

Long Term Framework for Planning & Delivery of Water Infrastructure for the SEQ Water Grid

Discussions with DRs
20 October 2010



Agenda

sewerage?

1. Introduction
2. Framework for planning
3. Issues
4. Next steps



1. Introduction



Background

- There appears to be some lack of clarity and understanding as to:
 - how water businesses, WGM and QWC will undertake certain aspects of their individual roles for planning and delivery;
 - how certain of the relationships between water businesses and regulators and departments will work.
- Also, there are a number of issues to be resolved.
- QWC considers it valuable to meet with stakeholders to improve understanding of the current planning and delivery arrangements, the issues to be resolved and priorities.



EPA requirements

Purpose of presentation

- Assist the water businesses to better understand and prepare their internal planning processes
 - Now (2010 to 2013)
 - Post 2013
- By ...
 - Confirming and clarifying what is known about the planning framework, including what can be reasonably expected as the framework for economic regulation develops;
 - Identifying key issues that are currently unclear.

5



Context

- There are many parties with responsibility for regulation, planning and delivery of water services in SEQ.
- Different organisations have different drivers, regulatory contexts and planning frameworks depending on their roles.
- This framework is focussed on planning and delivery of infrastructure to achieve outcomes as defined by legislation, contracts etc.
- Infrastructure solutions must always prove themselves against non-infrastructure solutions to proceed to delivery.
- Wastewater is only considered where it impacts on water supply ie the water balance or quality.

6



Scope of planning and delivery framework for water infrastructure in SEQ

- Ultimate (Post 2013):
 - All infrastructure. Driven by- growth, usage, compliance, renewals, efficiency, drought. To achieve security and sufficiency of supply.
 - Applies to parties with planning roles:
 - QWC
 - GSPs (Seqwater, Linkwater, WaterSecure)
 - SEQ Water Grid Manager
 - DRs (Allconnex, Unitywater, Qld Urban Utilities)
 - Takes account of roles of QCA, DERM and other parties with regulatory and advisory responsibilities.
- Interim Arrangements (2010-2013)

7



1. Framework for planning



1 yr Treas.
horizon

ULDA
local council

A framework for planning

- The framework for planning and delivery can be described and organised in different ways.
- QWC considers this framework provides a useful way to systematically describe how planning and delivery is undertaken for each organisation ...

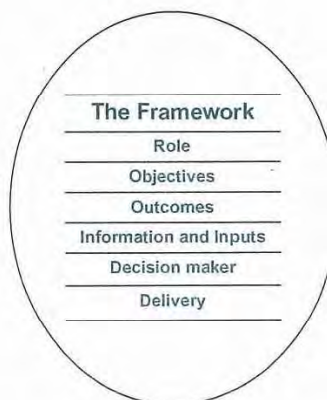
The Framework
Role
Objectives
Outcomes
Information and Inputs
Decision maker
Delivery

9



A framework for planning

Legal & Regulatory Framework
Legislation
Contracts
Market Rules
Economic Regulatory framework



Organisational Processes (QWC, Water Businesses)
Needs
Options
Criteria
Governance
Proposed solutions
Costs

10



Application of the framework

- The following slides show how this framework can be applied for ...
 - QWC
 - DRs (Allconnex, Unitywater, Qld Urban Utilities)
 - GSPs (Seqwater, Linkwater, WaterSecure)
 - SEQ Water Grid Manager
- and
-the status of aspects that are in the process of being resolved

11



Application of the framework

	A. QWC	B. DRs	C. GSPs	D. SEQWGM
Role				
Objectives				
Outcomes				
Information and Inputs				
Decision maker				
Delivery				

Aspects that are being resolved are shaded

12



A. QWC – planning and delivery framework

Role	- To provide advice to the Minister on water supply and demand management and the delivery of desired level of service objectives for the region. - Facilitate and implement the regional water security program. - Make and administer the system operating plan (SOP), act as the Market Rules Administrator, make water restrictions when required. Ensure compliance with programs and restrictions.
Objectives	Ensure the delivery of sustainable and secure water supply and demand management for SEQ.
Outcomes	- Advice on new regionally significant infrastructure to provide sufficient quantity, quality and reliability of water to achieve the level of service (LOS) objectives. - Timely delivery of appropriate infrastructure. - Collaborative planning integrated with total water cycle management outcomes, that provides opportunities for innovation.
Information and inputs	- SEQ Regional Plan, Regional Water Security Program for SEQ (LOS, portfolio), policy, asset capability, growth patterns, demand patterns, solution options, models, cost data etc. - QWC is seeking to improve its planning process to be more appropriate for 'normal' times as distinct from the responsive approach during the water emergency.
Decision Maker	Minister makes regional water security program including LOS, infrastructure to achieve it and cost/price arrangements.
Delivery	Existing financial and procurement processes.

13



*Mention
least cost
Planning!
SOP
efficiency*

QWC – aspect affecting planning and delivery that are in the process of being resolved

- "Normal" planning processes

14



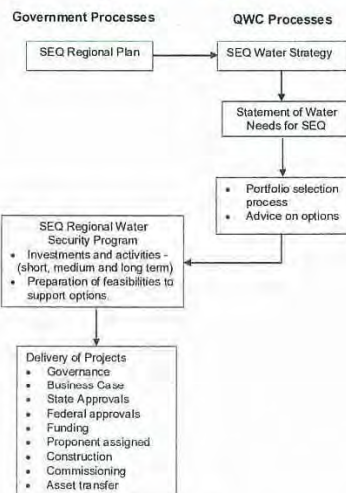
QWC - Improved planning process

- QWC process to support the preparation of advice to the Minister on regional water security options.
- Follows from Strategy and water balance.
- Separates needs and solutions:
 - Statement of Water Needs (SOWN)
 - Options (infrastructure and non-infrastructure) will be sought from appropriate parties to satisfy needs
- Best portfolio of options will form the basis of advice.
- QWC considers the process should be open, inclusive and adaptive to new information over time.

15



QWC - Improved planning process



16



QWC - Improved planning process

Issues QWC is considering, include:

- How to manage inputs to SOWN.
- How do entities support QWC and provide information into this process? How are the resource requirements recognised?
- Are there appropriate legal powers/funding arrangements for the Commission to undertake detailed enquiries to support robust, high quality portfolio identification in advance of an approved RWSP?
- What are the policy and statutory implications of seeking private sector input into the process (options identification and review)?
- What are the criteria for assessment?
- How will the drought response component of planning be managed.



17

Define regional significant

Water Quality?

Cross-boundary.

Comply?

B. Distribution Retailers (DRs) – planning and delivery framework

Role	Operate and invest to provide urban water distribution and retail services, and waste water and trade waste services. Other services may include delivery of recycled water.
Objectives	Deliver services efficiently to meet customer requirements and in accordance with regulatory obligations. Operate commercially.
Outcomes	Meet customer service standards (pressure, reliability, water quality – human health, aesthetic, odour, overflows etc). Meet retail service standards.
Information and inputs	Operating inputs (labour, materials, chemicals, power etc) and assets are required to deliver outcomes. <u>Grid Contracts</u> . Demand forecasts. The Netserv Plan (sets out services, service standards, infrastructure, strategies and forecast costs). <u>Considers</u> local government planning schemes. Customer Expectations. Regulatory standards (including asset standards). Operating protocols. Drinking Water Quality Management Plans.
Decision maker	QCA determine revenues / prices. Government determines infrastructure, if regionally significant. The economic regulation framework, to be developed will set out processes and criteria for determining allowed revenues / prices.
Delivery	DRs make decisions on asset delivery. DRs take account of Netserv Plan; revenues/ price approved by QCA, dividend and tax requirements and QTC loan approvals.

educational awareness, info. demand.

Cust. Code.

Credit support.



18

Distribution Retailers – aspects affecting planning and delivery that are in the process of being resolved

- Economic Regulation
- Grid Contracts
- Asset regulatory framework
- Operating protocols and guidelines

ULDA?

19



DRs-Economic Regulation

- QCA
 - Price oversight by QCA, 1 July 2010 to 30 June 2013
 - Expected QCA will become Price Regulator post 30 June 2013 (requires Act amendment)
- Economic regulation framework is expected to be developed by QCA
- Netserv Plans will be a critical input to Economic Regulation

20



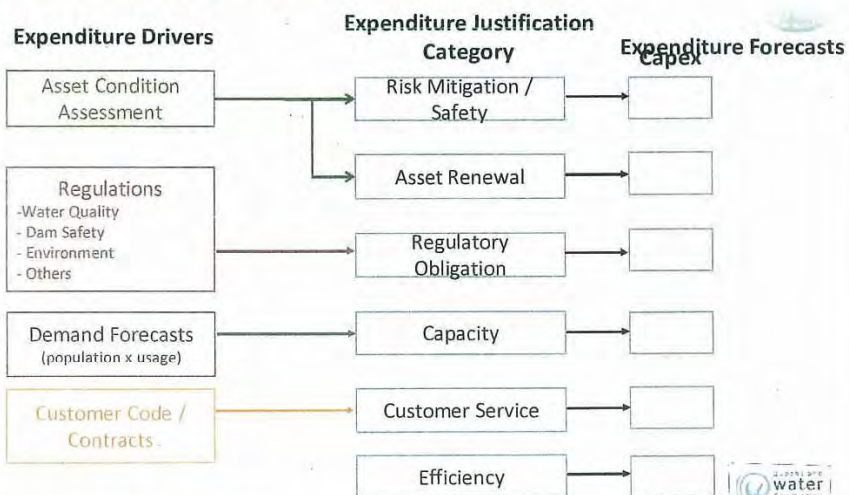
DRs -How expenditure drivers are expected to be taken into account in economic regulation

- There are a range of factors that drive expenditure
 - Asset condition
 - Regulatory obligations
 - Demand
 - Customer requirements
- QWC expects that
 - QCA's economic regulation framework will define "expenditure justification categories"
 - Expenditure drivers will map on to expenditure justification categories

21



How expenditure drivers are likely to be taken into account in economic regulation (generic, indicative).



22



DRs - Grid contracts

- Negotiations and contracts between connected parties may affect asset planning
 - obligations created may need to be supported by assets
- From 1 July 2011, the *Water Act 2000* will make changes to current contract arrangements:
 - Contracts may be Negotiated or Default.
 - WGM may enter Negotiated Contracts.
 - Current Grid Contracts will be deemed to be Negotiated Contracts.
 - The Minister may make a Default Contract that applies if no Negotiated Contract is entered.
 - A Default Grid Contract may stipulate mandatory terms that will override inconsistent terms in a Negotiated Contract.
- QWC has an advisory role
- Consultancy underway to review
- Workshop planned for November 2010 with the stakeholder group.

23



DRs – Asset Regulatory Framework

- Good engineering standards exist
- Good operating practice is required by the Market Rules and Contracts
- Processes?
- Commission is having discussions with DRs and DERM.

24



DRs – Operating protocols

- Operating protocols are required between physically connected Grid Participants.
- A QWC Guideline for operating protocols must be finalised by 31 January 2011.
- Operating Protocols must be submitted to the WGM before 31 January 2011. Approvals will align with the QWC Guidelines.
- Commission is having discussions with SEQWGM and grid participants – workshops and working group established.

25



C. Grid Service Providers

Role	Operation, maintenance of existing assets to provide bulk water products and services Contractual relationship with WGM; Physical delivery to DRs, other customers - Other services eg Seqwater provides water management functions, environmental stewardship etc
Objectives	Deliver products and services in accordance with contractual and regulatory obligations. Operate commercially.
Outcomes	<i>At all times:</i> Deliver water of required characteristics in accordance with contracts and Water Quality Management Plans <i>Each Month:</i> Delivery in accordance with WGM grid instructions <i>Daily/ real time:</i> Coordinate with other GSPs according to operating protocols <i>Emergencies:</i> coordinate in accordance with Emergency Management Plans and as directed by WGM
Information and inputs	Operating Inputs (labour, materials, chemicals, power) and capital investments are required to achieve these outcomes. Demand forecasts. Management Plans – drinking water, recycled water, leakage, assets. Assumption: QCA Economic Regulation will require GSPs to provide a detailed 3/5 year regulatory submission setting out forecast capital and operating expenditure. The regulatory submission will be justified based on asset management plans, contracts, regulatory obligations etc.
Delivery	GSPs make delivery decisions consistent with the revenues approved by the Price Regulator, dividend requirements (if any), tax and QTC loan approvals. Government determines infrastructure, if regionally significant.

26



GSPs – aspect affecting planning and delivery that are in the process of being resolved

- Economic regulation

27



GSPs – Economic Efficiency

- The Minister is the Price Regulator, as advised by QWC until 30 June 2011.
- From 1 July 2011-2013 QCA will provide advice to the Regulator on the grid service charges.
- It is expected that from 1 July 2013, QCA will become the Price Regulator.

28



GSPs – Regulatory Drivers

- In making its determinations QCA must consider regulatory obligations such as:
 - Asset standards (articulated in SAMPs)
 - Drinking Water Quality Management Plans
 - Contractual Obligations
 - Market Rules requirements
 - System Operating Plan (SOP) requirements
- Expect “expenditure justification categories” (as discussed above).

