Emma Wood
Committee Manager
Legislative Assembly
Parliament House, Macquarie St
SYDNEY NSW 2000

E Emma.Wood@parliament.nsw.gov.au

Dear Ms Wood

IIRD Committee - Inquiry into support for drought affected communities - questions on notice

I refer to your email to Michael Blackmore, Director Water Utilities of 12 November 2020 concerning questions on notice from the Committee on Investment, Industry and Regional Development to assist with their Inquiry into support for drought affected communities.

Please find enclosed with this correspondence, responses to the questions on notice.

If you or the committee require further assistance please continue to liaise with Michael Blackmore on [redacted]

Yours sincerely

[redacted]

Jim Bentley
Chief Executive Officer, NSW Water Sector (Deputy Secretary DPIE)

Attachment A

Answers to: Question on Notice: Legislative Assembly Committee on Investment, Industry and Regional Development

QUESTION 1

The NSW Audit Office's report (the Audit Report) into Support for Regional Town Water Infrastructure recommended that the department support water utilities prepare Integrated Water Cycle Management (IWCM) strategies.

a) What assistance is currently available to help smaller water utilities gain the necessary expertise to prepare their IWCM strategies?

b) Has the department investigated how joint or regional approaches could assist smaller water utilities?

ANSWER

The department has been implementing the policy framework for and associated guidance on how to undertake strategic urban water service planning – Integrated Water Cycle Management (IWCM) strategies. It does this as part of its, predominantly voluntary, *Best-Practice Management of Water Supply and Sewerage Framework* as well as through the *IWCM Strategy Checklist,* associated strategic business planning guidelines and guidelines for asset planning and pricing. This framework constitutes a holistic system for the support and oversight of strategic service planning, pricing and performance reporting by local water utilities (LWUs).

The department's Water Utilities Branch assesses, reviews, and provides concurrence to, IWCM strategies. As part of this process, the Water Utilities Branch assists LWUs in the development and implementation of IWCM strategies. The branch's strategic organisational model of regionally based support staff and centralised technical specialist and policy staff enables it to provide policy and technical guidance effectively and efficiently and target its assistance activities to LWUs that request support, including addressing market, knowledge and skill gaps.

The targeting of assistance activities is informed by data from the LWU performance monitoring system, engagement with LWUs on the technical review process for water treatment infrastructure under section 60 of the *Local Government Act (NSW) 1993*, and "on the ground" knowledge of regional teams. The Water Utilities Branch also works closely with its co-regulators, especially NSW Health's water unit and the EPA, on the development of individual IWCM strategies.

In addition, promoting and supporting the development of IWCM strategies has been a key focus of the NSW Government's *Safe and Secure Water Program* (SSWP). The program's funding criteria and assessment processes include, as a critical element, the justification of need and adequacy of solution by way of strategic analysis, such as an IWCM strategy.

In its stream 2, the re-designed SSWP now provides co-funding towards the preparation, renewal and/or completion of IWCM strategies. More than 50 LWUs are now part of the IWCM strategy funding stream. Strategic planning will be critical to identify risks and inform the development of projects to resolve risks prioritised for funding in stream 1 of the re-designed SSWP (further detail on the re-designed SSWP and its risk prioritisation framework are provided in answers to questions 9 and 11).

The NSW Government recognises, and promotes the unlocking of, the considerable benefits from collaboration and coordination among LWUs in regional NSW. The *IWCM Strategy Checklist* includes items that promote the identification and review of regional options to facilitate strategic planning across LWU boundaries and/or on a catchment basis.

The SSWP now also provides co-funding to Joint Organisations of Councils towards the development of "Regional Town Water Strategies", where these might assist in addressing broader issues across LWU boundaries. This might include the exploration of providing town water security across the region and potential water scheme linkages. This includes funding for the following elements:

- Assessment of local and regional town water security deficiencies and risks and regional options to address them; development of effective and efficient regional solutions.
- Identification, assessment and development of regional solutions to drinking water treatment, sewage treatment and reuse.
- Assessment of how regional solutions can be integrated into each council's own IWCM strategies, including governance, asset ownership and ongoing management and pricing arrangements.
- Regional, catchment-based data collection or analysis to inform individual utilities' IWCM strategies.

Further, proposals by Joint Organisations for regional solutions to address high priority risks in member LWUs are also eligible for funding under the SSWP's stream 1.

