

Report

**Centroc and Lower Macquarie Water Utility Alliances
Training, Mentoring and Regional Resource Sharing
Strategies – Linking Potentials**

Prepared for Central NSW Councils and Lower Macquarie Water Utility Alliances

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Central NSW Councils and Lower Macquarie Water Utility Alliances

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Executive Summary

The Australian Water Industry has faced skills shortages in water management and operation over the past 5 to 6 years. To understand the impact of these shortages and identify ways to address these issues in the Central NSW Council's (Centroc) Water Utilities Alliance (CWUA) and the Lower Macquarie Water Utilities Alliance (LMWUA) have both developed Training, Mentoring and Regional Resource Sharing strategies.

Purpose

This document identifies potential links between the strategies developed for each of the alliances. These links represent opportunities for future collaboration between the two alliances for mutual benefit. This purpose of this document is to highlight these links for further consideration by both alliances.

Background

The mandate of both alliances is to identify regional issues related to urban water and sewer management and service provision and develop and implement frameworks to address these issues.

The CWUA represents 16 member Councils, each of whom operate a local water utility business in the Central NSW Region. The LMWUA represents eight member Councils each of whom operate a local water utility business in the Western NSW Region.

Following an interview process to collect relevant data from each of the member councils, workforce, skills and training issues were distilled for the CWUA and LMWUA and documented in their respective Training, Mentoring and Regional Resource Sharing strategies. Potential solutions to each option were identified and evaluated, and action plans for both alliances to address the issues identified were formulated in the strategy.

Understanding Issues In Common

Table 0-1 sets out a summary of the workforce and skill issues being faced by the CWUA and LMWUA member councils.

Table 0-1: Summary of Issues

Aspect	Issue CWUA	Issue LMWUA
Workforce characteristics	<ul style="list-style-type: none"> Relatively old, and likely to expect a significant number of retirements in next 10 years. A large number (44%) of CWUA water utility staff are aged 45 years and greater. 	<ul style="list-style-type: none"> Relatively old, and likely to expect a significant number of retirements in next 10 years. A large number (43%) of LMWUA water utility staff are aged 45 years and greater. Managerial staff are the most difficult to attract and retain across the membership. It is difficult to attract labour to roles for qualified operators and plumbers were difficult to attract labour.
Workforce supply and demand forecast	<ul style="list-style-type: none"> Within the next 5 years, retirement may see the loss of up to 26 of the 208FTE CWUA member staff. The gap between supply and demand for staff across the region in 2016 may reasonably be between 26 and 70 FTEs. Utilities are not salary competitive for core water industry roles and face competition from other, higher paying, industries (mining and plumbing). Limited targeting of non-traditional employees (Indigenous persons and women). Little engagement with the education sectors potentially providing new staff. Limited engagement with national initiatives to attract labour to the water industry. 	<ul style="list-style-type: none"> Within the next 5 years, retirement may see the loss of up to 11 of the 76 LMWUA member staff. The gap between supply and demand for staff across the region in 2016 may reasonably be between 43 and 50 FTEs. Utilities hire locally and train new staff to meet organisational needs, with a small intake of graduates from the VET and university sectors. The most frequently nominated barriers to attracting staff were location, uncompetitive remuneration and competition from other industries. Utilities are not salary competitive for core water industry roles and face competition from other, higher paying, industries (mining and plumbing). Dubbo did not report any attraction and retention issues. With the exception of Bourke and Narromine, there is limited targeting of non-traditional employees

Aspect	Issue CWUA	Issue LMWUA
		(Indigenous persons, women, young and mature-age workers) by the membership. <ul style="list-style-type: none"> • With the exception of Dubbo, there is little engagement by the membership with the education sectors potentially providing staff. • Limited engagement by the membership with national initiatives to attract labour to the water industry.
Skills and training	<ul style="list-style-type: none"> • The level of post school qualification of the CWUA member Council utility staff is low (49%) compared to the national sector (68%). • Whilst the level of Certificate III or IV qualification is close to the national sector, the level of bachelor degree qualification (14%) appears relatively low (26%). Difficulty in attracting degree qualified staff is a reported issue, and the comparison to the sector may distort as the sector would include professional services staff. However, it is still considered that increasing the level of degree qualification is desirable. • Whilst the membership has a focus on furthering the level of Certificate III and IV qualification, comparisons with the national industry suggest engineering, science and management qualifications also need to be furthered. • There is a need to build capacity in water utility management and service delivery generally, through on-the-job training, rotation and experience, in addition to formal training. • The skill sets presently represented by the CWUA member Council utility staff tend to be focussed on general management, civil engineering and water and sewerage operations. This may not be consistent with the broader skill sets identified as relevant to the industry by WSAA. • There is little formal regular skills auditing undertaken by member councils. 	<ul style="list-style-type: none"> • The level of post school qualification of the LMWUA member Council utility staff is lower (58%) than the national sector (68%). • Whilst the level of Certificate III or IV qualification is above the level found by comparison to the national sector, the level of bachelor degree qualification (10%) appears relatively low (26%). Difficulty in attracting degree qualified staff is a reported issue, and the comparison to the sector may distort as the sector would include professional services staff. However, it is still considered that increasing the level of degree qualification is desirable. • Whilst the membership has a focus on furthering the level of Certificate III and IV qualification, comparisons with the national industry suggest engineering, science and management qualifications also need to be furthered. • There is a need to build capacity in water utility management and service delivery generally, through on-the-job training, rotation and experience, in addition to formal training. • The skill sets presently represented by the LMWUA member Council utility staff tend to be focussed on general management, civil engineering, water and sewerage operations, plumbing and electrical. This may not be consistent with the broader skill sets identified as relevant to the industry by WSAA. • There is little formal regular skills auditing undertaken by member councils.

The analysis in this report identifies potential for directly linking the following actions between the two alliances:

- Increased engagement with WTAN and AWA Water Industry Capacity Development (WICD) specialist Network.
- Improving connections to knowledge communities outside of the region.
- Review and establish connections to water industry on-line learning content.
- Development of a coordinated approach to obtaining and maintaining the required water industry certificate level qualifications across both alliances.
- Development of a regional priority training program.

In addition, there is the potential for sharing the following templates and tools between the two alliances to progress the implementation of their respective action plans more efficiently and effectively:

- Develop a regional water utility award concept.
- Develop a policy, process and incentives for phased retirements.
- Establish a pre-qualified panel of experts available on retainer or other arrangement to each member Council.
- Develop and implement a biennial skills audit.

Other opportunities were also identified in relation to the human resources that may be able to be shared and common points of connection with other entities that may benefit from a united advocacy approach by the two alliances.