29



D. SEQ Water Grid Manager

Role	Not for Profit. Whole-of-grid. To buy and sell water products and services to meet the needs of current and new customers.
Objectives	Meet obligations under the SOP and Market Rules. Maximise economic benefit through efficient utilisation of grid assets
Outcomes	Compliance with security objectives (SOP); efficient operations and financial management; balanced risk and returns; minimise risk events and impacts.
Information and inputs	SOP, Market Rules (including demand forecasts), contracts for supply, risk management docs (DWQMP), asset capability, operational data; Tools, models, quality data.
Decision Maker	QWC approves the Operating Strategy. QWC Market Rules Administrator. Appointment of Board by Minister.
Delivery	NA

30



SEQWGM – aspect affecting planning and delivery that are in the process of being resolved

- Contracts for supply

31



SEQWGM – Contracts for Supply

- Contracts for supply include PRW, Category B.
- Planning implications depend on terms & conditions (reliability, quality ...)
- Need to understand whether any impact on security.
- QWC undertaking work on framework for WGM to enter contracts for supply.

32



3. Further Issues identified

This section deals with potential issues that at this stage, have not been addressed.

The issues may require resolution in the short term or longer term.



Issues

- QWC has identified a range of outstanding issues
 - some are priority to resolve
 - some are required later
 - some are less important and will resolve over time
- QWC is seeking feedback
 - Have the issues been appropriately identified ?
 - What issues are causing material problems for the businesses, now?
 - What are the priorities?



Issue 1. What will the economic regulatory framework look like?

What are the regulatory pricing principles that will influence planning?

35



Issue 2. Need clarity around planning processes that result in rationalisation, retirement of assets or reconfigurations.

Need to consider timing, security impacts, cross boundary impacts, skills, business and organisational impacts.

businesses in terms of \$\$.

36



Issue 3. Need clarity around planning matters which :

- are uncertain or change over time,
- may cross boundaries locally and regionally significant.

37



Issue 4. How should local (DR) water supply project proposals be planned for and subject to economic regulation?

Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities.

38



Issue 5. Need clarity in role of TWCM and sub-regional TWCM planning.

Need to consider how TWCM planning integrates with economic regulation, local and regional planning processes.

Need to consider how recommended projects will be funded and implemented.

39



*Regional Water
Service Providers.*

Issue 6. Is there a need for improved information flows at the connection points between the DRs and bulk entities, to facilitate good planning?

Role of WGM/QWC?

Need for improved understanding of matters around connection points eg pressures, capacities, reliability.

40



Forecast 1 yr ahead at nodes?

Issue 7. Need clarity of responsibility for demand forecasts, for each decision point.

41



Issue 8. How should businesses and entities collaborate?

What approach or philosophy should be applied?

42



What Else

- Other issues?
- What are the priority issues that must be resolved in the short term to enable businesses to move forward and meet their obligations?

PRW / recycled water.

43



What's Next

- Feedback on today
- QWC will consider feedback and develop a short term work program in response.

44



The End

45





Securing our water. together.

Our Ref: D/10/052601

Mr Barry Dennien
Chief Executive Officer
SEQ Water Grid Manager
PO Box 16205
City East QLD 4002

Barry
Dear Mr Dennien

Thank you for your organisation's participation in the Queensland Water Commission's (Commission) recent workshop on the Framework for Planning and Delivery of Water Infrastructure in South East Queensland (SEQ).

The Commission has now completed a series of five of these workshops with an extensive stakeholder group including representatives from the Distributor-Retailer Businesses, SEQ Water Grid Manager, Seqwater, Linkwater, WaterSecure, Queensland Competition Authority, Department of Environment and Resource Manager, Department of Infrastructure and Planning, Treasury and Queensland Treasury Corporation.

The workshops were principally designed to confirm and clarify what is known about the current planning framework for water in SEQ, including what can reasonably be expected as the framework for economic regulation evolves. In addition, these meetings have also assisted the Commission in identifying those issues that are currently unclear, or require further clarification.

We greatly appreciate the quality of discussions and contributions made by all stakeholders, and feel that we have an improved understanding of the planning issues across SEQ. Stakeholders have also broadly indicated that they found the workshops a useful exercise.

Attached to this letter for your consideration is:

- an outline of the planning framework presentation as discussed at the workshop, updated to reflect the feedback; and
- a summary of the issues raised by all the stakeholder groups aggregated into the key areas of planning, capital optimisation and economic/asset regulation.

I would appreciate your comments on these attachments. If you believe they require clarification or you identify any gaps could you provide any comments on these to Julie Allan by email [REDACTED] or telephone [REDACTED] by 26 November 2010.

Queensland Water Commission
PO Box 15087 City East Qld 4002
Ph: +61 7 3227 8207 Fax: +61 7 3227 8227
ABN: 65 242 908 036 web: www.qwc.qld.gov.au

I will shortly be sending you an invitation to attend a follow-up workshop in early December 2010 aimed at discussing the attached material, with the outcome to be agreement on the critical priorities and how these would best be addressed.

Once again, thank you for your input. The Commission looks forward to continuing work on developing solutions to support high quality decision making across the SEQ water industry. If you have any questions or comments please do not hesitate to contact me on [REDACTED] or Julie Allan.

Yours sincerely

[REDACTED]

Karen Waldman
Chief Executive Officer

Enc (2)

Long Term Framework for Planning & Delivery of Water Infrastructure in SEQ

As at 10 November 2010



Context

- There are many parties with responsibility for regulation, planning and delivery of water services in SEQ
- Different organisations have different drivers, regulatory contexts and planning frameworks depending on their roles
- This framework is focussed on planning and delivery to achieve outcomes as defined by legislation, contracts etc
- Infrastructure solutions must always prove themselves against non-infrastructure solutions to proceed to delivery
- Wastewater is considered where it impacts on water supply ie the water balance or quality

2

Scope of planning and delivery for water in SEQ

- Driven by- growth, usage, compliance, renewals, efficiency, drought. To achieve security and sufficiency of supply.
- Applies to parties with planning roles:
 - QWC
 - GSPs (Seqwater, Linkwater, WaterSecure)
 - SEQ Water Grid Manager
 - DRs (Allconnex, Unitywater, Qld Urban Utilities)
- Takes account of roles of QCA, DERM and other parties with regulatory and advisory responsibilities.



3

A framework for planning

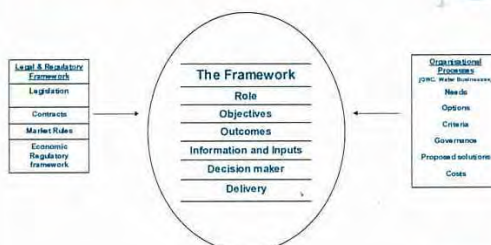
- The framework for planning and delivery can be described and organised in different ways
- QWC considers this framework provides a useful way to systematically describe how planning and delivery is undertaken for each organisation ...

The Framework

Role
Objectives
Outcomes
Information and Inputs
Decision maker
Delivery

4

A framework for planning



5

Application of the framework

- The following slides show how this framework can be applied to ...
 - QWC
 - DRs (Allconnex, Unitywater, Qld Urban Utilities)
 - GSPs (Seqwater, Linkwater, WaterSecure)
 - SEQ Water Grid Manager



6

A. QWC

Role	- To provide advice to the Minister on water supply and demand management and the delivery of desired level of service objectives for the region. - Facilitate and implement the regional water security program. - Make and administer the system operating plan (SOP), act as the Market Rules Administrator, make water restrictions when required. Ensure compliance with programs and restrictions.
Objectives	Ensure the delivery of sustainable and secure water supply and demand management for SEQ.
Outcomes	- Advice on new regionally significant infrastructure to provide sufficient quantity, quality and reliability of water to achieve the level of service (LOS) objectives. - Timely delivery of appropriate infrastructure. - Efficient and cost-effective service delivery. - Collaborative planning integrated with total water cycle management outcomes, that provides opportunities for innovation.
Information and inputs	- SEQ Regional Plan, Regional Water Security Program for SEQ (LOS, portfolio), policy, asset capability, growth patterns, demand patterns, solution options, models, cost data. - QWC is seeking to improve its planning process to be more appropriate for 'normal' times as distinct from the responsive approach during the water emergency.
Decision Maker	Minister makes regional water security program including LOS, infrastructure to achieve it and cost/price arrangements.
Delivery	Existing financial and procurement processes.

7

B. Distributor-Retailers (DRs)

Role	Operate and invest to provide urban water distribution and retail services, and waste water and trade waste services. Other services may include delivery of recycled water, demand side management.
Objectives	Deliver services efficiently to meet customer requirements and in accordance with regulatory obligations. Operate commercially.
Outcomes	Meet customer service standards (pressure, reliability, water quality – human health, aesthetic, odour, overflows etc), efficiently. Meet retail service standards.
Information and inputs	Operating inputs (labour, materials, chemicals, power etc) and assets are required to deliver outcomes. Grid Contracts, Demand forecasts. The Netserv Plan which sets out services, service standards, infrastructure, strategies and forecast costs. Must comply with local government planning schemes, Customer Expectations, Regulatory standards (including asset standards), Operating protocols, Drinking Water Quality Management Plans, Future customer code.
Decision maker	QCA determine revenues / prices. Government determines infrastructure, if regionally significant. The economic regulation framework, to be developed will set out processes and criteria for determining allowed revenues / prices.
Delivery	DRs make decisions on asset delivery. DRs take account of Netserv Plan, revenues/ price approved by QCA, dividend and tax requirements and QTC loan approvals.

8

C. Grid Service Providers

Role	Operation, maintenance of existing assets to provide bulk water products and services. Contractual relationship with WGM. Physical delivery to DRs, other customers. Other services eg Sewerage provides water management functions, environmental stewardship etc.
Objectives	Deliver products and services in accordance with contractual and regulatory obligations. Operate commercially.
Outcomes	- At all times: Deliver water of required characteristics in accordance with contracts and Water Quality Management Plans. - Each Month: Delivery in accordance with WGM grid instructions. - Daily/real time: Coordinate with other GSPs according to operating protocols. - Emergencies: coordinate in accordance with Emergency Management Plans and as directed by WGM.
Information and inputs	Operating inputs (labour, materials, chemicals, power) and capital investments are required to achieve these outcomes. Demand forecasts, Management Plans – drinking water, recycled water, leakage, assets. Assumption: QCA Economic Regulation will require GSPs to provide a detailed 3/5 year regulatory submission setting out forecast capital and operating expenditure. The regulatory submission will be justified based on asset management plans, contracts, regulatory obligations etc.
Decision Maker	Minister is the Price Regulator.
Delivery	GSPs make delivery decisions consistent with the revenues approved by the Price Regulator, dividend requirements (if any), tax and QTC loan approvals. Government determines infrastructure if regionally significant.

11

D. SEQ Water Grid Manager

Role	Not for Profit, Whole-of-grid. To buy and sell water products and services to meet the needs of current and new customers.
Objectives	Meet obligations under the SOP and Market Rules. Maximise economic benefit through efficient utilisation of grid assets.
Outcomes	Compliance with security objectives (SOP); efficient operations and financial management; balanced risk and returns; minimise risk events and impacts.
Information and inputs	SOP, Market Rules (including demand forecasts), contracts for supply, risk management docs (DWQMP), asset capability, operational data; Tools, models, quality data.
Decision Maker	QWC approves the Operating Strategy, QWC Market Rules Administrator. Appointment of Board by Minister.
Delivery	NA

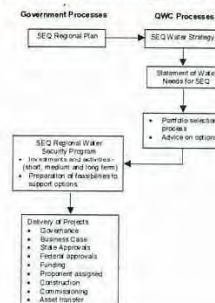
10

QWC - Improved planning process

- QWC is developing a process to support the preparation of advice to the Minister on regional water security options.
- Follows from Strategy and water balance.
- Separates needs and solutions:
 - Statement of Water Needs (SOWN)
 - Options (infrastructure and non-infrastructure) will be sought from appropriate parties to satisfy needs
- Best portfolio of options will form the basis of advice.
- QWC considers the process should be open, inclusive and adaptive to new information over time.



QWC - Improved planning process



12

QWC - Improved planning process

Issues QWC is considering, include:

- How to manage inputs to SOWN.
- How do entities support QWC and provide information into this process? How are the resource requirements recognised?
- Are there appropriate legal powers/funding arrangements for the Commission to undertake detailed enquiries to support robust, high quality portfolio identification in advance of an approved RWSP?
- What are the policy and statutory implications of seeking private sector input into the process (options identification and review)?
- What are the criteria for assessment?
- How will the drought response component of planning be managed.

