

Water Supply Regulation Compliance Plan

2018–2019

This publication has been compiled by Water Supply Regulation, Operations Support, Department of Natural Resources, Mines and Energy.

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Introduction

The Department of Natural Resources, Mines and Energy is responsible for the regulation of drinking and recycled water service providers (regulated entities) in Queensland. Within the department, Water Supply Regulation (WSR), administers the provisions of the *Water Supply (Safety and Reliability) Act 2008* (the Act).

The purpose of the Act is to provide for the safety and reliability of water supplies. The Act outlines a regulatory framework for providing drinking and recycled water services, which is primarily aimed at the protection of public health.

The Water Supply Regulation Compliance Plan (the plan) aligns with the compliance approach and measures outlined in the department's Natural Resources Compliance Framework.

The aim of this plan is to outline WSR's regulatory approach and strategic activities for 2018–2019, and to provide assurance to Queenslanders in relation to accessing quality drinking water and the safe use of recycled water from wastewater treatment services by achieving maximum voluntary compliance by all our regulated entities.

Purpose

WSR has an Operations Support Business Plan 2018–2019 in place that details our operational and customer service principles and goals, how WSR's statutory obligations will be met and the performance indicators that will be measured. This annual compliance plan supports the WSR's Business Plan by providing further detail about WSR's approach and focus for compliance in 2018–19 financial year.

The purpose of the compliance plan is to:

- outline our regulatory approach
- identify priority areas for compliance monitoring for 2018–2019
- provide transparency to regulated entities and other stakeholders.

Our regulatory approach

Water Supply Regulation's regulatory approach is based on protecting the health of the community. The approach is risk based and outcome focussed. To achieve this we:

- clearly define our regulatory outcomes
- identify and assess risks that affect regulatory outcomes
- link what we do to achieve the desired regulatory outcomes
- measure what we do
- allocate resources according to the level of risk
- tailor the use of enforcement and other regulatory tools based on the severity and behavioural drivers of non-compliance
- use monitoring and reporting to continually improve WSR's service delivery.

This approach is outlined in Figure 1.