Collective Procurement

In addition to those identified by interview participants, it is recommended that further consideration be given to collective procurement opportunities including:

- Pipes and fittings.
- Service reservoir cleaning.
- Membership of the SaveWater Alliance.
- That the outcomes of both alliance's regional demand management plans be reviewed for opportunities to procure water saving devices and plumbing services collectively.
- That the training requirements identified in both plans be further refined to establish if the consolidated demand would impact on purchasing power.
- Obtaining specialist expertise to progress items such as dam safety, energy efficiency, strategic planning and asset management planning.

Conclusions and Next Steps

The conclusions of this document can be summarised as follows:

- There exist a number of commonalities with respect to workplace, skills and training issues and management solutions across the CWUA and LMWUA that represent opportunities for mutually beneficial collaboration.
- Collaboration may come in the form of direct linking of actions, or in the sharing of templates, tools and people, or the joining of efforts to advocate for regional water utility priorities.
- Although not quantified here, it could reasonably be expected that efficiency and effectiveness gains would be had for both alliances through the collaborative or partnering implementation of some or all of the actions as identified in this document.

The linking and collaboration potentials identified in this document will be considered by the CWUA and LMWUA in the development of their 2012/13 management plans. Final agreements will be documented in these plans to enable implementation to commence in 2012.

Glossary

Australian Water Association	AWA represents over 10,000 water sector professionals across all disciplines. It is an independent and not-for-profit association.
Mentoring	A deliberate pairing of a more skilled or experienced person (mentor) with a lesser skilled or experienced one (mentee), with the agreed-upon goal of having the mentee grow and develop specific competencies, capabilities and potential through the guidance and facilitation of a mentor.
Registered training organisation	An RTO is a vocational education organisation that provides students with training that results in qualifications and statements of attainment that are recognised and accepted by industry and other educational institutions throughout Australia
Training package	A Training Package is a set of nationally endorsed standards and qualifications used to recognise and assess the skills and knowledge people need to perform effectively in the workplace. They are a key resource for RTOs. The packages state what competencies need to be achieved but do not prescribe how an individual should be trained. It is the responsibility of the RTO to develop teaching strategies and assessment methods to meet the needs, abilities and circumstances of learners.
Vocational Education and Training	VET provides skills and knowledge for work through a standardised national training system. VET courses range from certificate 1 to advanced diploma level and are taught by RTOs. VET is generally practical, hands-on and industry focused.
Water Training Package (NWP07)	NWP07 is the latest Training Package for the water industry. This includes Competency Standards, Qualifications and Assessment Guidelines.
Water Industry Capacity Development	WICD is an AWA network which provides a forum for the water industry to discuss issues, define strategies and take action to reduce the extent and impact of the skills shortage. WICD provides the opportunity for collaboration on skills, training and professional development needs that are required now and into the future by the water industry.
Water Services Association Australia	WSAA is a national association representing the urban water industry.
Workforce Development	A combination of managing the size and composition of the workforce, retaining and managing that workforce and skilling that workforce.

Acronyms

AWA	Australian Water Association
Centroc	Central NSW Regional Organisation of Councils
CTW	Central Tablelands Water
CWUA	Centroc Water Utilities Alliance
FTE	Full time equivalent
LMWUA	Lower Macquarie Water Utilitiy Alliance
NWP07	Water Training Package (NWP07)
RTO	Registered training organisation
VET	Vocational Education and Training
WICD	Water Industry Capacity Development
WSAA	Water Services Association
WTAN	Water Trainer and Assessors Network

1 Introduction

The Australian Water Industry has faced skills shortages in water management and operation over the past 5 to 6 years. To understand the impact of these shortages and identify ways to address these issues in regional NSW, the Central NSW Council's (Centroc) Water Utilities Alliance (CWUA) and the Lower Macquarie Water Utilities Alliance (LMWUA) have both developed Training, Mentoring and Regional Resource Sharing strategies.

1.1 Background

The mandate of both alliances is to identify regional issues related to urban water and sewage management and service provision and develop and implement frameworks to address these issues.

The CWUA represents 16 member councils, each of whom operate a local water utility business in the Central NSW Region. The 16 member councils of the CWUA are:

- Bathurst Regional Council;
- Blayney Shire Council;
- Boorowa Shire Council;
- Cabonne Shire Council;
- Cowra Shire Council;
- Central Tablelands Water;
- Forbes Shire Council;
- Harden Shire Council;
- Lachlan Shire Council;
- Lithgow Shire Council;
- Oberon Shire Council;
- Orange City Council;
- Parkes Shire Council;
- Upper Lachlan Shire Council;
- Weddin Shire Council; and
- Young Shire Council.

The LMWUA represents eight member councils each of whom operate a local water utility business in the Western NSW Region. The eight member councils of the LMWUA are:

- Bogan Shire Council;
- Bourke Shire Council;
- Brewarrina Shire Council;
- Cobar Shire Council;
- Dubbo City Council;
- Narromine Shire Council;
- Warren Shire Council; and
- Wellington Council.

Following an interview process to collect relevant data from each of the member councils, workforce, skills and training issues were distilled for the CWUA and LMWUA and documented in their respective Training, Mentoring and Regional Resource Sharing strategies. Potential solutions to each option were identified and evaluated, and action plans for both alliances to address the issues identified were formulated in the strategy.

1.2 Purpose of this Document

This document identifies potential links between the strategies developed for each of the alliances. These links represent opportunities for future collaboration between the two alliances for mutual benefit. This purpose of this document is to highlight these links for further consideration by both alliances.

1.3 Contents of this Document

This document is structured as follows:

- Section 2, Comparing the Issues, sets out a brief comparison of the key issues facing the two alliances in relation to workforce development, skills and training.
- Section 3, Comparing Management Responses, reviews the strategies under consideration by the two Alliances in relation to their identified issues.
- Section 4, Workforce, Skills, Training and Mentoring Collaboration Potentials, considers the possibility of directly linking actions across the two alliances, or, sharing templates and tools for actions, sharing resources or undertaking joint advocacy in order to highlight the collaboration potentials that may exist between the two Alliances.
- Section 5, Collective Procurement, sets out opportunities that the two alliances may consider to test the benefits of bulk purchasing; and
- Section 6, Conclusions and Next Steps, sets out the key outcomes of this review and considers how these items might be progressed.

2 Comparing the Issues

This section of the document compares the workforce demographics, forecasts and skills of the CWUA and the LMWUA to demonstrate similarities and differences between the two alliances and their respective memberships.

2.1 Comparison of Workforce Demographics

The workforce considered for the purposes of this comparison is limited to those staff working in managerial, technical and operating roles for the water utility business of each Council. This does not include business support, financial, administration type staff as these are part of Council general fund staff. To the extent that these support services are required, they are purchased from the general purpose Council by the water utility business.

