



WATER SERVICES  
ASSOCIATION OF AUSTRALIA



# WATER INDUSTRY SUBMISSION

Alternative Commonwealth Capabilities for  
Crisis Response  
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Hon Clare O’Neil MP  
Minister for Home Affairs

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**SUBMISSION: Alternative Commonwealth Capabilities for Crises Response**

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We confirm that this submission can be published in the public domain

*Note: This document represents the consensus position on key issues for water utilities across Australia. This submission complements any individual submission from Australian water utilities, but it does not over-ride any individual water utility submission, which should be assessed on its merits.*

## Submission recommendations and comments

The Water Sector welcomes the opportunity to provide a submission to the Department of Home Affairs in response to the Alternative Commonwealth Capabilities for Crisis Response Discussion paper.

The Commonwealth is seeking to understand the possible crisis response support mechanisms it can provide as an alternative to the Australian Defence Force (ADF). The water sector has significant experience in responding to and providing support for natural disasters. Water utilities are government owned and non-competitive. Although these businesses are geographically constrained, they do collaborate at a national level including the sharing of resources through mutual aid during crisis. The key risks to the sector that would significantly benefit from a national approach during a crisis include:

- Vulnerabilities within the chemical supply chain. Particularly, those associated with force majeure events, which appear to be more frequent than historically.
- Cyber security threats and evolving risk landscape which require rapid communication of sensitive information.
- The coincidence of multiple natural climate related crisis. Whilst the sector is well placed to address most single-issue crisis, the number of events where multiple overlapping causes are involved appears to be increasing e.g. bushfire, severe storms followed by flooding.

The water sector has called upon and worked collaboratively with ADF resources operationally and in response to natural disasters for many years. Operationally ADF resources (particularly heavy lift transport and field engineering) have been used to support the water sector following a natural disaster.

The water sector supports the acknowledgment in the discussion paper that prevention and preparedness for a crisis should be the primary focus and considers the Commonwealth has key role to play with regards to:

- crisis threat intelligence and the rapid sharing of information;
- cross jurisdictional resource availability and movement facilitation;
- resource prioritisation and coordination;
- early identification and providing support to overcome foreseeable supply chain bottlenecks during a crisis; and
- additional support and training for state-based NGOs and volunteers.

Further detail on these points are included in the response to the discussion paper questions below.

## Discussion paper questions

### **Acknowledging the primary role of state and territories in emergency response, what longer-term capacities and capabilities does the Commonwealth need to develop to meet the challenges of the evolving strategic environment?**

The Commonwealth needs to continue to develop systems to provide early warning of potential adverse events. The water sector is collaborating with the Bureau of Meteorology on better short to medium term rainfall prediction to assist preparation for and management of floods and provide a more granular rainfall predictive capability. The Commonwealth should continue to support and fund research in this area.

The water industry also continues to advocate for better support from the Commonwealth regarding supply chains. The water sector vulnerability to bulk chemical supply chains has been well documented by both the industry and the Commonwealth government. The water sector requires Commonwealth support in the early identification/notification of supply chain risks and the investigation and testing of alternative supply options prior to a crisis occurring.

The Commonwealth should ensure consistent, rapid and secure sharing of information about cyber threats as they occur, in real time. This information should be shared with those that are most at risk from the perceived threats, along with support to address major issues such as nation states. In doing this, it is essential that there is a clear separation between the ACSC who is assisting water utilities and the Federal regulator. In addition, material revealed about material cyber security breaches should not be politicised or publicly used to the detriment of the reputation of the reporting organisation. Such actions have occurred in the past and severely impact information sharing regarding cyber security breaches, to the detriment of national security.

### **At a national level, what are likely to be the key pressure points or challenges for the Commonwealth responding to competing and concurrent crises?**

A key challenge for the Commonwealth is to provide appropriate and well-coordinated support that complements the existing emergency response framework and procedures without creating extra bureaucracy. The Commonwealth needs to increase its awareness of the water sector's ownership and governance arrangements (primarily state and local government ownership), operations, and response capabilities with a view to developing streamlined processes for working with the sector. This needs to extend to improving both federal and state based lead emergency and disaster agencies awareness of the water and other critical infrastructure sectors capabilities and limitations during times of crisis. These agencies often make assumptions based on a lack of awareness of the role they need to play when the communities they serve are impacted by critical infrastructure disruptions.

