

# **Guidelines for the Preparation of a Drought Management Plan**

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# 1. Introduction

These guidelines are prepared pursuant to section 429C(3) of the *Water Act 2000* (the Act) and issued by chief executive (Director-General) of the Department of Natural Resources and Water (NRW).

On 1 October 2005 amendments to the Act took effect requiring all water service providers to prepare, and submit for registration, a drought management plan (DMP) for each service area/authority area/area in which the service provider supplies a water service. The Act can be accessed on the internet at <[www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)>.

Under the Act, the requirement to prepare and submit a DMP does not apply to:

- a water service provider to the extent the provider is supplying water services to a customer who holds a water entitlement, eg a water service provider who is responsible only for the transmission or treatment of water on behalf of others (s429B(a)); or
- a water service provider who supplies only drainage services (s429B(b)).

Furthermore, by virtue of the definition of a water service provider, a service provider who is only registered to provide a sewerage service is not required to have a DMP.

The regulator may also exempt service providers from preparing a DMP where at least 70% of the water for a water service comes from a source of supply that cannot be affected by drought eg. underground water from the Great Artesian Basin (GAB), the desalination of seawater (s429F(3)).

This requirement for a water service provider to have a DMP was introduced as a direct consequence of the variability of rainfall over recent years, together with the increased demands that have been imposed on water supplies across Queensland. During 2003, many local governments imposed restrictions in order to extend the supply of water from the available sources as a result of the drought conditions that existed across many areas of the State. This situation highlighted the importance of service providers having formalised plans in place to deal with shortages of water resulting from drought conditions.

Chapter 3 of the Act (Service Provider Obligations) requires that service providers have DMPs in place to minimise the impacts on communities of water shortages caused by drought. In preparing the DMP, the service provider should consider the historic performance of the sources of supply. The DMP itself should identify alternate sources of supply, quantify demand by the sectors served, quantify demand during drought events and indicate either the measures to restrict consumption in order to maintain supply and/or provide for alternative water supplies.

A DMP must be prepared in accordance with both the provisions of the Act and these guidelines and must be submitted to the regulator for registration (s429E). A service provider must comply with the registered DMP when supplying services to customers (s429J).

The DMP should be appropriate for the particular service provider's registered service and their infrastructure.

Currently the "regulator" under the Act is the chief executive (Director-General) of NRW.

## 1.1. What is a drought?

There are many different definitions for what constitutes a drought. Each applies to a particular situation. For the purposes of preparing drought management plans, a drought is considered to be a period of lower-than-required rainfall that leads to a water supply shortage. The actual duration of the drought may be measured in weeks, months or longer and the effects on water supplies will be entirely dependant on the nature of the source(s) and the rate at which it is used and otherwise depleted.

## 1.2. Aim of the guidelines

The aim of these guidelines is three-fold, namely:

- to provide service providers with general information with regard to the provisions in the Act relating to a DMP;
- to set out the minimum requirements for service providers to consider in preparing a DMP. Service providers may choose, at their own discretion, to go beyond these requirements; and
- to provide details of the exclusions/exemptions applicable, what NRW considers in deciding whether to grant an exemption and the process for seeking an exemption.

These guidelines do not prescribe the methodology that service providers should use in determining the actions which should be undertaken to minimise the impact of drought. These are issues for individual service providers to determine. There may be significant differences between service providers depending on their size, the nature of the service and the complexity of the systems they operate. Relevant considerations, which should be taken into account by the service provider, include:

- the reliability of the source;
- the demand profile impacting on their water service(s);
- customer demands/expectations;
- the location of customers;
- contractual obligations;
- business/corporate/political objectives;
- infrastructure capability;
- budget constraints, and
- the cost of service delivery.

The *Total Management Planning Guidelines (February 2002)* and the *Planning Guidelines for Water Supply and Sewerage (March 2005)* issued by NRW may be useful reference sources when preparing some sections of the DMP.

These DMP Guidelines are structured to reflect the key components of the DMP regulatory provisions, namely:

### ***What is a DMP? (Section 2)***

- what is a DMP

### ***Preparation of the DMP (Section 3)***

- an overview of the Act requirements - who must prepare one, what services does it relate to and the deadline for submission for registration
- the key components of a DMP and the details of what must be documented

### ***Exemptions (Section 4)***

- the criteria and process for gaining an exemption
- service providers to which the DMP obligation does not apply
- the services exempt from DMP requirements
- the appeal rights of the service provider

**Registration by the regulator (Section 5)** • the process for registration; the grounds for rejection; changing the DMP after registration

**Regular reviews (Section 6)** • the requirements for reviews

### 1.3. Application of the guidelines

These guidelines apply to the preparation of DMPs by all water service providers registered under Part 2 of Chapter 3 of the Act except:

- a water service provider to the extent the provider is supplying water services to a customer who holds a water entitlement (s429B(a)), eg a water service provider who is responsible only for the transmission or treatment of water on behalf of others; or
- a water service provider who supplies only drainage services (s429B(b)).