2.1.1 CWUA Workforce Demographics

The demographics of the CWUA workforce are summarised in Table 2-1.

The largest (between 20 and 38 staff) water utility operations in the region are:

- Bathurst;
- Orange;
- Cowra; and
- Lithgow.

The smallest (between 1 and 5 staff) water utility operations in the region are:

- Weddin (however, this Council receives bulk water supplies from Central Tablelands Water (CTW));
- Boorowa; and
- Blayney (however, this Council receives bulk water supplies from CTW).

Table 2-1: Workforce Demographics

Council	Headcount	FTE ¹	Under 45	%	45-54	%	55-64	%	65+	%
Bathurst	38	36.3	18	47	9	24	6	16	2	5
Blayney	7	3.8	4	57	1	14	1	14	-	0
Boorowa	4	2.7	2	50	2	50	-	0	-	0
Cabonne	14	11.8	3	21	3	21	8	57	-	0
Cowra	28	20.8	14	50	5	18	2	7	-	0
CTW	14	14.0	5	36	6	43	3	21	-	0
Forbes	12	9.4	7	58	5	42	-	0	-	0
Harden	9	7.0	3	33	5	56	1	11	-	0
Lachlan	10	9.3	5	50	2	20	3	30	-	0
Lithgow	23	23.5	8	35	12	52	3	13	-	0
Oberon	10	7.2	1	10	7	70	2	20	-	0
Orange	32	31.0	21	66	8	25	3	9	-	0
Parkes	14	13.5	3	21	6	43	5	36	-	0
Upper Lachlan	9	8.1	6	67	1	11	2	22	-	0

¹ FTE = full time equivalent, considering the actual amount of time the resource is applied to water supply and sewerage functions.

Council	Headcount	FTE¹	Under 45	%	45-54	%	55-64	%	65+	%
Weddin	9	1.8	5	56	-	0	4	44	-	0
Young	10	8.0	6	60	2	20	2	20	-	0
Total	243	208	111	48	74	32	45	19	2	1
National	-	-	-	56	-	25	-	16	-	3

Overall, 44% of the staff of the CWUA members are aged over 45 years. This is generally consistent with the finding that for the National Water Supply, Sewerage and Drainage sub-sector, the median age in 2010 was 44 years. In general, it would be considered that the water utility workforce of the CWUA is relatively old and likely to expect a significant number of retirements in next 10 years.

The water utilities with more than 50% of their staff aged 45 and over include:

- Bathurst;
- Boorowa;
- Cabonne;
- Cowra;
- CTW;
- Harden;
- Lachlan;
- Lithgow;
- Oberon; and
- Parkes.

2.1.2 LMWUA Workforce Demographics

Dubbo is the largest water utility, with 28 staff, followed by Wellington with 13 staff. On average, the other six member councils have approximately 6 staff. In total, there are 76 staff across the region employed in a local water utility.

Table 2-2: Workforce Demographics²

Council	Headcount	Under 45	%	45-54	%	55-64	%	65+	%
Bogan	6	3	50	1	17	2	33	0	0
Bourke	6	4	67	1	17	0	0	1	17
Brewarrina	4	0	0	2	67	1	33	0	0
Cobar	8	4	67	0	0	1	17	1	17
Dubbo	28	8	36	9	41	4	18	1	5
Narromine	6	3	50	1	17	2	33	0	0
Warren	5	2	40	2	40	1	20	0	0
Wellington	13	9	69	2	15	2	15	0	0
Total	76	33	57	18	31	13	22	3	5
National	-	-	56	-	25	-	16	-	3

Overall, 43% of the staff of the LMWUA members are aged over 45 years. This is also broadly consistent with national sub-sector.

The water utilities with 50% or more of their staff aged 45 and over include:

- Bogan;

² Where age data was not provided for all staff, percentages are calculated on the sample headcount provided.

- Brewarrina;
- Dubbo;
- Narromine; and
- Warren.

Brewarrina has no staff under 45 and only 36% of Dubbo's staff are under 45. Bourke, Cobar and Dubbo have 17%, 17% and 5% of staff over 65 years, respectively.

2.2 Comparing Workforce Supply and Demand Forecasts

Forecasting the workforce staffing requirements requires an understanding of the demand and supply of staff in a particular labour market. The analysis in the following sections is summarised from the two individual strategy documents of the respective alliances.

2.2.1 Forecasting the CWUA Workforce

Based on the current employment levels of the CWUA member councils (208 FTEs in 2011), it might be reasonable to assume between 8 and 17 new jobs would be created by 2016. It would reasonably be expected, based on existing growth trends, that most of this employment would be in the larger cities and towns (Bathurst, Parkes and Orange).

For the CWUA members, it could be expected by 2016, that of the existing 208 FTEs currently employed, only 124 FTEs might be expected to remain. Eighteen would be lost to other water utilities outside the region and 36 lost to the water industry as a whole (through demand by sectors including mining). The other 30 (about 64% of the staff currently between 55-64 years in the region) may reasonably be expected to have retired.

Over the period to 2016, forecast demand for full time equivalents in the region may have increased to around 225 FTEs, whilst the available supply may have contracted to as small as 88 FTEs, but perhaps more likely, to 124 FTEs. This would lead to a deficit of water utility staff across the Centroc region of up to 100-140 FTEs. Even a 'best case' scenario (i.e. assume no growth in demand, and only losses due to retirement) would result in a deficit of 30 FTEs.

The following key points were identified in the interview survey of CWUA member councils in relation to their current sources of staff, barriers to attracting staff and the level of engagement of the utilities with the education sector:

- In general, the utilities hire locally and train new staff to meet organisational needs.
- The most frequently nominated barriers to attracting staff were uncompetitive remuneration, competition from other industries, the lack of opportunities for other family members and location.
- Limited targeted work on attracting non-traditional employees (specifically Indigenous employees, but similarly, anecdotal evidence would suggest female employees) has been undertaken.
- Limited engagement is undertaken by the water utilities with the education sector.
- There is limited awareness (and hence engagement) within the CWUA member councils of industry wide initiatives for attracting labour to the water industry.

2.2.2 Forecasting the LMWUA Workforce

Based on the current employment levels of the LMWUA member councils (76 staff in 2011), assuming similar growth rates, it might be reasonable to assume between 3 and 6 new jobs would be created by 2016. It is expected that most of this employment would be in the larger cities and towns (Dubbo and Wellington).

