

Irrigation Price Review Submission

Appendix B

Governance arrangements and key legislative and regulatory obligations

Public

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1. Introduction

As Queensland’s largest bulk water service provider, SunWater’s fundamental service to customers is to store and release water to satisfy customer demand. Provision of these services is subject to several national and state-based legislative and regulatory instruments. These instruments govern a range of matters, from water planning to dam safety.

This appendix sets out our key legislative and regulatory obligations, as well as our governance and pricing arrangements:

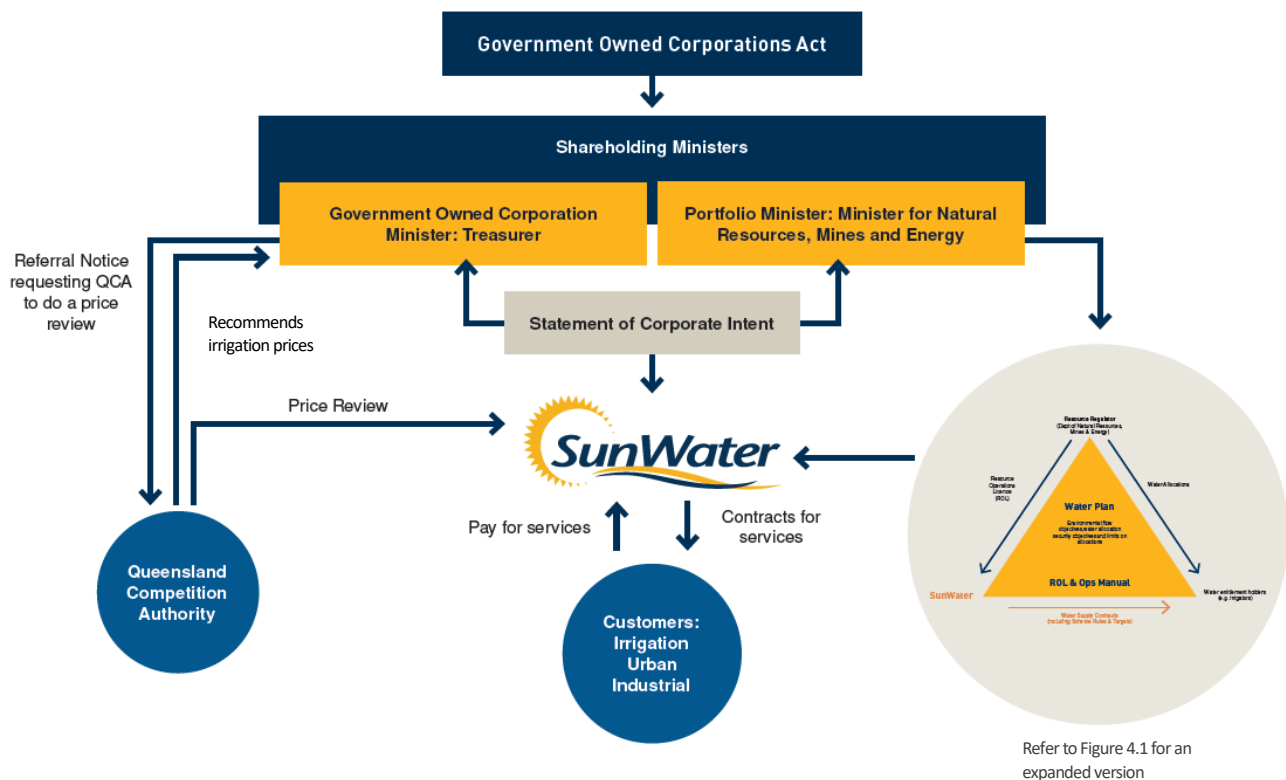
- Chapter 2 outlines SunWater’s obligations as a Government Owned Corporation (GOC) and our whole-of-business strategic framework, recognising that our business activities are broader than activities relevant to this irrigation price review.
- Chapter 3 summarises our obligations under Commonwealth legislative and regulatory instruments. This includes the *Water Act 2007 (Cth)* and the water charge rules established under that Act, as well as the Murray-Darling Basin Plan and National Water Initiative (NWI) pricing principles.
- Chapter 4 sets out our state-based obligations and how we demonstrate our compliance with these obligations. This includes an outline of some of the changes to these obligations which have occurred since the last irrigation price review.
- Chapter 5 provides an overview of possible future changes to the legislative and regulatory environment in which SunWater operates.

2. Governance and pricing arrangements

SunWater is a GOC and is subject to the *Government Owned Corporations Act 1993 (Qld)*. Our Shareholding Ministers are the Minister for Natural Resources, Mines and Energy (the Portfolio Minister) and the Treasurer of Queensland (the Government Owned Corporation Minister).

As a GOC, SunWater is required to annually develop a five-year corporate plan and a one-year Statement of Corporate Intent and submit these to our Shareholding Ministers for approval. The Statement of Corporate Intent specifies the financial and non-financial performance targets for SunWater’s activities for the relevant financial year. It also contains information on the Community Service Obligations applicable to SunWater.

Figure 2.1: Governance framework



SunWater’s status as a GOC also makes it the key means by which the State delivers bulk water outcomes for customers in regional Queensland. We embody many of the Queensland Government’s policies in support of the agriculture sector, economic development and regional communities. Our shareholders expect us to discharge our obligations with their policy objectives in mind while also operating on a commercial basis at all times to ensure value for customers and the State is maximised. We do, however, operate in a complex environment where our current and future assets may generate economic and social value for the State but without a commercial return for SunWater.