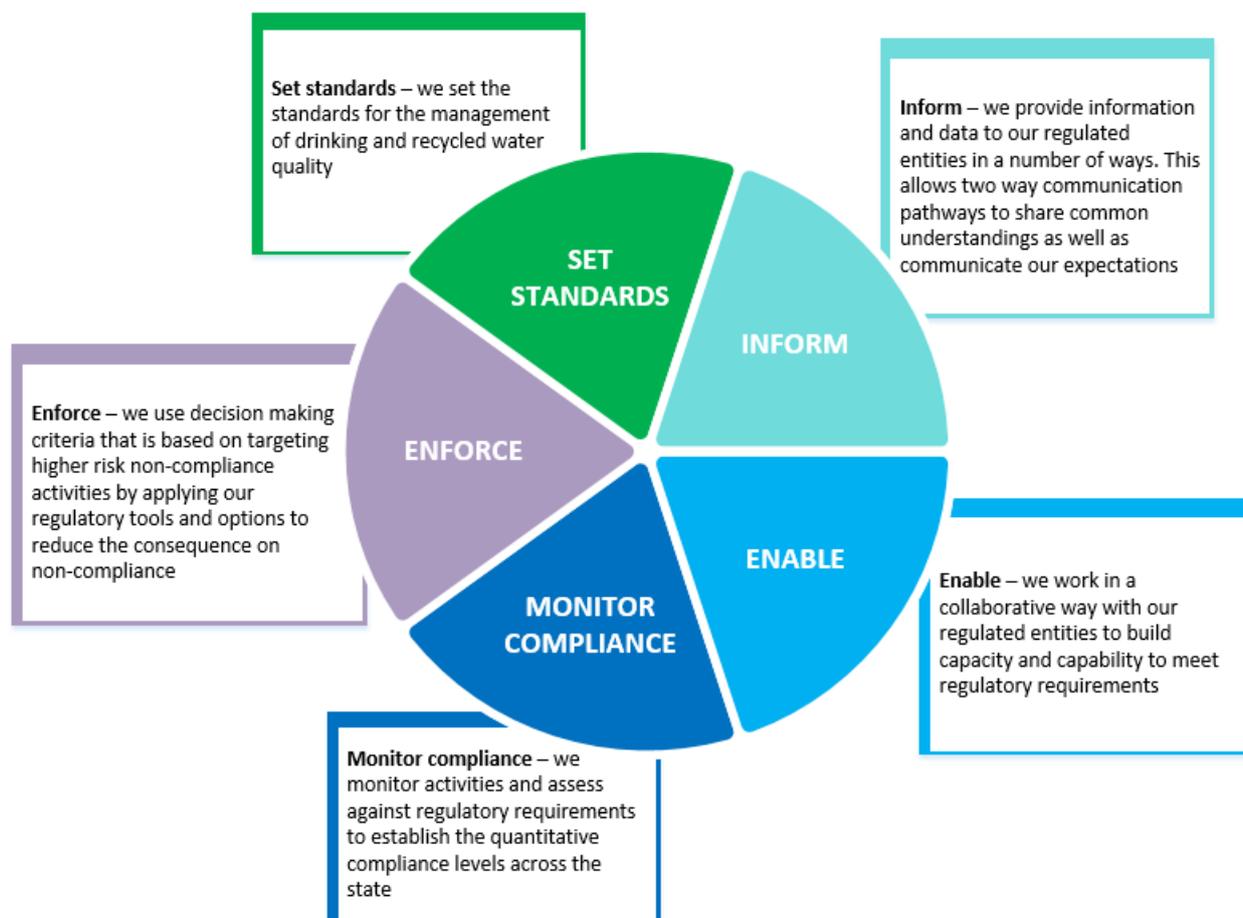


Figure 1 WSR's regulatory approach

To effectively implement the regulatory approach, WSR must be able to identify the regulated entities and activities with the highest risks. We achieve this through a risk based monitoring and decision making framework that is documented and can withstand public scrutiny. WSR uses available information, such as service provider compliance performance, audit and reporting outcomes, incident management, capability and capacity and other service metrics such as water quality and available infrastructure, to categorise service providers by risk.

Those service providers identified as higher risk, are more closely monitored by Water Supply Regulation. Service provider risk, is re-assessed, at a minimum, each year.

Our regulatory strategies

Regulatory strategy	Strategies	Department's responsibilities	Regulated entities responsibilities
SET STANDARDS	<ul style="list-style-type: none"> the primary legislation remains appropriate and aligned with current industry and regulatory practices the supporting documents are current (e.g. statutory guidelines) 	<ul style="list-style-type: none"> clearly define a framework that: <ul style="list-style-type: none"> supports voluntary compliance enables the provision of safe and reliable drinking and recycled water 	<ul style="list-style-type: none"> implement actions that meets the requirements of the framework
INFORM	<ul style="list-style-type: none"> engage with our regulated entities to communicate our expectations for good drinking water quality management practices ensure resources are current with relevant legislation and industry standards and are available to regulated entities 	<ul style="list-style-type: none"> ensure access to current information and data is maintained develop educational support tools implement regular reviews of resources available 	<ul style="list-style-type: none"> keep up to date with information and data provided participate in education support program and activities
ENABLE	<ul style="list-style-type: none"> engagement with regulated entities to communicate expectations for good water quality management practices creation of innovative ways to implement the regulatory framework to make it easier for regulated entities to meet regulatory requirements provision of an education support program 	<ul style="list-style-type: none"> work collaboratively with other agencies and regulated entities using feedback for continuous improvement deliver an education support program 	<ul style="list-style-type: none"> attend workshops, symposiums or forums to learn and share experiences provide constructive feedback accept opportunities for targeted assistance
MONITOR COMPLIANCE	<ul style="list-style-type: none"> assessment of compliance with regulatory requirements activities are focussed on higher risk compliance data is used to inform future activities and decisions 	<ul style="list-style-type: none"> identify areas of highest risk and target our resources accordingly reduce the regulatory burden on good regulatory performers communicate compliance focus and actions 	<ul style="list-style-type: none"> implement water quality management plans ensure compliance with the Act
ENFORCEMENT	<ul style="list-style-type: none"> appropriate enforcement tool is used for non-compliance 	<ul style="list-style-type: none"> ensure our decisions are aligned with DNRME enforcement approach and internal processes and procedures actively address poor regulatory performers make regulated entities aware of the consequences of non-compliance 	<ul style="list-style-type: none"> respond to enforcement action correct non-compliance

Risk approach

The department administers the Act to enable and champion voluntary compliance. Regulatory decisions are made on a case-by-case basis with the view to ensure that safe and reliable drinking water is supplied to all Queensland communities.