For the LMWUA members, it could be expected by 2016, of the existing 76 staff currently employed, only 39 staff might be expected to remain. Seven would be lost to other water utilities outside the region and 19 lost to the water industry as a whole (through demand by sectors including mining). The other 11 (about 80% of the staff currently between 55-64 years in the region) may reasonably be expected to have retired.

Over the period to 2016, forecast demand for staff in the region may have increased to around 82 by 2016, whilst the available supply may have contracted to as small as 32, but perhaps more likely, to 39. This would lead to a deficit of water utility staff across the LMWUA region of up to 43-50 staff. Even a 'best case' scenario (i.e. assume no growth in demand, and only losses due to retirement) would result in a deficit of 11 staff.

The following key points were identified in the interview survey of LMWUA member councils in relation to their current sources of staff, barriers to attracting staff and the level of engagement of the utilities with the education sector:

- In general, the utilities hire locally and train new staff to meet organisational needs, with a small intake of graduates from the VET and university sectors.
- The most frequently nominated barriers to attracting staff were location, uncompetitive remuneration and competition from other industries. Dubbo did not report any issues.
- Bourke and Narramine actively targeted attracting non-traditional (in this case, Indigenous staff) employees.
- Limited engagement is undertaken by the water utilities with the education sector. Dubbo was the only exception in this respect offering scholarships and holiday work for engineers and providing content to Cert III Frontline Management.
- There is limited awareness (and hence engagement) within the LMWUA member councils of industry wide initiatives for attracting labour to the water industry.

2.3 Comparing Skills and Training Issues

A skill gap analysis was undertaken for both alliances in order to:

- Establish an understanding of the current skill and qualification base of the members; and
- Provide the leaders of the Alliance member councils with an opportunity to highlight training, development, recruitment and retention issues and priorities.

2.3.1 CWUA Member Education and Qualification Levels

Table 2-3 summarises the education levels of each of the CWUA member Council's water utility businesses. Only 49% of staff employed in the CWUA member Council utilities have a post school qualification compared to 68% of the National Electricity, Gas, Water and Wastewater sector, of which water supply, sewerage and drainage is a sub-sector.

Nationally, the sector reports 23% of staff are bachelor degree qualified. In comparison, only 14% of the CWUA member Council staff are bachelor degree qualified. The national sector data includes the professional services type employees, so may to some degree overstate the requirement for this level of qualification. However, it is still expected there is some gap here between the current and the desired future level of degree level qualification for the CWUA members. The councils with a relatively low level of bachelor degree or greater level of qualification (i.e. 15% or less) include:

- Cabonne;
- Cowra;
- CTW;
- Lithgow;
- Oberon;
- Orange;
- Parkes;
- Young; and
- Weddin.

At 26%, the CWUA are closer to the performance of the national sector (27%) in relation to the percentage of staff holding either a Certificate III or IV. This performance may be is still slightly lower than would be expected as operations and maintenance functions would form a significant component of the CWUA qualifications requirements compared to the sector as a whole.

Table 2-3: CWUA Education and Qualification Levels

Council	Head count	FTE ³	Postgraduate	%	Bachelor	%	Diploma	%	Cert IV	%	Cert III	%	Cert II	%	Cert I	%	No Post School	%	Other ⁴
Bathurst	38	36.3	4	11	2	5	3	8	1	3	5	13	-	0	-	0	23	61	Trade Waste
Blayney	7	3.8	-	0	3	43	-	0	1	14	1	14	-	0	-	0	2	29	
Boorowa	5	2.4	1	20	2	40	-	0	-	0	2	40	-	0	-	0	0	0	
Cabonne	14	11.8	-	0	2	14	-	0	-	0	2	14	-	0	1	7	9	64	PWD Cert
Cowra	29	25.9	-	0	4	14	1	3	-	0	6	21	-	0	-	0	18	62	PWD Cert
CTW	14	14.0	-	0	1	7	-	0	2	14	2	14	-	0	-	0	9	64	
Forbes	12	9.4	-	0	3	25	-	0	-	0	5	42	-	0	-	0	4	33	
Harden	9	7.0	-	0	3	33	-	0	-	0	2	22	-	0	-	0	4	44	
Lachlan	10	9.3	-	0	2	20	1	10	1	10	3	30	1	10	-	0	2	20	
Lithgow	23	23.5	-	0	3	13	1	4	3	13	5	22	-	0	-	0	11	48	DEUS Cert
Oberon	10	7.2	1	10	1	10	-	0	1	10	4	40	-	0	-	0	3	30	
Orange	32	31.0	-	0	3	9	-	0	5	16	4	13	-	0	-	0	20	63	
Parkes	14	13.5	-	0	2	14	-	0	-	0	5	36	-	0	-	0	7	50	PWD Cert
Upper Lachlan	9	8.1	1	11	1	11	-	0	1	11	-	0	6	67	-	0	0	0	
Young	9	1.8	-	0	1	10	-	0	-	0	3	30	-	0	-	0	6	60	DEUS Cert
Weddin	10	8.0	-	0	1	11	-	0	-	0	-	0	-	0	-	0	8	89	PWD Cert
Total	245	213	7	3	34	14	6	2	15	6	49	20	7	3	1	1			
National			-	-	-	23	-	-	-			27	-	-	-	-			

³ FTE = full time equivalent, considering the actual amount of time the resource is applied to water supply and sewerage functions.

⁴ Many of the member councils have stated they have DEUS/PWD certificates in water operations and trade waste etc. This training and certificates are now run by the NSW Office of Water (NOW). The NOW certificates will be considered as part of the development of the National Certification Framework for potable water operators. Constraints on recognising prior learning (based on relevance of training in the current context) and the need for refresher training in these areas may impact on the long term relevance of the certificates currently held.

The councils with a relatively low proportion (less than 40%) of staff with a post school qualification include the two regional cities (Bathurst and Orange) and a number of the smaller councils as follows:

- Bathurst;
- Cabonne;
- Cowra;
- CTW
- Orange;
- Young; and
- Weddin.

Only limited information on the nature of qualifications was provided by the CWUA member councils. This is summarised in **Table 2-6**. The types of qualification appear to be somewhat narrowly focussed (i.e. predominantly general management, civil engineering and water and sewerage operations).

Table 2-4: Tertiary Qualifications

Qualification	CWUA Representation
PhD	None identified
Masters Degree	Most not specified, however, Masters in engineering and business administration represented.
Graduate Diploma	A number nominated, but generally not specified. Some note engineering.
Undergraduate Degree	Predominantly, Bachelor Civil Engineering degrees. Some Bachelor of Science, one Engineering and Surveying.
Diploma	A number nominated, generally not specified. Some note engineering, project management, land management, corporate director.
Certificate IV	Water operations
Certificate III	Water operations
Certificate II	Not noted
Certificate I	Not noted

The survey identified the most common forms of training demand as follows:

Business management:

- Leadership training: team leader and management, including human resource and front line management training; and
- Occupational health and safety (OHS).