13



Economic Regulation - DRs

- QCA
 - Price oversight by QCA, 1 July 2010 to 30 June 2013
 - Expected QCA will become Price Regulator post 30 June 2013 (requires Act amendment)
- Economic regulation framework is expected to be developed by QCA
- Netserv Plans will be a critical input to Economic Regulation

14



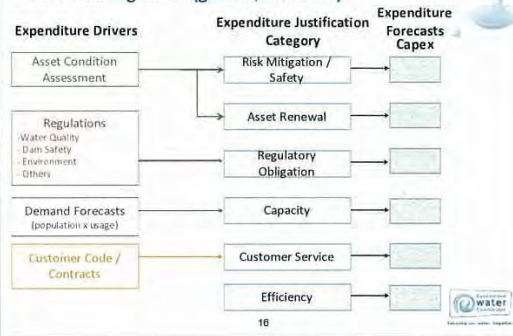
How expenditure drivers are expected to be taken into account in economic regulation

- There are a range of factors that drive expenditure
 - Asset condition
 - Regulatory obligations
 - Demand
 - Customer requirements
- QWC expects that
 - QCA's economic regulation framework will define "expenditure justification categories"
 - Expenditure drivers will map on to expenditure justification categories

15



How expenditure drivers are likely to be taken into account in economic regulation (generic, indicative)



16



Economic Efficiency - GSPs

- The Minister is the Price Regulator, as advised by QWC until 30 June 2011
- From 1 July 2011 – 30 June 2013 QCA will provide advice to the Regulator on the grid service charges
- It is expected that from 1 July 2013, QCA will become the Price Regulator

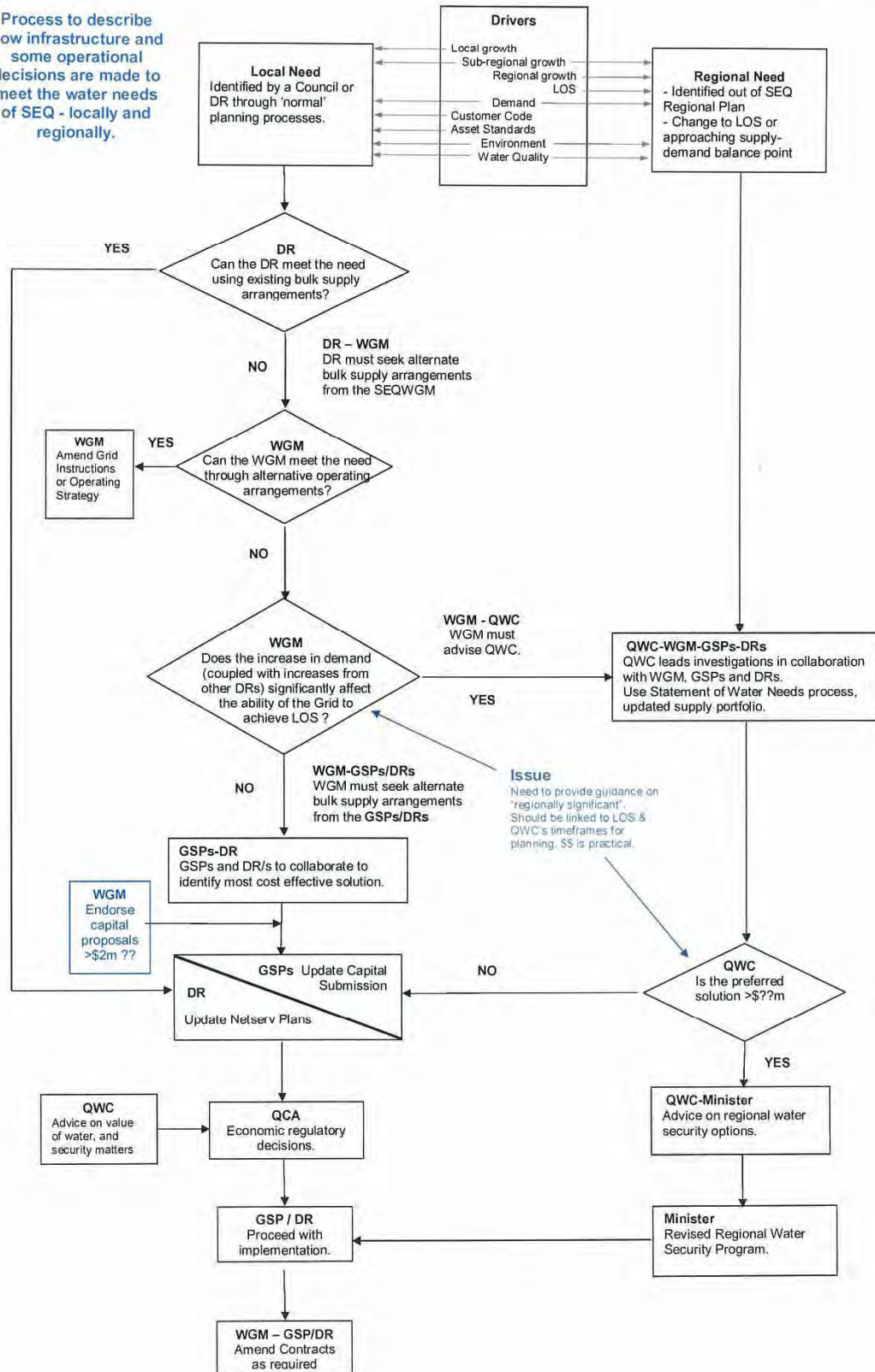
17



Queensland Water Commission
Framework for Planning & Delivery of Water Infrastructure in SEQ



Process to describe how infrastructure and some operational decisions are made to meet the water needs of SEQ - locally and regionally.



Framework for Planning & Delivery of Water Infrastructure in SEQ Analysis of Issues – Draft for Comment

Issues have been collated from five workshops held with representatives from the SEQ Water Grid Manager, Seqwater, Linkwater, WaterSecure, Queensland Urban Utilities, Alconnex, Unitywater, Queensland Competition Authority, Department of Environment and Resource Management, Department of Infrastructure and Planning, Treasury and Queensland Treasury Corporation.

Planning Decisions

Ref	Topic	Description/Proposals
1.	Demand Forecasting	There is a need for different types of demand forecasts for different purposes. There should be clarity of responsibility for demand forecasts at each decision point.
2.	Definition of "regional significance"	QWC should define regional significance to provide guidance. This should be linked to LOS. May best be expressed as a \$\$ value reflecting materiality.
3.	Proposed statement of water needs (SOWN)	Proceed with finalising development of the SOWN process. Linked to Portfolio of Projects. How do GSPs support and provide information to the process including options evaluation.
4.	Legislation to support efficient infrastructure delivery	Not clear if there are adequate legal powers in regard to long term reservation of easements? Securing easements for long term pipelines corridors is a key issue. Current arrangements for granting easements need to be improved. The Coordinator General has some powers in the <i>Water Act</i> and <i>State Development and Public Works Organisation Act</i> associated with implementation of the RWSP
5.	Fit for purpose information	High quality information is required by all parties - planners, operators and regulators. An issue of concern to all is how an organisation ensures data and information integrity.
6.	Planning in terms of Water Sensitive cities local water solutions	Water Sensitive Cities has some support through National Water Commission and other forums. QWC has a role to facilitate the creation of robust mechanisms to recognise and allow for the recovery, through prices, of the value of water and water security provided by projects on a region-wide basis. The decisions about value may be best made locally by Distributor-Retailers, councils and developers; with the Distributor-Retailer's decisions assessed by the QCA as the economic regulator.

Capital Optimisation

Ref	Topic	Description/Proposals
7.	Regulation of whole-of-grid proposal	Where a collaborative improvement or solution has been identified by more than one entity and involves expenditure by more than one entity, how is the "package" presented and assessed.
8.	Regulation of overlapping or competing infrastructure proposals	There will be situations where there are overlapping or competing infrastructure and opex proposals presented by different entities to deal with the same or overlapping needs. The QCA and other relevant regulators will need to be able to consider such proposals at the same time to ensure that expenditure allowances are provided to reflect the most efficient solution.
9.	Rationalisation, optimisation and / or retirement of assets	These retirements can be driven by: - efficiency improvements and/or - asset condition/limitations. The process may differ according to the key driver. In some cases there will be issues with management of associated water allocations. Who ultimately makes these decisions? Who is involved? Depends on scale and potential impacts. Need principles to guide these specific types of decisions. Suggest these are based on real case studies.

Economic / Asset Regulation

Ref	Topic	Description/Proposals
10.	Regulatory pricing principles	QWC can support QCA as the economic regulator, through the development of appropriate assessment tools. For example - a water value function could be developed and provided to businesses and QCA and used for evaluation of the water supply and security benefits provided by different types of supply and demand management projects.
11.	Total Water cycle Management Planning and local solutions	How should local (DR) water supply project proposals be planned for and subject to economic regulation? Need to consider how TWCM planning integrates with economic regulation, local and regional processes. Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities. Need to consider how recommended projects will be funded and implemented (i.e. fair apportionment of costs to beneficiaries). Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities. Note NWI pricing principles: - TWCM projects may provide a variety of benefits - QWC can provide information to value water and water security benefits provided by proposed TWCM projects - Need to establish a framework for valuing other benefits and bringing together Once agreed, develop and consult with stakeholders
12.	Role of innovation	How to balance innovation with management of economic, environmental, social and public health risks. Example – Fitzgibbon Chase. Urban Land Development Authority may wish to become a water authority to implement innovative TWCM projects.
13.	Asset regulation standards	Need to clarify the role of, and responsibilities for, asset regulation.
14.	Scarcity pricing	Scarcity pricing is an issue being discussed nationally. Any steps towards scarcity pricing will need to be considered very carefully. Query if likely to be a matter which can be progressed in the short to medium term.

Other Matters

Ref	Topics	Description/Proposals
15.	Information flows at the connection points between DRs and bulk entities	Being addressed by Operating Protocols Project
16.	Collaboration	Suggested approach: - Formal collaborative planning mechanisms would be part of the proposed processes / guidelines. - However businesses should also operate commercially and as such should seek to partner with other businesses where they consider this will assist them achieve their objectives. This collaboration does not require centralised organisation or approval.

Allan Julie

Subject: Follow-up Workshop - Framework for Planning and Delivery of Water Infrastructure
Location: Conference Room 1, 2 & 3, Level 16
Start: Tue 7/12/2010 9:30 AM
End: Tue 7/12/2010 1:00 PM
Recurrence: (none)
Meeting Status: Accepted
Required Attendees: Waldman Karen; [REDACTED] Claydon Greg;
Oliver Greg; [REDACTED]
[REDACTED] Peter McManamon;
[REDACTED] Bagdon Tad; Leaver Gayle; Hoekstra Margaret; Allan Julie;
Geoff Swier [REDACTED]

Good afternoon

I would like to invite you to a follow-up workshop to continue discussions on the framework for planning and delivery of water infrastructure in SEQ.

By now you should have received a letter of thanks for your organisation's attendance at the first round of workshops held in October. Attached was an outline of the planning framework presentation updated to reflect the feedback and a summary of issues. These will form the basis of discussions for this follow-up workshop. In particular, the outcomes I am seeking from the workshop are – agreement on the critical priorities and how these would best be addressed.

A more detailed agenda will follow closer to the day.

Lunch will be served from 12:30 – 1:00pm.

Kind regards.

Karen Waldman
Chief Executive Officer
Queensland Water Commission

Waldman Karen

From: Waldman Karen
Sent: Thursday, 25 November 2010 3:40 PM
To: Dennien Barry @ SEQWGM
Cc: Allan Julie
Subject: FW: Agenda for 7th December Workshop
Attachments: Framework Workshop Agenda 7th Dec 2010.DOC; Framework Workshop Agenda 7th Dec 2010.tr5

Hi Barry

Please find attached the draft agenda for the workshop on 7 December 2010.

Thanks for agreeing to present under Session 2 - Status update on "WGM new advisory role to Ministers on capital expenditure". We suggest a 5 minute, 2 slide presentation. If you send it to Julie Allen a couple of days before we will put it into an integrated presentation.

Thanks again, Karen.

28/04/2011

Framework for Planning and Delivery of Water Infrastructure in SEQ

Workshop Agenda – Tuesday, 7th December 2010

Agenda

Date: Tuesday 7th December, 2010

Time: 9:30 to 1:00 pm

Location: Conference Rooms 1,2 & 3 QWC, Level 16, 53 Albert St, Brisbane

9:30 – 9:40	1. Welcome and Introduction	Karen Waldman Geoff Swier
9:40-10:40	2. Status Updates on :	
	• Update on Commission work on Planning and Delivery Framework	Julie Allan (QWC)
	• WGM new advisory role to Ministers on capital expenditure	Barry Dennien (WGM)
	• Asset Regulation	Greg Oliver (DERM)
	• Economic Regulation, long term	Rick Stankiewicz (QCA)
	• ULDA Planning Processes	Alan Dick (ULDA)
	General Discussion	All
10:40-11:15	3. Key Issues Review of key issues	Tad Bagdon & Tracie-Lee Waldock
11:15–11:45	4. Prioritising Critical Issues (as per Attachment 1) Discussion on approach, criteria to apply. Views on immediate, mid and longer term priorities.	All
11:45-12:15	Lunch	
12:15-12:45	5. Progressing Critical Issues What process or approach is most appropriate to progress each of the critical priorities? Who to take lead, resources etc.	All
12:45-12:55	6. Next Steps	All
12:55-1:00	7. Wrap-up	Karen Waldman

Host

Karen Waldman, CEO Queensland Water Commission

Facilitator

Geoff Swier, Farrier-Swier,

Attendees

Rick Stankiewicz, QCA

Greg Claydon, DERM

Greg Oliver, DERM

Bob Reilly, DERM

Ken Sedgwick, Treasury

Tania Homan, Treasury

Seamus Parker, QTC

Alan Dick, ULDA

Barry Dennien, SEQ WGM

Dan Spiller, SEQ WGM

Peter McManamon, Linkwater

Ron Anderson, Linkwater

Paul Utting, Linkwater

Alex Fisher, Seqwater

Helen Moore, Seqwater

Keith Davies, WaterSecure

Phil Surtees, WaterSecure

Sam Romano, WaterSecure

Daryl Ross, Allconnex

Paul Heaton, Allconnex

Noel Faulkner, Qld Urban Utilities

Jon Black, Unitywater

George Theo, Unitywater

Michael Lukin, Unitywater

Tad Bagdon, QWC

Marg Hoekstra, QWC

Tracie-Lee Waldock (QWC)

Julie Allan, QWC

Attachment 1

Session 4 & 5 Support Material Prioritising and progressing the critical issues

A key objective of the workshop is to seek input from stakeholders on (1) prioritising the key outstanding issues that need to be progressed to promote good grid wide outcomes; and (2) an approach to progressing them.