By virtue of the definition of a water service provider, a service provider who is registered to provide a sewerage service only does not require a drought management plan and is not bound by these guidelines.

### 1.4. Linkages with other requirements

#### 1.4.1. Customer Service Standards (CSS) and Strategic Asset Management Plans (SAMP)

The DMP will detail how the service provider will manage the water supply during periods of drought. This may well affect the service standards as stated in the service provider's:

- CSS;
- individual customer contracts, and
- SAMP.

Examining existing CSSs and contractual obligations is useful for identifying the legal and/or social implications of any proposed restrictions in supply, and establishing the criteria for triggering the various mitigation and response activities to *minimise* the adverse impacts of a drought event.

Following a drought event there may be a need to reassess the CSS, customer contracts and the Standards of Service stated in the SAMP to take account of any conflicting strategies or problems which may have come to light.

#### 1.4.2. Other documentation

Section 2 outlines the information that a service provider should include in its DMP in order to comply with the Act and these guidelines.

Many service providers may already have all or part of this information in existing documentation, for example as part of another plan such as a Total Management Plan. Where this is the case, the service provider is not required to extract or “re-package” the information into a new DMP document. Such existing documentation may, as a whole, be forwarded directly to the regulator provided that:

- the documentation submitted addresses all the issues required by the Act and these guidelines. Where existing documentation addresses only part of the DMP requirements, additional documentation will need to be submitted to fulfil outstanding requirements;

- the existing documentation clearly identifies the information which addresses the DMP requirements;
- the chief executive officer certifies the relevant DMP information in the existing documentation.

### 1.4.3. “Multi-purpose” Total Management Plans (TMPs)

There may be instances where a service provider wishes to prepare and submit a Total Management Plan (TMP) to NRW to obtain:

- the maximum capital works subsidies provided by the Department of Local Government, Planning, Sport and Recreation (DLGPS&R). (Note: TMPs must be submitted to, and approved by, NRW as a prerequisite to receiving the maximum subsidy from DLGPS&R under the Water and Sewerage Program);
- the regulator’s approval for a SAMP and registration of a DMP.

These various approval processes are quite separate.

Submission of a:

- TMP for subsidy purposes is a voluntary undertaking and involves an administrative approval and a recommendation by NRW to DLGPS&R;
- SAMP and DMP are mandatory requirements involving regulatory approval for a SAMP and regulatory registration for a DMP.

Where a multi-purpose document is proposed, a service provider may choose to submit the TMP in a single submission. This will be acceptable provided that:

- the TMP has been prepared in accordance with the most recent version of the NRW Guidelines for Total Management Planning (February 2002);
- the covering letter clearly states that the TMP is submitted for several purposes:
  - to satisfy DLGPS&R’s Local Government Grant and Subsidy Programs guidelines requiring NRW approval of the TMP to obtain maximum subsidies;
  - to satisfy the requirements of the *Water Act 2000*, which requires that a SAMP, SLMP or DMP is submitted for approval/registration by the regulator;
- the covering letter or “combined document”:
  - clearly identifies those parts of the TMP that constitute the service provider’s SAMP and DMP respectively;
  - includes a certification by a registered professional engineer for those parts of the TMP that constitute the SAMP and certification by the chief executive officer for those parts that constitute the DMP.

## 2. What is a DMP?

A DMP is a document required to be prepared by a registered water service provider setting out how the service provider intends to minimise the impact on communities of water shortages caused by drought.

It should detail:

1. the principal activities and groups at risk; and
2. mitigation actions and programs that address the vulnerability faced by the service provider in continuing to provide water services during drought conditions.

The DMP is directed at providing those responsible for decision making with an effective and systematic means of assessing drought conditions and the future outlook, developing mitigation actions and programs that reduce in advance the effects of drought and developing response options to minimise economic stress, environmental losses, and social hardship during drought.