Industry specific skills

- Asset management;
- Strategic planning; and
- Project management: including budgets, contract management.

Technical skills

- Water treatment and quality management;
- Operations management;
- Chemical handling; and
- Specific OHS (heights, confined spaces, electrical) and First aid.

The main barriers to training and development identified by the member councils was associated with the time intensiveness time and the cost of training. In this way, 'on-the-job' training was often highlighted as a successful way to alleviate these barriers.

Member councils were also surveyed on informal training through mentoring. The following key points can be made:

- Mentoring is used by the CWUA member councils for the purposes of improving the delivery of urban water services. However, there is little consistency in the delivery of mentoring across the group.
- Informal succession planning is in place in more member councils than not.
- Poor experiences with mentoring have occurred where the driver for the program has been perceived to be political, rather than practical outcomes focussed.
- Mentoring approaches that involve meeting (either in group or individual setting) are generally preferred by the membership.
- Whilst there is some interest in a regional apprentice sharing program, the barriers of costs associated with travel and accommodation are seen to be high.

2.3.2 LMWUA Member Education and Qualification Levels

Table 2-5 summarises the education levels (reporting the highest level of qualification attained) of each of the LMWUA member councils' water utility businesses. Only 58% of staff employed in the LMWUA member Council utilities have a post school qualification compared to 68% in the national sub-sector.

Nationally, the sector reports 23% of staff are bachelor degree qualified as their highest level of qualification. In comparison, only 10% of the LMWUA member Council staff are bachelor degree qualified.

At 34%, the LMWUA are closer to the performance of the national sector (27%) in relation to the percentage of staff holding either a Certificate III or IV as their highest level of qualification.

Dubbo, Narromine and Wellington all have approx 15% of staff with bachelor degrees. The remaining five local water utilities have zero percent of staff with bachelor degrees. However, Bogan and Warren have 33% and 20% respectively of their staff with postgraduate qualifications as the highest level attained. Bourke, Brewarrina and Cobar have no staff with university sector qualifications.

The councils with a relatively low proportion (less than 40%) of staff with a post school qualification are as follows:

- Brewarrina
- Cobar
- Narromine
- Wellington.

Table 2-5 : LMWUA Education and Qualification Levels⁵

Council	Head count	Provided data	Post graduate	%	Bachelor	%	Diploma	%	Cert IV	%	Cert III	%	Cert II	%	Cert I	%	No Post School	%	Notes	Other
Bogan	6	6	2	33	-	-	-	-	-	-	3	50	1	17	-	-	0	0		
Bourke	6	5	-	-	-	-	-	-	1	20	-	-	2	40	-	-	2	40		2 NOW Operators 1 Plant operations ticket
Brewarrina	4	3	-	-	-	-	-	-	-	-	1	33	-	-	-	-	2	67	1 staff with Cert III doing Cert IV Water Operations	
Cobar	8	6	-	-	-	-	-	-	-	-	2	33	-	-	-	-	4	67		4 staff with tickets
Dubbo	28	23	1	4	4	17	-	-	3	13	7	30	-	-	-	-	8	35		1 NOW Trade Waste 5 staff with tickets
Narromine	6	6	-	-	1	17	1	17	-	-	0	-	-	-	-	-	4	67	1 staff completing Cert III plumber. 1 staff completing Cert III Water Operations	1 PWD Certificate 1 NOW Oxidation ponds certification
Warren	5	5	1	20	-	-	1	20	-	-	3	60	-	-	-	-	0	0		1 PWD Certificate
Wellington	13	13	-	-	2	15	-	-	-	-	3	23	-	-	-	-	8	62	2 staff members completing Cert IV Water and Sewer operation 1 staff member completing Cert III Electrician	1 PWD Certificate
Total	76		4	6	7	10	2	3	4	6	19	28	3	5	0	0	28	42		
National			-	-	-	23	-	-			27	-	-	-	-	-				

⁵ The table reports the highest level of qualification achieved only.

Only limited information on the nature of qualifications was provided by the LMWUA member councils. This is summarised in Table 2-6. The types of qualification also appear to be somewhat narrowly focussed.

Table 2-6: Tertiary Qualifications

Qualification	LMWUA Representation
PhD	None identified
Masters Degree	Masters in construction management and business administration represented.
Undergraduate Degree	Predominantly, Bachelor Civil Engineering (seven) degrees. One Mechanical Engineering and one Chemical engineering.
Diploma	Civil and electrical engineering
Certificate IV	Water operations, frontline management
Certificate III	Water operations, plumbing, mechanic, electrician, fitter
Certificate II	Not noted
Certificate I	Not noted

The survey identified the most common forms of training demand as follows:

Business management:

- Governance and business management.
- Water legislation, regulation and policy.
- Negotiation and liaison.
- Occupational health and safety (OHS).
- Stakeholder engagement/community consultation.
- Finance and economics.
- Computer skills.

Industry specific skills:

- Strategic planning.
- Financial management/cost management.
- Environmental management/catchment management.
- Asset Management

Technical skills:

- Trade waste.
- Telemetry.
- Dial before you dig.
- Specific OHS (confined spaces, electrical, chemical handling).

Member councils were also surveyed on informal training through mentoring. The following key points can be made:

- Mentoring is used by the LMWUA member councils for the purposes of improving the delivery of urban water services. The Alliance itself, IPWEA and BOD were sources of water related mentoring.
- There is some informal success planning in place across the member councils, but generally, it is not undertaken.
- Mentoring was viewed by the membership as difficult to achieve due to the costs associate with distance, however, there was some interest in virtual networks.
- Mentoring approaches that involve individual meetings or telephone calls are preferred by the membership and virtual meetings were ranked above group meetings in preferences.
- There was no interest in a regional apprentice sharing program.

- There was only limited feedback (2 respondents) on formal mentoring meaning no useful conclusions could be drawn.

2.4 Summary of Issues

Table 2-7 sets out a summary of the workforce and skill issues being faced by the CWUA and LMWUA member councils.

