

A. Entity responses

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the Director-General, Department of Local Government, Water and Volunteers and to the 4 regional councils we audited:

- Cherbourg Aboriginal Shire Council
- Fraser Coast Regional Council
- Western Downs Regional Council
- Winton Shire Council.

This appendix contains their detailed responses to our audit recommendations.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



Comments received from Director-General, Department of Local Government, Water and Volunteers

Our ref: CTS 21093/24

6 December 2024

Mr Darren Brown
Assistant Auditor-General
Queensland Audit Office
53 Albert Street
BRISBANE QLD 4000

Email: QueenslandAuditOffice@qao.qld.gov.au



Department of
**Local Government,
Water and Volunteers**

Dear Mr Brown *Dear Mr*

Thank you for your email of 20 November 2024 regarding the proposed Queensland Audit Office's report to Parliament titled "*Managing Queensland's Regional Water Quality*".

The Department of Local Government, Water and Volunteers (the department) formerly the Department of Regional Development, Manufacturing and Water acknowledges the findings and accepts the recommendations made within the report relevant to the department.

Based on discussions between our agencies during the conduct of the audit, the department has taken initial steps towards delivering on the recommendations of the audit. This includes recruiting three additional temporary positions to grow the specialist regulatory skillsets required to address the recommendations. As set out in the enclosure to this letter, because of these additional resources, I am pleased to advise that actions to deliver on the recommendations have commenced.

The department is aware that the audit also reviewed and made recommendations about the performance of drinking water service providers in Queensland. The department will ensure that the implementation of department-specific recommendations is complementary to the actions of drinking water service providers to ensure overall improvements for communities.

I am confident that the actions being undertaken by the department and by water service providers will effectively address the suite of recommendations and further contribute to safe and reliable drinking water for the Queensland community.

If you require any further information, please contact [REDACTED]

[REDACTED] who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read "L Dobe".

Linda Dobe
Director-General

Enc

1 William Street
Brisbane QLD 4000
GPO Box 2247 Brisbane
Queensland 4001 Australia
Telephone 13 QGOV (13 74 68)
Website www.rdmw.qld.gov.au
ABN 51 242 471 577

Responses to recommendations



Department of Local Government, Water and Volunteers

Managing Queensland's regional water quality

Response to recommendations provided by [redacted] Department of Local Government, Water and Volunteers on 3 December 2024.

Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
<p>We recommend that the Department of Local Government, Water and Volunteers:</p> <p>5. improves coordination with its water regulation and local government functions, and across agencies by developing mechanisms to coordinate and share information, and promote workforce and infrastructure planning with providers</p>	Agree	Ongoing	<p>The department has established a team within its Strategic Water Initiatives Group to connect to other funding agencies across government and with the Commonwealth.</p> <p>The regulator and this funding team meet regularly to share information and ensure best pathways for service providers who have significant infrastructure challenges to apply for funding.</p> <p>The department will continue to develop collaborative processes to deliver improvements that support water service providers.</p>
<p>6. develops a pathway for adopting health-based targets by:</p> <ul style="list-style-type: none"> assessing the regulatory impact of fully implementing the targets and the public health risks of not adopting them. This should include identifying the costs and benefits publishing an implementation plan with a timeline and communication strategy – to give councils more clarity for their infrastructure and operational planning 	Agree	Commence regulatory assessment by Q2 2025 and then ongoing	<p>The department acknowledges that the Regulatory Impact Assessment process is a meaningful way to understand the cost, benefits and risks associated with the introduction of health-based targets.</p> <p>Should a decision be made to mandate health-based targets, an implementation plan including a timeline and communications strategy will be published and shared with service providers.</p>



Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
<p>7. improves its risk-based approach to assessing and managing providers by:</p> <ul style="list-style-type: none"> ensuring it completes its annual compliance risk assessment of providers recording more detailed documentation of the sources of information and explanations for the risk rating they give to each provider when assessing whether they are likely to comply with their legislative obligations aligning their compliance risk assessments and plan to direct and prioritise resources developing further specific actions to manage high-risk providers 	Agree	Commenced November 2024 and fully implement ongoing practices by 30 June 2025	<p>To deliver on these two recommendations of improved balance and sufficient resourcing, the Department is undertaking workforce planning to assess future resourcing requirements to meet emerging demands, including further actions to manage high risk service providers in a timely manner.</p> <p>Additional temporary resources have commenced work in this area and have seen assessments for 2024 near to completion. When determining risk, the team has commenced attaching the evidence that informed their decisions recently, in response to the QAO recommendations.</p> <p>The Water Supply Regulation team completes a Targeted Compliance assessment quarterly and has amended reporting to align risk ratings of service providers with planned future actions.</p>
<p>8. enhances its workforce planning to ensure it has sufficient resources to deliver its compliance activities, meet the demand for responding to incidents and review the providers' audit reports and annual reports in a timely manner</p>	Agree	Workforce planning commenced in November 2024 and will be complete by July 2025	
<p>9. evaluates its response to non-compliance and assesses the effectiveness of outcomes from its actions</p>	Agree	November 2024 and then ongoing	<p>The department has commenced mapping out a wider range of responses across the compliance spectrum including the issuance of Penalty Infringement Notices. The department will continue to consider all compliance tools available to them including appropriate funding referrals and education opportunities and will deliver compliance responses in accordance with risk.</p> <p>The department will continue to develop and implement strategies to incorporate regulatory best practice to ensure drinking water service providers are fulfilling their legislative responsibilities.</p>

Recommendation	Agree/ Disagree	Timeframe for implementation (Quarter and financial year)	Additional comments
10. enhances the data it collects on drinking water quality and implements a process to monitor and report on water quality	Agree	Commence assessment in 2024 and then ongoing	The department acknowledge the need to identify a process where shortfalls in monitoring are identified prior to annual report review. As any shortfalls in monitoring rely on self-reporting, requirements can be placed on drinking water service providers to provide results on a more regular basis especially where a higher risk is identified. The department will consider any cost implications for service providers in gathering and reporting additional data and will require a review of future enhancement of the regulator's client relationship management system (CRM).
11. improves how it measures its performance and reports externally by: <ul style="list-style-type: none"> developing specific performance measures that align with its water quality outcome in its strategic plan setting clear benchmarks or targets for its performance measures and assessing its performance against these changing its approach to calculating non-compliance in its service delivery statements. 	Agree	Commence 2024 and implements through Annual Compliance Plans in 2024/25 and future business plans.	Through the department's Annual Compliance Plan and Operational Planning, the department will continue to set measures and targets to ensure that drinking water service providers continue to improve standards and meet the requirements under their Drinking Water Quality Management Plans. By identifying high risk service providers and requiring more regular meaningful data referred to in recommendation 9 the department will be able to measure efficiency through an anticipated reduction in future repeated non-compliant behaviour from the service providers. The department will also review its service delivery statement measures to accurately measure the regulators effectiveness.

Responses to recommendations received from Chief Executive Officer, Cherbourg Aboriginal Shire Council

Cherbourg Aboriginal Shire Council provided a response to the report recommendations, but declined the offer to provide a formal response commenting on the report.



Cherbourg Aboriginal Shire Council

Managing Queensland's regional water quality

Response to recommendations provided by [redacted] Chief Executive Officer, Cherbourg Aboriginal Shire Council on 25th November 2024.

Recommendation	Agree/ Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
We recommend all councils:			
1. assess their record keeping of essential activities for managing drinking water quality to ensure they are: <ul style="list-style-type: none"> maintaining up-to-date standard operating procedures recording maintenance and inspection results developing schedules and timelines for upcoming periodic activities recording verification monitoring (regular water testing) results and analysis of water quality trends 	Agree	End financial year 2025	This is on going continuous improvement implemented by monthly improvement meetings
2. ensure appropriate oversight of compliance with management plans, risks to drinking water quality, improvement actions and recommendations from independent audits	Agree	End financial year 2025	Regular risk register revision meetings to action the items on the risk register. Increased audits of plans.
3. assess and address identified capability and expertise gaps	Agree	June 2027	This has been given a longer time line as the funded upgrades to the water treatment plant will dictate what extra training will be required.
4. test their emergency response plans periodically for high-risk events, and train staff in how to respond.	Agree	End financial year 2025	This will done as part of the LDGM meetings and monthly water staff meetings

Comments received from Chief Executive Officer, Fraser Coast Regional Council



Responses to recommendations



Fraser Coast Regional Council

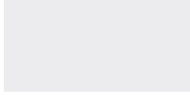
Managing Queensland's regional water quality

Response to recommendations provided by Fraser Coast Regional Council on 9 December 2024.

