils in 2020.*

1. **Office of the Technical Regulator Infrastructure**

The OTR has issued a new, draft Infrastructure Standard under which it intends to adopt “the Water Services Association of Australia (WSAA) codes as amended from time to time as the principle minimum Standard for water and sewerage infrastructure.” Councils are not members of WSAA. That means they cannot view the codes without payment. The Draft Infrastructure Standard can be found below as **Appendix 2**.

*It is* ***recommended*** *that the Advisory Committee seek clarification from the OTR regarding access to the codes and any cost implications to Councils if the draft Infrastructure Standard were adopted.*

1. **A proposal to trial and demonstrate remote sensing technology**

Under the MoU between the Legatus Group and the University of South Australia, Professor Chris Chow of the School of Natural and Built Environments has proposed a project to trial and demonstrate remote sensing technology as a tool to promote improved asset management.

The proposal involves installing sensors on selected equipment and using wireless technology to monitor performance. The software involved allows many devices to be monitored at once. Monitoring can be done in real-time to provide for immediate notifications of alarms and emergencies but most data will be analysed periodically (eg daily) to detect significant change in machine characteristics. Regular reports can then be generated and information about assets will also be progressively accumulated to better understand their performance. The data would be sent to a central monitoring station at the Mawson Lakes campus where it will be analysed as part of a student project. The underlying technology would be made available by IPACS Australia. The direct cost to participating Councils is expected to be minimal.

*It is* ***recommended*** *that the Advisory Committee supports the Legatus Group to continue discussions with Professor Chow on opportunities for possible trial and demonstration of IPACS remote sensing technology.*

1. **Any other business**
2. **Close**

**Appendix 1: Proposal to extend the Joint CWMS Services Arrangements by Legatus Group to LGA CWMS Management Committee**

**Background**

Since March 2018, the Legatus Group (Central Local Government Region of SA) has been operating under CWMS Service Arrangements on behalf of the LGA CWMS Management Committee. Under the Arrangements, the Legatus Group undertook to deliver programs and projects associated with CWMS services as described below. The Arrangements continue until 11 March 2020.

This paper updates the Management Committee on Legatus CWMS activities and proposes an extension of the Arrangements from 11 March 2020 to end June 2021.

**Project updates**

The table below, which is in the same form as the original Service Arrangements, outlines and provides updates on each project. The section which follows builds on these updates to make proposals to extend each program, as well as making some new project proposals.

|  |  |
| --- | --- |
| **Project** | **Update**  |
| 6 x sub-regional workshops per year  | Workshops have been held as part of the regular meetings of Legatus CWMS Advisory Committee. In addition, in conjunction with the LGA CWMS Manager, Legatus will conduct 3 further workshops for operational staff and compliance officers during November 2019. The outcomes of these workshops will be relayed to the regulatory agencies. |
| Annual conference | Two annual conferences have been held. They have both been well attended and have generated opportunities for networking and communication among Legatus Councils and with research universities, TAFE and regulatory agencies.  |
| Regional list of all systems  | A complete list has been compiled for Legatus Councils including details of each system, a spreadsheet of technical data and summary presentation. |
| Common compliance templates | To reduce the time and costs associated with compliance and reporting Legatus has engaged with both regulators and operational staff. This has resulted in advanced plans for trialling a new, streamlined model of compliance and for sharing resources across some councils. |
| Business case for a Regional Processing Plant | The investigation has been completed. It shows that the volume of sludge and septage in the Legatus region are too little for a plant to be viable. However, it suggests that a larger composting plant might be viable by accessing other sources of biosolids.  |
| Resource Sharing | Legatus has worked closely with TAFE to review the Certificate 3 for wastewater operators and will now develop an on-line training course in CWMS regulatory compliance to be delivered in 2020-21. In addition, in partnership with UniSA, Legatus will oversee a demonstration/research project in remote sensing as part of a larger move to work on asset management. |

**Extension proposals for the Service Arrangements**

The proposed extensions to the Service Arrangements arise from the work currently underway.

Firstly, Legatus proposes to make use of the expertise it has developed to deliver CWMS services on a State-wide basis. Sessions would be held in each other five regions of Councils. The details of these sessions would be developed in consultation with the other regional organisations but the central theme would be to build capacity across the regions.

Secondly, the State-wide annual conference would be repeated. Again the details will emerge more clearly as we approach the middle of next year but the central idea is to maintain the dialogue established among practitioners, researchers and regulators. By reconvening, these relationships are strengthened and the issues can be progressed.

Thirdly, Legatus is preparing to work with ESCOSA to trial a simplified model of reporting which may be described as the verify-trust model. ESCOSA has proposed this model whereby CWMS operators that are already compliant can be trusted to report only significant events. Regular, routine reporting would not be required. Legatus will propose a trial of this system among its Councils.

Fourthly, Legatus will continue to work with TAFE and the regulators to develop an online, anytime course for compliance officers. The course will set out the principles of regulation by each agency and will use worked, arithmetic examples to illustrate exactly what is required of compliance officers. This course responds to the need for regional Councils to have ready access to skills development that is focussed on South Australian regulation.

Fifthly, Legatus proposes to continue developing its partnerships with the three South Australian universities. Memoranda of Understanding have been signed with each and student interns have been hosted in a number of fields, including CWMS. Working with UniSA in particular, Legatus will supervise research into remote sensing and asset management in CWMS.

Sixthly, Legatus will continue investigating the options for joint management of CWMS. It will prepare a Discussion Paper on possible business models and forms of collaboration regarding the building, ownership and operation of CWMS.

Finally, Legatus is planning to investigate further the possibility of a biosolids processing plant. This work would intersect with another Legatus activity developing a draft regional waste management strategy.

With Legatus taking a State-wide approach, it will be important to collaborate closely with the LGA CWMS Committee. Legatus already liaises directly with the CWMS Manager at LGA and with her support, Legatus could play a role in providing regular and more detailed input to the Committee.

**Budget 16 months, March 2020 – June 2021 (GST Exclusive)**

|  |  |  |
| --- | --- | --- |
| **Activity** | **LGA CWMS subsidy support** | **Legatus Group contributions** |
| Project Officer (0.25 FTE for 16 months) | 32,000 |  |
| Travel | 10,000 | 4,000 |
| Workshops  | 7,500 | 6,000 |
| Conference | 3,500 |  |
| Administration & management  |  | 13,500 in-kind |
| Officers / collaboration Constituent Councils involvement  |  | 30,000 in-kind |
| **Total** | **$53,000** | **$10,000 cash****$43,500 in-kind** |

**Appendix 2: Draft Infrastructure Standard**

Thursday, Day Month, Year

**Water Industry Act 2012 Infrastructure Standard** *Published by the Technical Regulator*

This Standard is published by the Technical Regulator pursuant to section 66 of the *Water Industry Act 2012*. This Standard comes into effect on the date on which it is gazetted.

This Standard applies to infrastructure that is used, or is capable of being used in the water industry.

In accordance with section 66(4) The Technical Regulator adopts the Water Services Association of Australia (WSAA) codes as amended from time to time as the principle minimum Standard for water and sewerage infrastructure.

The Technical Regulator may grant an exemption from this Standard, or specified provisions of this Standard, with or without conditions as the Technical Regulator considers appropriate.

Dated: Day Month Year R. Faunt
Technical Regulator



1. Hodges, C and Steinholz, R (2018) *Ethical Business Practice and Regulation* Hart Publishing [↑](#footnote-ref-1)
2. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/582283/Regulatory\_Futures\_Review.pdf [↑](#footnote-ref-2)