Table 2-7: Summary of Issues

Aspect	Issue CWUA	Issue LMWUA
Workforce characteristics	<ul style="list-style-type: none"> • Relatively old, and likely to expect a significant number of retirements in next 10 years. • A large number (44%) of CWUA water utility staff are aged 45 years and greater. 	<ul style="list-style-type: none"> • Relatively old, and likely to expect a significant number of retirements in next 10 years. • A large number (43%) of LMWUA water utility staff are aged 45 years and greater. • Managerial staff are the most difficult to attract and retain across the membership. • It is difficult to attract labour to roles for qualified operators and plumbers were difficult to attract labour.
Workforce supply and demand forecast	<ul style="list-style-type: none"> • Within the next 5 years, retirement may see the loss of up to 26 of the 208FTE CWUA member staff. • The gap between supply and demand for staff across the region in 2016 may reasonably be between 26 and 70 FTEs. • Utilities are not salary competitive for core water industry roles and face competition from other, higher paying, industries (mining and plumbing). • Limited targeting of non-traditional employees (Indigenous persons and women). • Little engagement with the education sectors potentially providing new staff. • Limited engagement with national initiatives to attract labour to the water industry. 	<ul style="list-style-type: none"> • Within the next 5 years, retirement may see the loss of up to 11 of the 76 LMWUA member staff. • The gap between supply and demand for staff across the region in 2016 may reasonably be between 43 and 50 FTEs. • Utilities hire locally and train new staff to meet organisational needs, with a small intake of graduates from the VET and university sectors. • The most frequently nominated barriers to attracting staff were location, uncompetitive remuneration and competition from other industries. Utilities are not salary competitive for core water industry roles and face competition from other, higher paying, industries (mining and plumbing). Dubbo did not report any attraction and retention issues. • With the exception of Bourke and Narromine, there is limited targeting of non-traditional employees (Indigenous persons, women, young and mature-age workers) by the membership. • With the exception of Dubbo, there is little engagement by the membership with the education sectors potentially providing staff. • Limited engagement by the membership with national initiatives to attract labour to the water industry.
Skills and training	<ul style="list-style-type: none"> • The level of post school qualification of the CWUA member Council utility staff is low (49%) compared to the national sector (68%). • Whilst the level of Certificate III or IV qualification is close to the national sector, the level of bachelor degree qualification (14%) appears relatively low (26%). Difficulty in attracting degree qualified staff is a reported issue, and the comparison to the sector may distort as the sector would include professional services staff. However, it is still considered that increasing the level of degree qualification is desirable. • Whilst the membership has a focus on furthering the level of Certificate III and IV qualification, comparisons with the national industry suggest engineering, science and management qualifications also need to be furthered. • There is a need to build capacity in water utility management and service delivery generally. 	<ul style="list-style-type: none"> • The level of post school qualification of the LMWUA member Council utility staff is lower (58%) than the national sector (68%). • Whilst the level of Certificate III or IV qualification is above the level found by comparison to the national sector, the level of bachelor degree qualification (10%) appears relatively low (26%). Difficulty in attracting degree qualified staff is a reported issue, and the comparison to the sector may distort as the sector would include professional services staff. However, it is still considered that increasing the level of degree qualification is desirable. • Whilst the membership has a focus on furthering the level of Certificate III and IV qualification, comparisons with the national industry suggest engineering, science and management qualifications also need to be furthered. • There is a need to build capacity in water utility management and service delivery generally, through on-the-job training, rotation and experience.

Aspect	Issue CWUA	Issue LMWUA
	<p>through on-the-job training, rotation and experience, in addition to formal training.</p> <ul style="list-style-type: none"> • The skill sets presently represented by the CWUA member Council utility staff tend to be focussed on general management, civil engineering and water and sewerage operations. This may not be consistent with the broader skill sets identified as relevant to the industry by WSAA. • There is little formal regular skills auditing undertaken by member councils. 	<p>in addition to formal training.</p> <ul style="list-style-type: none"> • The skill sets presently represented by the LMWUA member Council utility staff tend to be focussed on general management, civil engineering, water and sewerage operations, plumbing and electrical. This may not be consistent with the broader skill sets identified as relevant to the industry by WSAA. • There is little formal regular skills auditing undertaken by member councils.

3 Comparing Management Responses

This section of the document aims to identify the management responses CWUA and LMWUA have agreed to put in place to address the key workforce and skill issues presently being faced by their respective members.

3.1 Adopted Management Responses

As part of the development of each Alliance’s individual strategy, potential options were identified and evaluated for each issue raised. Each of the options is spelt out in greater detail in the individual strategy documents.

3.1.1 CWUA Management Responses

The high value/low effort and high value/high effort options which have been included in the CWUA strategy Action Plan are summarised in Table 3-1.

Table 3-1: Evaluation of Management Responses in the Centroc Context

<p>1. High Value/ Low Effort</p> <p>W3. Increased engagement with WTAN and AWA Water Industry Capacity Development (WICD) specialist Network</p> <p>W7. Develop a regional water utility award concept</p> <p>W8. Develop a mentoring induction/training package</p> <p>W9. Develop a policy, process and incentives for phased retirements</p> <p>W11. Promote the opportunity to undertake casual trainer/assessor roles in the industry to retiring workers</p> <p>S4. Improving connections to knowledge communities outside of the region.</p> <p>S5. Review and establish connections to water industry on-line learning content</p> <p>S6. Establish a pre-qualified panel of experts available on retainer or other arrangement to each member Council.</p> <p>S7. Develop and implement an biennial skills audit</p>	<p>2. High Value/ High Effort</p> <p>W4. Consider potential to develop a Central NSW region specific adjunct to the H2Oz brand and marketing campaign.</p> <p>W6. Develop a program of job rotation/secondments</p> <p>W10. Develop a knowledge management formal mentoring program</p> <p>W5. Development of a region wide package of benefits additional to remuneration.</p> <p>S1. Regional sponsorship of an annual cadetship program in a relevant engineering, science or management qualification</p> <p>S2. Development of a coordinated approach to obtaining and maintaining the required water industry certificate level qualifications across the CWUA</p> <p>S3. Investigation of the potential for accreditation of local water utility specific qualifications</p> <p>S8. Development of a regional priority training program</p>
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3.1.2 LMWUA Management Responses

The high value/low effort and high value/high effort options which have been included in the CWUA strategy Action Plan are summarised in Table 3-2.

