

**SEQWATER'S 16 APRIL 2013 SUBMISSION ON STATEMENT OF OBLIGATIONS  
FOR QUEENSLAND BULK WATER SUPPLY AUTHORITY (QBWSA)**

**16 April 2013**

**From:** Colin Nicolson  
**Sent:** Tuesday, 16 April 2013 11:28 AM  
**To:** Angus MacDonald  
**Cc:** Damian Scholz  
**Subject:** FW: QBWSA Statement of Obligations

Angus

Here attached is the final Statement of Obligations signed by the Ministers. Damian has asked me to send this through to you.

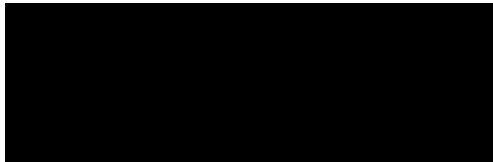


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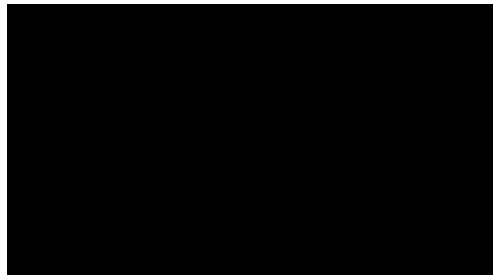


**STATEMENT OF OBLIGATIONS  
FOR  
QUEENSLAND BULK WATER SUPPLY AUTHORITY  
ISSUED BY TREASURER AND MINISTER FOR TRADE AND  
MINISTER FOR ENERGY & WATER SUPPLY  
2013**

As the Responsible Ministers for the Queensland Bulk Water Supply Authority (the Authority), pursuant to section 51A of the *South East Queensland Water (Restructuring) Act 2007*, we make and issue the attached Statement of Obligations to the Authority.



Tim Nicholls MP  
Treasurer and Minister for Trade



Mark McArdle MP  
Minister for Energy and Water Supply

## **1 Preamble**

The Queensland Bulk Water Supply Authority (the Authority) manages natural and built assets in order to supply water to distributor-retailers, industry and irrigation customers in south east Queensland (SEQ). It owns, manages and operates assets including dams, water treatment plants, pipelines and pump stations, and operating systems. The Authority's operations are impacted by the way in which other land owners manage natural resources in SEQ catchments.

- 1.1 The Authority's responsible Ministers are the Treasurer and Minister for Trade and the Minister for Energy and Water Supply, the Ministers nominated in the *South East Queensland Water (Restructuring) Act 2007* (Restructuring Act).
- 1.2 This Statement of Obligations is issued by the responsible Ministers under section 51A of the Restructuring Act.
- 1.3 Core Business and designated Area of Operations.
  - 1.3.1 The Authority's core business is to deliver bulk water services as defined in the *Water Act 2000* (Water Act) and functions conferred by the Restructuring Act.
  - 1.3.2 The Authority's area of operations is the SEQ region as defined in the Water Act.

## **2 Context for the Statement of Obligations**

### **2.1 Purpose**

The purpose of this Statement of Obligations (SoO) is to outline the overarching obligations of the Authority in meeting the expectations, expressed as guiding principles, of the responsible Ministers.

### **2.2 Term of SoO**

The first SoO commences on 5 March 2013 and expires on 5 March 2016.

### **2.3 Review of SoO**

The first SoO is to be reviewed within 18 months of its commencement, and any subsequent SoO is intended to be reviewed at least once every three years by the responsible Ministers.

### **2.4 Review Process**

- 2.4.1 The responsible Ministers may initiate a review of this SoO and advise the Authority in writing, stating the reasons for, approach to and expected completion timeframe of, the review. The Authority may request a review of this SoO by writing to responsible Ministers with the reasons for and terms of, the review. The responsible Ministers must reply within 30 days advising whether a review would be initiated and the terms of the review.
- 2.4.2 As part of the review the Authority must provide advice to the responsible Ministers on any significant changes to relevant legislation, the SEQ Regional Plan, SEQ local governments' priority infrastructure plans and the SEQ water businesses Water Netserv plans or any other statutory planning document impacting on the level of service and the potential implications of

such changes on the Authority's operations.

