

Statement of Obligations for Queensland Bulk Water Supply Authority

Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Main Roads, Road Safety and Ports, Minister for Energy and Water Supply

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* (Restructuring Act), we make the attached Statement of Obligations to the Authority.

1. Preamble

- 1.1 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, land, recreational facilities, water treatment plants, pipelines, 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.
- 1.2 The Authority has obligations that it has to meet in its operations which derive from mandated sources including legislation, government policy, Ministers' requirements and Australian and international standards.
- 1.3 Those obligations include, but are not limited to, those contained in:
- (a) Restructuring Act
 - (b) *Water Act 2000* (Qld) (Water Act)
 - (c) *Water Supply (Safety and Reliability) Act 2008* (Qld) (Water Supply Act)
 - (d) Bulk Water Supply Code
 - (e) Australian Drinking Water Guidelines
 - (f) *Financial Accountability Act 2009* (Qld)
 - (g) *Financial and Performance Management Standard 2009* (Qld)
 - (h) Aspects of the Government Owned Corporations Governance Framework, as advised by the responsible Ministers.
- 1.4 The core business activities of the Authority include:
- (a) water supply
 - (b) water security
 - (c) water quality
 - (d) asset management
 - (e) environmental management
 - (f) recreation management
 - (g) flood mitigation.

2. Purpose

2.1 The purpose of this Statement of Obligations (SoO) is to:

- (a) state principles which the responsible Ministers require the Authority to act in accordance with, in addition to the obligations in the sources set out above
- (b) describe the priority outcome areas and functions that the Authority must achieve to meet its obligations, including Ministers' requirements.

3. Guiding Principles

3.1 Core Business

- (a) The Authority's core business is to deliver safe, secure, resilient and reliable water supplies at least cost to its customers by:
 - (i) providing Bulk water services as defined in the Water Act
 - (ii) performing the functions conferred in the Restructuring Act
 - (iii) performing the functions set out in 1.4 above.
- (b) The Authority will focus on its core business. In doing so, it will align its operations to the four Strategic Focus Areas listed below.

3.2 Strategic Focus Areas

Aligning operations to the four Strategic Focus Areas will help the Authority achieve its primary goal of reducing the cost of water for its customers. It will also have the benefit of structuring the Authority's operations with clear direction, to achieve better transparency for the responsible Ministers and the SEQ community.

3.2.1 Operationally Efficient

The Authority will strive to transform its business into a financially sustainable, efficient water utility that provides value for money and fit-for-purpose services to its customers. This will be achieved by:

- (a) ensuring that each of the components of the water supply that the Authority manages is undertaken in a way that is prudent and operationally efficient
- (b) continuously improving and ensuring the Authority challenges the way it does things
- (c) investing in skills and capability of the workforce
- (d) ensuring the Authority invests in both its natural and built assets
- (e) efficient use of energy, chemicals and resources.

3.2.2 Customer Connected

Seqwater is responsible for developing future water supply solutions that provide resilience against drought and flood, minimise water costs, and support the continued growth and prosperity of SEQ. To achieve these outcomes, the Authority will:

- (a) look outwards, to engage and connect with the customer's and community which it serves
- (b) build a social licence and be a trusted supplier of water to the SEQ community
- (c) develop the right long term water plan for the SEQ region
- (d) provide recreation services to support a liveable SEQ
- (e) deliver value for money for customers
- (f) work collaboratively with the Government to support its objectives.

3.2.3 Information Enabled

The Authority requires a smart, adaptable plan for managing data and information. Targeted use of data and technology is essential for the Authority to increase efficiency and achieve its strategic goals. To this end, the Authority will:

- (a) develop an adaptive plan in technology and systems development
- (b) develop a monitoring and control system to support operations
- (c) focus on analytics, data and knowledge to enable staff to make the right decisions
- (d) support all areas of its business to harness efficiencies.

3.2.4 Strong Leadership

The Authority will effect strong leadership to implement its transformational strategies. Leaders within the Authority will focus on:

- (a) providing clear direction
- (b) creating a constructive and positive workplace culture
- (c) enabling a safe workplace
- (d) implementing targeted performance metrics that ensure the Authority delivers value to customers.

4. Governance

4.1 The responsible Ministers require the Authority to meet its obligations under all applicable sources of governance obligations.

4.2 The Authority's Board, as required by the Restructuring Act:

- (a) has established an internal system of governance to ensure that the Authority's operations comply with all applicable sources of obligations (section 15)
- (b) prepares annual strategic and operational plans, which are approved by the responsible Ministers, to enable the Authority to meet its mandated sources of governance obligations (sections 44-51).