WSR accomplishes this responsibility by ensuring the provisions of the Act are enforced and the regulatory functions are administered fairly and effectively. WSR does this through decision-making criteria that are based on targeting higher risk compliance monitoring. An overview of the risk approach is summarised in Figure 2. This diagram identifies the steps WSR takes when a non-compliance has been identified and the decision-making criteria used when considering potential actions based on risk to respond to a non-compliance matter.

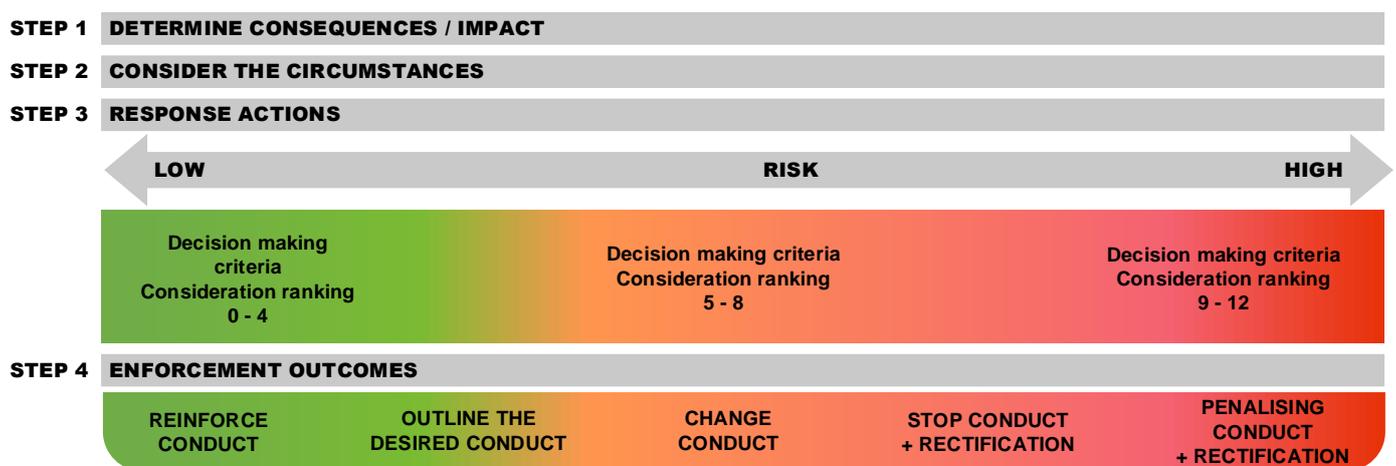


Figure 2 – WSR's risk approach

To assist in making regulatory decisions and determine the most appropriate approach to manage identified non-compliance, WSR has established appropriate procedures and systems that are regularly reviewed and updated. These include operational procedures, regulatory reviews and decision making criteria to determine risk levels. These tools assist us to determine the exact nature of any non-compliance, the relevant legislative breaches, the facts and manage the non-compliance.

Non-compliances that are considered more serious in nature are, for example but not limited to, any failure to appropriately manage drinking water incidents, or non-compliance with an approved Drinking Water Quality Management Plan (DWQMP) by failing to monitor water quality; are more likely to result in a statutory response and will be subject to closer scrutiny. However, not all non-compliances are considered high risk, WSR uses decision making criteria to determine the most appropriate response, for example

1. A regulated entity does not provide a drinking water quality management plan report within the required timeframe; this will generally be considered a minor offence and is likely to result in dispatching a reminder or warning letter with a voluntary remedy request.
2. If a regulated entity continues to not provide reports within required timeframes, this may be considered a moderate offence and is likely to result in a show cause or compliance notice
3. Where a regulated entity consistently and deliberately does not provide reports within required timeframes and after a number of different compliance actions have been undertaken, it is likely to result in a penalty infringement notice being issued.