- 2.4.3** Reviews of the SoO must consider the timeframes of reviews of the SEQ Regional Plan.

## **2.5 Interpretation**

Definitions of relevant terms used in this SoO are in Schedule A. For clarity, a definition made under any statutory instrument prevails.

## **2.6 Reporting**

The Authority is to include a summary of its compliance with this SoO in its quarterly reports to the responsible Ministers under section 36 of the Restructuring Act, with a detailed report to be included in the report for the 1 April to 30 June quarter.

## **2.7 Availability**

The Authority must publish this SoO on its website.

# **3 Guiding Principles**

## **3.1 Focus on core business**

The Authority's primary focus is to deliver safe, secure, resilient and reliable water supplies at least cost to its customers.

## **3.2 Support government objectives and direction**

The Authority must demonstrate its performance and compliance with the objective of delivering its services at the best value and whole of SEQ system least cost.

## **3.3 Effective and efficient business**

**3.3.1** Investment and operating decisions are to be made considering the whole of SEQ system least cost, subject to appropriate arrangements between the Authority and its customers.

**3.3.2** The Authority is to implement policies, practices and procedures to ensure that its operating and capital expenditures are prudent and efficient.

**3.3.3** The Authority must manage identified risks in accordance with appropriate risk management standards and guidelines.

## **3.4 Communication, Consultation and Collaboration**

**3.4.1** The Authority must develop a culture of customer service for proactive, transparent and accountable engagement with its customers, stakeholders, and the community it serves.

**3.4.2** The Authority must endeavour to work with councils to ensure supply chain optimisation, before augmenting or planning and building new infrastructure.

**3.4.3** The Authority must endeavour to collaborate with all regional bodies and authorities to achieve whole of region benefits. Where functions of the Authority, SEQ service providers and any other entities may be similar or provide synergies (for example, catchment management, metering, pipeline

and reservoir construction, operation of water infrastructure, customer service, and shared infrastructure or systems), the Authority must endeavour to develop options jointly with relevant entities for mutual benefit, in order to achieve efficiency and effectiveness of service delivery at least cost to the community.

### **3.5 Sustainability**

- 3.5.1** The Authority is to operate commercially and improve its financial performance for long term sustainability.
- 3.5.2** The Authority must strive to mitigate and remediate the impacts of its activities on the environment.
- 3.5.3** The Authority should apply sustainability principles in developing and implementing programs for assessing, monitoring and continuously improving the Authority's performance, including:
- responding to climate variability
  - maintaining and restoring natural assets that impact on the Authority's operations where feasible
  - using all resources more efficiently
  - managing everyday environmental impacts.

### **3.6 Innovation**

The Authority is to have a bias for innovation to exploit technology and ideas to meet quality outcomes at lower cost. It is to develop a culture of continuous improvement.

## **4 Obligations**

The Authority must consider the following obligations in performing its functions.

### **4.1 Operational and Strategic Planning**

- 4.1.1** The Authority is to undertake operational and strategic planning. The Operational and Strategic Plans are to have regard to this Statement of Obligations.
- 4.1.2** The Operational and Strategic Plans are expected to be appropriately detailed in years: one year operational focus, five year most-likely outlook, and rolling 30 year planning horizon.
- 4.1.3** The Operational Plan is to include critical success factors and appropriate performance indicators. The Operational Plan is to be reviewed annually and submitted to responsible Ministers for approval.
- The Authority's first Operational and Strategic Plans are to be provided to the responsible Ministers for approval by the agreed date.
  - Future plans are to be prepared for each financial year in accordance with the process in Chapter 2, Part 4 Division 4 of the Restructuring Act and the State Water Authorities Guidelines for the Development of Strategic and Operational Plans mandated under the Act.