It must contain the following elements:

- **Service and system overview** - a general description of the registered services for each service area/authority area/area to which the DMP applies, the infrastructure for supplying the service/s and the current and future demands. Future demands should be considered using a 10-year timeframe. Much of this requirement will already have been met where a service provider has previously prepared an approved SAMP for its water services and provided the details of the individual service area/authority area/area served.
- **Assessment of available water sources** - service providers are required to identify and assess their available water sources including possible future and emergency sources. The assessment should address the historic performance of the existing source/s of supply and consider the quantity of water available, the water quality and any impacts of climatic effects. Service providers must outline the methodology used for assessing the available sources of supply. Information regarding assessments should be summarised in the DMP with references made to any supporting reports, studies or models.
- **System operational and management strategy** - the strategy should address the consumption patterns by the various categories of water users in the community (eg. residential, commercial, industrial, irrigation, stock and domestic, irrigation and other), the location of those customers and identify strategies that can be implemented to minimise the detrimental social and economic impacts of the drought and water shortages on the community. The strategy must specify the trigger points adopted for the imposition of restrictions in order to minimise the social and economic impacts on the individual communities, who is responsible for managing the DMP and the organisational structure for implementation of the strategy.

Service providers must ensure the plan is consistent with any requirements related to drought management or critical water sharing arrangements:

- in a regional water security program or system operating plan; or
- in the resource operations plan for the area; or
- in a plan prepared under the resource operations plan for the area; or
- in a plan prepared for an interim resource operations licence in the area.

When preparing a DMP, service providers are required to:

- have regard to best practice industry standards; and
- address future implications for each component of the plan using a “10-year horizon period”.

The DMP must be certified by the chief executive officer of the service provider as being the drought management plan for the service provider. It must be submitted to the regulator for registration.

### 3. Preparing a DMP

#### 3.1. Who must prepare a DMP?

Unless exempted (refer Section 4), each person or entity registered under the Act as a water service provider is required to prepare and submit a DMP.

A “service provider” is the legal owner of the infrastructure providing the service, not the operator of the infrastructure. It is therefore the owner of the infrastructure who is responsible for preparing a DMP and submitting it for registration. This does not preclude collaboration between an owner and an operator in the preparation of the DMP, in fact this is essential because of the service provider’s obligation to comply with the DMP when supplying water services: see section 429J of the Act.

#### 3.2. To which services must a DMP apply?

By the provisions of the Act (s429C), a registered water service provider must have a DMP for:

- (a) each service area in which the water service provider supplies a retail water service; and
- (b) if the water service provider is a water authority established for an authority area – the authority area; and
- (c) if the water service provider is the legal owner of 1 or more elements of infrastructure for supplying water for which a charge is intended to be made – each area in which the water service provider supplies a water service.

Many service providers will have more than one service area within their overall operating boundary, and, in these circumstances, a combined DMP document may be prepared provided it clearly identifies and covers the requirements for each individual service area served. The choice between a combined document and a series of individual documents is at the discretion of the service provider.

A “service area” is defined under the Act to mean an area declared under s449 for either or both of the following –

- (a) a retail water service to customers
- (b) a sewerage service to customers.

Individual water service providers will have many differing water supply scheme arrangements. The following examples may provide some guidance in determining just what must be provided to satisfy the requirements of the Act.

- Where a service provider is responsible for the provision of water supplies to multiple communities not having common sources of supply, a separate DMP must be prepared for each individual water supply. As indicated above, these separate DMPs may be rolled together and provided for registration as a combined DMP or submitted individually for registration. The choice lies with the service provider.
- Where a service provider is responsible for the provision of a water supply to an area/community and the water supply is a dual reticulation arrangement whereby external usage is sourced from for example a watercourse and internal usage comes from for example an underground source, a DMP must be prepared for each of the two sources. (The requirement for DMPs would not apply where the provider has been granted an exemption under section 429F of the Act on the basis that the groundwater comes from the GAB and this provides at least 70% of the required water.)

- Where a service provider obtains bulk supplies of raw and/or treated water from another service provider for providing say a retail water service, each service provider will be required to prepare a DMP for their respective water services. (The requirement for both a DMP for the bulk water service and the retail water service would not apply where the provider has been granted an exemption under section 429F of the Act on the basis that at least 70% of the water comes from a source unaffected by drought, eg from the GAB or the desalination of seawater.)

### 3.3. When must a DMP be submitted?

Unless exempted:

- “New”<sup>1</sup> service providers must prepare and submit a DMP for registration within 1 year after the day of being registered as a service provider;
- “Existing”<sup>2</sup> service providers must prepare and submit a DMP for registration by the following dates in accordance with the prescribed transitional arrangements (s1136G):

Large <sup>3</sup> service providers	1 October 2006
Medium and small service providers	1 October 2007

### 3.4. Service and system overview

The service and system overview must show for each service area:

<i>Registered services</i>	<b>Indicate</b> to which registered water service the DMP applies
<i>Nature of the service/s</i>	<p><b>Describe</b>, in general terms:</p> <ul style="list-style-type: none"> <li>• the type of water service. The type/s of service being provided would include bulk water; retail water; irrigation; primarily stock and domestic;</li> <li>• the nature of the service. Relevant considerations include whether the service is potable or non-potable; pressurised on-demand, a constant flow scheme; dual reticulation, etc;</li> <li>• the extent of the service. This includes an estimate of the number of connections served by the service as a whole and by each type of water service, where relevant. (“Connections” is defined below)<sup>4</sup></li> <li>• the current and projected demand for each service, expressed in megalitres per annum. Projected demand should, as a minimum, relate to a 10-year time horizon. Service providers must indicate whether a significant growth in demand for a particular type of water service is expected.</li> </ul>
<i>Infrastructure details</i>	<p><b>Document</b>, in broad terms, the infrastructure used to deliver the registered service/s to which the plan applies for each area.</p> <p>This includes identifying the major infrastructure facilities and elements, their purpose and capacity (capacity information is not required for pipelines). Major infrastructure facilities and elements include:</p>

<sup>1</sup> A water service provider registered as a service provider on and from 1 October 2005.

<sup>2</sup> A water service provider registered as a service provider before 1 October 2005. (s1136G).

<sup>3</sup> Schedule 4 of the *Water Act 2000* defines large, medium and small service providers.

<sup>4</sup> Note, where the term “connections” is used in *Water Act 2000*, a different meaning applies (see Schedule 4 of the Act).

- water source facilities
- treatment plants
- pump stations
- reservoirs
- channels
- pipelines<sup>5</sup>.

This information should include a schematic layout clearly showing the linkages between each of the major infrastructure elements.

For the purposes of these guidelines, the Water Services Association of Australia (WSAA) definition of “connections” has been adopted.

A water property, for the purposes of determining connections, is:

- connected to the service provider's water system
- subject to billing for water supply (fixed and/or consumption)
- a tenanted property, which is separately metered, and in respect of which the tenant is liable for water usage, counts as one property. The owner and tenant are not separately counted as water properties.

Connections are calculated by the addition of water properties that fit the above criteria as follows:

Single Residential connections + Multiple Residential connections (No. of dwellings/ property\*properties or No. of dwellings) + Industrial connections + commercial connections + other connections which don't fit into above categories.

This definition includes:

- a connected non-rateable property;
- a connected but non-metered property.

It does not include:

- a body corporate; or
- a rated but unconnected property.

The information required for service and system overview is the same as for a SAMP provided that sufficient detail is provided to detail each individual area served.

### 3.5. Assessment of available water sources

Fundamental to any DMP is the requirement for a service provider to have a detailed understanding of the performance and characteristics of the available sources of supply, together with information on alternate sources or emergency supplies in order to determine the most appropriate option to minimise the social and economic impact of drought. The assessment undertaken to achieve that understanding will depend on the type of source of supply, i.e. dam, weir, run of stream or bores, but should be based on historic rainfall or flow data, and, where available, the documented performance of the source during a drought event. The assessment must address the following aspects.

Evaluate available sources of supply	<b>1. Identify and assess the available sources of supply:</b> <ul style="list-style-type: none"> <li>• current sources,</li> </ul>
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<sup>5</sup> For large complex systems, identification of pipelines may be limited to trunk delivery mains only rather than documenting extensive networks of reticulation pipe work or distribution mains.

- future sources, and
- emergency sources.

In assessing the sources, the service provider should include consideration of:

- Historical rainfall records - where the source of supply is dependent on rainfall, historical data should be used to evaluate the available yield or flow (or water level in a bore) with monthly demand and rainfall.
- Hydrological models - where the resources are available, a model should be developed to model the performance of the source based on rainfall, inflow, evaporation and losses, and demand.
- The likely impacts of climatic change, if applicable
- The requirements to maintain environmental flows
- The impact of the usage by non-service provider users who draw from the same source.

2. The methodology to assess the source characteristics including the estimated frequency of drought must be stated in the DMP.

3. State any previous events during which the area has experienced restrictions due to failure of supply resulting from drought, based on the current source of supply.

Where data is available, an assessment of the frequency of drought events should be stated.

4. Assess the impacts on water quality as the sources of supply are depleted.

As a water source is depleted, water quality may also deteriorate due to algae, turbidity or iron and manganese, which may require additional treatment in certain circumstances.

5. Develop preliminary estimates of costs to assess the viability and practicality of alternative or emergency sources of supply so as to establish a list of preferred options, eg. cartage may be identified as a possible source of supply but to determine whether it is a viable option consideration must be given to:

- is there an available source
- the population to be served and the demand
- the available means of transportation and the cartage distances
- delivery option/s

Where the emergency source is identified as being available from another area or service provider, a further assessment should be undertaken to determine the likelihood of that supply also being depleted due to drought.