We will consider any mitigating factors or submissions from regulated entities regarding circumstances that may have led to non-compliance when making a regulatory decision. Willingness to engage with the regulator and be responsive throughout the process will be an important consideration.

Promoting voluntary compliance

WSR encourages voluntary compliance through a range of education activities aimed to build capacity and capability of our regulated entities. Figure 3 describes how WSR achieves this.

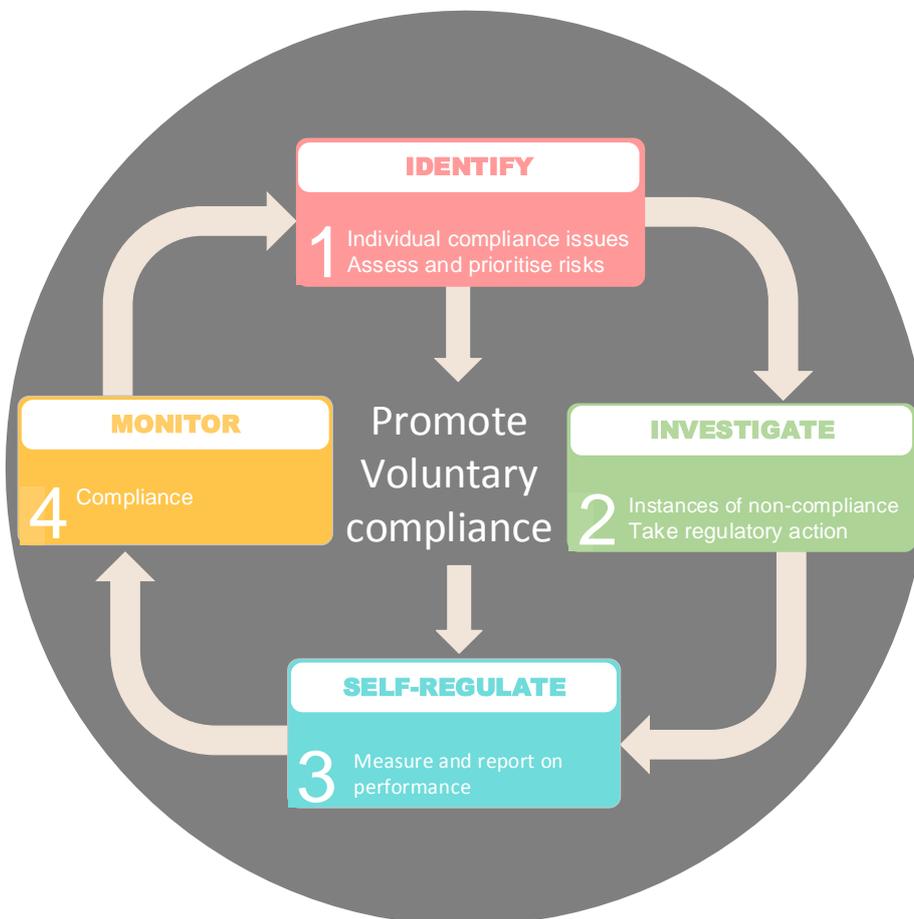


Figure 3 WSR promotes voluntary compliance

These educational activities include:

- providing information resources and tools to assist regulated entities to make sure they are aware of the regulatory obligations and to help provide certainty for future planning activities
- engaging with regulated entities through facilitating or participating in workshops, symposiums or other gatherings to help build capacity
- Promoting and reinforcing good regulatory practices, including
 - Promoting the benefits of complying with regulatory requirements
 - Promoting the potential consequences of not complying with regulatory requirements

Information resources include electronic E-Alerts, advisory letters and other resources tailored and delivered to specific groups, as well as information and tools accessible through the website.