QUESTION 2

The Audit Report recommended that the department support IWCM planning with clear definitions, assessment criteria, procedures and timeframes for the assessment of planning instruments.

a) In light of this recommendation, will the department be conducting a review of the IWCM planning process?

ANSWER

The department acknowledges that a greater emphasis on strategic planning for town water supplies is needed and agrees with the Audit Report's findings that there are opportunities to improve oversight of and support for LWU strategic urban water service planning.

Importantly, the department recognises that a critical part of addressing effectiveness will be about improving how it regulates, supports and engages with LWUs.

The department is progressing improvements to its internal processes and data management and monitoring systems, especially with respect to its oversight of LWU strategic service planning and risk management.

The department is establishing the *Town Water Risk Reduction Program* to consider broader improvements to its oversight and support functions, including:

- Partnering with the sector to develop and implement an improved regulatory framework for LWU strategic planning, pricing and major asset approvals that is more outcomes-focused, proportionate, transparent, co-ordinated and accountable. This will include substantially revising the department's approach to IWCM strategies and approvals of treatment infrastructure under section 60 of the *Local Government Act (NSW) 1993* and addressing long-held sector concerns and the recommendations of the NSW Audit Office's recent Support for Regional Town Water Infrastructure performance audit;

- Facilitating greater support for LWUs to obtain value-for-money strategic planning services, including through enabling joint or regional approaches and partnerships across utilities and agencies; and
- Continuing to improve coordination between LWU strategic service planning and the NSW Government's regional water strategies to ensure strategies inform each other and align solutions to town water risks.

QUESTION 3
Has the department examined how other jurisdictions manage the supply of town water in their rural and regional areas? If so, was anything identified that would be of benefit to New South Wales?

ANSWER
The *Town Water Risk Reduction Program* will consider arrangements in other jurisdictions, noting that Queensland is the only other jurisdiction where councils provide water supply and sewerage services in regional areas.

QUESTION 4
How does the department determine that water cartage to a specific area is likely to become necessary during periods of drought? If the local council is required to request this, what support does the department provide to smaller communities to enable them to not only assess this need in a timely manner but to prepare the appropriate request?

ANSWER
In regional NSW, the planning and provision of water and sewerage services is predominantly the responsibility of LWUs, including the setting of service levels and imposing of water restrictions. Under its *Best-Practice Management of Water Supply and Sewerage Framework*, the NSW Government expects LWUs to undertake strategic water planning that includes water security planning and drought and emergency management planning.

Councils plan for extreme events by developing and implementing a drought and emergency response contingency plan (DERCP) as a component of their IWCM strategy. The DERCP sets out the tactical response measures to ensure the continuity of the water and sewer services under all emergencies that may be encountered by the LWU. This includes the LWU's water restriction regime and the identification of alternate sources of water, including water carting.

The department monitors the drought risk status of all town water supply systems in regional NSW, using information provided by LWUs. The risk to a water supply is assessed based on the likelihood of a town's water supply system failing – running out of water - and the consequences of this – based on the population of the system. This risk-based monitoring has allowed the department and the NSW Government to response to drought with technical and financial support for LWUs.

In emergencies, such as a severe drought, the Water Utilities Branch's regional teams, work with LWUs and provide technical assistance to address urgent town water security needs. This includes providing support to request financial assistance under the NSW Government's *Emergency Relief for Regional Town Water Supplies Policy* and support to design and implement solutions.

The most common solutions to immediate water shortages include new bores, pipelines, temporary weirs and water carting. Water carting is generally the highest cost solution and best suited for small towns of a few hundred people. The appropriate water carting method, whether by train or truck, would be assessed when deciding on the most effective water security solution. The Water Utilities Branch also provides assistance to LWUs to develop water carting plans that set eligible minimum volume of water required by each community.

Financial assistance to meet the cost of water cartage is administered by the department in accordance with the NSW Government's *Emergency Relief for Regional Town Water Supplies Policy* as follows:

- Financial assistance for water carting is available for the minimum quantity of water required for essential domestic, commercial, industrial and institutional purposes in urban areas as calculated by the department (the "eligible minimum volume"). The policy is designed to ensure the provision of water for critical human needs.
- LWUs are required to meet the first $1.90 per kilolitre and the NSW Government will meet the cost in excess of the first $1.90 per kilolitre for the eligible minimum volume.
- LWUs are required to meet the full cost of carting of water quantities in excess of the eligible minimum volume.
- Financial assistance payments are based on actual water cartage costs and invoices for the period(s) of water cartage. LWUs are required to record the actual volume of water supplied through cartage and other sources and calculate the eligible volume based on this information.