Prioritising Critical issues

This objective is to be achieved as follows:

- Participants are encouraged to think about prioritisation of the critical issues prior to the workshop
- The facilitator will capture any additional key issues if these arise.
- All workshop participants are encouraged to consider the priority of each issue, taking into account the prioritisation template (see below).
- The categorisation should be based on a whole-of-grid perspective (rather than an organisational perspective).
- In Session 4: Prioritising critical issues, stakeholders will be invited to discuss their views on the prioritisation template - in particular, their views on (1) how materiality might be defined and (2) urgency.
- At the end of the session *each organisation* will be invited to
 - allocate the issues into the prioritisation template and provide this to the facilitator; and
 - set out their approach to allocating issues
- Input will be collated and fed back the meeting after lunch.

The Commission will consolidate the information to facilitate the next step.

Progressing the Critical Issues

Participants are encouraged to provide any views they may have on how the critical issues should be best progressed:

For example, how should any work be undertaken? What sort of governance and oversight may be required? What sort of consultation process?

Prioritisation Critical Issues - Template

Materiality
.... to promoting good (grid wide) outcomes

Urgency	Materiality		
	High	Medium	Low
Resolve by mid 2011			
Resolve Before end 2011			
Can resolve after end 2011			

Attachment 2

Framework for Planning & Delivery of Water Infrastructure in SEQ Analysis of Issues – Draft for Comment

Issues have been collated from five workshops held with representatives from the SEQ Water Grid Manager, Seqwater, Linkwater, WaterSecure, Queensland Urban Utilities, Allconnex, Unitywater, Queensland Competition Authority, Department of Environment and Resource Management, Department of Infrastructure and Planning, Treasury and Queensland Treasury Corporation.

Planning Decisions

Ref	Topic	Description/Proposals
1.	Demand Forecasting	There is a need for different types of demand forecasts for different purposes. There should be clarity of responsibility for demand forecasts at each decision point.
2.	Definition of "regional significance"	QWC should define regional significance to provide guidance. This should be linked to LOS.
3.	Proposed statement of water needs (SOWN)	Proceed with finalising development of the SOWN process. Linked to Portfolio of Projects. How do GSPs support and provide information to the process including options evaluation.
4.	Legislation to support efficient infrastructure delivery	Not clear if there are adequate legal powers in regard to long term reservation of easements? Securing easements for long term pipelines corridors is a key issue. Current arrangements for granting easements need to be improved. The Coordinator General has some powers in the <i>Water Act</i> and <i>State Development and Public Works Organisation Act</i> associated with implementation of the RWSP
5.	Fit for purpose information	High quality information is required by all parties - planners, operators and regulators. An issue of concern to all is how an organisation ensures data and information integrity.
6.	Planning in terms of Water Sensitive cities local water solutions	Water Sensitive Cities has some support through National Water Commission and other forums. QWC has a role to facilitate the creation of robust mechanisms to recognise and allow for the recovery, through prices, of the value of water and water security provided by projects on a region-wide basis. The decisions about value may be best made locally by Distributor-Retailers, councils and developers; with the Distributor-Retailer's decisions assessed by the QCA as the economic regulator.

Capital Optimisation

Ref	Topic	Description/Proposals
7.	Regulation of whole-of-grid proposal	Where a collaborative improvement or solution has been identified by more than one entity and involves expenditure by more than one entity, how is the "package" presented and assessed.
8.	Regulation of overlapping or competing infrastructure proposals	There will be situations where there are overlapping or competing infrastructure and opex proposals presented by different entities to deal with the same or overlapping needs. The QCA and other relevant regulators will need to be able to consider such proposals at the same time to ensure that expenditure allowances are provided to reflect the most efficient solution.
9.	Rationalisation, optimisation and / or retirement of assets	These retirements can be driven by: - Operating efficiency improvements and/or - asset condition/limitations. The process may differ according to the key driver. In some cases there will be issues with management of associated water allocations. Who ultimately makes these decisions? Who is involved? Depends on scale and potential impacts. Need principles to guide these specific types of decisions. Suggest these are based on real case studies. This does not relate to economic optimisation, but rather operational optimisation.

Economic / Asset Regulation

Ref	Topic	Description/Proposals
10.	Regulatory pricing principles	QWC can support QCA as the economic regulator, through the development of appropriate assessment tools. For example - a water value function could be developed and provided to businesses and QCA and used for evaluation of the water supply and security benefits provided by different types of supply and demand management projects.
11.	Total Water cycle Management Planning and local solutions	How should local (DR) water supply project proposals be planned for and subject to economic regulation? Need to consider how TWCM planning integrates with economic regulation, local and regional processes. Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated responsibilities. Need to consider how recommended projects will be funded and implemented (i.e. fair apportionment of costs to beneficiaries). Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities. Note NWI pricing principles: - TWCM projects may provide a variety of benefits - QWC can provide information to value water and water security benefits provided by proposed TWCM projects - Need to establish a framework for valuing other benefits and bringing together Once agreed, develop and consult with stakeholders
12.	Role of innovation	How to balance innovation with management of economic, environmental, social and public health risks. Example – Fitzgibbon Chase. Urban Land Development Authority may wish to become a water authority to implement innovative TWCM projects.
13.	Asset regulation standards	Need to clarify the role of, and responsibilities for, asset regulation.
14.	Scarcity pricing	Scarcity pricing is an issue being discussed nationally. Any steps towards scarcity pricing will need to be considered very carefully. Query if likely to be a matter which can be progressed in the short to medium term.

Other Matters

Ref	Topics	Description/Proposals
15.	Information flows at the connection points between DRs and bulk entities	Being addressed by Operating Protocols Project
16.	Collaboration	Suggested approach: - Formal collaborative planning mechanisms would be part of the proposed processes / guidelines. - However businesses should also operate commercially and as such should seek to partner with other businesses where they consider this will assist them achieve their objectives. This collaboration does not require centralised organisation or approval.

Materiality – to good grid wide outcomes

Urgency ↓	High	Medium	Low
Resolve by mid 2011			
Resolve before end 2011			
Can resolve after end 2011			



RECEIVED

6 DEC 2010

Secure and efficient water
through partnership and innovation

TRIM ref: D/10/7667

6 December 2010

Ms Karen Waldman
Chief Executive Officer
Queensland Water Commission
PO Box 15087
City East Qld 4002

Dear ~~Ms Waldman~~ *KAREN*

I refer to your letter of 11 November 2010 regarding the works on the framework for planning and delivery of water infrastructure in South East Queensland (SEQ). Our comments on the updated presentation and summary of issues raised follows.

As an overarching comment, we recommend that planning processes should be separately defined for:

- regionally significant projects
- other Water Grid projects
- other distribution-retail projects.

Planning processes will deliver between these groups, reflecting differences in scope, ownership and contractual requirements.

Of these areas, our greatest interest is in planning for and approval of other Water Grid projects. The Water Grid Manager has a key role, as outlined in the Minister in his letters of 20 October 2010. As stated by the Minister we are required to provide advice that:

- There is a clear and appropriate need for proposed expenditure by the Providers, and
- a full range of options have been considered, including alternative ways of operating the Water Grid and utilising existing infrastructure.

The Minister requested that our Chair develop an agreed process and timeframe for the provision of this advice from 2011-12. As you are aware, Mr Humphreys has met with the Commissioner and Chairs of the Water Service Providers on a number of occasions to discuss this process. We are also working with Treasury, which is drafting changes to the State Water Authorities Governance Framework.

We are keen to continue to work with the Commission to ensure that the processes are integrated. In the meantime, we request that the presentation be updated to reflect the correspondence and to note that the Water Grid Manager is preparing advice to the Minister.

We also have a role in the identification of needs for regionally significant projects, and in coordinating planning for water quality improvements. We request that these roles also be identified as part of your planning framework.

Comments on other aspects of the paper are provided in Tables 1 and 2. **(Attachment 1)**
Thank you for the opportunity to comment. I look forward to continuing to work with you on this important project. Please do not hesitate to contact me on [REDACTED] or by email at [REDACTED] if you have any queries or require any further information.

Yours sincerely

[REDACTED]

Barry Dennien
Chief Executive Officer

Enclosed: Attachment 1

Table 1: Comments on summary of issues

Your reference	Comment
1.	We strongly support the need for improved demand forecasting, as stated in our previous correspondence.
3.	We are required to submit a capacity assessment each year as part of the Annual Market Rules Review. This capacity assessment should provide the basis for the Statement of Water Needs process for regionally significant projects, and should be acknowledged.
9.	The Water Grid Manager has a key role in the retirement of Water Grid assets, as one means of deferring the need for future capital expenditure. Through the Operating Strategy, we specify our requirements from specific assets over the short to medium-term. We also hold the allocations, with very few exceptions. This role needs to be recognised and reflected.
13.	We strongly agree with the need to clarify the role of, and responsibilities for, asset regulation. This issue was raised in the Annual Market Rules Review.

Table 2: Comments on updated presentation

Page number	Comment
2 and 3.	The scope of the planning and delivery framework needs to be more clearly explained. As outlined above, separate processes are required for regionally significant projects, other Water Grid projects and other distribution projects. It is unclear whether this framework is intended to address all planning for all three categories of infrastructure. Our primary concern is the other Water Grid projects category, which is not addressed in detail in the presentation. As noted in the letter, our Chair is preparing advice to the Minister about part of this process in consultation with Chairs of Grid Service Providers and the Commissioner. We are keen to work with you to coordinate this work. For the regionally significant projects category, the basis of an appropriate process is provided in slides 11 to 13, subject to the comments provided below. For other distribution projects, we expect the process to summarise existing legislative and regulatory requirements and processes, as is done on slide 14. In addition, it should make clear the interaction with the Commission in regionally significant projects.
7.	Under: - legislation, each entity is required to prepare a Drinking Water Quality Management Plan that is approved by the Office of the Water Supply Regulator - the Market Rule, the Water Grid Manager is required to prepare a Water Grid Quality Management Plan that is approved by the Queensland Water Commission. Each of these plans is required to contain an improvement plan, with integration through Water Grid Quality Management Plan. Within this context, the role of the Commission in relation to planning for water quality is unclear. We recommend that it occur through the approval of the Water Grid Quality Management Plan.
7.	As noted above, the capacity assessment that is required under the Annual Market Rules Review should be a key input to Commission planning activities.
9.	The role of the Water Grid Manager in terms of identifying need and consideration of options needs to be acknowledged, as per the Minister's letter. The Operating Strategy and capacity assessment should be key inputs to planning by entities.
10.	Our coordination functions are not reflected, including the Water Grid Quality Management Plan, Operating Strategy and annual capacity assessment. The planning framework should build upon these established processes. There is also no reference to our role in coordinating with Grid Customers.
10.	The slide refers to the Market Rules including demand forecasts. The intent of this is not clear. The reason for the reference to the appointment of the Board is also unclear. We note that a similar reference is not included for the Commission or Grid Service Providers.
16.	For Grid Service Providers, the Water Grid Manager has a role in specifying what it considers is needed. For example, the impacts of demand forecasts and the need for capacity upgrades will be addressed through the annual capacity assessment. As part of this process, we integrate short to medium-term demand from the Distribution-Retail entities with advice about capacity from the Grid Service Providers. Similarly, water quality improvements are coordinated through the Water Grid Quality Management Plan.

Framework for Planning and Delivery of Water Infrastructure in SEQ

Workshop Agenda – Tuesday, 7th December 2010

Agenda

Date: Tuesday 7th December, 2010

Time: 9:30 to 1:00 pm

Location: Conference Rooms 1,2 & 3 QWC, Level 16, 53 Albert St, Brisbane

9:30 – 9:40	1. Welcome and Introduction	Karen Waldman Geoff Swier
9:40-10:40	2. Status Updates on :	
	• Update on Commission work on Planning and Delivery Framework	Julie Allan (QWC)
	• WGM new advisory role to Ministers on capital expenditure	Barry Dennien (WGM)
	• Asset Regulation	Greg Oliver (DERM)
	• Economic Regulation, long term	Rick Stankiewicz (QCA)
	• ULDA Planning Processes	Alan Dick (ULDA)
	General Discussion	All
10:40-11:15	3. Key Issues Review of key issues	Tad Bagdon & Tracie-Lee Waldock
11:15–11:45	4. Prioritising Critical Issues (as per Attachment 1) Discussion on approach, criteria to apply. Views on immediate, mid and longer term priorities.	All
11:45-12:15	Lunch	
12:15-12:45	5. Progressing Critical Issues What process or approach is most appropriate to progress each of the critical priorities? Who to take lead, resources etc.	All
12:45-12:55	6. Next Steps	All
12:55-1:00	7. Wrap-up	Karen Waldman

Host

Karen Waldman, CEO Queensland Water Commission

Facilitator

Geoff Swier, Farrier-Swier,

Attendees

Rick Stankiewicz, QCA

Greg Claydon, DERM

Greg Oliver, DERM

Bob Reilly, DERM

Ken Sedgwick, Treasury

Tania Homan, Treasury

Seamus Parker, QTC

Alan Dick, ULDA

Barry Dennien, SEQ WGM

Dan Spiller, SEQ WGM

Peter McManamon, Linkwater

Ron Anderson, Linkwater

Paul Utting, Linkwater

Alex Fisher, Seqwater

Helen Moore, Seqwater

Keith Davies, WaterSecure

Phil Surtees, WaterSecure

Sam Romano, WaterSecure

Daryl Ross, Allconnex

Paul Heaton, Allconnex

Noel Faulkner, Qld Urban Utilities

Jon Black, Unitywater

George Theo, Unitywater

Michael Lukin, Unitywater

Tad Bagdon, QWC

Marg Hoekstra, QWC

Tracie-Lee Waldock (QWC)

Julie Allan, QWC

Attachment 1

Session 4 & 5 Support Material Prioritising and progressing the critical issues

A key objective of the workshop is to seek input from stakeholders on (1) prioritising the key outstanding issues that need to be progressed to promote good grid wide outcomes; and (2) an approach to progressing them.

