



**Professionals
Australia**

Draft NSW Water Strategy

Submission by

PROFESSIONALS AUSTRALIA

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About Us

Professionals Australia is a nationally registered industrial organisation representing a wide range of professionals throughout Australia. Our members include professional engineers, scientists, managers, contractors, consultants and more. They are employed in all levels of government and are spread across the private sector. Our members perform design, scoping and project management roles across essential industries and services including water.

We have a significant membership across the NSW water sector, both at government authorities and agencies such as Sydney Water, Hunter Water and WaterNSW, and at NSW local government councils across the state. We have consulted widely with our membership in relation to the Government's *Draft NSW Water Strategy*. This makes us well placed to make comment in this submission on those issues which are of the greatest concern to the employees affected, including supporting local cities and towns with local employment opportunities and local expertise, ensuring the water sector invests in a capable, innovative and skilled workforce, and the sustainability of career paths for water industry professionals.

KEY RECOMMENDATIONS:

- 1) Improved Coordination and Consultation Across the Sector**
- 2) Invest in Regional Workforces to Reduce Water Service Risks and Support Resilient Regional Towns and Cities**
- 3) Increase Internal Technical Capacity and Ensure the Water Sector Agencies/Authorities are Informed Purchasers**
- 4) Consult Further Regarding Private Sector Involvement**

Introduction

Professionals Australia welcomes the opportunity to provide comment on the *Draft NSW Water Strategy*. Water is our most vital resource and is essential to health and wellbeing. Failure to manage this valuable resource properly can have devastating effects, and we welcome the opportunity to identify key challenges and opportunities for the water industry as it moves to improve water management and service delivery across the state.

Engineering and scientific practices are fundamental to almost every goal in the water sector. They are absolutely vital for a reliable and sustainable water supply, environmental protection, operating a sustainable business model, building and maintaining assets, delivering value-for-money investment in vital water infrastructure and most importantly, community health and safety.

The potential for any failings to become political issues overnight has been demonstrated many times in NSW over the past 12 months. In early 2020 the state was facing a record-breaking drought, and just this week we have been impacted by record rainfall and devastating floods.

Decisions made at times of perceived crisis are influenced by public perception and less likely to be evidence-based or cost-effective. When this happens, it is critical that all organisations within the water sector have the in-house capacity to make informed judgements and assessments and a reputation for making sound decisions.

The ongoing push for outsourcing throughout the public sector has reduced in-house technical capacity, and has also seen cost blow-outs and wasteful spending. The water sector has not been immune from this trend: Australia's water utilities overall are failing to invest in engineering and science-based skills.

As the union representing professional engineers, scientists and technical professionals across the NSW water sector, our submission will focus on matters relating to employment and the water sector workforce, with a focus on the engineering, science and technical professionals. We welcome the opportunity to provide feedback on this important work to ensure the long-term sustainability of the water sector in New South Wales, for the public and for the employees who work within it.

RECOMMENDATIONS:

1) Improved Coordination and Consultation Across the Sector

The NSW Water sector is complex, with water management across NSW shared between Commonwealth, State and local governments, authorities and agencies. The navigation of this industry, across various forms of government and inter-jurisdictional bodies is understandably complex, and has led to poor coordination and communication between agencies. This lack of coordination has, at times, resulted in health and security issues.

We welcome the Government's commitment to improving strategic planning and delivery of infrastructure across the sector (p.36) and we note that this cannot be achieved without also improving the coordination, communication and consultation that occurs between all water sector organisations.

The *Draft Strategy* states that a Water Sector Leadership Group has been established, to lead improved coordination across the sector. This Group consists of representatives of Department of Planning, Industry, and Environment – Water, NSW Treasury, Sydney Water, Hunter Water and WaterNSW. However, this Group does not include a representative from the NSW local government industry.