QUESTION 5
Has the department considered developing a centralised or regional consultants' scheme to offset the cost to water utilities of engaging a consultant to produce an IWCM strategy?

ANSWER
Strategic planning for water and sewerage services is a critical part of a LWU's utility business. Specialist technical consultants can contribute to the delivery of IWCM strategies, especially with respect to technical and analytical elements, such as secure yield and demand analysis. It is essential however that the LWU takes ownership of the planning process to ensure the strategy delivers appropriate services fit for the local context and in line with community expectations.

The IWCM strategy is the LWU's core strategic services planning instrument. It ensures that all water security, water quality and sewage management needs and risks in the LWU's urban water supply and sewerage systems are addressed within the planning horizon. An IWCM strategy sets levels of service and associated investment priorities, including a 30-year total asset management plan and associated financial management plan, and a drought and emergency response contingency plan. Options and solutions as well as their costs (i.e. pricing) are identified and assessed in consultation with the community and based on robust analysis.

The *Town Water Risk Reduction Program* will consider what improvement can be made to support LWUs to address water quality, water security and environmental risks in town water systems in regional NSW. Importantly, the program will look at strengthening mechanisms and partnerships that enable LWUs to be responsible and accountable for managing these risks strategically and in close coordination with the department and its regional water strategies.

This *Town Water Risk Reduction Program* will consider substantial revision and improvement of the department's approach to overseeing and supporting IWCM strategies. This includes consideration of mechanisms to improve the adequacy of services provided to LWUs by the market, where this is required.

As noted above, the re-designed SSWP provides co-funding for the preparation, renewal and/or completion of IWCM strategies. The proportion of co-funding increases with decreasing revenue (in bands), recognising the lesser funding capacity of smaller utilities.

QUESTION 6
What is the status of each of the 12 regional water strategies and what is the expected implementation date for each of these regions?
a) What support will be provided to implement these strategies once they are finalised?

ANSWER
The status of, and timeframes for, regional water strategy are as follows:

- The first strategy covering the Greater Hunter Region was released in November 2018. This work is already leading to increased investment in water security in the region.
- Three draft strategies were released on 25 September 2020 for community consultation - the Gwydir, Macquarie and Lachlan Strategies.
- Three more draft strategies were released for community consultation in October 2020, with the Border Rivers Strategy released on 20 October 2020 and the South Coast and Far North Coast Strategies released on 30 October 2020.
- Communities have until 13 December 2202 to provide a submission on these six strategies.
- Drafts of the remaining strategies, i.e. the Western, Murray, Murrumbidgee, Namoi and North Coast Regions, will be released in 2021 and finalised by 2022.
- Timeframes have been adjusted to enable more intensive stakeholder engagement and reflect the effect that COVID-19 have had on engagement, particularly with regional Aboriginal stakeholders.

Table: Release schedule for draft and final regional water strategies

Region	***Draft strategy (to be) released***	***Final strategy (to be) released***
Greater Hunter		2018
Gwydir, Macquarie, Lachlan	25 September 2020	2021
Border Rivers	20 October 2020	2021
Far North Coast, South Coast	30 October 2020	2021
North Coast, Namoi	Early 2021 (Target: February 2021)	Late 2021
Murray, Murrumbidgee, Western	Mid 2021 (Target: June 2021)	2022

The final regional water strategies are to include a plan for implementing the strategies within clear timeframes, which includes existing commitments. In addition, the strategy for each region will include:

- A final package of actions approved by the NSW Government;

- Clearly defined roles, responsibilities and governance arrangements for delivering each action or combination of actions;
- Well-defined opportunities for local and regional partnerships to deliver actions; and
- Schedule and plan for monitoring and reviewing each strategy.

The regional water strategies are expected to identify several planning, policy, infrastructure and research options for further development.

To support the implementation of any infrastructure options identified by the strategies, the department has resourced a new branch – Water Infrastructure NSW. This new branch will oversee the preparation of strategic and final business cases and construction processes and contracts. The existing planning and policy sections of the department have been moved into the Office of the Chief Strategy Officer to enable efficient delivery of any policy and planning options identified in the strategies.

QUESTION 7
Public submissions to the statutory review of the Water NSW Act 2014 closed on 30 September 2020. What is the timeframe for the review?

ANSWER
The statutory review of the *Water NSW Act (NSW) 2014* has been completed and a report tabled in Parliament on 30 November 2020.