Prioritising Critical issues

This objective is to be achieved as follows:

- Participants are encouraged to think about prioritisation of the critical issues prior to the workshop
- The facilitator will capture any additional key issues if these arise.
- All workshop participants are encouraged to consider the priority of each issue, taking into account the prioritisation template (see below).
- The categorisation should be based on a whole-of-grid perspective (rather than an organisational perspective).
- In Session 4: Prioritising critical issues, stakeholders will be invited to discuss their views on the prioritisation template - in particular, their views on (1) how materiality might be defined and (2) urgency.
- At the end of the session *each organisation* will be invited to
 - allocate the issues into the prioritisation template and provide this to the facilitator; and
 - set out their approach to allocating issues
- Input will be collated and fed back the meeting after lunch.

The Commission will consolidate the information to facilitate the next step.

Progressing the Critical Issues

Participants are encouraged to provide any views they may have on how the critical issues should be best progressed:

For example, how should any work be undertaken? What sort of governance and oversight may be required? What sort of consultation process?

Prioritisation Critical Issues - Template

Materiality
.... to promoting good (grid wide) outcomes

Urgency	High	Medium	Low
Resolve by mid 2011			
Resolve Before end 2011			
Can resolve after end 2011			

Attachment 2

Framework for Planning & Delivery of Water Infrastructure in SEQ Analysis of Issues – Draft for Comment

Issues have been collated from five workshops held with representatives from the SEQ Water Grid Manager, Seqwater, Linkwater, WaterSecure, Queensland Urban Utilities, Allconnex, Unitywater, Queensland Competition Authority, Department of Environment and Resource Management, Department of Infrastructure and Planning, Treasury and Queensland Treasury Corporation.

Planning Decisions

Ref	Topic	Description/Proposals
1.	Demand Forecasting	There is a need for different types of demand forecasts for different purposes. There should be clarity of responsibility for demand forecasts at each decision point.
2.	Definition of "regional significance"	QWC should define regional significance to provide guidance. This should be linked to LOS.
3.	Proposed statement of water needs (SOWN)	Proceed with finalising development of the SOWN process. Linked to Portfolio of Projects. How do GSPs support and provide information to the process including options evaluation.
4.	Legislation to support efficient infrastructure delivery	Not clear if there are adequate legal powers in regard to long term reservation of easements? Securing easements for long term pipelines corridors is a key issue. Current arrangements for granting easements need to be improved. The Coordinator General has some powers in the <i>Water Act</i> and <i>State Development and Public Works Organisation Act</i> associated with implementation of the RWSPP
5.	Fit for purpose information	High quality information is required by all parties - planners, operators and regulators. An issue of concern to all is how an organisation ensures data and information integrity.
6.	Planning in terms of Water Sensitive cities local water solutions	Water Sensitive Cities has some support through National Water Commission and other forums. QWC has a role to facilitate the creation of robust mechanisms to recognise and allow for the recovery, through prices, of the value of water and water security provided by projects on a region-wide basis. The decisions about value may be best made locally by Distributor-Retailers, councils and developers; with the Distributor-Retailer's decisions assessed by the QCA as the economic regulator.

Capital Optimisation

Ref	Topic	Description/Proposals
7.	Regulation of whole-of-grid proposal	Where a collaborative improvement or solution has been identified by more than one entity and involves expenditure by more than one entity, how is the "package" presented and assessed.
8.	Regulation of overlapping or competing infrastructure proposals	There will be situations where there are overlapping or competing infrastructure and opex proposals presented by different entities to deal with the same or overlapping needs. The QCA and other relevant regulators will need to be able to consider such proposals at the same time to ensure that expenditure allowances are provided to reflect the most efficient solution.
9.	Rationalisation, optimisation and / or retirement of assets	These retirements can be driven by: - Operating efficiency improvements and/or - asset condition/limitations. The process may differ according to the key driver. In some cases there will be issues with management of associated water allocations. Who ultimately makes these decisions? Who is involved? Depends on scale and potential impacts. Need principles to guide these specific types of decisions. Suggest these are based on real case studies. This does not relate to economic optimisation, but rather operational optimisation.

Economic / Asset Regulation

Ref	Topic	Description/Proposals
10.	Regulatory pricing principles	QWC can support QCA as the economic regulator, through the development of appropriate assessment tools. For example - a water value function could be developed and provided to businesses and QCA and used for evaluation of the water supply and security benefits provided by different types of supply and demand management projects.
11.	Total Water cycle Management Planning and local solutions	How should local (DR) water supply project proposals be planned for and subject to economic regulation? Need to consider how TWCM planning integrates with economic regulation, local and regional processes. Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities. Need to consider how recommended projects will be funded and implemented (i.e. fair apportionment of costs to beneficiaries). Need to clearly delineate between tiers of planning (regionally significant, local) drivers and associated roles and responsibilities. Note NWI pricing principles: - TWCM projects may provide a variety of benefits - QWC can provide information to value water and water security benefits provided by proposed TWCM projects - Need to establish a framework for valuing other benefits and bringing together Once agreed, develop and consult with stakeholders
12.	Role of innovation	How to balance innovation with management of economic, environmental, social and public health risks. Example – Fitzgibbon Chase. Urban Land Development Authority may wish to become a water authority to implement innovative TWCM projects.
13.	Asset regulation standards	Need to clarify the role of, and responsibilities for, asset regulation.
14.	Scarcity pricing	Scarcity pricing is an issue being discussed nationally. Any steps towards scarcity pricing will need to be considered very carefully. Query if likely to be a matter which can be progressed in the short to medium term.

Other Matters

Ref	Topics	Description/Proposals
15.	Information flows at the connection points between DRs and bulk entities	Being addressed by Operating Protocols Project
16.	Collaboration	Suggested approach: - Formal collaborative planning mechanisms would be part of the proposed processes / guidelines. - However businesses should also operate commercially and as such should seek to partner with other businesses where they consider this will assist them achieve their objectives. This collaboration does not require centralised organisation or approval.

Materiality – to good grid wide outcomes

Urgency ↓	High	Medium	Low
Resolve by mid 2011			
Resolve before end 2011			
Can resolve after end 2011			

Framework for Planning & Delivery of Water Infrastructure in SEQ

Workshop
7th December 2010



Agenda

1. Welcome and Introduction
2. Status Updates
3. Key Issues
4. Prioritising Critical Issues
- Lunch
5. Progressing Critical Issues
6. Next Steps
7. Wrap-up

2



2. Status Updates

- Commission work on planning and delivery framework (Julie Allan)
- WGM new advisory role (Barry Dennien)
- Asset Regulation (Greg Oliver)
- Economic Regulation (Rick Stankiewicz)
- ULDA Planning Processes (Alan Dick)

3



3. Key Issues

4



Ref 2 : Regional Significance

- Required for the Framework to provide clarity on QWC's planning role.
- Options:
 1. Process that assesses OR
 2. Agreed definition.
- Both options require agreed criteria.
 - Should be linked to regional water security (LOS).
 - Need to also consider material significance

5



Ref 7 : Regulation of whole of grid proposals.

Ref 8 : Regulation of overlapping or competing infrastructure proposals.

Ref 9 : Rationalisation, optimisation or retirement of assets.

- These issues are closely related
- Who will/should make decisions for rationalisations or retirement of assets?
- Need to consider the WGMs new advisory role
- Alignment with the regulatory/approval process
- Funding of planning processes
- Stranded assets

6



Ref 3 : Statement of Water Needs Process

- Part of process QWC will use to develop advice on regional water security options, linked to Strategy.
- Ultimately influences the Regional Water Security Program infrastructure projects.
- Finalise assessment [top down and bottom up analysis of demand supply balance]
- Differentiation of capacity, yield and volumes.
- How will all the parties input and support the process?



7

Ref 1 : Demand Forecasting

- There is a need for different types of demand forecasts for different purposes BUT
- Need consistency of data.
- Short to Medium term – WGM and DRs?
- Long term – QWC?
- Clarity needed on sources and methods eg total regional, area specific, end use drivers, growth ...
- If centralised 'engine' what third party access process?



8

Ref 4 : Legislation to support efficient infrastructure delivery

- Land management issues
- Limited ability of GSPs to effectively secure tenure for pipeline corridors.
- Access issues - limited powers of access to some infrastructure.
- No recognition of GSPs as interested parties for DAs – impacts on sites and corridors.
- Requires legislative changes.



9

Ref 5 : Fit for purpose information

- Consistency in definitions and treatment of data and information
- Meter accuracy
- Quality assurance processes
- Single point of contact for entities
- Minimise the burden entities



10

Ref 11 : TWCM Planning and local solutions Ref 12 : Role of innovation

- Interaction of different planning processes
- Identification and 'valuation' of benefits
- Implementation pathways and responsibilities – Councils aspects
- DRs have critical role
- Decentralised systems will pose challenges that require innovation
- Netserv process seeks to encourage innovation.
- Will economic regulation support innovation?



11

Ref 6 : Water Sensitive Cities.

- Commonwealth are main proponents
- Academia taking up mantle
- Key aspect will be transparency of beneficiaries/outcomes and best way to implement
- Really a "town planning" issue perhaps best addressed through TWCM process



12

4. Prioritising Critical Issues

13

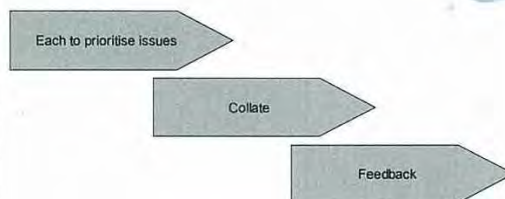
Prioritising Critical Issues

Materiality
.... to promoting good (grid wide) outcomes

	High	Medium	Low
Urgency			
Resolve by mid 2011			
Resolve Before end 2011			
Can resolve after end 2011			

14

Prioritising Critical Issues



15

Progressing Critical Issues

- What process or approach is most appropriate to progress each of the critical priorities?
- Options
 - Undertaking the required work
 - Lead agency(s)
 - Working Groups
 - Governance and oversight
 - CEOs forum
 - Special purpose steering committee(s)
 - Consultation
 - Consultation papers
 - Workshops