Along with reviews and updates of our information resources, we also aim to improve access to information for the regulated entities. This includes seeking feedback on information resources, guidelines and any other resources we have made available through social research and providing feedback forms at workshops and symposiums.

WSR also collaborates with other relevant government and non-government entities, which can facilitate access to information and support education activities such as Queensland Health, Department of State Development.

Manufacturing, Infrastructure and Planning; Department of Aboriginal and Torres Strait Islander Partnerships, Department of Local Government, Racing and Multicultural Affairs, Queensland Water Directorate and Local Government Association of Queensland.

Monitoring compliance

Compliance monitoring is the planned review of regulated activities of our regulated entities to assess the level of compliance. The aim of monitoring compliance is to gather data to:

- establish the quantitative level of compliance and trends in compliance across the regulated entities
- identify whether there are particular areas that pose the greatest risk to regulatory outcomes
- identify higher risk non-compliance activities
- identify where action may be required to avoid potential harm to public health
- identify when, whether, and what type of, education responses or enforcement action may be required

This information enables WSR to take appropriate enforcement action where required and target support resources and information.

Our compliance program includes the use of site visits, inspections, desktop assessments and reviews and regular or 'routine' contact with our regulated entities.

We use a combination of the above activities to:

- assess whether a regulated entity manages water quality incidents and emergencies in accordance with their approved DWQMP or Recycled Water Management Plan (RWMP)
- review information submitted to us (e.g. reports, audit outcomes) to determine compliance with regulatory requirements and consistency with the DWQMP
- undertake planned inspections of regulated entities to determine compliance with DWQMPs or RWMPs
- respond appropriately to unforeseen issues, particularly identified higher risk non-compliance

Managing non-compliance

Responding to and managing non-compliance is the reactive side of the compliance spectrum, which most people think of when compliance is mentioned. A non-compliance with regulatory requirements can be deliberate, opportunistic or accidental and can result in outcomes that range from low risk to those that have the potential to impact public health. There are a wide range of options and tools available, both non-statutory and statutory, to respond to any identified non-compliance. These include:

Non-statutory

- No action (e.g. reasonable excuse, statutory time limits expired)
- Education packages, workshops and information available on our website
- Reminder letter
- Warning letter with a voluntary remedy request

Statutory

- Statutory Notice (e.g. Show Cause and Compliance Notices)
- Penalty Infringement Notice
- Direction
- Enforcement orders
- Prosecution

The purpose of enforcing non-compliance is to deter, provide restitution (including remedying a situation), protect the community and, if appropriate, penalise an offender for the unlawful conduct. In general, non-compliance that is deliberate and/or negligent and that may have an adverse effect on public health will be managed as a serious non-compliance, compared to a non-compliance that was accidental with no corresponding adverse effect on public health impacts.

Table 1 – WSR compliance monitoring focus and targets for 2018 –19

Strategy	Objectives	Activity	2018-19 Target
Set standards	To ensure legislation remains appropriate and support tools are current.	Review of drinking water quality guidelines Health Based Targets Project	<u>Guidelines:</u> Finalise the DWQMP Audit and Review Guideline, DWQMP Report Guidance Note and Template and DWQMP Implementation Tool by June 2019 Communication Plan to educate the guideline changes to regulated entities by 30 June 2019 <u>HBT Project:</u> HBT pilot assessments commenced by March 2019 HBT desktop study completed by 30 June 2019
Inform	Ensure information and support tools are available to facilitate voluntary compliance	Distribute E Alert bi-monthly or as required Implement Stakeholder Engagement Plan	Distribute a minimum of 6 E Alerts by 30 June 2019 Participation in 4 industry engagement forums
Enable	Facilitate capacity building of regulated entities	Conduct support and educational workshop/forums and symposiums	Conduct 5 workshops/forums by 30 June 2019 Achieve attendee satisfaction rating of 7 or above for support activities
Monitor compliance	To assess compliance with regulatory requirements focussing on higher risk	Establish future compliance monitoring framework	Progress with the Water Supply Regulation compliance improvement plan Complete an annual review of service provider risk categorisation
Enforce	Act on identified non-compliance	Identify and appropriately address non-compliance	Manage 100% identified non-compliance within the established regulatory framework