

Service providers—strategic asset management plans

The *Water Supply (Safety and Reliability) Act 2008* (the Act) requires service providers to prepare a strategic asset management plan (SAMP), unless the regulator has granted an exemption from this requirement. Only small service providers are able to apply for exemption from the SAMP requirement of the Act.

The regulator is the Director-General of the Department of Environment and Resource Management (DERM).

This fact sheet explains the SAMP provisions of the Act and gives general information about SAMPs.

What is a SAMP?

Under s. 71 of the Act, a SAMP is a document prepared by a service provider that must state:

- the registered services to which it applies, i.e. the water and/or sewerage services for which the provider is a registered service provider
- the infrastructure for supplying those services
- standards for appropriate levels of service, including customer service and performance indicators for the service
- a strategy that demonstrates how each standard will be achieved. This strategy must consider the issues of operation, maintenance and renewal of relevant infrastructure.

A SAMP must also:

- identify the methodology used to develop the service standards. For example, cost considerations taken into account
- state the provider's proposed arrangements for financing the implementation of the SAMP
- have regard to best practice industry standards for the registered services
- be prepared in accordance with the *Guidelines for preparing strategic asset management plans*, issued by the regulator and available from the department.

A SAMP may be part of another document as long as it meets the requirements of s. 71 of the Act.

The purpose of a SAMP

An approved SAMP is intended to ensure continuity of supply of each of the service provider's registered services.

Section 77 of the Act requires a service provider to comply with its approved SAMP when supplying registered services to customers.

Timeframe for preparing a SAMP

Under s. 73 of the Act a service provider must prepare and submit a SAMP to the regulator for approval within one year of being registered as a service provider, unless the service provider has been given an exemption by the regulator from complying with this requirement.

A service provider that is a local government for a new or adjusted local government area under chapter 9, part 5, division 10 of the *Water Act 2000* must have provided a SAMP by 16 March 2009.

In addition, a service provider that is a new water entity created under the *South East Queensland Water (Restructuring) Act 2007* must have provided a SAMP by 18 May 2009.

Certification of a SAMP

Under s. 72 of the Act, a SAMP must be certified as being appropriate for the service provider's infrastructure and registered services, by a registered professional engineer (RPE) as defined in the *Professional Engineers' Act 2002* Schedule 2. The certification must include the engineer's name and registration details.

Approving a SAMP

A SAMP must be submitted to the regulator for approval. Section 74 of the Act requires the regulator to approve a SAMP within three months of receipt, unless satisfied it was not certified by a RPE or it is inadequate in a material particular.

Written notice must be given to the service provider when a SAMP is approved. This notice will indicate when reviews and regular audits of the SAMP must be conducted, if these are required.

If a SAMP is not approved

The SAMP was not certified by a RPE

Section 75 of the Act requires the regulator to return the SAMP to the service provider, together with a notice stating the SAMP must be certified by a RPE and returned within a stated reasonable time.

The SAMP is inadequate in a material particular

Section 75 of the Act requires the regulator to return the SAMP to the service provider, along with an information notice that states the SAMP is inadequate in a material

particular, and how it is inadequate. The notice must comply with the Act's formal requirements for information notices and require the SAMP to be revised and returned by a given date or a new SAMP to be prepared, certified and returned by a given date.

The time period allowed for the revised, or new, certified SAMP to be returned must be reasonable.

When deciding whether a SAMP is inadequate in a material particular, the regulator must take into account cost considerations for the service provider and its customers.

Review/appeal provisions

A service provider can apply to the regulator for a review of a decision about a SAMP. If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority.

A review can be sought only if the SAMP was rejected because it was decided the SAMP is inadequate in a material particular. A review is not possible if the sole reason the SAMP was rejected is that it was not certified.

Changing a SAMP

A SAMP may be changed with the regulator's agreement, under s. 76 of the Act.

If a SAMP is changed with the regulator's agreement, approval of the changed SAMP is taken to exist from the time of the regulator's agreement to the change.

If a regular review of a SAMP, under s. 107 of the Act indicates it should be changed to reflect best practice industry standards, the service provider must give the regulator a modified SAMP within 30 business days of the regular review being completed. The process that was used to approve the initial SAMP must then be used for the modified SAMP.

Further information

Further information can be found in the following fact sheets:

- W100—Service providers—SAMP and SLMP: Review, audit and reporting requirements
- W104—Service providers—small service provider exemptions.

Alternatively, specific queries can be emailed to the Office of the Water Supply Regulator (OWSR) at <owsr.enquiries@derm.qld.gov.au>.

General information regarding Queensland's water industry regulator can be found on the DERM website <www.derm.qld.gov.au>.

The Act and related regulations can be obtained from the Queensland Office of Parliamentary Counsel website <www.legislation.qld.gov.au>.

May 2009

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For further information phone 13 13 04

For general enquiries contact the
Queensland Government call centre 13 13 04
or visit www.derm.qld.gov.au