16

Lunch

17

4. Prioritising Critical Issues - Results

18

5. Progressing Critical Issues

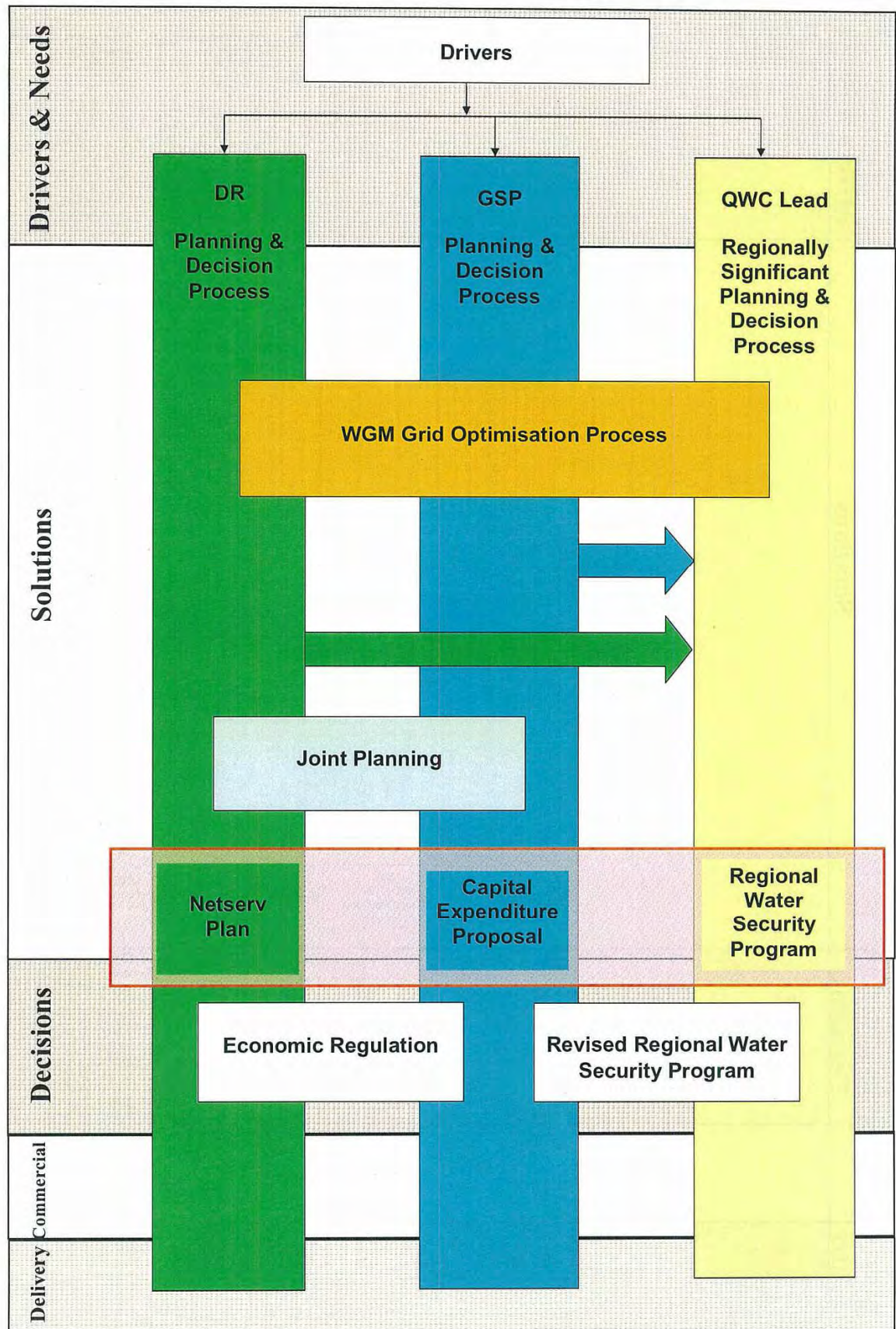
6. Next Steps

7. Wrap-up

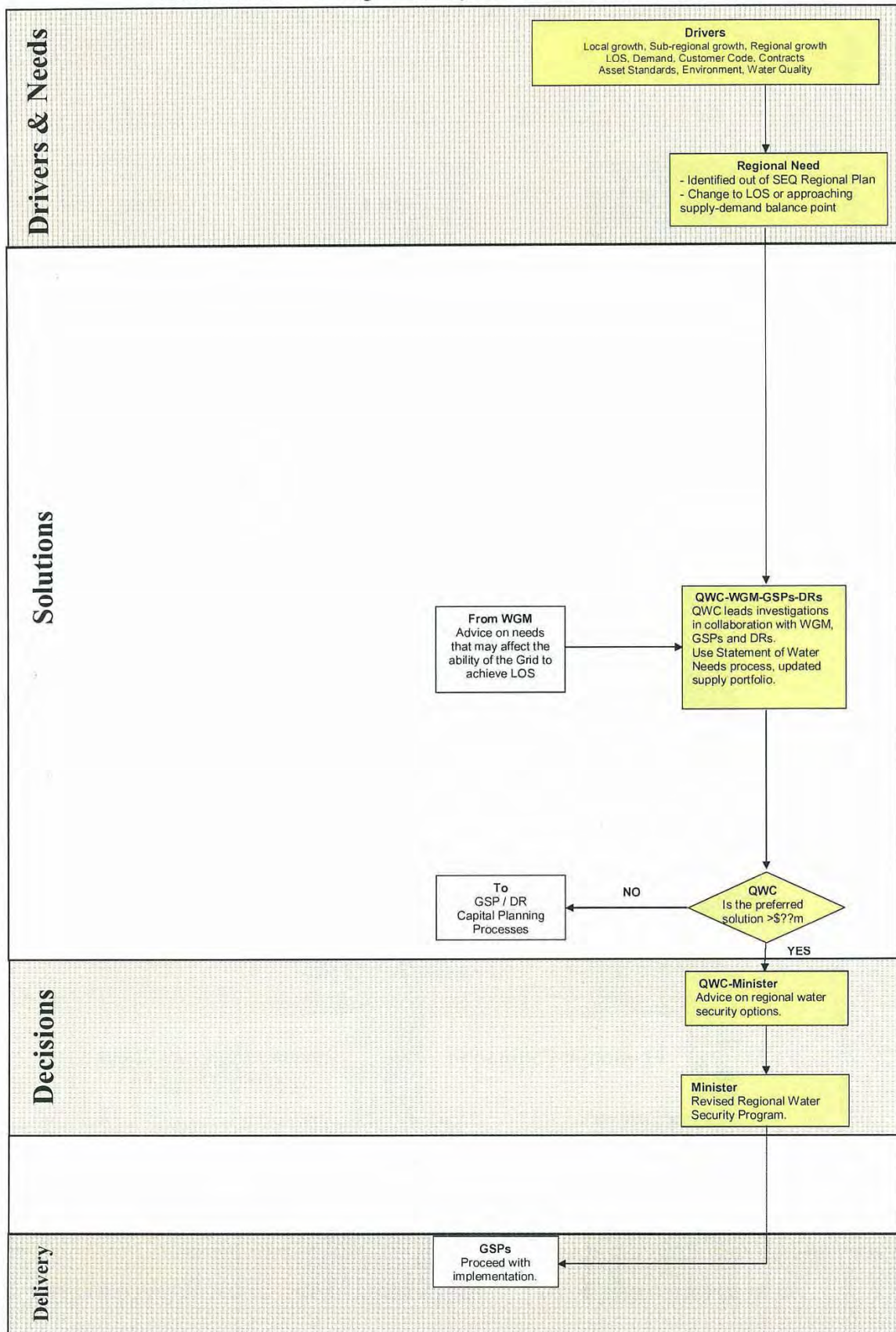
10

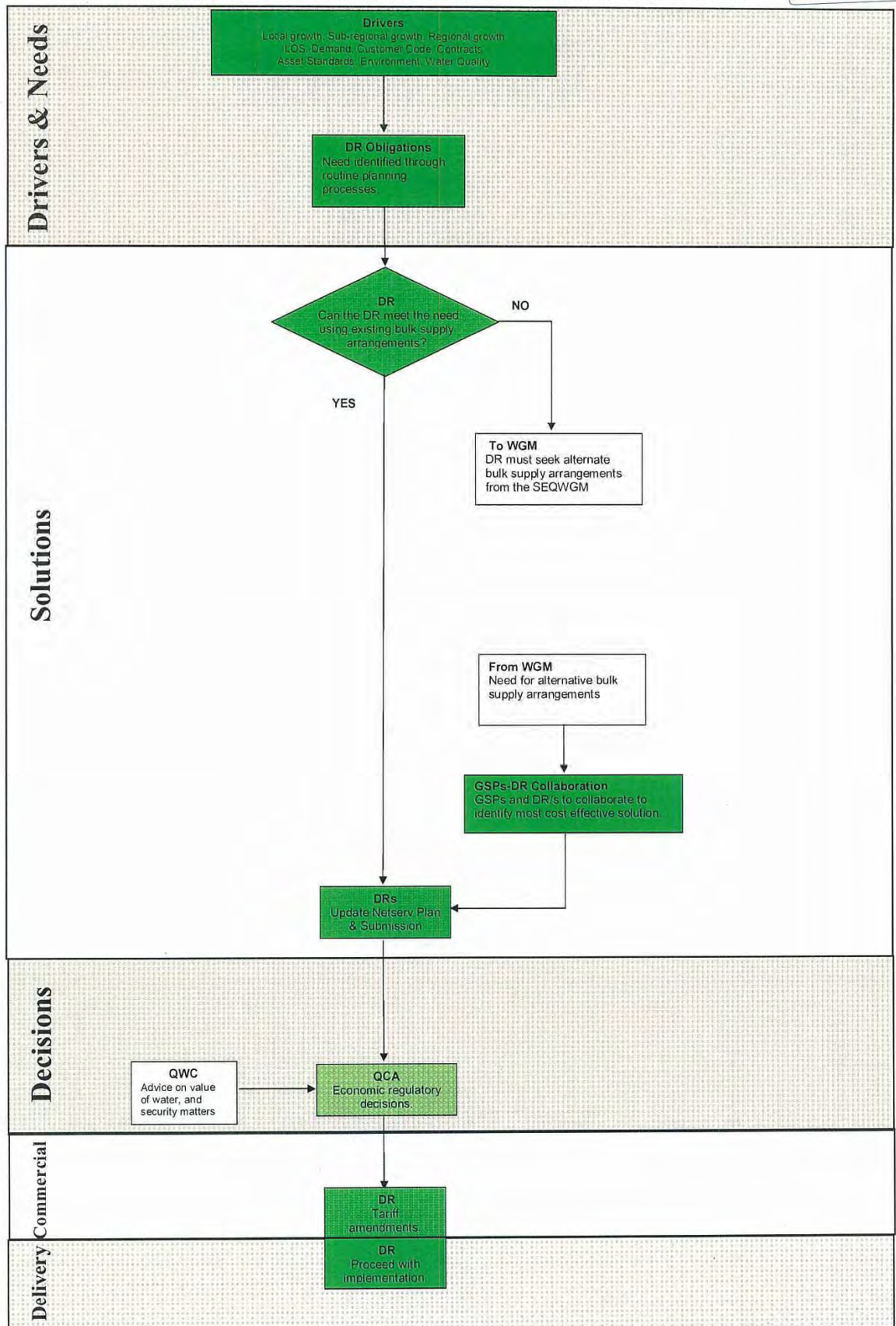


Framework for Planning & Delivery of Water Infrastructure in SEQ

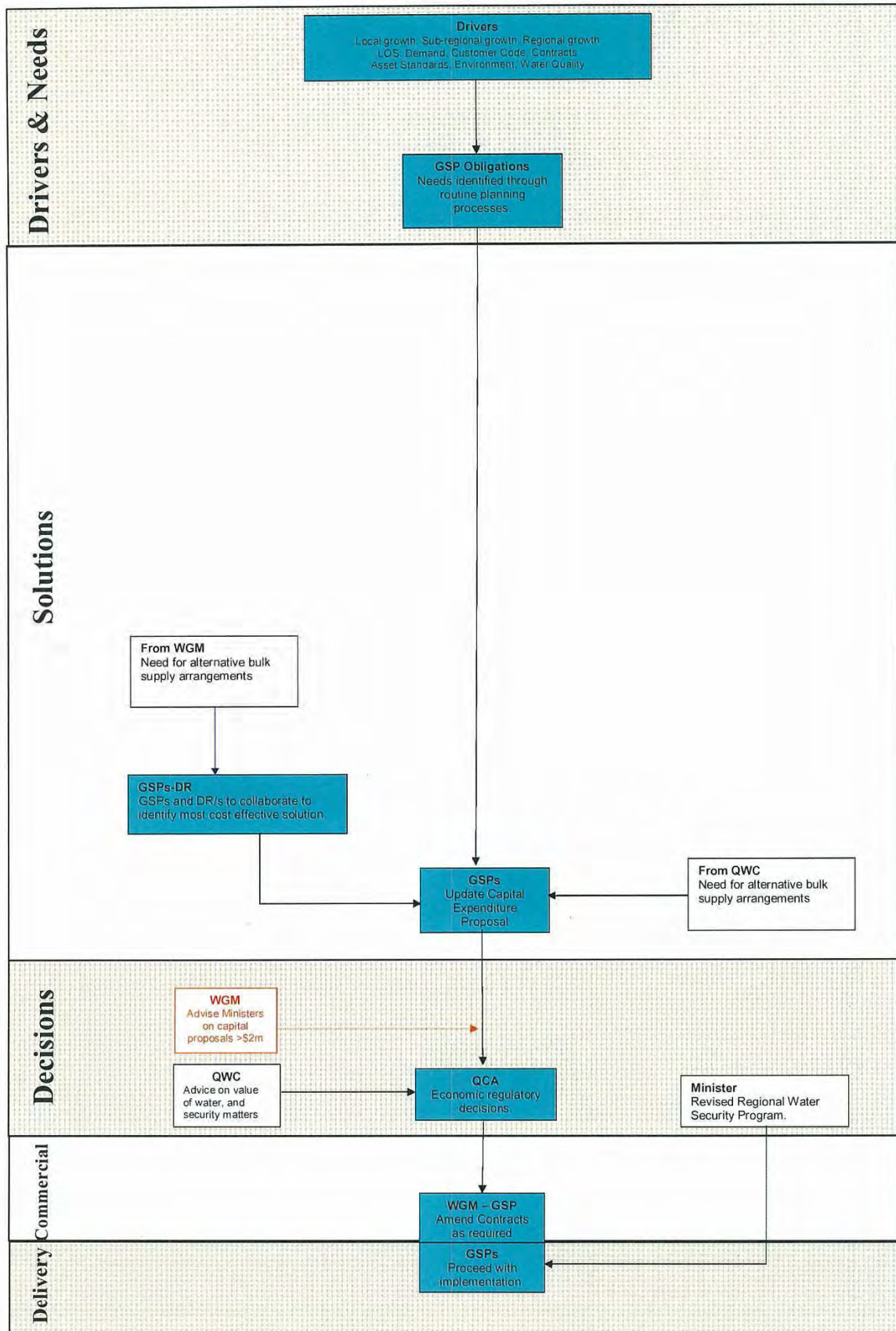


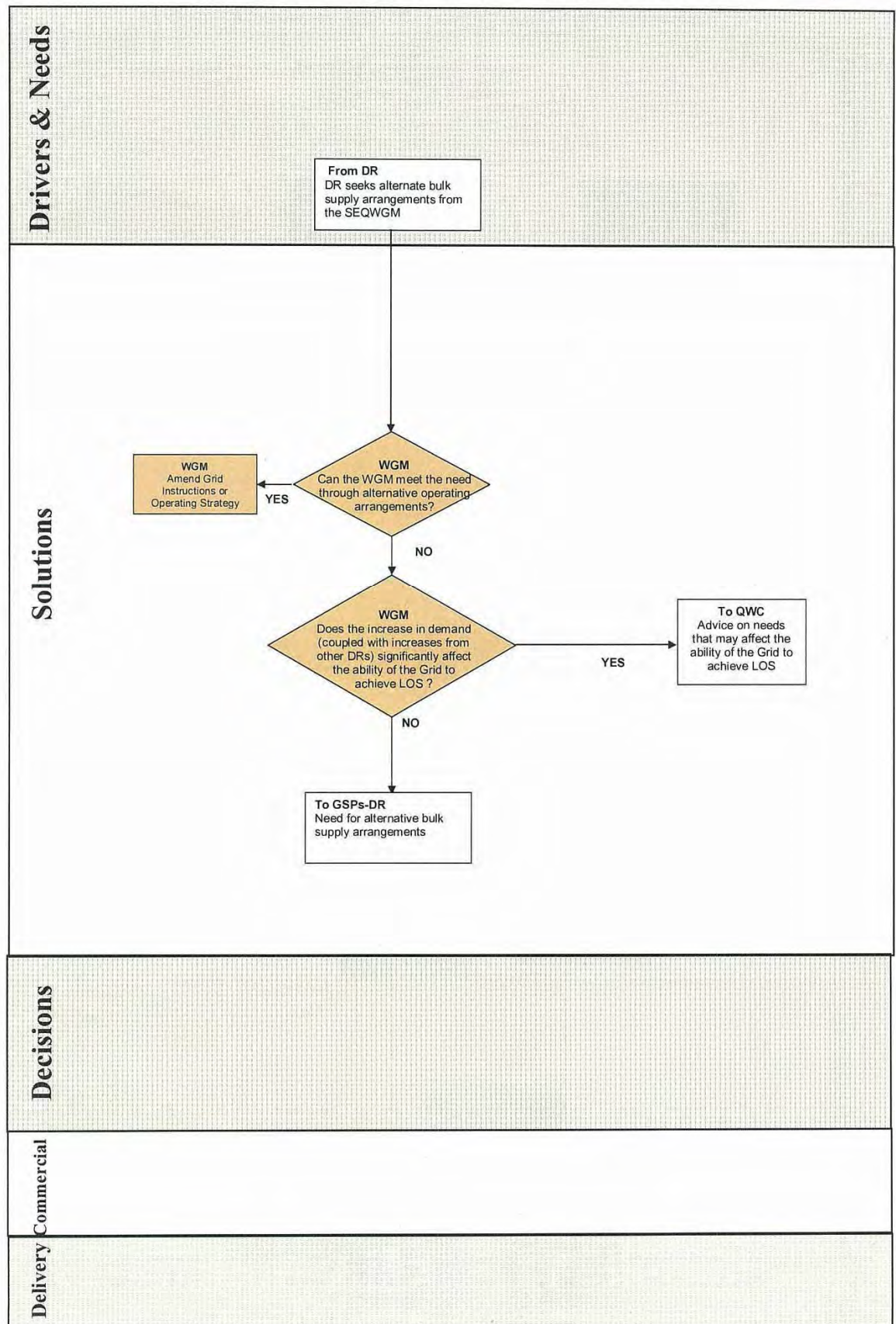
Framework for Planning & Delivery of Water Infrastructure in SEQ



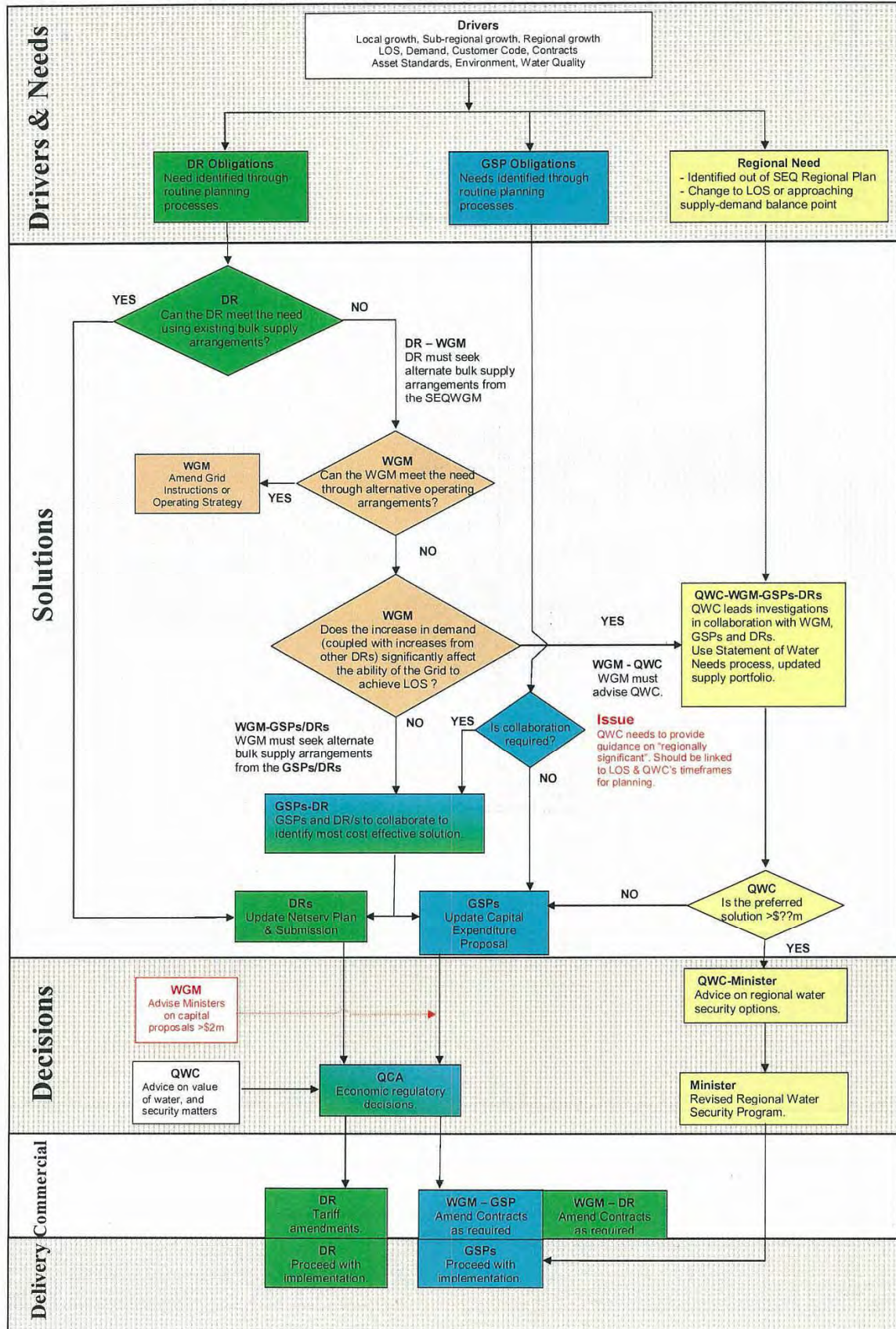


Framework for Planning & Delivery of Water Infrastructure in SEQ





Framework for Planning & Delivery of Water Infrastructure in SEQ





Bulk Water Service Planning



safe secure sustainable



Customer is King – Bulk Water



Water Grid Manager
 - water security (complete)
 - water quality plan
 - demand capacity forecasts
 - new connection application
 - reliability (shortly)

Who	Role	Approval agencies	Information outputs	Plans / Process
SEQ Distributor-Retailers	Water distribution and sewerage system	QCA	Time series bulk water specification: -demand -capacity -location -quality -reliability	<i>Water Netserv plan</i>
Bulk Customers		Boards		

safe secure sustainable

2

Bulk Service Delivery Process



Who	Role	Approval agencies	Information outputs	Plans / Process
Queensland Water Commission	Strategic Planning South East Queensland Scoping new supply sources Levels of Service	Responsible Ministers	Supply and demand estimates Regionally signed Water security	South East Queensland Water Commission
SEQ Water Grid Manager	Water grid performance optimisation	Board Queensland Water Commission	Time series key specification: -capacity -quality -reliability -location	
Seqwater LinkWater WaterSecure	Entity bulk asset optimisation	Board Queensland Competition Authority Responsible Ministers	Asset specific management plan	Strategic asset management plans (Infrastructure investment Plans)
SEQ Distributor-Retailers Bulk Customers	Water distribution and wastewater system asset optimisation	Queensland Competition Authority Boards	Time series bulk water specification: -demand -capacity -location -quality -reliability	Water Netserv plan

safe secure sustainable

Still unknown:

1. Commercial arrangements when an improvement is best managed by another party at bulk distribution interface
2. Commercial arrangements with development conditions and charges

Summary:

1. Keep improving DR service specification

2. Confirm the commercial arrangements at DR Bulk interface points where risk best managed by another party



Questions?

safe secure sustainable

Our ref: ME/10/0733

15 DEC 2010

Mr Barry Dennien
Chief Executive Officer
South East Queensland Water Grid Manager
PO Box 16205
City East QLD 4002


Dear Mr Dennien

Thank you for your letter dated 6 December 2010 regarding the framework for planning and delivery of water infrastructure in South East Queensland (SEQ).

Your letter was not received until the day before the planning framework workshop on 7 December 2010. However, upon review I feel the material presented was well aligned with many of your comments. In particular, the material presented on the planning and delivery processes describes the separate processes for the various groups as well as the integration of the processes, as per your comments. You will also note the presented process recognised the Water Grid Manager's new advisory role in relation to capital expenditure and your existing role in optimising the operation of the Water Grid.

Regarding the comments you have made on the presentation, the Queensland Water Commission (Commission) will integrate these together with comments from other parties and they will be used to support documentation of the framework currently in preparation.

In relation to the comments you made in Table 1 - Reference 3 and Table 2 - Items 7, 10 and 16, the Commission will be adopting the language of the Market Rules, which describes the need for capability projections rather than the capacity assessments you have described. However, I agree the capability projections made under the Market Rules will be a critical input into the Commission's Statement of Water Needs Process.

In relation to the comments you made in Table 1 - Reference 9, I acknowledge the Water Grid Manager holds the water allocations and this omission has been corrected in our documentation. However, I would like to take this opportunity to clarify the Operating Strategy should describe how your organisation intends to operate the Water Grid to meet the needs of your customers with consideration of the region's security position - it should not be the avenue for specifying your requirements from specific assets over the short to medium-term. Such specifications would more appropriately reside in Grid instructions and contract documents.