2.1.1 SunWater’s strategic framework

SunWater is working towards a business strategy that is based on putting the customer first and at the heart of everything we do. Our customer service commitment underpins our purpose of delivering water solutions for today and tomorrow. The key objectives of our customer centric strategy are:

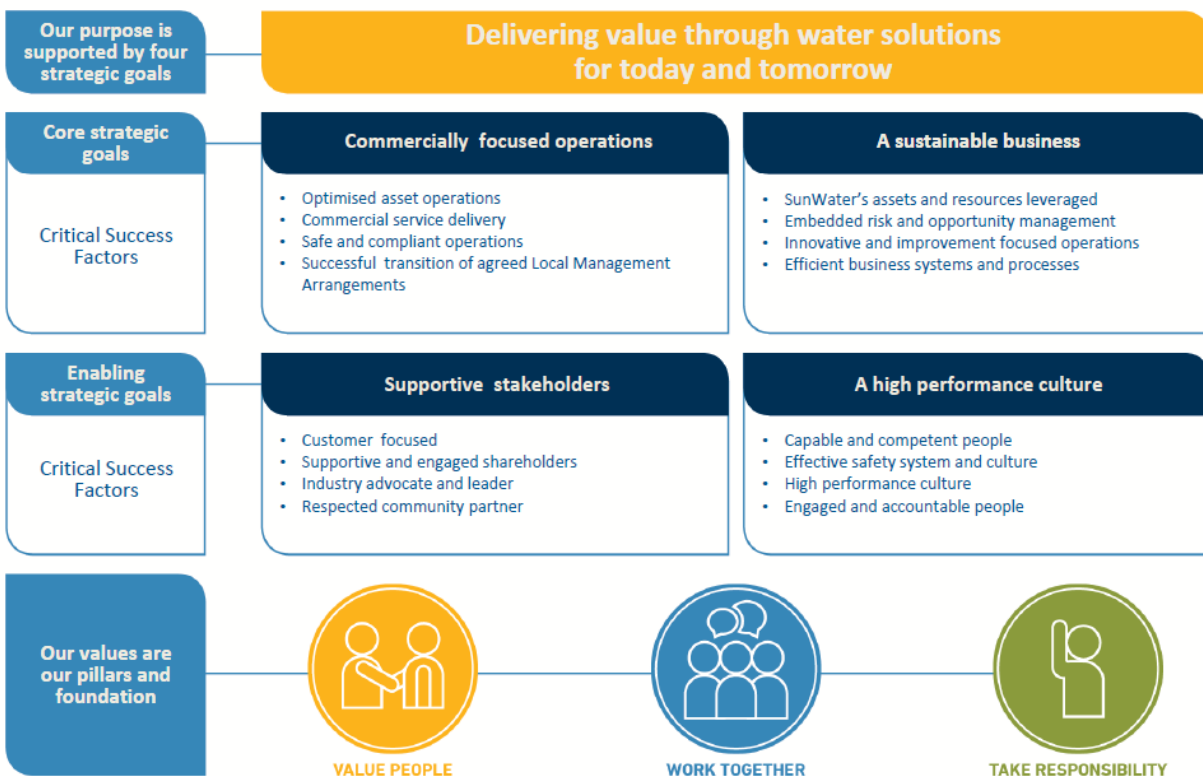
- Engage and partner with customers to identify their needs and deliver improved services and customer satisfaction.
- Develop and maintain strong and transparent working relationships with all customer segments.

- Build a reputation with customers where we are responsive, we deliver on commitments and we seek to find solutions to customers’ issues.
- Build customer trust by proactively developing and implementing solutions that align with our goals.
- Have clear accountabilities and responsibilities for customer engagement and service across the business.
- Deliver on our commitment to efficient and transparent costs.

Our customer centric positioning is encapsulated in a broader strategic framework for the entire SunWater business. Our strategic roadmap is shown in the figure below and is focused on four strategic goals:

- Commercially focused operations — commercial principles embedded in an efficient business.
- A sustainable business — long-term plans and thinking support the business with success forged by the strength of our relationships with our customers, employees and the community.
- Supportive stakeholders — we are proactive, open and transparent with our stakeholders and our customers are at the centre of everything we do.
- A high performance culture — our people are empowered, engaged and we live our values. Our customers experience the difference in the way we do things where we value the people we deal with (internally and externally), we work together to deliver outcomes and take responsibility for our actions and the way we interact.