QUESTION 8
What capacity do water utilities have to determine how best to use the water in their area and are there any legislative constraints?

ANSWER
LWUs supply town water to regional communities and businesses. They are defined in the *Water Management Act (NSW) 2000* as:

- Local councils or county councils exercising water supply and/or sewerage functions under the *Local Government Act (NSW) 1993*;
- Water supply authorities listed in Schedule 3 of the *Water Management Act (NSW) 2000*; and
- Licensed network operators under the *Water Industry Competition Act (NSW) 2006.*

Water access licences
LWUs generally obtain the water they provide to their customers by taking it from a water source, such as rainfall run-off that has been captured in a dam, water flowing in a river, or underground water in an aquifer.

In NSW, any person or organisation, including a local water utility, taking water from a water source must be authorised to do so. Under the *Water Management Act (NSW) 2000*, they must have a water access licence and a water supply work approval, unless an exemption applies.

These licensing and approval requirements ensure that our precious water resources are shared between water users and the environment, and that the extraction of water at a

particular location does not cause unacceptable impacts on the water source, its dependent ecosystems or existing water users.

A water access licence authorises the licence holder to take a defined maximum amount of water from the water source specified on the licence, using the nominated water supply work and under the conditions detailed on the licence.

Generally, LWUs will hold one or more water access licences to authorise their taking of water from water sources for their established operations. These water access licences generally have the category ‘local water utility’ or subcategory ‘town water supply’ and can only be used to supply water to communities for domestic consumption and commercial activities. Councils or LWUs can hold other licences with lower security and no restrictions in terms of the use of the water accessed under the licence (e.g. general-purpose access licences).

Water supply works approvals
Water supply works are the infrastructure used to take water from a water source, such as water pumps, water bores, dams, weirs and levees.

Constructing and using a water supply work must be authorised by a water supply work approval, unless an exemption applies (Part 3 of the *Water Management Act (NSW) 2000*). A water supply work approval authorises the approval holder to construct and use a water supply work of the kind specified in the approval to take water from a water source at the location specified in the approval.

Generally, LWUs hold a water supply work approval to authorise their use of an existing water supply work that is nominated by an existing water access licence.

If a local water utility wants to obtain water from a different location in the water source, or from a different water source:

- Construction and use of any different water supply work must be authorised by an approval (unless an exemption applies)
- The different water supply work must be specified on the water access licence that authorises the water to be taken (even if the water supply work is exempt from requiring an approval).

The Natural Resource Access Regulator (NRAR) is responsible for processing and determining applications by LWUs for new water supply work approvals and to amend existing approvals. This includes assessing the potential impact of the new/amended water supply work on the environment and other water users.

Several water supply work approval exemptions are specified in the *Water Management (General) Regulation (NSW) 2018*. One of these is for the construction and use of drought works by public authorities. This exemption must be applied for and granted in order to take effect, and only operates for a temporary period while drought conditions exist. NRAR is responsible for processing and determining applications for drought work exemptions.

Reuse of wastewater
LWUs also have the option of recycling and reusing wastewater collected in their wastewater systems to offset the use of drinking water or bulk water.

The recycled water is used for agriculture, irrigation of public open spaces, industry and maintenance of wetlands. Opportunities for water recycling are identified through a LWU's IWCM strategy.

Recycling water is common across regional NSW. Reuse of water has remained stable during the last few years at approximately 36,000 to 38,000 ML per year, which represents 20% to 22% of the effluent volume collected. Reuse is carried out by more than half of the LWUs in regional NSW, with reuse volumes ranging from 0% up to 90% of effluent collected in individual LWUs (see the LWU performance data available at https://www.industry.nsw.gov.au/water/water-utilities/lwu-performancemonitoring-Data).

Under s60 of the *Local Government Act (NSW) 1993*, LWUs are required to obtain ministerial approval for water supply and sewerage works including water recycling schemes. The approvals, facilitated by the department, provide an independent assessment of the proposed works to ensure they are fit for purpose and provide robust, safe, cost-effective and soundly based solutions that protect public health and meet environmental requirements.

QUESTION 9
Can you provide the Committee with an explanation of how the risk-based funding model works? What are the criteria for determining risk and what support can you provide to water utilities to assist them in meeting these criteria and in preparing applications for funding?