Once again, thank you for your comments. The Commission looks forward to continuing to work closely with your organisation to finalise the framework for planning and delivery of water infrastructure in SEQ.

If you require any further information, please contact Mr Tad Bagdon, Acting General Manager of Regional Planning and Policy on telephone [REDACTED]

Yours sincerely

[REDACTED]

Ms Karen Waldman
Chief Executive Officer

Our ref: D/10/058675

21 December 2010

Mr Barry Dennien
Chief Executive Officer
SEQ Water Grid Manager
PO Box 16205
City East QLD 4002


Dear Mr Dennien

Workshop Outcomes - Progressing implementation of the Framework for Planning and Delivery of Water Infrastructure in SEQ

Thank you for your organisation's participation in the 7 December 2010 workshop convened by the Queensland Water Commission (Commission) to discuss prioritisation of key planning related issues and how to best progress them.

As agreed, at the conclusion of the workshop the Commission has documented its understanding of the consensus position on the priority issues and confirmed or developed a number of specific proposals for the next steps. This understanding is set out in the attached report.

The Commission notes that a number of specific actions were clearly agreed. Where stakeholders are comfortable with these actions, the Commission encourages these to be progressed.

The Commission invites stakeholders to provide feedback on the proposals by 21 January 2011.

With regard to coordination and oversight of the priority actions, the Commission has identified two potential options – a meeting of Chief Executive Officers (CEOs) prior to one of the existing CEO's forums or establishment of a specific Steering Committee. The Commission also invites feedback on this matter, to be discussed at a meeting in early February 2011, to:

- review progress for the priority issues; and
- discuss the best means for ensuring coordination and oversight of the priority issues.

Could you also please provide your views on these potential governance options by 21 January 2011.

If you would like to discuss any of these matters or if you require any further information, please contact me on telephone [REDACTED] or mobile [REDACTED].

Yours sincerely

[REDACTED]

Karen Waldman
Chief Executive Officer

Enc: Outcomes of 7 December 2010 Workshop

Progressing implementation of the Framework for Planning and Delivery of Water Infrastructure in SEQ

Outcomes of 7 December 2010 Workshop

1 Introduction

Over recent months, the Queensland Water Commission (the Commission) has undertaken a program of work and consultation to clarify the framework for planning and delivery for all water related infrastructure for the SEQ grid. This work highlighted a range of issues that need to be addressed to ensure good grid wide outcomes.

The Commission convened a workshop on 7 December 2010 to discuss prioritisation of key planning related issues and how to best progress them. Attachment 1 sets out the attendees at the workshop and Attachment 2 lists the key issues identified. Attachment 3 sets out a draft Agenda for addressing these issues through a dedicated steering committee.

This report sets out the Commission's understanding of the consensus position on the priority issues and proposals for the next steps.

The Commission is interested in feedback on these proposals by 21 January 2011.

The Commission notes that a number of specific actions were clearly agreed. Where stakeholders are comfortable with these actions, the Commission encourages these to be progressed.

2 Prioritisation of Actions

Based on feedback at the workshop, the Commission has identified the issues for which it can play some role and has grouped these as follows:

- Immediate priority issues (Section 2.1)
- High priority issues – should be progressed in the near future (Section 12)
- Other priority issues – should be progressed later in 2011 (Section 2.3)

Issues which the Commission considers it does not have a role in and should be considered in other forums are discussed in Section 2.4.

2.1 Immediate Priorities

The issues considered to be an immediate priority were:

- Planning and Delivery Framework
- Urban Land Development Authority (ULDA) Water Planning

- Alignment of State Policy
- Economic Regulation
- Asset Regulation

The background to each issues and the proposed way forward is discussed below.

2.1.1 Planning and Delivery Framework document

As discussed at the workshop, the Commission is in the process of developing a document setting out the *Framework for Planning and Delivery of Water Infrastructure in SEQ*. The finalisation of this document was generally considered urgent and highly material.