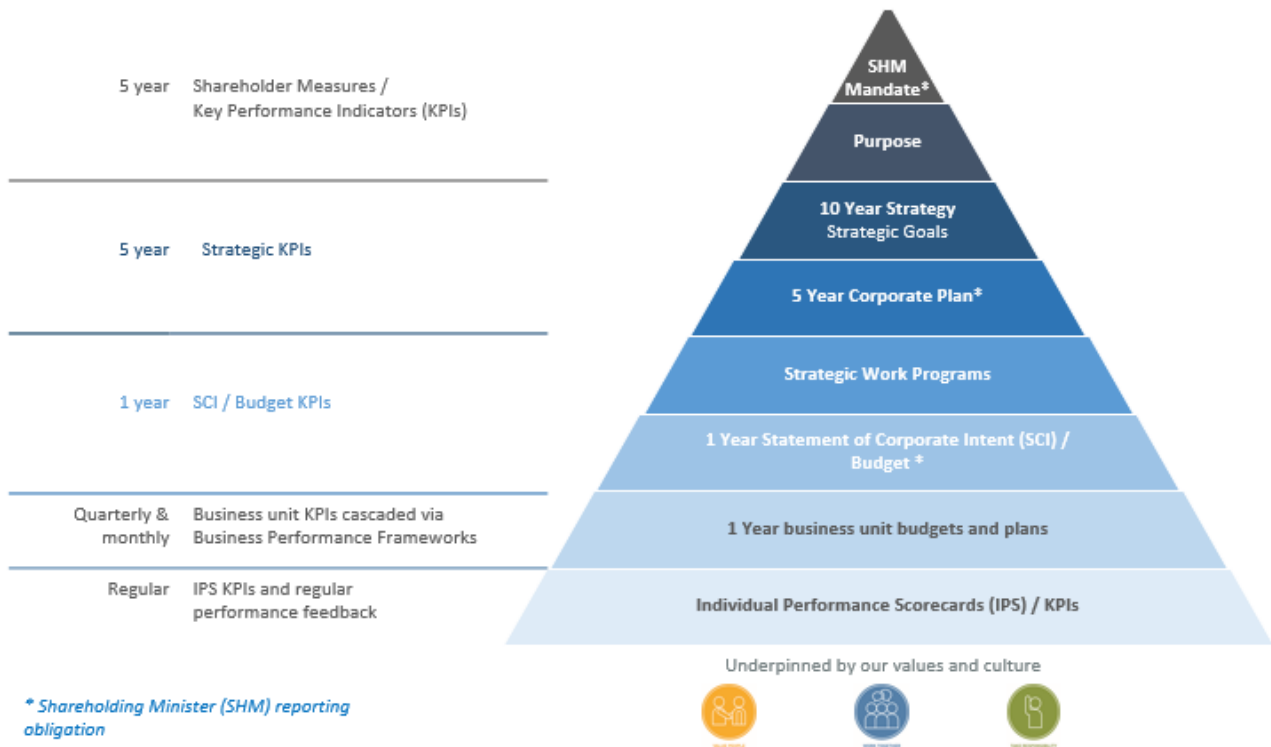
Figure 2.2: SunWater’s strategic roadmap



Our governance and organisational structure focuses on a ‘One SunWater’ unified approach to support a stronger customer and regional focus.

Driven by our purpose and mandate, SunWater looks beyond the five-year horizon to refine our strategic work programs and deliverables. Our strategic work programs articulate direct practical strategies and actions that focus our operations to our long-term plan. These strategic work programs drive business activity and initiatives through to the business unit and individuals, as represented in Figure 2.3.

Figure 2.3: SunWater’s hierarchy of plans



1. The SHM Mandate is currently in draft form.

2.1.2 Irrigation pricing

The Queensland Competition Authority (QCA) is responsible for recommending the rural irrigation prices to be charged by SunWater. It performs its function under a referral notice issued by the Treasurer of Queensland. To assist the QCA with its review, we provide the QCA with a submission detailing the services we offer to irrigation customers and the associated costs of supplying these services. The QCA assesses this, and other submissions, and makes recommendations on the revenue we need to recover our prudent and efficient costs.

The QCA’s recommendations are considered by our Shareholding Ministers, who together make the final decision on our rural irrigation prices. SunWater is then issued with a formal direction to charge our irrigation customers these prices. Irrigation customers pay these charges in accordance with their standard supply contract.

3. Commonwealth legislative and regulatory obligations

3.1 Water Act 2007

The Water Act 2007 was designed to ensure that the Murray-Darling Basin is managed in the national interest. The Act establishes an independent Murray-Darling Basin Authority with the functions and powers, including enforcement powers, needed to ensure that Basin water resources are managed in an integrated and sustainable way.

SunWater owns and operates six water supply schemes in parts of the Murray-Darling Basin:

- Chinchilla Weir
- Cunnamulla
- Macintyre Brook
- Maranoa River
- St George
- Upper Condamine.

SunWater therefore has responsibilities in respect of the Water Act 2007 and associated water charge rules for these schemes.

3.2 Water charge rules

Charging arrangements in relation to water infrastructure in the schemes listed above are currently subject to three sets of water charge rules made under section 92 of the Water Act 2007. These rules are:

1. The *Water Charge (Infrastructure) Rules 2010*, relating to infrastructure charges imposed by infrastructure operators for access to their water service infrastructure and services provided in relation to that access.
2. The *Water Charge (Termination Fees) Rules 2009*, relating to termination charges when an irrigator terminates their right of access.
3. The *Water Charge (Planning and Management Information) Rules 2010*, relating to charges that recover the costs of water planning and management activities.

In December 2014, the Australian Competition and Consumer Commission (ACCC) was requested to provide advice on possible amendments to the water charge rules. The ACCC undertook this review throughout 2015 and 2016 and delivered its final advice (including proposed rules) to the responsible Commonwealth Minister in September 2016.¹ Amendments were subsequently made to the Water Charge (Infrastructure) Rules in 2017. At the time of this submission, the remainder of the ACCC's advice was being considered by the Commonwealth Minister.

3.2.1 Water Charge (Infrastructure) Rules

Under the Water Charge (Infrastructure) Rules, SunWater is required to provide a schedule of charges to existing and new customers (including when changes occur) and publish the schedule of charges.