ANSWER
An important step towards addressing water service risks has been the implementation in August 2017 and re-design in October 2018 of the $1 billion SSWP. The SSWP provides co-funding to LWUs to address water security, water quality and environmental impact risks in urban water systems across regional NSW. The re-design of the SSWP transitioned the program from an application-based program to a risk-based funding program that identifies, assesses and prioritises all water service risks and offers co-funding for solutions to highest priority risks.

Once funding to resolve a high priority risk is committed in principle, the department will work with the utility to find the best solutions to solve/reduce the risk and provide co-funding for this specific solution.

The re-designed SSWP recognises the criticality of strategic service planning by LWUs to inform the risk assessment and the identification of appropriate solutions to resolve risks. It co-funds the preparation, renewal and/or completion of IWCM strategies as well as JO-led regional town water strategies (see above).

The risk assessment and prioritisation framework includes:
- Definitions of the target risk areas of water security, drinking water quality, and environmental impact from wastewater services.
- In general, risk categories within each risk area and criteria for assigning an inherent risk score for each risk category, using a 1 (very low) to 5 (very high) scoring system.
- Methods for combining inherent risk score (likelihood and severity of a hazard) with a population factor (severity of impact) to arrive at a risk impact score for water security and environmental impact risks (again using a 1 (very low) to 5 (very high) scoring system).
- Socio-economic criteria to prioritise risk within risk bands, focussing on service cost disadvantages and the community's capacity to pay.

- Mechanisms to make improvements to risk based scoring that incorporates local knowledge of risks from LWUs and regional staff as well as refinements proposed by subject matter experts from agencies such as NSW Health.

Water quality risk (i.e. risks to health posed by public drinking water supplies) is assessed and prioritised by applying the preventive, risk-management approach to managing drinking water quality set out in the Australian Drinking Water Guidelines. The risk categories and assessment criteria focus on risks in the source water, barriers in the drinking water system to manage these risks and management of the integrity of the distribution system, reflecting the degree of control applied to risks from specific water quality hazards: cryptosporidium, other pathogens, cyanobacteria, chemical and radiological contamination, and aesthetic challenges. The risk assessment does not factor impact or population into the risk score, consistent with the Australian Drinking Water Guidelines.

The water security risk considers the long-term risk a water supply system faces in accessing a reliable water source as well as the frequency and duration of water restrictions and ability to meet demand under moderate restrictions. The assessment criteria focus on the shortfall in a system's headwork capacity, referred to as secure yield, and the forecasted drinking water demand. To consider tactical measures to address severe shortages, such as severe water restrictions or water carting, the inherent water security access risk is moderated by a population score reflecting the practicality of implementing such measures for the population serviced by the water supply system.

The environmental impact risk considers the risk that wastewater management poses to both public health and the uses and values of receiving waterways. The assessment criteria focus on existing treatment technology and barriers to manage risks. Criteria for assigning an inherent risk score focus on regulatory actions required by the EPA, system performance, capacity and load, and age and condition. The inherent risk score is moderated by a population score reflecting the threshold in the *Protection of the Environment Operations Act (NSW) 1997*.

During 2018/19, the department, NSW Health and the NSW Environment Protection Authority assessed all known water service risks in each urban water system operated by LWUs in accordance with the framework and based on information available from regulatory monitoring and assessments. The initial assessment identified 1,087 risks, with 153 risks in the highest risk band of 5.

In 2020, LWUs were provided with their individual risk assessments and given the opportunity to instigate a review of risks and their assessment. The SSWP received and processed more than 70 review requests from LWUs.

The department makes available a fact sheet that provides further detail on the risk assessment and prioritisation methodology. The fact sheet is available on the department's website at https://www.industry.nsw.gov.au/water/water-utilities/infrastructure-programs/safe-and-secure-water-program/program-funding-information.

QUESTION 10
How can the department better support smaller water utilities in the delivery of potable water?

ANSWER

As outlined above, the department is already targeting its technical support activities toward LWUs with less capability, if the LWU requests this. As the SSWP target co-funding towards the resolution of the highest risks, it provides a higher proportion of co-funding to the smallest water utilities.

The *Town Water Risk Reduction Program* will consider whether and what further improvements can be made to the department's oversight and support framework to ensure the framework is proportionate and focusses on less mature LWUs.

QUESTION 11

Can you provide the Committee with an explanation of how the relaunched Safe and Secure Water Program works?

a) What improvements have been made to the program to better target available funding?

b) How have the changes made to the program improved access to funding by water utilities?

c) What support is available to water utilities to assist them in preparing funding applications?

ANSWER

The NSW Government established the $1 billion SSWP in 2017 to provide safe, secure and sustainable water and wastewater services to regional NSW towns.