Local Government plays a wide range of roles in water infrastructure, beyond the development and provision of local water supplies. These include strategic planning, funding and business performance, plumbing and drainage regulation, public health and environmental standards and the catchment management processes. There are 89 local water utilities (LWUs) operating within NSW local government.

Improving coordination across the sector must start at the top, and the Water Sector Leadership Group should contain representatives from across the whole water industry – including local government. Decisions made by this group will impact local government and it is imperative that the industry is engaged in these discussions.

2) Invest in Regional Workforces to Reduce Water Service Risks and Support Resilient Regional Towns and Cities

Priority 6 of the *NSW Draft Water Strategy* briefly identifies some key actions that the Government proposes will “support resilient, prosperous and liveable cities and towns”. Improving the liveability and resilience of our cities is of key importance to Professionals Australia and our members – many of

whom work in these regional towns and cities. Ensuring the sustainability and resilience of these towns is key not just to the local economies, but to water supply across the state.

There are 89 local water utilities (LWUs) operating within NSW local government, either general purpose councils or special purpose county councils. Many of these LWUs face challenging conditions, with drought, flood and climate variability all affecting water availability. However, the climate alone is not the only risk to water service in these regional towns.

As the *Draft Strategy* notes (p113), the remoteness and low population density of some regional towns can contribute to skills shortages, particularly of the professional engineers and scientists required to maintain town water infrastructure. Many LWUs have difficulty attracting and retaining suitably qualified and experienced staff to fill critical roles within their business, especially in the technical professional areas. As identified by the Government (p116), whilst this can be due to the remoteness and scale of some regional towns, it is largely due to a LWU's capacity to offer appropriate remuneration or career progression opportunities.

We welcome **Action 6.2 Work Collaboratively With Local Water Utilities to Reduce Risks to Town Water Supplies**, particularly the commitment to improving councils' ability to manage strategic water priorities and risks. In our view, improving organisational arrangements and reducing risks to town water supplies must include discussions around how LWUs can be supported in attracting and retaining in-house technical professional staff.

We note that **Action 6.3 A New Town Water Risk Reduction Program** details plans to implement a two-year Town Water Risk Reduction Program in partnership with councils and local water utilities. It is suggested that the program will, among other things, "identify potential options to address skills shortages in the sector". The Local Government Engineers' Association (LGEA) division of Professionals Australia has undertaken significant research and advocacy around the skills shortage of engineering professionals in NSW local government for many years. We have significant value to add to these discussions and we look forward to working with the Government on the rollout of that program.

Whilst we welcome discussion around how local water utilities and councils can be better supported in attracting and retaining technical professionals, which in turn will assist in improving the management of strategic water priorities and risks, we must note that the resilience and sustainability of regional towns relies heavily on investment in local careers and homegrown expertise. We hold concerns that both Action 6.5 and Action 6.9 identify aims to increase private sector involvement in the supply of water and wastewater services, though the details on how the Government intends to facilitate that are quite limited.

Specifically, **Action 6.9 Enable Private Sector Involvement in the NSW Water Sector** identifies an intention to support involvement of the private sector in the supply of water and wastewater services. Whilst there are no details provided on the reforms the Government intends to make to the *Water Industry Competition Act 2006* in order to achieve this goal, we must caution an approach that suggests private sector involvement is the solution to water servicing issues in regional towns.

It is our view that the key to reducing water service risks in regional towns, and ensuring these towns are resilient, liveable cities, is investment in a well-resourced, appropriately experienced professional workforce. Local jobs, appropriate remuneration and clear career paths will assist in LWUs in tackling challenges such as skill shortages. We look forward to working with the Government on this matter.

3) Increase Internal Technical Capacity and Ensure the Water Sector Agencies/Authorities are Informed Purchasers

One of the most serious and significant responsibilities of water sector organisations is the management of complex infrastructure. Effective infrastructure investment and maintenance is vital to preserving the quality of our water supply and waste water services. Additionally, infrastructure is also one of the largest costs faced by these organisations, making efficient and informed investment all the more important. Engineers play an essential role in Australia's national infrastructure delivery and management processes, however, government agencies and private consultants are increasingly pointing to a lack of engineering resources in the public sector as a driver of waste.