Recommendation	Agree/ Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
We recommend all councils:	Agree	n/a	
1. assess their record keeping of essential activities for managing drinking water quality to ensure they are: <ul style="list-style-type: none"> • maintaining up-to-date standard operating procedures • recording maintenance and inspection results • developing schedules and timelines for upcoming periodic activities • recording verification monitoring (regular water testing) results and analysis of water quality trends 			1. fully implemented
2. ensure appropriate oversight of compliance with management plans, risks to drinking water quality, improvement actions and recommendations from independent audits	Agree	n/a	2. fully implemented
3. assess and address identified capability and expertise gaps	Agree	n/a	3. implemented and ongoing, no additional action required
4. test their emergency response plans periodically for high-risk events, and train staff in how to respond.	Agree	n/a	4. fully implemented

Comments received from Chief Executive Officer, Western Downs Regional Council

ENQUIRIES TO:
Chief Executive Officer
P 1300 268 624
P 07 4679 4000 (interstate)



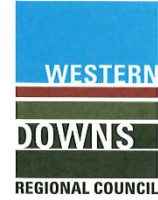
11 December 2024

Rachel Vagg Auditor-General
Queensland Audit Office
PO BOX 15396
CITY EAST QLD 4002
e: gao@gao.qld.gov.au

Customer Contact
1300 COUNCIL (1300 268 624)
07 4679 4000

www.wdrc.qld.gov.au

OUR COMMUNITIES | OUR FUTURE



Address all correspondence
to the Chief Executive Officer
PO Box 551, DALBY, QLD 4405
info@wdrc.qld.gov.au

Dear Ms Vagg,

RE: PRJ03894 Managing Queensland's Regional Water Quality Report

Reference is made to your email correspondence received on 20 November, 2024.

Western Downs Regional Council welcomes the opportunity to contribute to the Managing Queensland's Regional Water Quality Report and appreciates the professionalism demonstrated by your team throughout the process. We were given several opportunities to provide feedback on the audit findings and we appreciate your consideration of our input in the final report.

I believe the report accurately summarises our experiences and we support the proposed recommendations. We believe our existing systems address the intent of the recommendations, though we acknowledge recent staff turnover and vacancies have stretched our performance and review processes.

I believe early consultation on any proposed changes from the Department of Local Government, Water and Volunteers are essential to address the findings and avoid further division between regulatory mechanisms and service providers. All local government service providers are committed to delivering the best service within the unique challenges each entity endures which include;

- Poor quality and limited source water availability;
- Lower customer base to support return on equity;
- Insufficient capital and operational funding support;
- High consumer cost per capita;
- Skilled worker shortages to maintain and operate complex treatment technology; and
- Aging assets unsuitable to meet modern quality requirements.

Local Governments will continue to advocate for funding and support to address ever evolving water quality and security needs. This report and associated recommendations will hopefully be the catalyst for change and facilitate improving the framework for State and Local Governments' to work together for the benefit of regional communities.

Should you require any further information in relation to this matter please do not hesitate to contact either myself: [redacted] or [redacted]

Yours sincerely

Jodie Taylor
CHIEF EXECUTIVE OFFICER



Responses to recommendations



Western Downs Regional Council

Managing Queensland's regional water quality

Response to recommendations provided by [redacted] Western Downs Regional Council on 11 December 2024.