Previously, SunWater was also required to:

- develop Network Service Plans that detail our plans relating to our water service infrastructure over the forthcoming five-year period
- prepare a network consultation paper to facilitate consultation with customers on the Network Service Plans

¹ See <https://www.accc.gov.au/regulated-infrastructure/water/water-projects/review-of-the-water-charge-rules-advice-development>

- give a copy of the relevant Network Service Plan to customers, together with a summary of the consultation, a summary of submissions and comments received from customers, and an explanation of the decisions made by SunWater in completing the plan
- when giving customers the current schedule of charges, provide an information statement that includes:
 - actual revenue received from regulated charges for each completed year of the Network Service Plan
 - anticipated revenue from regulated charges for the current year and each future year of the period
 - details of, and an explanation of the reasons for, any adjustments made to regulated charges
 - an explanation of the reasons for different regulated charges.

These requirements were repealed in 2017 as part of the Water Charge (Infrastructure) Amendment Rules 2017.² Notwithstanding these changes, SunWater is still currently subject to state-based regulatory obligations for Network Service Plans under the Rural Water Pricing Direction Notice which requires us to comply with the QCA's recommendations from the 2012 review.

3.2.2 Water Charge (Termination Fees) Rules

These rules set out the circumstances under which a termination fee may be imposed on an irrigation customer in the Murray-Darling Basin, as well as the methodology by which the termination fee is calculated. The QCA currently employs this methodology to set termination fees for irrigation customers in our water supply schemes (where applicable), regardless of whether the scheme is part of the Murray-Darling Basin.

3.2.3 Water Charge (Planning and Management Information) Rules

Planning and management charges are levied by the Department of Natural Resources, Mines and Energy (DNRME). The obligations relating to the publication of information on these charges therefore apply to DNRME, rather than SunWater.

3.3 Murray-Darling Basin Plan

The Murray-Darling Basin Plan was developed as a requirement of the Water Act 2007. It guides the sustainable management of the Basin's water resources by setting limits on how much water can be taken from the Basin for irrigation, drinking water, industry and other purposes into the future. It also contains specific plans and frameworks to ensure, for example, good quality water is delivered to people, businesses and the environment, and water trade is efficient and fair.

By 2019, all State water resource plans need to be revised in line with the Basin Plan. The Queensland Government is currently in process of reviewing existing state-based statutory instruments to ensure compliance.

3.3.1 Murray-Darling Basin Compliance Compact

The Murray-Darling Basin Compliance Compact sets out an agreed workplan for State governments and the Murray-Darling Basin Authority to ensure water rules are complied with and enforced. The Compact was agreed to by all Basin states, including the Queensland Government, at the June 2018 Murray-Darling Basin Ministerial Council meeting. Through the Compact, each state has agreed to address the following through defined actions:

- transparency and accountability
- compliance and enforcement frameworks
- metering and measurement
- finalising water resource plans

² Refer to <https://www.legislation.gov.au/Details/F2017C00488>

- protecting and managing environmental water.

The Queensland Government will require information from SunWater to meet the reporting requirements set out in the Compact including, but not limited to:

- information on water management decisions
- the location of water take under entitlements
- information on water metering
- information on water trading and seasonal water assignments.

There will also be compliance protocols developed to provide effective, transparent and efficient outcomes on water theft. SunWater already provides information on this to DNRME and we will work closely with them to determine if there are any additional reporting requirements.

Further, due to a commitment in the Compact, all meters located in our Murray-Darling Basin water supply schemes will need to be replaced with Australian Standard (AS) 4747 compliant meters by June 2025 (unless they meet the accuracy requirements set out in section 3.1 of the Compact). SunWater already actively meters our customers and replaces meters with AS4747 compliant meters when they reach the end of their useful life. SunWater is working with DNRME around future requirements. We propose that any material increases in costs as a result of regulatory imposts be subject to an adjustment mechanism (similar to the approach adopted by the QCA in the 2012 decision).

3.4 National Water Initiative pricing principles

The NWI pricing principles³ were developed jointly by the Australian Government and State and Territory governments to:

- provide a set of guidelines for rural and urban pricing practices
- assist jurisdictions to implement the NWI water pricing commitments in a consistent way.

The principles most relevant to the irrigation sector relate to the recovery of capital expenditure and the costs of water planning and management activities.

3.5 Other

SunWater, like other organisations, is also bound by other legislative and regulatory instruments including the *Competition and Consumer Act 2010 (Cth)* and the *Privacy Act 1988 (Cth)*.

³ See <http://www.agriculture.gov.au/water/policy/nwi/pricing-principles>

4. State legislative and regulatory obligations

4.1 Water planning

4.1.1 Water Act 2000 (Qld)

The *Water Act 2000 (Qld)* is the central legislation for Queensland’s water supply industry. The purpose of the *Water Act 2000* is to provide a framework for the sustainable management of Queensland’s water resources by establishing a system for planning the allocation and use of water.