In 2018, the department reviewed the operation of the program and identified improvements to better target available funding. In October 2018, the program was relaunched with new program criteria designed to:

- Prioritise projects that address the highest risks to water quality, water security and the environment for regional NSW town water systems;
- Ensure an appropriate level of service in smaller towns where the cost of critical infrastructure outweighs the economic benefits provided;
- Provide more flexibility by including non-infrastructure options, where this is cost-effective; and
- Co-fund and work with local water utilities to resolve a risk that has been prioritised.

Key changes to the program include:

- Funding moved from Restart NSW to be managed by the department;
- Positive cost benefit ratio is no longer a mandatory criterion for funding;
- Funding will be allocated according to a risk-based priority framework;
- Priority risks will be funded until the risk is resolved or no longer considered a priority;
- Funding is provided for the most appropriate mechanism to commence addressing risk, including strategic analysis of risks and potential solutions by way of IWCM strategies.

Three streams of funding are available under the re-designed SSWP:

- Funding stream 1: Development and delivery of solutions to high priority water quality, water security and environmental impact risks. This is the main stream of funding under the program.
- Funding stream 2: Integrated water cycle management (IWCM) strategies and Regional Town Water Strategies.
- Funding stream 3: High-risk dams.

The previous version of the SSWP recognised the need to support less well-resourced LWUs during the application process in order to enable them to identify and bring forward relevant

projects. This included sometimes substantive feedback on the submitted expressions of interest as to what to include in a subsequent detailed application. The department also designed and made available a cost-benefit analysis tool to enable LWUs to establish the economic benefit of the proposed project, also including the services of a specialist consultant to use the tool and/or analyse more complex cost and/or benefit considerations.

With respect to providing co-funding for the solutions to water service risks (stream 1), the re-design of the SSWP transitioned the program from an application-based program to a risk-based funding program. That means that the program, in consultation with LWUs, identifies, assesses and prioritises all water service risks in town water systems in regional NSW. Once funding to resolve a high priority risk is committed in principle, the program works with LWUs to identify the best solution to resolve or mitigate the risk and offers to the LWU co-funding for the implementation of the agreed solution. Aa a result an application by LWUs with priority risks is not required.

In recognition of some LWUs not having undertaken adequate strategic service planning to inform the risk assessment and the identification of appropriate solutions to resolve risks (projects), the re-designed program established the IWCM strategy funding stream (stream 2). To ensure funding requests meet program criteria (i.e. the IWCM strategy requirement in the best practice management framework and the *IWCM Strategy Checklist*), the department works closely with LWUs in the developmental stages of IWCM strategic planning to appropriate scoping of the strategic planning work to be funded.

For further information on the SSWP, which was relaunched in October 2018, especially its renewed focus on identifying, assessing and prioritising town water risks and working with local water utilities on, and providing co-funding to, the resolution of high priority risks, please access the department's website on https://www.industry.nsw.gov.au/water/water-utilities/infrastructure-programs/safe-and-secure-water-program/about

QUESTION 12
Can you provide the Committee with an explanation of the regulatory framework that applies to the use of bore water?

ANSWER
Under the *Water Management Act (NSW) 2000* a water supply work approval is usually required to construct a bore to take water. Landholders are able to be take groundwater from a bore on their property to use for domestic and stock supplies without the need to hold an access licence. They are however required to obtain a water supply work approval to construct and use the bore.

To take groundwater from a bore for purposes such as irrigation, industrial and town water purposes, an aquifer access licence must be held as well as the water supply work approval for the bore and a water use approval for the particular water use purpose at the specific location.

There are also categories of licences that are issued for the use of groundwater for specific purposes, such as the local water utility access licence.

In assessing applications for water supply works approvals, the impact of pumping on existing bores, the environment and the aquifer itself is considered. Water sharing plans for groundwater sources often have rules to help manage local impacts for bores. This impact

assessment may result in conditions being placed on the work approval regarding how it is constructed or how much can be pumped from the bore.

Drought works exemptions under 39A of the Water Management Regulation
Recent drought conditions placed significant pressure on water utilities to maintain water supplies to their local communities. To help meet urgent needs, a local water utility or Council could apply for an exemption from the usual approval processes to construct or use an emergency water supply work such as a bore. This was for short-term (6 months) emergency water supply situations. After that, if the bore was still needed then Council was required to apply for the works approval under the usual processes. A water access licence was still required.