Queensland
Audit Office

Recommendation	Agree/ Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
We recommend all councils:			
1. assess their record keeping of essential activities for managing drinking water quality to ensure they are:	Agree	Complete	<u>Recommendation 1 - Record keeping.</u> <i>Operating Procedures</i> WDRC maintains a suite of standard operating procedures. A review is completed every five years during the Drinking Water Quality Management Plan (DWQMP) review.
<ul style="list-style-type: none"> maintaining up-to-date standard operating procedures 	Agree	Complete New System June 2026	<i>Maintenance & Inspection Results</i> WDRC has several record keeping processes which meet this need. A future software solution is intended to be implemented to amalgamate and centralise records.
<ul style="list-style-type: none"> recording maintenance and inspection results 	Agree	Complete	<i>Schedules and Timelines</i> WDRC has several positions that coordinate operations and maintenance scheduling. Recently a Works Scheduler position was appointed whose primary role is to coordinate and maintain a master schedule.
<ul style="list-style-type: none"> developing schedules and timelines for upcoming periodic activities 	Agree	Complete	<i>Verification Monitoring & Analysis</i> WDRC digitally record all internal and external laboratory results in a software platform (SWIM) available to all staff. Staff are able to use this system to review data and compare against Critical Control Points. Senior staff complete a weekly review of data to understand developing trends.
<ul style="list-style-type: none"> recording verification monitoring (regular water testing) results and analysis of water quality trends 	Agree	Complete	
2. ensure appropriate oversight of compliance with management plans, risks to drinking water quality, improvement actions and recommendations from independent audits		Complete	<u>Recommendation 2 - Oversight</u> WDRC has established several internal review and audit groups to identify risks and develop action plans. This includes review of the DWQMP and Risk Management Improvement

Recommendation	Agree/ Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
3. assess and address identified capability and expertise gaps		Complete	<p>Plan (RMIP). Audit reports and recommendations are routinely provided to WDRC's Utilities Governance Committee which includes the CEO and Executive Leadership team.</p> <p><u>Recommendation 3 - Capability and Resource Gap</u></p> <p>The water industry has very low availability of skilled workers and industry professionals. Locally, WDRC has recently restructured and increased field and technical resources to address identified skills gaps though these positions are difficult to recruit due to industry shortage. WDRC has also developed a career and skills development plan to fast track training and provide a clear career path for retention and recruitment incentives.</p> <p>WDRC seeks external consultants for short term or specialist work where internal resources are limited.</p>
4. test their emergency response plans periodically for high-risk events, and train staff in how to respond.		Complete	<p><u>Recommendation 4 - Emergency Response</u></p> <p>WDRC has an established Incident Management Plan included in the DWQMP which prescribes emergency response activity. The broader organisation has developed local disaster management plans and business continuity plans which are complimentary and designed to operate together during a disaster event. Utilities staff are trained in the incident management response procedure. WDRC has recently tested these plans under actual events.</p>

Comments received from Interim Chief Executive Officer, Winton Shire Council

Winton Shire Council

All Communications to:
The C.E.O.,
P.O. Box 288,
WINTON QLD 4735
AUSTRALIA
Telephone:(07) 4657 2666
Facsimile:(07) 4657 1342

11 December 2024

Queensland Audit Office
53 Albert Street
Brisbane QLD 4000

Dear Sir/Madam

Managing Queensland's Regional Water Quality

Winton Shire Council was one of four Council's that were involved in the "Managing Queensland's Regional Water Quality" audit.