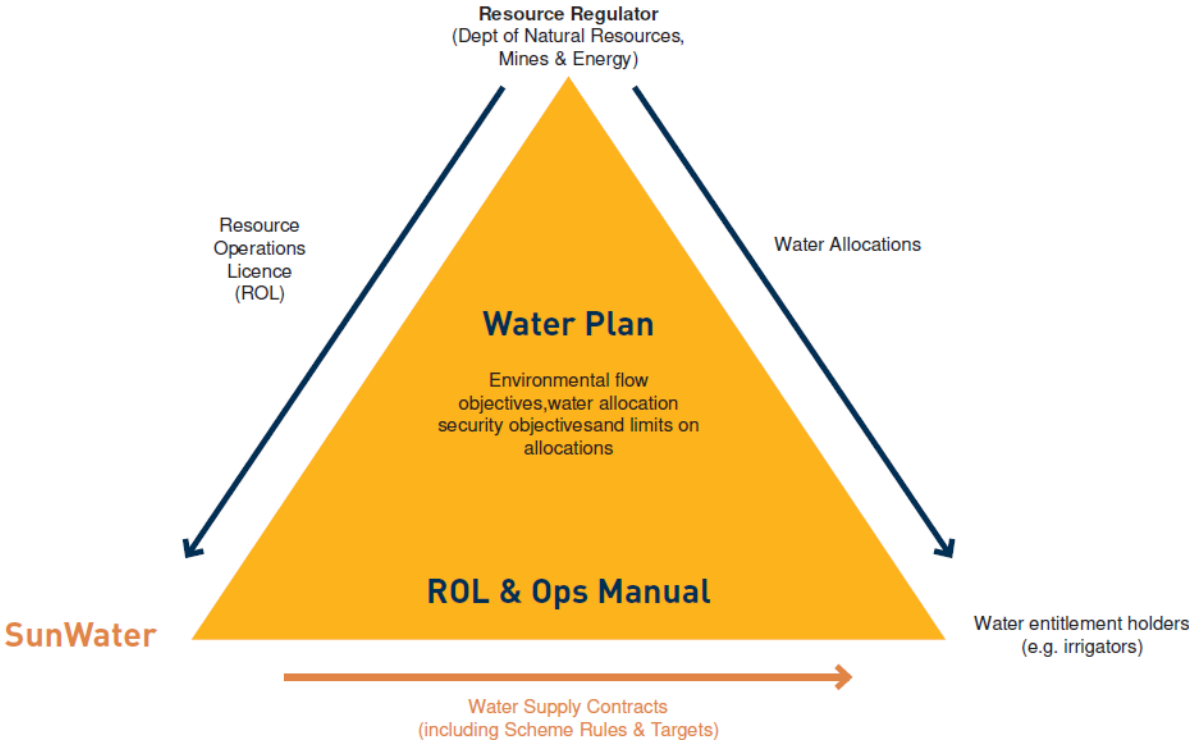
The *Water Act 2000* vests all rights to the use, flow and control of Queensland’s water to the State (administered by DNRME). The State manages water resources by:

- planning the allocation for water — through water plans, water management protocols and resource operations licences
- administering entitlements for access to water — by issuing water allocations, licences and permits
- administering licences to operate water infrastructure — by issuing resource operations licences and distribution operations licences.

In addition, DNRME has powers to request regular reports and information from SunWater and conduct investigations and inspections to monitor and enforce compliance.

SunWater must operate our water supply schemes in accordance with the Act, as well as the requirements of the subordinate regulatory instruments given force to by the Act, eg water plans, water management protocols and resource operations licenses (including interim resource operations licenses). These instruments act to establish key rules and limitations on SunWater’s day-to-day activities including conditions on the operation of water infrastructure, releases to satisfy environmental flow requirements, management of water losses and sales or transfers of water entitlements to customers.

Figure 4.1: Queensland water framework



1. Ops Manual – Operations Manual.

Changes to the Water Act 2000

Amendments to the Water Act 2000 commenced on 6 December 2016,⁴ with a focus on achieving a more efficient and responsive approach to water planning in Queensland. The revised water planning framework includes a number of new or revised documents, such as catchment-based statutory water plans which will, over time, replace the water resource plans established under the previous framework (see Table 4.1).

Table 4.1: Queensland water planning framework documents

Current framework (as at December 2016) ¹	Previous framework	Contents of new document
Water plans	Water resource plans	<ul style="list-style-type: none"> • Water covered by the plan • Desired outcomes, measures and strategies for achieving the outcomes • Performance indicators • Amounts of water available for consumptive use and future use • Specifications of water management areas and trading zones (previously in ROP) • Criteria for deciding water licences (previously in ROP)
Water management protocols	Resource operations plans (ROPs)	<ul style="list-style-type: none"> • Water dealing/trading rules • Water sharing rules for unsupplemented water • Seasonal water assignment rules • Any volumes of unallocated water reserved for particular purposes or stated locations
Resource operations licences or Distribution operations licences		<ul style="list-style-type: none"> • Roles and responsibilities of scheme operators to achieve the outcomes of the water plan • Details of the infrastructure used to operate the scheme • Watercourse authorised to be used for distribution of water • Environmental management rules • Monitoring and reporting requirements
Water supply scheme operations manuals		<ul style="list-style-type: none"> • Operational rules for the scheme • Water releases from dams • Water sharing rules • Seasonal assignment rules
Water entitlement notices	Conversion, granting and amending schedules in ROPs	<ul style="list-style-type: none"> • Temporary documents to convert, grant or amend water entitlement

1. Some water plan areas have yet to transition to the current framework.

Source: Business Queensland (Queensland Government)⁵

⁴ See the *Water Reform and Other Legislation Amendment Act 2014* (as amended by the *Environmental Protection (Underground Water Management) and Other Legislation Amendment Act 2016* and *Water Legislation Amendment Act 2016*)

⁵ Business Queensland, 2018, Queensland Government, Brisbane, 21 August 2018, <<https://www.business.qld.gov.au/industries/mining-energy-water/water/catchments-planning/planning/implementing>>

4.1.2 Water plans

Catchment-based water plans provide a blueprint for future sustainability between human consumptive needs and environmental values. The plans also recognise and provide for non-consumptive uses like fisheries, grazing and tourism that are important for the State and regional economies.