While the water sector is well-practiced in providing mutual support at an industry-to-industry level and has always been ready to support government-coordinated emergency response efforts, there have been a number of challenges to providing this support including:

- Limited Commonwealth engagement with industry in the planning and development of exercises (although industry participation is regularly requested to conduct exercises).
- Limitations on the provision of government resources to facilitate industry's participation in exercises.

- An unwillingness to engage early with industry when planning an emergency response.
- Complexity in cost-sharing and commercial arrangements.
- Limited access to government indemnities and legal protections, particularly for international operations.
- The cost controls imposed on the water sector as natural monopolies, such as the 5 year pricing submissions required by state economic regulators. This limits the financial capacity of water utilities to support government emergency management planning, unless it is directly related to the utility or its jurisdiction.
- Limited consideration of the preparation and recovery phases of a disaster, with the majority of Australian exercises focused on response, particularly the tactical response.

The provision of ADF support for the water sector has rarely been planned or exercised before an event. Consequently, when the support has been deployed it is often ad hoc and without appropriate awareness of the respective organisation's operational requirements, command, control and coordination (C<sup>3</sup>) structures and capabilities. While the relationships with the ADF have been mutually beneficial, they have suffered from many cultural and administrative challenges such as those listed above.

The development of any new Commonwealth capabilities would need to ensure:

1. When developing exercises to test and enhance sector preparedness and capability:
  - The planning for the exercise should commence with Engagement of key experts from each of the relevant sectors involved.
  - That the exercises consider and test the whole crisis management cycle including planning, preparation, response and recovery.
2. Appropriate structures and processes for engaging with each sector, particularly outlining cost responsibilities, reimbursement approaches, along with indemnity, insurance and liability management.

**How could the Commonwealth build community resilience and capability so they are better able to respond to and recover from national-level crises & what changes in the current system are necessary to help Australia have the right capabilities and capacity to handle concurrent crises?**

The sector recognises the importance of community resilience and capability for improving the outcomes for all during a crisis. Water businesses that have experienced crisis in recent times have found that strong community engagement, communication and awareness building have significantly reduced the recovery time for the region. However, these solutions are localised and cannot be treated as a one size fits all from a Commonwealth perspective. It is important that the local agencies are able to engage with their communities to best understand their needs and provide relevant messaging. The most appropriate approach for Commonwealth support would be to develop clear communication lines and options for sourcing funding or sharing information at a national level.

In addition, the sector is very supportive of efforts to improve national resilience and proposes the following initiatives for the department's consideration:

- Development of a national disaster resilience exercise program with industry participation as an identified program objective (Coordinated through the National Emergency Management Agency but delivered at a jurisdictional level using the ANZCTC arrangements as a model).

- Making national resilience, including natural disaster resilience and critical infrastructure resilience, an objective of the Trusted Information Sharing network (TISN) arrangements to strengthen the capabilities between lead agencies and infrastructure industry organisations.
  - Administrative arrangements to facilitate access to funding for industry participation in national and jurisdictional disaster preparedness exercises.
- Inclusion of water-sector resilience objectives (for example restoration of drinking water supply) into the national disaster exercise program.

Greater use of existing government and industry engagement mechanisms, particularly the TISN, to facilitate resilience policy development; disaster resilience preparation; and capability development. This includes resourcing the TISN groups to assist government to achieve this outcome.

Extension of government indemnities and legal protections to industry when operating in support of a coordinated response to a natural disaster.

Formalisation of arrangements to allow water-sector staff to access to Commonwealth disaster management resources and logistics, when supporting a natural disaster response.

### **What models could the Commonwealth explore to replace or supplement support currently provided by the ADF during domestic crisis?**

The water sector has established sectoral mutual aid arrangements to facilitate the deployment of expertise; personnel; and material during emergency events. These arrangements have been formalised as the Australian Water Sector Mutual Aid Guideline (the Guideline).

Under the Guideline, the water sector has developed flexible, collaborative and cooperative arrangements to enhance sectoral resilience and facilitate the delivery aid and assistance for the sector; either at an industry-led level or in support of a government coordinated response.