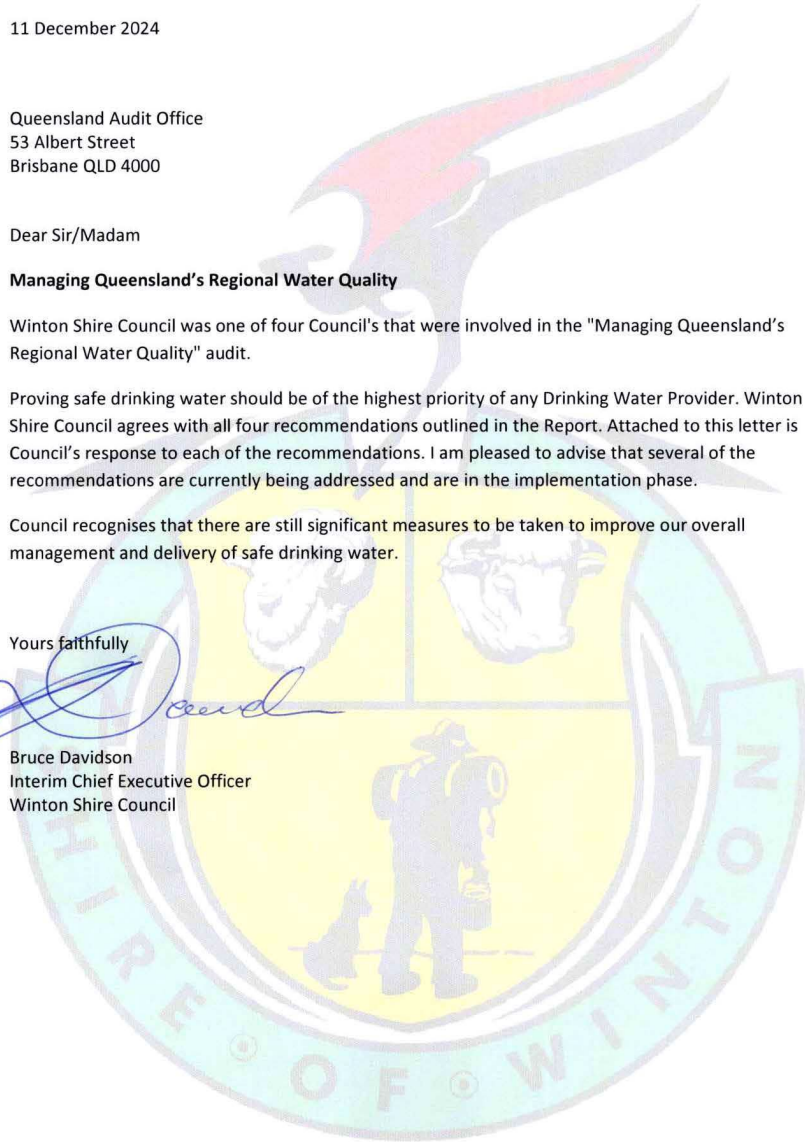
Proving safe drinking water should be of the highest priority of any Drinking Water Provider. Winton Shire Council agrees with all four recommendations outlined in the Report. Attached to this letter is Council's response to each of the recommendations. I am pleased to advise that several of the recommendations are currently being addressed and are in the implementation phase.

Council recognises that there are still significant measures to be taken to improve our overall management and delivery of safe drinking water.

Yours faithfully



Bruce Davidson
Interim Chief Executive Officer
Winton Shire Council



Responses to recommendations



Winton Shire Council

Managing Queensland's regional water quality

Response to recommendations provided by Winton Shire Council on 10 December 2024

Recommendation	Agree/Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
<p>We recommend all councils:</p> <ol style="list-style-type: none"> <p>assess their record keeping of essential activities for managing drinking water quality to ensure they are:</p> <ul style="list-style-type: none"> maintaining up-to-date standard operating procedures recording maintenance and inspection results developing schedules and timelines for upcoming periodic activities recording verification monitoring (regular water testing) results and analysis of water quality trends 	Agree	March 25	<p>Council agrees that it falls short in record keeping of essential activities.</p> <p>Council is in the process of developing a Water Masterplan. This Plan will address the gaps identified in the Audit. The Plan will be the go-to document for continuous improvement and implementation.</p>
<ol style="list-style-type: none"> <p>ensure appropriate oversight of compliance with management plans, risks to drinking water quality, improvement actions and recommendations from independent audits.</p> 	Agree	June 25	<p>Council to review and update the Asset Management Plans and continue to reduce risks identified in the Drinking Water Quality Management Plan (DWQMP)</p>
<ol style="list-style-type: none"> <p>assess and address identified capability and expertise gaps.</p> 	Agree	Feb 25	<p>Council is currently recruiting for a Water and Sewer Technical Officer</p>
<ol style="list-style-type: none"> <p>test their emergency response plans periodically for high-risk events, and train staff in how to respond.</p> 	Agree	Feb 25	<p>Council is finalising a fully automated upgrade to the Water Pump Station that can be shut-down immediately if needed. Carry out a mock exercise to identify gaps and train Staff.</p>