## **4.2 Water Security**

- 4.2.1** The Authority is to consider water security from the perspectives of water quantity and quality.
- 4.2.2** The Authority is to plan and manage water in a total water cycle framework including its water supply catchments. The Authority is to focus on the catchment, storage, treatment, recycled water and bulk transport component of the water cycle, to achieve best social, environmental and economic outcomes, in partnership with land owners and affected parties.
- 4.2.3** The Authority must ensure that its water supply planning provides for:
- meeting the Level of Service objectives through a Water Security Program
  - assessing and monitoring quantity and quality of available water supplies
  - assessing and monitoring demands on water supplies
  - responding to droughts and floods
  - assessing and testing the optimal supply and demand management solutions
  - advice on the planning and regulatory impediments to achieve water security.
- 4.2.4** The Authority must participate in and support the development and implementation of any regional catchment management strategy or catchment sub-strategy or regional river health strategy. This may be through involvement in the SEQ Regional Plan, local government planning mechanisms or other planning mechanisms.
- 4.2.5** The Authority must participate in and support the development and implementation of any SEQ local government planning scheme, local planning policy framework or strategic statement which may affect, or be affected by, the Authority's activities.

## **4.3 Water Quality**

- 4.3.1** Quality of supply – the Authority is to deliver bulk water services to consumers in a financially, socially and environmentally sustainable manner, taking in to account the Australian Drinking Water Guidelines.
- 4.3.2** The Authority is to implement and maintain an accredited Quality Management System in accordance with the requirements of current Australian/New Zealand Quality Management System Standards and also in accordance with the requirement of current Australian/New Zealand Food Safety Management System Standards.
- 4.3.3** The Authority is to participate in the preparation of an integrated water quality management system from catchment to tap. This is to undertaken in partnership the relevant water businesses, government authorities and other service providers.
- 4.3.4** The Authority must meet or exceed its obligations under the *Water Supply (Safety and Reliability) Act 2008* (Qld) (Water Supply Act) and where

appropriate, relevant national water standards.

#### **4.4 Customers**

The Authority is to develop and implement open and transparent processes to engage with its customers (distributor-retailers, council water businesses, irrigators, power stations) on its services and responsibilities under legislation and this SoO, to ensure that the services it provides reflect the needs and expectations of its customers.

#### **4.5 Employees**

The Authority is to ensure that its people have the knowledge, skills and leadership to deliver high quality services to the community.

#### **4.6 Community**

- 4.6.1 The Authority is to engage with and inform the community in which it operates, on matters that impact that community, for example, asset and operations planning, recreational management and environmental issues, and ensure that it remains and is seen to be a good corporate citizen.
- 4.6.2 The Authority is to develop a culture of customer service for proactive, transparent and accountable engagement with the customers, stakeholders, and the community it serves.
- 4.6.3 The Authority is to review opportunities for recreation including strategies to recover costs from the users and/or beneficiaries where appropriate.
- 4.6.4 Water supply, consumption, quality, safety, dam access and other relevant information is to be made available to the community through a range of mechanisms including a website.
- 4.6.5 The Authority is to proactively engage with all SEQ local governments. A partnership approach is to be adopted, and local governments are to be informed in a timely manner where Authority activities that have a direct impact on them and/or their communities.

#### **4.7 Assets**

- 4.7.1 The Authority must ensure it prepares an Asset and System Optimisation Plan for its portfolio of assets taking into account all assets, natural and built in the service area, relevant best practice standards and guidelines.
- 4.7.2 The Authority must maintain comprehensive asset information, including the condition and performance of its natural and built assets.
- 4.7.3 The Authority must develop and implement plans, systems and processes to manage its natural and built assets in ways which:
  - allow the Authority to supply its services sustainably
  - maintain the level of service
  - minimise the whole of SEQ system cost.
- 4.7.4 The Authority must develop and implement comprehensive data bases, plans, systems and processes to manage its information and intellectual



property.