In all sections of the DMP, actual data and observations of the system's performance should be utilised in developing the plan.

Where a service provider is reliant upon a source of water that is not located in Queensland and is managed by an interstate “service provider”, who is not bound by Queensland legislation, every effort should be made to ascertain from the interstate service provider what restrictions, if any, will be placed on obtaining water from that source when drought conditions prevail in the source location.

In those situations where a service provider obtains water from a source that is also utilised by one or more other “non-service provider” users, every reasonable endeavour should be made to contact those users in order to determine their predicted usage from the source. Usage by others in such a situation may well be a significant, if not critical factor, in determining the time for depletion of a source.

### **3.6. System operations and management strategy**

The DMP must include a system operations and management strategy that shows how supply to customers will be maintained during a drought event. This is the operational part of the plan that states how the service provider will manage the water service during a drought event.

In preparing this strategy, the service provider should:

- Consult with customers, and, if the water is managed under an interim resource operations licence or a resource operations licence, the holder of the interim resource licence or the resource operation licence
- Assess consumption, including a breakdown of consumption by sectors, ie. residential, commercial, industrial, irrigation, stock and domestic, etc and location within the service area/authority area/area
- Assess the options for reducing consumption while minimising economic and social hardship
- Assess any legal or social issues, i.e. contractual obligations, particular classes of customers etc
- Determine appropriate levels of restrictions across all sectors
- Determine the “trigger” points, applicable to the source of supply, that will be used to implement restrictions to extend the available supply
- Determine other measures to minimise the impact of water shortages
- Establish a management team with clearly defined responsibilities. The size of the “team” should be appropriate to the size of the service provider and the complexity of their water services
- Determine the required resources, both human and economic, to implement the plan
- Identify the relevant agencies who should be kept informed or who can assist in mitigating the impacts on the community
- Develop communications strategies to keep consumers and stakeholders informed. The strategies should be appropriate to the service provider and the number, nature and the geographic distribution of the customers and the extent of the water shortages
- Regularly monitor the status of the source/s
- Regularly monitor the current levels of consumption in order to confirm the impact/effectiveness of the restrictions that are imposed
- Develop a policy and the necessary procedures for enforcing restrictions

#### **3.6.1. Components of the system operations and management strategy**

The service provider should include the following in their system operations and management strategies.

Consultation	Consult generally with the water service provider’s customers and/or customer groups, and, if the water is managed under an interim resource operations licence or a resource operations licence, with the holder of the interim resource licence or the resource operation licence etc where applicable.
Trigger points	<ol style="list-style-type: none"> <li>1. Based on the assessment of the available source/s and the current demand, determine appropriate trigger points to maintain supply for as long as possible whilst minimising social and economic impact on the area.</li> <li>2. Demand data should be compiled on a daily or monthly basis so that the expected duration of supply between each trigger point can be determined.</li> <li>3. The trigger points should be based on storage levels in a dam or weir, stream flow or drawdown/standing water level in bores. It may also be useful to consider the actions taken by other water service providers in managing their water supply during a drought event.</li> <li>4. Allowance must be made for any condition or requirement stated in a Regional Water Security Program<sup>6</sup> or System Operating Plan<sup>7</sup>, Water Resource Plan<sup>8</sup>, Resource Operations Plan (ROP)<sup>9</sup> or Resource Operations Licence (ROL)<sup>10</sup>, Critical Water Sharing Arrangements pursuant to a ROP or the like covering the source.</li> <li>5. Where raw/treated water is obtained from another service provider, the customer service provider preparing the DMP must take into consideration any constraints imposed by the supplier service provider under any supplier service provider DMP.</li> </ol>
Restrictions and other measures	<ol style="list-style-type: none"> <li>1. The DMP must include a schedule of restrictions, based on the trigger points, designed to extend the supply for as long as possible while minimising social and economic impacts. In determining the restrictions consideration should be given to: <ul style="list-style-type: none"> <li>• Maintaining supply to an industry that is the major employer in the community and where shutdown of that industry may present major social/economic hardship to the community</li> <li>• Reductions in water usage achieved by any current demand management program because the quantum reductions that may be achieved by any proposed restrictions may be limited</li> <li>• Any contractual/legal rights or obligations to any customers or classes of customers that exist, eg a supply contract with an industry</li> <li>• Contractual or other obligations imposed by another service provider providing a source of supply for the area</li> <li>• Equitable distribution of supply within the service area ensuring that no category of user is inequitably disadvantaged</li> <li>• Any other factors which may have an influence on restrictions.</li> </ul> </li> </ol>

<sup>6</sup> Defined to mean a regional water security program made under section 360M of the Act: see Schedule 4 of Act.