These arrangements have been used successfully by the sector as the basis for provision of industry-support within jurisdictions; nationally and internationally.

Incorporation of these arrangements into a future national framework for disaster response and recovery would facilitate the coordinated provision of both industry and in turn community support during natural disasters.

### **Are there sectors that could replicate the capabilities provided by the ADF?**

In the past, the water sector has deployed staff and equipment to assist with disaster response and relief. However, these deployments have primarily been coordinated within a jurisdiction, often provided by neighbouring utilities and for short duration as the gifting utility often faces significant logistics challenges in sustaining the support operations. In the absence of ADF logistics support, government coordination of private-sector logistics for: heavy lift; on-site accommodation; and consumables may facilitate the deployment of sustainable industry support, particularly from jurisdictions remote from the event.

This would require the government to engage with the transport; accommodation and event management / hospitality sectors to establish logistic arrangements for deployment of industry resources into a disaster area.

In relation to personnel, the water sector would also support the provision of greater federal funding and support for the training and deployment of state-based volunteer responders; NGO's and community volunteers, for example, through the provision of tax-exempt payments for volunteers when training or on emergency response operations. These staff could then provide the logistics support necessary to underpin the deployment of industry response and recovery capabilities into a disaster area.

The primary function that the ADF provides to the water sector are additional labour resources, and occasionally technology. Within the USA this requirement has been recognised for wildfires, and a separate national group – the Burned Area Emergency Response (BAER) group has been formed to provide additional resources as a mobile response team as needed across the country. The advantage of forming such a group is that they do not just provide physical labour resources but also technical disaster recovery expertise which can assist with expediting and accelerating the crisis response.

The water sector would be supportive of the formation of a similar national group, but one which was able to respond to all types of national disaster. This group should be managed by the National Emergency Management Agency. The water sector supports greater funding and training for state based NGO's and volunteers

**What are the critical functions the Commonwealth Government should continue to perform in disaster relief and recovery, in support of local, state and territory governments?**

The National Coordinating Mechanism (NCM) worked very well during the East-West rail disruption in early 2022. It was an effective mechanism to identify and remove regulatory hurdles and support the emergency response.

A key role for the NCM was coordination of Federal and State regulators to allow industry participants to collaborate to support the response, specifically by elevating concerns about allegations of collusion and non-competitive behaviours.

The NCM was an effective mechanism to facilitate and prioritise cross jurisdictional and private/public co-operation with an outcome focus. Water sector supports further use of the NCM to coordinate the national resources to mitigate the need of the ADF in a crisis or designating this responsibility to a Commonwealth agency such as The National Emergency Management Agency.

**What legislative, regulatory or policy changes could be undertaken to make it financially viable for other sectors to contribute to a Commonwealth crisis response capability?**

Greater alignment of government policy; legislation and regulations to achieve a consistent outcome of national resilience (for example the Federal Government has regulated the water sector as critical infrastructure under the *Security of Critical Infrastructure Act 2018* but does not provide for the sector's access to liquid fuels in an emergency under the *Liquid Fuel Emergency Act 1984*).

## Appendix 1: Submitting Organisations

### **About WSAA**

The Water Services Association of Australia (WSAA) is the peak body that supports the Australian urban water industry. Our members provide water and sewerage services to over 24 million customers in Australia and New Zealand and many of Australia's largest industrial and commercial enterprises. WSAA facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. The collegiate approach of its members has led to industry wide advances to national water issues.

### **About Water Services Sector Group**

The Water Services Sector Group (WSSG) is the water industry group that forms part of the Federal Governments Trusted Information Sharing Network (TISN). The WSSG comprises the Risk, Security and Resilience experts from across the Australian water industry, focused on the enhancing the resilience of the national water sector. The WSSG works with the Department of Home Affairs as the primary conduit between Government and the sector, to translate government security and resilience policy into contextualised outcomes and activities for the water sector. This work includes improving understanding and resilience of cross sector interdependencies with other Critical Infrastructure Sectors

The WSSG has been the coordination point for the water sectors response to the SOCI legislation since its inception and will continue to play a lead role in developing the standard and guidelines that will guide the water sector in its approach to operationalising the SOCI legislative requirements.