- 4.7.5** The Authority is to develop and implement its plans, systems and processes, having regard to relevant Australian/New Zealand Standards as revised from time to time, to ensure that risks to assets or services are identified, assessed, prioritised and managed.

#### **4.8 Environment**

- 4.8.1** As appropriate, the Authority is to mitigate detrimental social, economic or environmental effects of its assets and operations.
- 4.8.2** The Authority must develop, implement and maintain an appropriate certified Environmental Management system in accordance with the requirements of Australian/New Zealand Environmental Management System Standards.
- 4.8.3** The Authority plays an integral part of the Healthy Waterways Partnership to monitor and gauge the health of SEQ's waterways.
- 4.8.4** The Authority is to implement sustainable water management programs to:
- assess and monitor the quantity and quality of raw water supplies
  - improve the quality of raw water supplies where feasible
  - reduce leakage and minimise other losses of water from its works to an economically sustainable level
  - investigate ways to obtain and use/sell recycled water or other sources.
- 4.8.5** The Authority must monitor environmental risks and report where not elsewhere reported, on the impact of its assets or operations, on waterways, aquifers, wetlands and the coastal environment.

#### **4.9 Safety and Emergency Management**

- 4.9.1** Health and Safety - the Authority is to plan for and manage customer, public and workforce health and safety.
- 4.9.2** The Authority is to develop, implement and maintain an appropriate certified Safety Management System to cover all staff, contractors or members of the public having contact with Authority owned or controlled assets.
- 4.9.3** Emergency management – the Authority shall actively plan for the possibility of emergency situations affecting its assets and services in cooperation with emergency response authorities and its customers. The Emergency Plan must include a clear communication program to provide timely advice to the responsible Ministers, customers and the community.
- 4.9.4** Flood Mitigation - The Authority must comply with its obligations under the Water Supply Act and provide the following:
- operate and maintain flood mitigation infrastructure
  - undertake flood operations
  - produce flood mitigation manuals
  - optimise water infrastructure including balancing flood management,

water supply security and dam operations.

- 4.9.5** The Authority must assist the government in addressing the recommendations of the Queensland Floods Commission of Inquiry including Wivenhoe and Somerset Dams Optimisation Study and the North Pine Dam Optimisation Study.
- 4.9.6** The Authority must undertake periodic training and exercises as necessary to ensure that an Emergency Management Plan can be implemented effectively.

#### **4.10 Government**

- 4.10.1** The Authority is to establish governance framework for the business with due consideration of guiding principles, risk management, compliance and safety.
- 4.10.2** The Authority is to develop and maintain policies and procedures that satisfy the Principles and Objects of the Authority and this Statement of Obligations, the Operational and Strategic Plans and directions given to the Authority under the Restructuring Act.
- 4.10.3** The Authority is to establish systems and procedures to capture, analyse, model and manage relevant bulk water information and data sets and to share this information and data with the Queensland Government for water security planning purposes.
- 4.10.4** The Authority must produce and make available, relevant water storage, supply and demand modelling information to assist the government in the dam optimisation studies and in the declaration of temporary full supply levels.

## 5 SCHEDULE A: DEFINITIONS

The following definitions apply to the SoO:

“Level of Service objectives” is the Desired Level of Service Objectives described in a regulation made under Chapter 2A of the *Water Act 2000* (Qld)

“SEQ region” has the meaning given in section 341 of the *Water Act 2000* (Qld).

“SEQ Regional Plan” is the plan has the meaning given in the *Sustainable Planning Act 2009* (Qld).

“SEQ service provider” has the meaning given in the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* (Qld).

“SEQ system” comprises the connected and standalone bulk water infrastructure assets owned and operated by the Authority within the SEQ region. This is taken to include sites and infrastructure for future needs.