4.3 The Authority will:

- (a) comply with all directions from the responsible Ministers in relation to its governance and operations
- (b) report to the responsible Ministers on its compliance with all mandated sources of governance obligations, including Ministers' directions, in its quarterly and annual reports in accordance with the requirements of the Restructuring Act, with a detailed report for the 1 April to 30 June quarter
- (c) 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 will have a direct impact on them and/or their communities.

5. **Specific Obligations**

In addition to the obligations arising from mandated governance sources, the Authority agrees to undertake the following actions to improve the long term delivery of its core business outcomes.

5.1 **Water Security**

- 5.1.1 The Authority will consider and plan for water security from the perspectives of both water quantity and quality.
- 5.1.2 The Authority will 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, in partnership with land owners and affected parties, to meet customer needs.

5.2 **Water Quality**

- 5.2.1 The Authority will implement and maintain an accredited Quality Management System in accordance with the requirements of current Australian/New Zealand:
 - (a) Quality Management System Standards (e.g. ISO 9001-2008)
 - (b) Food Safety Management System Standards (e.g. AS ISO 22000-2005).
- 5.2.2 The Authority will participate in the preparation and implementation of an integrated water quality management system from catchment to tap to improve the efficiency and quality of the long term service to customers. This is to be undertaken in partnership with relevant water businesses (including SEQ service providers), government authorities and other service providers.

5.3 **Water Supply**

The Authority will dedicate sufficient resources to its obligations to participate in coordinated short, medium and long term water system and supply planning to provide a secure water future for SEQ.

5.4 Assets

The Authority will develop and implement plans for the management and operation of its portfolio of assets for the long term taking into account all assets (natural and built), relevant best practice, policy, standards and guidelines.

5.5 Environment

5.5.1 The Authority will:

- (a) maintain its commitment to continuous improvement of environmental performance
- (b) as appropriate, mitigate detrimental social, economic or environmental effects of its assets and operations
- (c) maintain its certified Environmental Management system in accordance with the requirements of Australian/New Zealand Environmental Management System Standards
- (d) investigate ways to obtain, use and/or sell recycled water or other sources of water
- (e) collaborate with government and other stakeholders to monitor and report on the health of SEQ's waterways and catchments.
- (f) actively participate in the planning and implementation of strategies and actions to improve the capacity of SEQ catchments to provide raw water quantity and quality that meets customers' needs over the long term.

5.5.2 The Authority must monitor environmental risks and report where not elsewhere reported, on the impacts of its assets or operations, on waterways, aquifers, wetlands and the coastal environment.

5.6 Employees

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

5.7 Recreation

The Authority must strive to balance the ongoing health of the catchments and quality of the region's drinking water supply with providing access to a range of water-based and on-shore activities at its lakes and recreation areas. The Authority must consider the views and recreation needs of the local communities, recreation users and special interest groups across the SEQ region.

5.8 Risk, Safety and Emergency Management

5.8.1 The Authority will identify, assess, prioritise and manage risk throughout the business in accordance with appropriate risk management standards and guidelines.

5.8.2 The Authority is committed to the health, safety and wellbeing of everyone in the workplace. The Authority's goal is to operate without injuries, illness or incident.

5.8.3 The Authority will maintain an appropriate Safety Management System to cover all staff, contractors and members of the public having contact with Authority owned or controlled assets.

5.8.4 The Authority will actively plan for emergency situations affecting its assets and services in cooperation with emergency response authorities and its customers. The Authority's emergency plan must include a clear communication program to provide timely advice to the responsible Ministers, customers and the community. The plan must include periodic training and regular exercises to ensure it can be implemented effectively.

5.9 Flood Mitigation

The Authority will, in complying with its flood mitigation obligations under the Water Supply Act and otherwise, optimise water infrastructure including balancing flood management, water supply security and dam operations.

6. Information sharing

6.1 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.

6.2 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.

6.3 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.

7. General

7.1 The Authority must publish this SoO on its website.

7.2 This SoO commences on 1 July 2015 and expires on 1 July 2018.

7.3 The responsible Ministers may review the SoO during its term.

7.4 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.

- 7.5 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 objectives and the potential implications of such changes on the Authority's operations.
- 7.6 Reviews of the SoO must consider the timeframes of reviews of the SEQ Regional Plan.

8. Definitions

The following definitions apply to this SoO. For clarity, a definition made under any statutory instrument prevails.

"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" 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)