Water plans are developed through detailed technical and scientific assessment, as well as extensive community consultation to determine the right balance between the many interests that rely on Queensland's water resources. As subordinate legislation, the finalised water plan becomes a legal template specifying the measure, objectives and strategies that will be used to address the full range of social, cultural, economic and environmental outcomes for each plan area.

4.1.3 Water management protocols

A water management protocol implements a water plan and may state for a particular plan area:

- localised unallocated water volumes
- unsupplemented operational water sharing rules
- water allocation dealing rules for supplemented and unsupplemented water.

Unallocated water is reserved under water planning instruments and can be made available for future consumptive use.

Unsupplemented water is taken from natural river flows and is managed by DNRME.

Supplemented water is supplied from dams, weirs and barrages owned and operated by bulk water suppliers such as SunWater. Note, the only rules in the water management protocol that concern SunWater are the water allocation dealing rules for supplemented water allocations.

4.1.4 Resource operations licence

Resource operations licences may be granted by DNRME to the owner of bulk water infrastructure in an area where a water plan has been approved. These licences allow the holder to interfere with the flow of water in order to operate water infrastructure to which the licence applies. SunWater currently holds 22 resource operations licences for our water supply schemes across Queensland.

Resource operations licences include:

- the requirement to have and comply with an approved operations manual
- the water infrastructure, such as dams and weirs, covered by the licence
- environmental management rules
- monitoring and reporting requirements
- any conditions that the holder of the licence must comply with, including operating arrangements and water supply requirements.

4.1.5 Distribution operations licence

A distribution operations licence authorises its holder to take water or interfere with the flow of water to distribute water under water allocations. Distribution operations licences include any conditions that the holder of the licence must comply with, including operating arrangements and water supply requirements.

SunWater does not hold any distribution operations licences.⁶

4.1.6 Interim resource operations licence

An interim resource operations licence may exist in relation to existing infrastructure in an area where a water entitlement notice has not been approved. SunWater holds an interim resource operations licence,

⁶ We previously held one for the St George distribution system, which transitioned to a local management entity on 30 June 2018.

under transitional provisions contained in the Water Act 2000, for the Three Moon Creek Water Supply Scheme.

Interim resource operations licences include:

- details of water infrastructure covered by the licence such as dams and weirs
- operating arrangements for the water infrastructure
- details of the water managed under the licence, including interim water allocations
- water sharing rules
- monitoring and reporting requirements.

4.1.7 Operations manuals

The operating requirements of SunWater are described in the operations manual for each water supply scheme. The operations manual contains water sharing rules and operating rules previously contained in the ROP.

Operating rules

Operating rules govern the operating levels of storages which may be linked to environmental processes. For example, SunWater operates Ben Anderson Barrage at different levels throughout the year because of freshwater turtles nesting on the banks of the Burnett River.

In addition, SunWater must only release water from a storage for a prescribed purpose. These generally include:

- requirements to comply with environmental management rules
- supply of water to water allocation holders
- compliance with operating rules.

Water sharing rules

Water sharing rules govern how water is to be shared between entitlement holders. Water sharing rules are specific to each operations manual and must comply with the water allocation security objectives and environmental flow objectives in the overarching water plan.

A water plan's water allocation security objectives for entitlements often distinguishes between several priority groups of water — such as high and medium priority (low priority is rarely present). The water sharing rules describe how the storage operator is to assign water to each of those priority groups. Priority groups define the reliability of the water allocation. SunWater may also be obliged to hold sufficient water in storage to meet the water allocation security objectives of high priority water allocations for the next season.

The water sharing rules in an operations manual are usually specified as a formula which calculates the 'Announced Allocation'. For example, in the case of the Mareeba-Dimbulah Water Supply Scheme, the extent to which a medium priority entitlement will be met is given by:

- the usable volume of water in storage
- the projected flow of water into storage
- the projected environmental releases
- allocations of water to high and medium priority entitlements
- the volume of water to be carried over to the next year
- transmission losses.

The Announced Allocation is expressed as a percentage. The percentage determines how much a water entitlement holder can use in a water year. For example, if a customer has a 100 ML water entitlement and

the Announced Allocation is 50 per cent, the customer may only use 50 ML within that water year (subject to any carry-over arrangements). Announced Allocations may be re-calculated throughout the year.

A continuous sharing system operates in the St George and the Macintyre Brook Water Supply Schemes. Continuous sharing is an alternative approach to an Announced Allocation and involves allocating customers a share of storage capacity, as well as a share of the inflows into the storage.

4.1.8 Water entitlement notice

A water entitlement notice aids in the implementation of a water plan and provides:

- for the conversion of a water licence, interim water allocation or other authority to take water to a water allocation
- the granting of a water allocation or water licence as a result of an unallocated water release
- the amendment to a water licence
- the refusal of a water licence
- for the cancellation or repeal of a surrendered water allocation.

4.2 Water Regulation 2016

The Water Act 2000 is supported by the *Water Regulation 2016 (Qld)*. This regulation lists prescribed activities for a general authorisation to take water as provided under the Water Act 2000. Prescribed activities, for example, include:

- operating a dairy
- washing down agricultural equipment
- managing a public recreation area (including operating public toilets and showers) or irrigation land up to an area of 0.5 hectares.

This means that users may take water for the prescribed purposes without a water licence or water allocation, unless a water plan states otherwise. For example, some water plans prohibit the taking or interfering of water for prescribed activities from part of a watercourse used for the distribution of water by a resource operations licence holder.

4.3 Water allocations

A water allocation (or entitlement) is an authority to take water, and an entitlement to a share of the available water resource in a catchment. A tradeable water allocation may be established by the conversion of a water licence or interim water allocation through a water entitlement notice. When a water allocation is established in a water supply scheme, the water allocation holder and SunWater must have a supply contract for the allocation.

