

**Guidelines for
Implementing Total Management Planning**

**TOTAL MANAGEMENT PLAN
Development Guide**

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LIST OF ACRONYMS

CEO	chief executive officer
CSS	Customer Service Standard
DLGP	Department of Local Government and Planning
NR&M	Department of Natural Resources and Mines
EPA	Environmental Protection Agency
KPI	key performance indicator
SAMP	Strategic Asset Management Plan
SWOT	strengths, weaknesses, opportunities, threats
TMP	Total Management Plan
WSAA	Water Services Association of Australia
WSP	Water Service Provider

1 INTRODUCTION

This document is intended to elaborate on the broad issues outlined in the Concept document, to assist practitioners, consultants and others involved in preparing a Total Management Plan (TMP).

In particular, this document provides:

- criteria for determining the appropriate level of TMP development required;
- guidance on determining the appropriate staff levels, time and funding for a TMP;
- a procedure for prioritising the sub-plans developed as part of a TMP; and
- guidance on developing, implementing, integrating and coordinating the TMP.

2 THE TOTAL MANAGEMENT PLAN STRUCTURE

2.1 Organisational context

Before dealing with the format and content of TMPs, it is useful to discuss how total management planning fits into the wider context of organisational management planning for water service providers (WSPs).

Appendix A illustrates how a TMP relates to other key organisational and planning elements. Examples are given of a small WSP (e.g. a small shire, Aboriginal community council or rural water board) and a large, commercialised or corporatised WSP (e.g. a large local government's water services department or a State Government irrigation scheme operator).

2.2 What does a TMP look like?

To define the structure of a TMP for these guidelines, a model TMP framework has been developed; it is illustrated in Figure 1.

The main elements in the TMP model framework are described below.

Business management plan

This is the peak document, which:

- provides an overview of the TMP;
- summarises the key issues addressed and main strategic elements of the TMP, including management strategies and performance targets; and
- outlines the WSP's service delivery strategy.

Key result areas

A key result area was defined in the Concept document as an area of management focus recognised as having significant potential to contribute to improvements in the business and enhance levels of service.

Sub-plans

Within each key result area, separate sub-plans are formulated to address the range of strategic issues given priority in the preliminary planning stages (refer Section 5.4) Each sub-plan relates to a specific opportunity for the WSP to achieve its management goal within that particular key result area.

Supporting documentation

This comprises planning, management and technical documentation, prepared either previously or in the course of the total management planning process.