<sup>7</sup> Defined to mean a system operating plan under chapter 2A, part 5, division 2 of the Act: Schedule 4.

<sup>8</sup> Defined to mean a plan approved under section 50(2) of the Act: Schedule 4.

<sup>9</sup> Defined to mean a plan approved under section 103(2) of the Act: Schedule 4.

<sup>10</sup> Defined to mean an ROL granted under chapter 2, part 4 division 3 of the Act: Schedule 4.

	<p>2. The schedule of restrictions should be designed to extend the point of supply failure. At each restriction level, the anticipated target demand must be nominated.</p> <p>Restrictions would normally be detailed in 5 to 7 restriction levels and would include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• a reduction in sprinkler hours</li> <li>• a total sprinkler ban</li> <li>• hosing restrictions</li> <li>• a ban on hosing pathways and grass</li> <li>• a ban on using evaporative air conditioners</li> <li>• a restriction or ban on filling swimming pools or watering new turf</li> <li>• a total external water use ban</li> <li>• a restriction on commercial and industrial use</li> <li>• a limitation on daily or weekly use by consumers</li> <li>• a ban on water carters</li> <li>• restrictions on internal use or the time of day that water is provided</li> <li>• water supplied by container to each consumer</li> </ul> <p>3. State the minimum quantity of water that the service provider is prepared to provide to the various categories of consumers once supply has to be restricted – different values may apply at different stages of the restrictions.</p> <p>4. Other water conservation measures.</p>
Implementation	<p>The DMP must address the following issues at a level appropriate for the size of the service provider</p> <ol style="list-style-type: none"> <li>1. The composition of a management team, nominating the officers and their responsibilities in managing the service in an area during a drought event.</li> <li>2. Who is authorised to impose the restrictions.</li> <li>3. A communications strategy developed to keep both consumers and the general public informed on options to reduce water consumption (WaterWise) and the current status of storages and restrictions. A regional perspective may be warranted in any communications strategy.</li> <li>4. A monitoring process to assess the effectiveness of the restrictions and other measures in place during a drought event that limit supply.</li> <li>5. The identification of any relevant agencies that may be able to assist the service provider in maintaining supply or may have controlling responsibilities for access to alternative or emergency sources of supply.</li> </ol>

	<p>The relevant agencies would include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Department of Natural Resources and Water – allocation of resources</li> <li>• Department of Local Government, Planning, Sport and Recreation – drought assistance funding</li> <li>• Environmental Protection Authority – access to water from environmentally sensitive areas</li> <li>• Queensland Rail – cartage of water by rail</li> </ul> <p>6. Clear policies and procedures on the enforcement of restrictions including the necessary resources for enforcement. Reference should be made to s388 and s389 of the Act in respect to the power to restrict water supply.</p>
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### **3.7. Certification by the chief executive officer**

The chief executive officer (CEO) of the water service provider must certify the DMP and provide:

- a written certification to accompany a DMP stating:
  - o his or her name and position;
  - o that the plan is the DMP for the service provider.

The DMP may be changed at any time (s429I) and must be complied with, when supplying water services to customers: (s429J). The DMP may be changed for whatever reason deemed necessary but as soon as practicable after such change, the amended DMP must be certified under section 429D and a copy of that amended DMP must be provided to the Director-General of NRW.

## 4. Exemption from preparing a DMP

### 4.1. Exemptions

The Act makes provision for a water service provider to apply to the regulator for an exemption from preparing a DMP (s429F) where the water service provider sources at least 70% of the water for a water service for the area from a source or sources that cannot be affected by drought, eg. underground water from the Great Artesian Basin, the desalination of seawater. For the purpose of these guidelines, underground water from the Great Artesian Basin is defined to be water from a direct connection to a defined and identified artesian aquifer, accessed by either artesian or sub-artesian bores.

A service provider can apply for an exemption at any time up until the nominated dates for submission of the DMP. It is the service provider's responsibility to ensure that the *Water Act 2000* requirements, for which an exemption is being sought, can still be complied with, by the mandated dates, if an exemption is not granted. Service providers should be aware that some lead-time is necessary for preparing DMPs if an exemption application is unsuccessful. The lead-time will vary depending on the individual circumstances of the service provider.

The application for an exemption from preparing a DMP by a service provider must be submitted to the regulator in the approved form, *SPE03–Service Provider Drought Management Plan Exemption Application Form*, and must be supported by sufficient information to enable the regulator to decide the application. The exemption may be for the total water service provided or may be for an individual area. This will be dependant on the nature and arrangement of sources. All information requested in that form and in this section of these guidelines must be supplied with the approved form. Sufficient supporting information with respect to the fact that the service provider sources at least 70% of the water for a water service for the area from a source or sources that cannot be affected by drought must be supplied with the application in order for the regulator to arrive at a decision.