A water allocation has a title separate from a land title and can be bought and sold independently in a similar way to land. This enables water allocation holders to buy water to expand their operations or sell water they do not need. Anyone can buy a water allocation — you do not need to be a landholder — however, movement of the water is restricted by trading rules specified in a water management protocol or the Water Regulation.

A seasonal water assignment (sometimes called 'temporary trade') is useful for meeting additional short-term water needs. Under these assignments, some or all of the water that may be taken under a water entitlement in a water year can be assigned to another person or place. A water allocation holder wishing to arrange a seasonal water assignment in a SunWater water supply scheme requires SunWater's consent in every case.

4.4 Supply contracts

SunWater’s standard supply contracts provide details of the arrangements for the storage and supply of water under water allocations. Under section 146 of the Water Act 2000, the standard contract is ‘deemed’ to apply on the day the water allocation is registered, even if a customer has not signed it. Otherwise, a contract may be agreed by SunWater and customers.

SunWater must act in accordance with the supply contract we have with our customers. SunWater’s obligations to the water allocation holder include, for example, obligations to repair any damage to or malfunction in a water meter.

We released new plain English contracts to our irrigation customers in June 2018. These standard supply contracts are available on our website.

4.5 Monitoring requirements

In supplemented streams, SunWater maintains information about the Announced Allocations and the water supplied to the water allocations along that stream. SunWater is required to provide this information to DNRME as part of our reporting requirements.

It is the responsibility of SunWater under our resource operations licences to ensure that all water use is metered and recorded. SunWater monitors water usage and reads meters on a quarterly basis. In most schemes, SunWater operators also keep daily records of:

- volumes released
- reasons for releases
- pump station diversions.

SunWater must also report to DNRME on all decisions associated with the management of water allocations and infrastructure within the water supply scheme. Therefore, we monitor and record:

- Announced Allocations
- any restrictions and carry-overs regarding an Announced Allocation
- any infrastructure modifications or installations
- flow event management
- fish stranding and bank slumping
- circumstances where the requirements of the resource operations licence or operations manual are not met.

4.5.1 Blue-green algae

Blue-green algae are aquatic bacteria that occur naturally in habitats such as rivers and lakes, favouring still water habitats such as dams that can facilitate their growth. Different species of blue-green algae vary considerably in shape, colour and size.

Bodies of water containing high numbers of blue-green algae pose a health risk to humans when used as domestic water supplies, on crops or for water-based recreation. As blue-green algae numbers increase, so does the risk of adverse health, and possibly ecological impacts; hence, it is important to monitor blue-green algae cell concentrations.

SunWater monitors blue-green algae in SunWater storages and advises stakeholders of the risks associated with blue-green algae as part of our Blue-Green Algae Monitoring Program. The monitoring program has been developed taking into account our obligations under the Monitoring Standard for Freshwater Blue-Green Algae and the Queensland Harmful Algal Bloom Response Plan, as well as other protocols and guidelines.

4.5.2 Water quality monitoring

SunWater monitors the water quality of storages (dams and weirs) as per regulatory requirements and the DNRME Water Monitoring Data Collection Standards. We monitor water quality within the storage and in the downstream receiving environment. The frequency of monitoring varies according to the Standard's requirements.

4.6 Reporting requirements

SunWater is required to report all information to DNRME under the obligations found in the resource operations licence. We publish Announced Allocations and provide the data collected under our monitoring requirements. Generally, this information must be provided to the DNRME within three months of collection.

Further, SunWater must report to the DNRME annually for each water supply scheme. The report must describe all decisions associated with the management of water infrastructure, circumstances where the requirements of the resource operations licence were not met, and the details of any actions relevant to the outcomes of the resource operations licence which are taken in response to emergencies.

4.6.1 Operational reporting

SunWater must notify DNRME within one business day of becoming aware of:

- any non-compliance by Sunwater with the resource operations licence or operations manual
- instances of fish stranding or bank slumping within ponded areas or downstream of storages.

4.6.2 Interim program

SunWater is required to submit an interim program to DNRME where an emergency or operational incident results in an inability to comply with any rules or requirements of a resource operations licence or operations manual. The interim program must outline a timetable and interim methods to be used until SunWater implements the necessary measures to become compliant again.

4.7 Dam safety

SunWater is responsible for the safety of our dams under the *Water Supply (Safety and Reliability) Act 2008*.⁷

Changes to several dam safety provisions commenced on 1 July 2017. Further information on these amendments is available at: <https://www.business.qld.gov.au/industries/mining-energy-water/water/water/sewerage-service-providers/dams/safety-guidelines-requirements/legislation-amendments>.

4.7.1 Emergency action plans and emergency event reporting

Sections 352E and 352T of the Water Supply (Safety and Reliability) Act require SunWater to have an approved emergency action plan (EAP) in place for each of our referable dams⁸ and report on emergency events relating to the dam respectively. An EAP helps minimise the risk of harm to persons or property if a dam hazard event or emergency event occurs at a referable dam. It establishes protocols and procedures for relevant parties to coordinate emergency responses and issue notifications and warnings for people downstream of a referable dam.

⁷ This Act also includes provisions around the registration of water service providers.

⁸ A referable dam is a dam that would, in the event of failure, put two or more people at risk. Referable dams do not include dams containing hazardous waste, weirs that do not have variable flow control structures on the crest of the weir and large fabricated water tanks.