Table 3-2: Evaluation of Management Responses in the LMWUA Context

<p>1. High Value/ Low Effort</p> <p>W2. Targeted education sector engagement program (WTAN & WICD)</p> <p>W3. Increased engagement with WTAN and AWA Water Industry Capacity Development (WICD) specialist Network</p> <p>W7. Develop a regional water utility award concept</p> <p>W8. Collaborate with the mining industry to identify opportunities to staff-share, swap staff etc</p> <p>W11. Develop a policy, process and incentives for phased retirements</p> <p>W13. Promote the opportunity to undertake causal trainer/assessor roles in the industry to retiring workers</p> <p>S1. Regional sponsorship of an annual cadetship program in a relevant engineering, science or management qualification</p> <p>S3. Improving connections to knowledge communities outside of the region.</p> <p>S4. Review and establish connections to water industry on-line learning content</p> <p>S5. Establish a pre-qualified panel of experts available on retainer or other arrangement to each member Council.</p> <p>S8. Develop and implement a biennial skills audit</p>	<p>2. High Value/ High Effort</p> <p>W4. Consider potential to develop a Western NSW region specific adjunct to the H2Oz brand and marketing campaign.</p> <p>W5. Development of a region wide package of benefits additional to remuneration.</p> <p>W6. Develop a program of job rotation/secondments</p> <p>W9. Develop a LMWUA electronic knowledge sharing environment.</p> <p>W12. Develop a knowledge management formal mentoring program</p> <p>S2. Development of a region-wide traineeship program for certificate III and IV level qualifications focused on water industry operations</p> <p>S6. Development of a regional priority training program.</p> <p>S7. Promotion of water industry skills and careers in local high schools</p>
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4 Workforce, Skills, Training and Mentoring Collaboration Potentials

This section sets out the collaboration potentials in relation to workforce, skills, training and mentoring, across the CWUA and LMWUA. Four types of potential are identified:

- Direct linking actions: actions that could be progressed in partnership across the two alliances;
- Sharing of templates and tools for actions: templates or other tools that could be shared across the two alliances;
- Sharing resources: human resources that might be applied across the region.
- Opportunities for CWUA and LMWUA to collaborate on matters where advocacy is relevant.

4.1 Potential Direct Linking of Actions

Table 4-1 sets out the potential for directly linking actions between the two alliances

Table 4-1: Potential Direct Linking of Actions

Action	Potential Direct Link	Considerations
Increased engagement with WTAN and AWA Water Industry Capacity Development (WICD) specialist Network	This action included assigning a champion from each of the alliances to attend meetings/forums of WTAN and WICD and to provide a connection between the alliances and WTAN and WICD. There is some potential to link these two actions, with one Alliance putting in place a champion for WTAN and the other for WICD. The champions would then need to advocate regional issues to WTAN and WICD for both alliances and return key insights to the wider membership through the regular CWUA and LMWUA meeting processes.	<ul style="list-style-type: none"> • Sharing the costs of participation fairly across the two alliances
Improving connections to knowledge communities outside of the region.	Similarly to above, it may be appropriate to assign a single resource from one of the alliances, to keep track, and report to both alliances, on the information from knowledge communities outside the region. Alternatively, it may be helpful to divide up the overlapping knowledge communities (asset management, water operations, trade waste and water quality networks) amongst a champion from each Alliance and share as per the link discussed above.	<ul style="list-style-type: none"> • Sharing the costs of participation fairly across the two alliances
Review and establish connections to water industry on-line learning content	Links similar to those discussed above could be put in place to track and promote on-line learning content across the two alliances	<ul style="list-style-type: none"> • Sharing the costs of participation fairly across the two alliances
Development of a coordinated approach to obtaining and maintaining the required water industry certificate level qualifications across both alliances	<p>Currently, with the exception of Victoria, operators of potable water treatment plants in Australia are not required to meet any minimum standards of qualification, competency level, licence or certification, which is inconsistent with best practice across the industrialised world in the water sector. In recognition of the importance of water treatment operators' competence in the production of safe drinking water and, to mitigate public health risk, the NWC has commissioned the development of a National Certification Framework for potable water treatment plant operators.</p> <p>Parke Shire Council has applied the Victorian guidelines to its business to assess current and future training requirements and may be a suitable Council to keep abreast of the national certification framework and communicate its impacts across the two alliances.</p> <p>There interviewing process identified demand for nearly sixty certificate III and IV level training places in CWUA and nearly fifty for LMWUA. Add to this the expectation of losing at least 37 FTEs (retirements only across both alliances) and demand for training is quite high. . The interviewing process highlighted the need to focus on water industry operations training, particularly water/sewer treatment operator, and trade waste training, which should be supported by the additional training courses offered by the NSW Office of Water.</p>	<ul style="list-style-type: none"> • Potential burden on one Council • Sharing the costs of participation fairly across the two alliances

Action	Potential Direct Link	Considerations
	<p>Whilst there would be a need to review a coordinated training plan in mid 2012 to ensure it aligns with the National Certification Framework, the existing demand for cert III and IV water operations training identified is of a level that, once confirmed, the delivery of a schedule of qualification across the region could be coordinated by one of the alliances on behalf of both alliances and could represent an opportunity to collectively negotiate (for cost savings) with an RTO to deliver the training required.</p> <p>As Centroc already has staff involved in coordinating and planning training, it may be sensible to leverage this existing investment.</p>	
<p>Development of a regional priority training program.</p>	<p>Looking at the similarities in demand, a regional training program for the next three years could be developed, focussing on the following managerial level training for the representatives to the CWUA and LMWUA management meetings (or their delegates as determined by the members):</p> <ul style="list-style-type: none"> • Leadership training • Governance, business management, negotiation and liaison • Water legislation, regulation and policy • Occupational health and safety (OHS) • Strategic planning and asset management • Project management, finance and economics: <p>The AWA and WTAN listings will provide guidance for the water industry-specific content, and more general engineering industry short-courses are run covering the other subject matter. In addition, each member Council could review specific OHS training requirements for staff on an annual basis. The Centroc training planning and procurement resources may be a cost-effective way of coordinating the delivery of this type of short-course training.</p> <p>Formal mentoring across both alliances could also be used to support the delivery of training in these areas.</p>	<ul style="list-style-type: none"> • Sharing the costs of participation fairly across the two alliances

4.2 Potential Sharing of Templates and Tools for Actions

Table 4-2 sets out the potential for sharing templates and tools between the two alliances to progress the implementation of their respective action plans more efficiently and effectively.