The cost of supplying any information needed from the service provider is the service provider's responsibility. The approved form can be obtained from:

Water Industry Regulation  
GPO Box 2454  
Brisbane Qld 4001

or by downloading it from the NRW website at <[www.nrw.gov.qld.au](http://www.nrw.gov.qld.au)>.

There is no fee for lodging an exemption application.

### 4.2. Automatic exemptions

Based on the exclusion provisions in the Act (s429B), the regulator will not require DMPs from water service providers falling into particular categories. No exemption applications will be required in these cases. These categories are:

- A water service provider to the extent that it supplies water services to a customer who holds a water entitlement: [s429B(a)];
- A water service provider who supplies only a drainage service: [s429B(b)].

### 4.3. How is a decision made on an exemption application?

Under s429F the exemption *must* be granted if the regulator is satisfied

- the water service provider sources at least 70% of the water for a water service for the area from a source or sources that cannot be affected by drought.

If the regulator is not satisfied, the regulator must refuse the application.

There is no prescribed time limit within which the regulator must decide upon an application.

Section 429F(5) of the Act requires that, within 10 business days of deciding the application, the regulator must give the service provider an information notice advising of the outcome of the application. The Act requires information notices to state:

- The decision;
- The reasons for the decision;
- That the person given the notice may appeal against the decision, or apply for arbitration, within 30 business days after the day the notice is given and how the person may appeal or apply for arbitration.

In the section of the information notice giving the reasons for the decision, the regulator must also set out the regulator's findings on material questions of fact and refer to the evidence or other material on which those findings were based: see section 27B of the *Acts Interpretation Act 1954*.

#### **4.4. Granting an exemption**

An exemption will be granted on the condition that it will remain current until a material change of circumstances occurs. The reasons for granting the exemption will be contained in the information notice sent to the service provider.

#### **4.5. Cancelling and/or amending an exemption**

Section 429G requires that a service provider must immediately give the regulator notice if the circumstances under which an exemption was given, change. For example, if the source of supply changes and the volume of water drawn from either the GAB or desalinated seawater drops below the 70% threshold which is the basis for granting an exemption.

The regulator may also amend or cancel the exemption, without receiving notification from the service provider, if the regulator becomes aware of a change in the circumstances under which the exemption was given such as a service provider bringing online a new dam as a source.

If an exemption is changed or cancelled, the regulator must give the service provider an information notice about the change or cancellation providing the reasons for the change or cancellation (including findings on material questions of fact and evidence on which those findings are based).

Under the review, appeal and arbitration provisions in Chapter 6 of the Act the service provider can apply to the regulator for an internal review of the decision about the change or cancellation of the exemption and obtain a review decision. If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority (see Section 4.6 Rights of appeal).

#### **4.6. Rights of appeal**

Any decision made by the regulator in regard to an exemption may be the subject of appeal (Chapter 6 of the Act)

In the first instance, the service provider may apply to the regulator for an internal review of a decision about the exemption.

An application for internal review must usually be made within 30 business days of the day the service provider is given the information notice advising of the outcome of the exemption

application. However the Act allows the reviewer to extend the time for applying for an internal review. The application for internal review must be:

- In the approved form (*NRMIR01–Application for Internal Review of an Original Decision*) – a copy of which can be obtained from Water Industry Regulation, GPO Box 2454, Brisbane, Qld, 4001; or by downloading it from the NRW website; and
- Supported by enough information to enable the reviewer to decide the application.

If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority (Chapter 6, Sections 891 – 896 of the Act)

The service provider may give the QCA a dispute notice applying for arbitration on the review decision. This notice must be given within 30 business days after the day that the service provider receives notice of the review decision. The dispute notice must state the name and address of the service provider, details of the review decision and the grounds on which arbitration is sought. The service provider is also required to give a copy of the dispute notice to the regulator.

The QCA must give the service provider and the regulator a notice acknowledging receipt of the dispute notice. The service provider may withdraw the dispute notice at any time before the QCA makes its determination.

The QCA must make a written determination on the dispute and must provide reasons for its determination. The QCA is not required to make a determination if it considers that the dispute notice was vexatious or the subject matter of the dispute is trivial, misconceived or lacking in substance.

Only the service provider who applied for the exemption can request an internal review and arbitration for the decision about the exemption. For example, a service provider's customer cannot undertake these actions.