4.7.2 Dam safety conditions

Under section 353 of the Water Supply (Safety and Reliability) Act, the chief executive of DNRME may apply dam safety conditions to a referable dam. These conditions can vary according to the type of dam and the specific circumstances of the dam. The dam owner is required to comply with these safety conditions.

Some of the dam safety conditions currently applying to SunWater include operating the dam in accordance with specific standard operating procedures and undertaking periodic inspections of the dam and safety reviews.

4.7.3 Dam safety guidelines

In accordance with state legislation, DNRME has developed the following guidelines which are directly relevant to SunWater in our capacity as a dam owner:

- Queensland Dam Safety Management Guidelines (2002) — describes practices dealing with the construction and management of referable dams and assists dam owners to safely manage their dams and protect the community from dam failure.
- Guidelines for Failure Impact Assessment of Water Dams (2012) — provides information about failure impact ratings, failure impact assessment and how it is done, certification of a failure impact assessment and other processes related to failure impact assessments.
- Guidelines on Acceptable Flood Capacity for Water Dams (2017) — presents the Queensland Government’s flood adequacy standard and implementation policy against which all referable dams are assessed and alerts dam owners of their dam safety responsibilities and liabilities.

SunWater also complies with national guidelines developed by the Australian National Committee on Large Dams on matters such as the planning, design, construction and operation of dams, risk assessment and dam safety.

4.7.4 Inspector-General Emergency Management Review recommendations

SunWater has been directed by our Shareholding Ministers to improve the EAPs and implement an emergency event program following two separate reviews by the Inspector-General Emergency Management in 2015. Chapter 2 of our main submission provides further details.

4.8 Safety

The *Work Health and Safety Act 2011 (Qld)* is the principal framework in Queensland to protect the health, safety and welfare of workers and others who might be at risk from the work.

Under section 19 of the Act, a person conducting a business or undertaking must ensure, so far as is reasonably practicable, the health and safety of all workers, customers and others who may be affected by the work. This includes:

- the provision and maintenance of a work environment without risks to health and safety
- the provision and maintenance of safe plant and structures
- the provision and maintenance of safe systems of work
- the safe use, handling, storage and transport of plant, structures and substances
- the provision of adequate facilities for the welfare at work of workers in carrying out work for the business or undertaking, including ensuring access to those facilities
- the provision of any information, training, instruction or supervision that is necessary to protect all persons from risks to their health and safety arising from work carried out as part of the conduct of the business or undertaking
- that the health of workers and the conditions at the workplace are monitored for the purpose of preventing illness or injury of workers arising from the conduct of the business or undertaking.

Other safety-related legislative and regulatory instruments that apply to SunWater include:

- *Work Health and Safety Regulation 2011 (Qld)*
- codes of practices
- *Electrical Safety Act 2002 (Qld)*
- *Electrical Safety Regulation 2013 (Qld)*
- Australian electrical standards.

4.9 Other

SunWater, like other organisations, is also bound by other legislative and regulatory instruments including the *Environmental Protection Act 1994 (Qld)* and *Right to Information Act 2009 (Qld)*.

5. Possible future changes

5.1 Mineral, Water and Other Legislation Amendment Bill 2018

The Mineral, Water and Other Legislation Amendment Bill 2018 was introduced into Parliament on 15 February 2018 and is likely to be passed by the end of 2018. This bill, if enacted, will make several amendments to the Water Act 2000 which will likely affect SunWater's business.

5.1.1 Temporary access to strategic infrastructure reserves

A strategic water infrastructure reserve is unallocated water held in certain water plans for specific purposes. Prior to the amendment, these reserves were only released when required for the identified purpose in the water plan. For example, the Fitzroy Water Plan reserves a volume of water for the construction of Rookwood Weir for which SunWater is the proponent. This amendment will allow DNRME to temporarily release water from strategic reserves taking into consideration when water is likely to be required for its intended purpose and for no more than three years.

5.1.2 Price information for seasonal water assignments

This amendment will require SunWater to collect and publish the sale price for each seasonally assigned water allocation managed under the relevant licence. This will be included as a requirement in SunWater's resource operations licence and will result in increased processing costs, both in system upgrades and resourcing.

5.1.3 Direction to release water to address urgent water quality issues

DNRME will have the power to direct a resource operations licence, interim resource operations licence or distribution operations licence holder to release water for the purpose of dealing with an emerging water quality issue. This direction will have the ability to override a water plan. For example, the direction notice could direct SunWater to release water to flush a contamination. While the direction notice will cover any liability if customers are impacted, it will still require resourcing in term of operations, media and reporting.

5.2 DNRME independent audit of non-urban water measurement and compliance

In response to the Murray-Darling Basin review on water compliance, the Queensland Government conducted an independent audit for the whole State on water metering and compliance. The aim of the audit was to:

- identify limitations with existing frameworks for water measurement and management and compliance arrangements
- provide options for improving the current frameworks and adopting improved technology
- contribute to the Australian Government's independent review of compliance in the Murray-Darling Basin (Murray-Darling Basin Compliance Compact).

The audit was completed in early 2018. The Queensland Government responded in June 2018 at the Murray-Darling Ministerial Council and has committed to an implementation schedule to improve rural water management across four key areas:

- appropriate regulatory frameworks
- strengthening water metering
- transparent water information
- robust compliance that builds community confidence.

SunWater will work closely with DNRME as the Rural Water Management Program is implemented to determine the nature of any changes to SunWater’s operations. As noted above, we propose that any material increases in costs as a result of regulatory imposts be subject to an adjustment mechanism.