Table 4-2: Potential Sharing of Templates and Tools

Action	Potential Sharing of Templates and Tools	Considerations
<p>Develop a regional water utility award concept</p>	<p>The development of a limited set of Alliance-specific regional awards for water utility best-practice management would provide recognition of leading practice and become a point from which nomination for state, national and international awards can be made.</p> <p>One of the two alliances could take the lead on developing the awards structure, tailoring the Engineers Australia, IPWEA or AWA awards to the regional level and develop templates that could be used by the other with relatively minor alteration.</p> <p>As neither Alliance presently has such a program, either could take the lead role.</p>	<ul style="list-style-type: none"> • Deciding the lead Alliance • Sharing the cost-savings of implementation between the two alliances

Action	Potential Sharing of Templates and Tools	Considerations
Develop a policy, process and incentives for phased retirements	<p>Whilst retirements are a matter for individual staff and their employers, one of the alliances could take on the role of developing a consistent set of policies, processes and incentives for phased retirement. This should include investigating “transition to retirement” type schemes, eg. Introducing part-time work for imminent retirees but deferring their eventual full retirement.</p> <p>As Centroc already has an active HR committee, it may make sense for Centroc to lead this collaboration.</p> <p>Ultimately, the templates would form a basis, which may be varied to greater and lesser degree, for each Council to determine this policy.</p>	<ul style="list-style-type: none"> Sharing the costs of developing the templates fairly across the alliances,
Establish a pre-qualified panel of experts available on retainer or other arrangement to each member Council.	<p>Whilst there are likely some similarities between the requirements of the alliances, it is likely there are some differences too. Hence, it has not been proposed that only one expert panel be established.</p> <p>However, the tender documentation, contract documentation, advertisement, assessment tools and other aspects of the procurement process etc, lend themselves to being shared across the two alliances.</p>	<ul style="list-style-type: none"> Deciding the lead Alliance Sharing the cost-savings of implementation between the two alliances
Develop and implement a biennial skills audit	<p>The skills matrix and collection, collation and analysis processes for undertaking the biennial skills audits may lend themselves to templates that could be shared across the two alliances.</p> <p>Alternatively, if this activity was outsourced, it may be worth considering collective purchasing. Alternatively, the broader HR resources of Centroc may be able to deliver this efficiently for both alliances on a cost-only or similar basis.</p>	<ul style="list-style-type: none"> Deciding the lead Alliance Sharing the cost-savings of implementation between the two alliances

4.3 Potential for Sharing Resources

Table 4-3 sets out the human resources that may be able to be shared or leveraged across the alliances.

Table 4-3: Potential Sharing of Resources

Action	Potential Sharing of Resources	Considerations
Promote the opportunity to undertake casual trainer/assessor roles in the industry to retiring workers	<p>On-the-job traineeships require decentralized trainers and assessors to be available where the industry operates. Given the need for training in the region, and the relatively high forecast retirement rate, both alliances councils jointly could promote and facilitate (through connection with WTAN) their retiring staff to take up casual trainer/assessor roles in the region. Ultimately, this would lead to the sharing of training resources (albeit not directly owned by either Alliance) across the region.</p>	<ul style="list-style-type: none"> Skill levels differ greatly between the alliances. In reality, the best sources of trainers may be the cities of both alliances: Bathurst, Dubbo and Orange that report fewer skill sourcing issues. This may raise concerns of imbalance. Although this action benefits the alliances in the long-term, it is an indirect sharing of resources.
Develop a knowledge management formal mentoring program	<p>To assist in reducing the impact of retirement levels across both Alliance’s organisational knowledge, a formal coaching and mentoring program could be designed and implemented to transfer and retain skills and knowledge of workers nearing retirement to designated staff across the two regions. Key areas of formal knowledge transfer that may be agreed include: water and sewage treatment plant operations and manager/director roles and responsibilities.</p> <p>Centroc has already undertaken successful formal regional mentoring projects in for Sustainability training, which was delivered using the TAGI model. Leveraging this investment may form a cost-effective way of delivering this combined action.</p>	<ul style="list-style-type: none"> Skill levels differ greatly between the alliances. In reality, the best sources of mentors may be the cities of both alliances: Bathurst, Dubbo and Orange. This may raise concerns of imbalance.
Formalise link role of Wellington Council	Formalise the linking role between the two Alliances utilising the joint member, Wellington Council	<ul style="list-style-type: none"> Ensure cost implications for Wellington are fairly shared

4.4 Potential Joint Advocacy

Table 4-4 sets out common points of connection with other entities that may benefit from a united advocacy approach by the two alliances.

Table 4-4: Potential Joint Advocacy

Action	Potential Joint Advocacy	Considerations
Consider potential to develop a Western NSW region specific adjunct to the H2Oz brand and marketing campaign.	<p>The H2Oz careers in marketing campaign is managed by the AWA and is actively advised and supported by over 30 partner organisations (from government, private and not-for-profit) in the Australian water industry. The campaign was developed to respond to the lack of awareness of the 'water industry' and the breadth of opportunities it offers to prospective employees.</p> <p>Together, the two alliances may have greater negotiating power with the AWA to determine the possible connections, links, promotions, using the H2Oz campaign, could be made to promote water sector work in regional settings and try to attract a wider candidate pool.</p>	<ul style="list-style-type: none"> The AWA may require significant investment from the alliances to modify their existing campaign to better promote regional issues.
Annual review and consideration of other collaborative efforts between CWUA and LMWUA	Building on the work set out in the action plan, the two Alliances could continue to identify areas for ongoing collaboration and effort in this area.	<ul style="list-style-type: none"> NA

5 Collective Procurement

This section examines the potential for cost savings across the two regions through exploration of potential economies of scale in bulk purchasing.

Whilst procurement of treatment chemicals was the primary focus of interviewing across both alliances in relation to collective purchasing, other ideas for cost savings through bulk purchasing have also been identified and are discussed in this section.

5.1 Treatment Chemicals

The interview process focused on considering the potential gains the CWUA had identified in terms of chemical purchasing. The interviews found that there was not much overlap in the types of chemicals purchased within and across both alliances. In addition, there were significant gaps in the data provided, suggesting most councils do not collect and record this information in an easily retrievable format.

5.2 Future Considerations

In addition to those identified by interview participants, it is recommended that further consideration be given to collective procurement opportunities including:

- Pipes and fittings.
- Service reservoir cleaning.
- Membership of the SaveWater Alliance.
- That the outcomes of both alliance's regional demand management plans be reviewed for opportunities to procure water saving devices and plumbing services collectively.
- That the training requirements identified in both plans be further refined to establish if the consolidated demand would impact on purchasing power.
- Obtaining specialist expertise to progress items such as dam safety, energy efficiency, strategic planning and asset management planning.

6 Conclusions and Next Steps

This section sets out the conclusions of this document and the next steps to progress.

6.1 Conclusions

The conclusions of this document can be summarised as follows:

- There exist a number of commonalities with respect to workplace, skills and training issues and management solutions across the CWUA and LMWUA that represent opportunities for mutually beneficial collaboration.
- Collaboration may come in the form of direct linking of actions, or in the sharing of templates, tools and people, or the joining of efforts to advocate for regional water utility priorities.
- Although not quantified here, it could reasonably be expected that efficiency and effectiveness gains would be had for both alliances through the collaborative or partnering implementation of some or all of the actions as identified in this document.

6.2 Next Steps

The linking and collaboration potentials identified in this document will be considered by the CWUA and LMWUA in the development of their 2012/13 management plans. Final agreements will be documented in these plans to enable implementation to commence in 2012.