## **5. Registration criteria**

The criteria (s429H(1)) by which a decision will be made by the regulator as to whether a DMP will be registered are as follows:

- The DMP must be certified by the chief executive officer
- The DMP must contain
  - o a service and system overview
  - o an assessment of available water sources
  - o a system operations and management strategy

## 6. Registering a DMP

### 6.1. Submission of a DMP

Unless a service provider has obtained an exemption (s429F), a service provider must prepare and submit a DMP to the regulator for registration (s429E). The deadlines for submission are outlined in Section 3.3.

### 6.2. Basis of Registration

Provided the regulator is satisfied that the DMP satisfies the requirements of the Act and the registration criteria in these guidelines, the regulator must, as soon as practical after receiving a copy of the DMP:

- register the DMP; and
- give the water service provider notice of the registration (s429H).

The notice of registration will advise the service provider of the intervals at which regular reviews of the DMP are to be undertaken.

Normally, notice of registration will be provided within 3 months of receipt of the DMP. This is the same timeframe as for the review of a SAMP.

Registration does not constitute approval of the contents of the DMP, but indicates that the service provider has developed a DMP, appropriate for the water service, which is in accordance with the provisions of the Act and these guidelines.

### 6.3. Three possible outcomes upon submission

#### ***Register the DMP***

The regulator will give notice of the registration, including the interval at which regular reviews of the DMP must be conducted (s429H).

#### ***NOT registered because it was not certified by the chief executive officer***

The DMP is returned to the service provider with a notice stating:

- certification is required;
- the time by which the certified document must be returned.

The regulator must ensure that the time allowed for the plan to be certified and returned to the regulator is reasonable.

#### ***NOT registered because the regulator is not satisfied that the DMP complies with the Act or the registration criteria in these guidelines***

The DMP is returned to the service provider with a letter stating:

- why the plan does not comply with the Act or the registration criteria in the Guidelines and requiring that it be revised and returned for registration within a stated time.
- the time by which a revised or new document must be submitted.

The regulator will be required to ensure that the time allowed for the revised or new certified plan to be returned is reasonable. However, if the service provider has not submitted a DMP by the statutory deadline it will be named in the Legislative Assembly pursuant to s429K.

In deciding whether a DMP complies with the Act or the registration criteria in these guidelines, the regulator will assess:

- whether the requirements in s429C of the Act and these Guidelines have been addressed;
- whether these requirements are addressed in adequate or sufficient detail given:
  - o the nature, size and complexity of the infrastructure;
  - o the services provided;
- whether the DMP is appropriate for the registered service and infrastructure;
- the cost to the service provider and its customers in addressing any inadequacies in the DMP.

#### **6.4. Can a DMP be changed once it's registered?**

A service provider may change a DMP once it's been registered; however, the service provider must submit a revised DMP to the regulator as soon as practical after changing the DMP (s429I). Ideally this should be within 30 business days. The CEO must certify the changed DMP and submit a copy to the regulator for registration. The same registration process applies to the changed DMP as for the registration of the initial DMP.

## 7. Reviews

### 7.1. Regular reviews

Service providers must regularly review their DMP as advised by the regulator in the notice of registration. Regular reviews must be undertaken in accordance with s429H(2) of the Act.

Service providers may conduct these reviews internally or engage an external party to carry out the review on their behalf. The choice of how the review is conducted is at the discretion of the service provider.

If the review indicates that the DMP should be changed, the service provider must prepare and submit a revised DMP to the regulator as soon as practical after changing the DMP (s429I). Ideally this should be within 30 business days. The CEO must certify the changed DMP and submit a copy to the regulator for registration. The same registration process applies to the changed DMP as for the registration of the initial DMP.

#### 7.1.1. Purpose of review

A DMP must be regularly reviewed to ensure that it:

- continues to meet the requirements of the Act and these guidelines;
- addresses these requirements in sufficient detail given the nature, size and complexity of the infrastructure and services provided;
- is appropriate for the registered services and infrastructure;
- minimises economic and social impact on the customers and the community;
- remains relevant having regard to any recent drought events and current industry best practice;
- is based on assumptions that have been proved to be still relevant, i.e. the assumptions adopted in assessing the available sources of supply have been proved to be correct
- addresses any changes to a water resource plan, interim resource operations licence or resource operations licence or a resource operations plan.

#### 7.1.2. Review interval

Reviews must take place at the time intervals stipulated by the regulator in the registration notice (see Section 6.2).<sup>11</sup> Generally speaking, reviews will be required at intervals ranging from 2 to 5 years. The regulator, when setting these time intervals, will consider:

- the number and timing of any action plans which the service provider is committed to undertaking;
- the projected growth rate in demand;
- the estimated frequency of drought events;
- the complexity of the system.

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<sup>11</sup> Note: the Act s429H states that the interval for regular reviews must not less than one year.