It is clear that engineers provide significant value to the public sector, enabling the effective management of our most important assets. However, the value provided by engineers could be more significant. Greater investment in the engineering capability of the water sector has the potential to deliver enormous value for the economy, through better infrastructure, cost savings and reduced waste.

With de-engineering and a move towards greater use of external expertise, decision making will be more heavily reliant on the advice of external parties. While there is certainly a place for engineering consulting services, these should complement a well-informed, well-skilled in-house base of engineering capability. Without a strong level of in-house engineering skill, the accurate scoping and purchasing of consulting services becomes increasingly difficult, as there is a lack of understanding of the systems and processes to guide procurement.

Priority 7 of the *NSW Draft Water Strategy* identifies the Government's intention to enable a "future focused, capable and innovative water sector". Innovation is at the heart of what engineering professionals do best. While there is a significant body of evidence to demonstrate the value that

engineering creates in the wider economy, it's also essential that the productivity and innovation advantages which engineering delivers at the enterprise level are clearly understood. Organisations with a strong engineering capability outperform those that don't on the innovation front with existing engineering expertise being the first port of call for companies looking to innovate.

To enable a "future focused, capable and innovative water sector", the Government must ensure that all water sector employers have appropriately resourced engineering and technical professional workforces. Without appropriate in-house expertise, the water industry exposes itself to great risk.

Action 7.3 Invest in Water Sector Workforce and Capability identifies that the Government will work collaboratively with LWUs to understand skills shortages and the types of initiatives required to address these, but it does not mention other water sector organisations. The shortage of engineering expertise is not an issue for LWUs alone, but one experienced by the whole water industry. We urge the Government to ensure all water sector employers have appropriately resourced engineering and technical workforces. This can only be possible through appropriate investment in this workforce, including education and continuing professional development.

As identified in the *Draft Strategy*, any investment in the water industry workforce must include specific investment in the youngest section of the workforce. Professionals Australia welcomes the commitment at *Action 7.3* that the Government will invest in cadet and graduate programs. Professionals Australia has been a strong advocate for investment in cadets and graduates for many years, and we welcome the opportunity to work with the Government on the development of appropriate cadet and graduate programs across the water sector. The existence of career paths is key to the attraction and retention of technical professionals.

4) Consult Further Regarding Private Sector Involvement

The strategy paper makes regular reference to the Government's consideration for private sector involvement, however, the paper does not expand on what that involvement might look like. We have identified a suite of considerations above in relation to the role of engineers, scientists, professional and technical staff within the various public sector employers across NSW. It is necessary that technical capacity be increased and regional employment secured. A genuine collaboration with aligned interests currently exists across the state government sector which is evidenced by the Water Sector Leadership group. A leadership group of this kind enables responsive, strategic and well developed plans for the short and long term and is most suitably structured because of their connection as public sector businesses and employers.

Professionals Australia envisages we will have further contributions to provide if and when a clearer private sector proposal is released for consultation. Any proposal for private sector involvement must be accompanied by discussions with all employee stakeholders to mitigate any potential impacts on the current workforce and to ensure generous employment protections are established.

CONCLUSION:

Professionals Australia will have significant further contributions to provide once a detailed proposal is released for consultation. Professionals Australia have a keen interest in ensuring the invaluable work of engineers, scientists and professional staff across the water sector in NSW is acknowledged and amplified and that the direct employment of our members remains secure into the future.

It is vital that investment in and development of the capability of engineers, scientists and professional staff is accompanied by the growth in their representation across the industry. The work performed by engineers, scientists and professional staff across all areas of the public sector is fundamental to any strategy regarding the precious resource that is our water in NSW.