The intention is that the document will provide a clear, accurate, comprehensive and agreed description of all the various planning processes based on legislation and market rules, and provide a basis for improvement as outstanding issues are resolved.

The document is envisaged to be a “living” document that will be updated over time. The benefits of preparing the document will be improved understanding of all aspects of the planning process which will assist all parties involved in water infrastructure planning to carry out their roles more effectively.

Proposed Next steps

The Commission proposes that it lead a consultative process to develop the planning and delivery framework document. A working group of interested stakeholders will be established to review and improve the document and identify outstanding issues.

Tad Bagdon is the Commission’s point of contact.

Subject to feedback on this proposal, the Commission suggests holding the first working group meeting by late January 2011.

Nominations are sought for this working group by 21 January 2011.

2.1.2 Urban Land Development Authority (ULDA) Water planning

The Urban Land Development Authority (ULDA) was established to deliver affordable housing in particular sites declared by the State Government to be Urban Development Areas. For some of these sites, the ULDA is pursuing innovative approaches to providing water and dealing with wastewater. It is expected that the resulting infrastructure and operating arrangements would be transferred to a Distributor-retailer in a few year’s time – the Distributor-retailers will then be responsible for maintenance and upkeep of the resultant systems.

This issue was identified as urgent and highly material by many parties. The Distributor-Retailers would like input to the ULDA’s decisions about water and wastewater infrastructure. Linkwater’s and Seqwater’s planning may be affected also.

Proposed Next steps

The immediate issue is preparation of the infrastructure plans that the ULDA is required to complete in draft by February 2011.

It was agreed that:

- ULDA would engage with water businesses, the QWC and the WGM during development of the draft infrastructure plans for key development areas in SEQ before February 2011. ULDA will lead this process.

- Concurrently, an Industry Working Group should be established (UDLA Water Planning Working Group) to address integration of ULDA planning processes with other regulatory planning processes such as Netserv. The Commission understands that Unitywater was willing to lead the formation of the Industry Working Group, through Michael Lukin.

Wai-Tong Wong and Rolf Rose will be the Commission's point of contact for this UDLA Water Planning Working Group.

2.1.3 Alignment of State Policy

There was a high level of agreement that there were significant issues with the alignment of various state policies that affect planning by the water businesses. This was considered a material and urgent issue.

Next steps

It was agreed that Greg Oliver would engage with other areas of DERM in relation to alignment of State policies affecting the water businesses planning processes and would liaise with the QWC and the WGM, and the QCA. DERM will lead this process.

Gayle Leaver is the Commission's point of contact.

2.1.4 Economic Regulation

Economic Regulation for Distribution Retailers and Grid Service Providers (including Pricing Principles) was identified at the workshop as an urgent and highly material issue. Pricing principles and other regulatory requirements are an important influence on water business planning processes.

Next steps

The Queensland Competition Authority (QCA) has been consulting with businesses on implementation of Economic Regulation and is understood to be in the process of further developing its processes to engage with stakeholders. The QCA will initiate a process with the QWC and other stakeholders to agree a way ahead and progress this to further consultation with the businesses.

Tracie - Lee Waldock is the Commission's point of contact.

2.1.5 Asset Regulation

As discussed at the workshop, DERM is in the process of resolving the appropriate arrangements for asset regulation for the SEQ Water Grid. Resolution of these arrangements was considered an urgent and highly material matter.

Next steps

The Commission understands DERM will continue to progress resolution of asset regulation arrangements. DERM (Bob Reilly and Greg Oliver) will develop a process of engagement on this issue.

Gayle Leaver is the Commission's point of contact.

2.2 High priority issues

Analysis of priority issues raised at the meeting on 7 December 2010 indicated that demand forecasting and service specifications were considered high priority, though somewhat less urgent issues. These will be progressed in the near future noting that some development will occur to meet immediate needs and as resources allow.

2.2.1 Demand Forecasts

Demand forecasts are a critical input into planning and are a key consideration for economic regulation. There was consensus that demand forecasting was a high priority through somewhat less urgent issue.

Next steps

The Commission is giving priority to understanding the demand forecasting issues and would like to engage with stakeholders in the near term as to how this matter is best progressed. The Commission encourages other parties to develop their views.

Tad Bagdon will be the Commission's point of contact in this area.

2.2.2 Service specifications

Service specifications are a critical input into planning and are a key matter for economic regulation. This issue is closely related to Asset Regulation discussed above. The Distributor-Retailer service specifications are a component of Netserv plans while the GSP service specifications influence contracts and will be included in expenditure proposals to the QCA. There was also clear agreement that service specifications were a high priority though somewhat less urgent issue.

Next steps

The Commission is giving priority to understanding the service specification issue and would like to engage with stakeholders in the near term as to how this matter is best progressed. The Commission encourages other parties to develop their views.

Gayle Leaver will be the Commission's point of contact in this area.

2.3 Other Issues to be progressed in 2011

This section deals with the following issues:

- Water Sensitive Cities
- Total Water Cycle Management/ Innovation
- Regulation of whole of grid proposals; overlapping or competing proposals and rationalisation and retirement and optimisation of assets.
- Definition of Regional significance
- Statement of Water Needs
- Infrastructure legislation (easements)
- The need for all Water Service Providers to be treated the same

The workshop identified the following issues as of lower priority than the issues discussed in sections 2.1 and 2.2. The Commission considers it has some role in assisting these issues being progressed but immediate strategic consideration of them should be deferred until later in 2011. It is noted that some parties considered some of these issues were urgent and/or of high materiality, but the overall consensus was that they

had lower priority for allocation of resources. In order to make the initial work program focused and manageable the Commission proposes that these be dealt with at a later stage.

2.4 Issues that should be considered in other forums

This section deals with the following issues that were identified:

- Waterway (receiving) health standards; multi barrier treatment to protect feed waters, and
- Water Grid Manager advisory role on Capital Expenditure.

It is proposed these matters be addressed through other forums.

2.4.1 Waterway (receiving) health standards

Waterway (receiving) health standards; multi barrier treatment to protect feed waters is a significant issue for the Distribution-Retailers. A number of parties considered this to be a highly material issue, though there were differing views as to urgency.

The Commission acknowledges the perceived importance of this issue. However water way health is not a responsibility for the Commission although it is of interest in relation to drinking water quality through the desired levels of service objectives. DERM standards for licensing discharges from wastewater treatment plants to receiving waters impact on the Distributor-Retailers. The Commission refers the issue to DERM for consideration.

2.4.2 Water Grid Manager advisory role on Capital Expenditure

The Water Grid Manager is required to provide advice to the Minister on GSP capital expenditure in excess of \$2 million. The need to resolve process issues on this matter was rated as highly material and urgent issue by three organisations. This matter is being progressed by the WGM, the GSPs and the QWC.

3 Coordination and oversight of Priority actions

The Commission has identified two potential options for coordination and oversight of the priority actions:

- Meetings integrated with or prior to the existing CEO's forums; or
- Establishment of a special purpose Steering Committee.

3.1 CEO's Forums

As discussed at the workshop, an option is to utilise existing CEO forums that could consider progress on each of the priority tasks.

3.2 Steering Committee

Another option would be to establish a fit-for-purpose Steering Committee structure that involves all the key players involved in planning and delivery, being the Commission, WGM, Treasury, QTC, Water Businesses, QCA and DERM. This Steering Committee could act as a clearing house for all priority planning related issues.

The attendees would be the CEOs or equivalent or their delegates. The meeting could initially be monthly and continue for as long as the participants consider that it has value. The committee could consider status reports from all members with responsibility for the priority issues so that meetings can be focused on discussion and resolution of issues. (A draft agenda is at Attachment 3.)

3.3 Assessment

Compared to the status quo, the option of a Steering Committee has the following benefits:

- involves all key participants including QCA, Treasury, QTC and DERM (who are not formally part for the current CEOs/Chair's forum
- provides a single "clearing house" for all senior decisions makers with commercial, planning, operational, and related policy and regulatory functions in the SEQ Water Grid
- allows representation at either CEO or senior management level.

A Steering Committee would however involve some additional commitment and resources.

3.4 Views

The Commission is interested in feedback from stakeholders as to what would be the best means of ensuring coordination and oversight of the priority issues.

4 Next steps

The Commission is interested in feedback on these proposals preferably no later than 21 January 2011. Following this, the Commission proposes to initiate a governance mechanism to:

- review progress with the priority issues, and
- invite discussion on the best means of ensuring coordination and oversight of the priority issues.

The Commission notes that a number of specific actions were clearly agreed. Where stakeholders are comfortable with these actions, the Commission encourages these to be progressed.

Attachment 1.

Attendees - Planning and Delivery Framework Workshop, 7 December 2010

Karen Waldman, Chair, QWC
Rick Stankiewicz, QCA
Will Copeman, QCA
Richard Priman, DERM
Greg Oliver, DERM
Bob Reilly, DERM
Greg Tonks, Treasury
Seamus Parker, QTC
Alan Dick, ULDA
Barry Dennien, SEQ WGM
Dan Spiller, SEQ WGM
Peter McManamon, Linkwater
Ron Anderson, Linkwater
Paul Utting, Linkwater
Alex Fisher, Seqwater
Helen Moore, Seqwater
Phil Surtees, WaterSecure
Sam Romano, WaterSecure
Daryl Ross, Allconnex
Paul Heaton, Allconnex
Paul Belz, Queensland Urban Utilities
Jon Black, Unitywater
Michael Lukin, Unitywater
Tad Bagdon, QWC
Marg Hoekstra, QWC
Tracie-Lee Waldock QWC
Julie Allan, QWC
Kate Peters, QWC
Raj Goyal, QWC
Geoff Swier, FarrierSwier Consulting, Facilitator

Attachment 2.

Key Planning and Delivery Issues Identified at the workshop

- A. Planning and delivery framework
- B. WGM advisory role on Capex
- C. Asset Regulation
- D. Economic regulation – GSP
- E. Economic regulation – DRs
- F. ULDA Planning – integration with planning framework
- G. Demand Forecasting
- H. Definition of regional significance
- I. Proposed Statement of Water Needs
- J. Legislation for efficient infrastructure delivery
- K. Ensuring fit for purpose information
- L. Planning for water sensitive Cities / Local solutions
- M. Regulation – Whole of grid proposals
 - Regulation – Overlapping / Competing proposals
 - Rationalisation, retirement optimisation of existing assets
- N. Regulatory Pricing principles – form of regulation and process
- O. Total water Cycle Management
 - Role of Innovation
- P. Information flows at the connection points
- Q. Collaboration
- R. Improving DR service specification
 - Service standards throughout supply chain (who, what)
- S. All Water Service Providers need to be treated the same
- T. Waterway (receiving) health standards
 - Multi-barrier treatment to protect feed water
 - TWCM – Netserv – guidance
- U. Alignment of State Policy

Attachment 3.

SEQ Planning Framework Steering Committee – Draft Agenda

1. Confirm agenda
2. Minutes of previous meeting
3. Review of Actions from previous meeting
4. Status Reports
 - a. DERM Status Reports
 - i. Asset Regulation
 - b. QCA Status Reports
 - i. Economic Regulation – Distribution Retailers
 - ii. Economic Regulation – Grid Service Providers
 - iii. Pricing Principles
 - c. QWC Status Reports
 - i. Planning and Delivery Framework document
 - d. Working Group Status Reports
 - i. ULDA Working Group
 - ii. [Other]
5. Presentations
 - a. [Presentation – on topical area]
6. Future work
 - a. Demand Forecasting
 - b. Service Specification
7. Other business
8. Next meeting



RECEIVED

28 JAN 2011

*Secure and efficient water
through partnership and innovation*

TRIM Ref: D/11/71

10 January 2011

Ms Karen Waldman
Chief Executive Officer
Queensland Water Commission
PO Box 15087
Brisbane Qld 4002

Dear Ms Waldman

I refer to your letter of 21 December 2010 in relation to the outcomes of the workshop regarding the implementation of the framework for planning and delivery of water infrastructure in South East Queensland.

The SEQ Water Grid Manager agrees that the priority issues reflect the consensus position of the group. In addition to the priority actions, the SEQ Water Grid Manager is anxious that the definition of regional significance be progressed at the earliest opportunity. We request that this project also be considered as a priority.

Beyond these actions, I note that we are working with entities on proposals to retire local and aged assets, such as the Maleny Water Treatment Plant. Pending the detailed review later this year, I propose that Mr Daniel Spiller, Director, Operations, SEQ Water Grid Manager discuss these proposals with Mr Tad Bagdon, A/General Manager, Queensland Water Commission and agree upon the appropriate level of involvement of the Queensland Water Commission.

In relation to the coordination and oversight of priority actions, I propose that the steering committee be part of the existing SEQ Water Grid CEOs forum. As you know, this forum involves the Chief Executive Officers of the Grid Participants, representatives of the Department of Environment and Resource Management and yourself. It could be expanded to include other relevant parties as needed.

In relation to the three working groups, I advise that Mr Daniel Spiller will be the SEQ Water Grid Manager representative. As stated in the paper, we understand that working groups are being established for the planning and delivery framework and Urban Land Development Authority and alignment of Queensland Government policy.

To ensure consistency of approach, Mr Spiller will also be the initial point of contact within the SEQ Water Grid Manager for the other matters listed in the submission. Other officers will be engaged in these processes as appropriate.

Thank you for the opportunity to comment. Please contact me on [REDACTED] or at [REDACTED] if you have any queries or require any further information.

Yours sincerely,

[REDACTED]

Barry Dennien
Chief Executive Officer