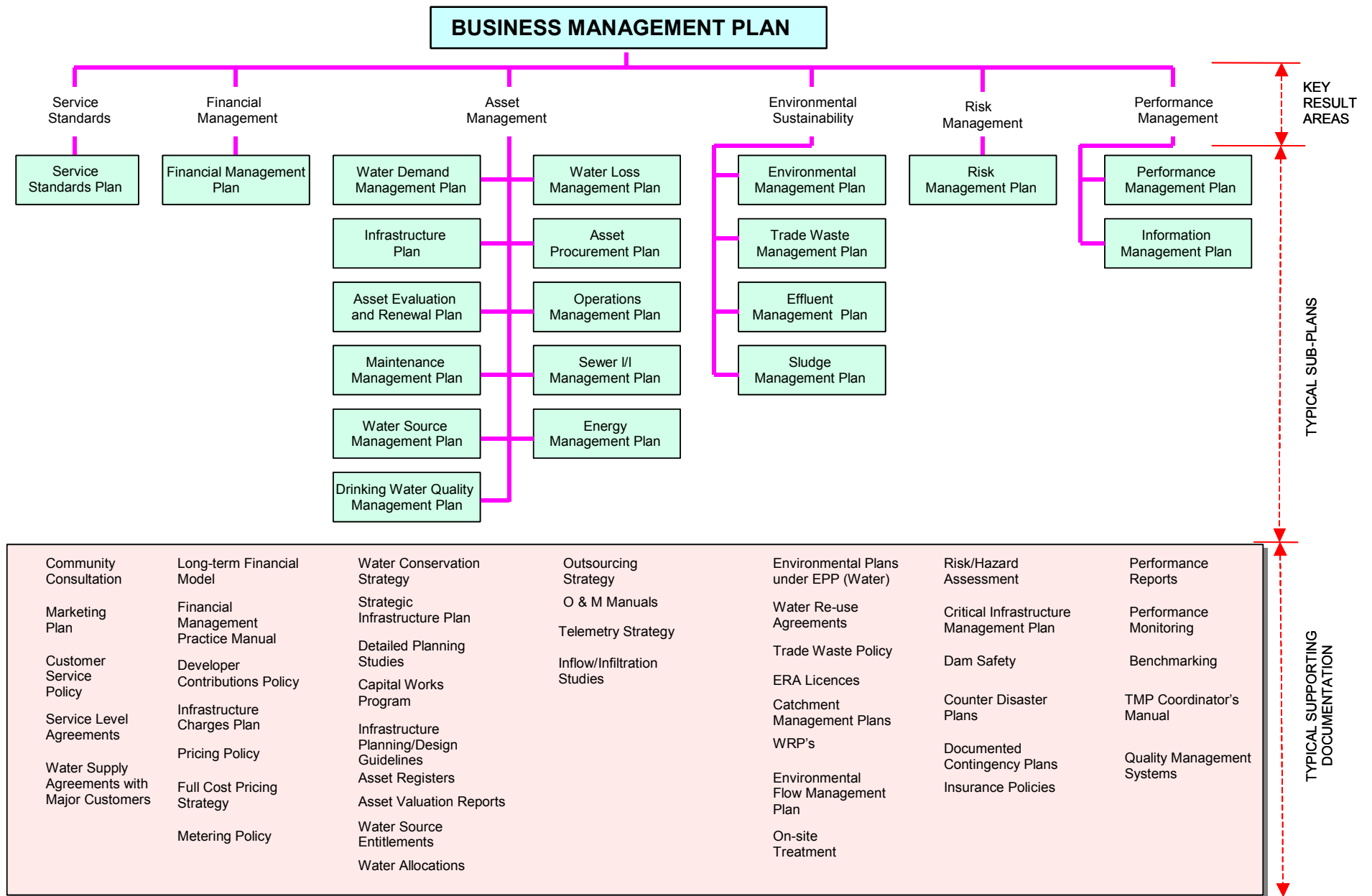


FIGURE 1: Model TMP framework

In concept, the structure of a TMP based on the model framework (Figure 1) will be the same regardless of the type and size of WSP, but its scope in terms of the number and complexity of sub-plans required will vary, as discussed in Section 4.1.

In practice, a WSP's TMP need not necessarily conform to Figure 1, providing that the plan adheres to the above concepts and satisfactorily addresses the necessary scope.

There are strong information transfer links between the TMP and other planning elements within the organisation. For example, in a local government organisation, the TMP's goals, objectives and management strategies should be consistent with those of the:

- corporate plan;
- the operational plan; and
- business development plan.

In fact the TMP sub-plans will usually provide key inputs to the operational plan in respect of local government water services and business management plans or service delivery strategies for all WSPs.

3 SCOPE OF TOTAL MANAGEMENT PLANS

This section outlines general requirements for the scope of a typical TMP, in terms of the business management plan and sub-plan elements described in Section 2.

It also addresses how to 'tailor' a TMP to suit the particular WSP, and provides general guidance on how a local government WSP can use its TMP to also meet its statutory obligations for preparing certain environmental plans and satisfying the requirements of the *Water Act 2000* with respect to a Strategic Asset Management Plan (SAMP) and Customer Service Standard (CSS).

3.1 Scope of the business management plan

The business management plan should be aimed at a readership comprising mainly:

- elected representatives;
- board directors;
- executive management;
- regulators;
- financiers;
- customer groups; and
- the media.

Collectively this readership is likely to be concerned mainly with the wider implications of the TMP, such as:

- effects on customer service;
- political implications;
- financial impacts;
- strategic effectiveness;
- industrial implications; and
- satisfaction of state government requirements for TMPs.

Appendix B is provided to assist WSPs in achieving this focus and developing the strategic elements of their own TMPs. It shows a sample scope and suitable format for a business management plan that addresses the issues relevant to total management planning. Individual WSPs may prefer different formats for achieving the same ends.

‘Commercial in confidence’

It should be noted that commercialised entities would not be required to publish commercially sensitive information, either in the Business Management Plan or in relevant sub-plans. Nevertheless, certain commercially sensitive information may need to be submitted to NR&M from time to time for use in assessing TMP progress and/or effectiveness. Such information would be treated on a ‘commercial in confidence’ basis.

4 SCOPE OF SUB-PLANS

The sub-plan documents represent the ‘nuts and bolts’ of the TMP. They should be aimed at a broad technical readership, including:

- senior WSP management;
- operational WSP management;
- service provider groups servicing the WSP;
- regulators; and
- consultants.

Each sub-plan essentially represents a strategic plan for a major component of the relevant key result area. As such, it should focus on management strategies that address a number of identified priority strategic issues, and which will contribute to improving levels of service and/or reducing unit costs within a timeframe of up to say 5 years. Each sub-plan should also be a practical plan, both for managing on-going operation and for achieving continual improvement.

Table 1 outlines in general terms a suitable scope and format for a typical sub-plan, to assist WSPs in developing their own preferred formats.

Specific guidelines have been developed for each of the seven key result areas illustrated in Figure 1. Within these guidelines, each of the sub-plans is covered in detail.

TABLE 1: Sample scope of a sub-plan

Section	Content
Purpose of plan	▪ What the plan is intended to do.
WSP policy (or position statement)	▪ List of policies relevant to sub-plan (including date adopted). A listing of proposed policies for development (with target dates) should be included.
Relationship with other TMP sub-plans	▪ Table showing where there are strong links with other sub-plans.
External influences	▪ External factors that tend to influence the current operating environment (e.g. government policy, water industry practice/trends).
Current status	▪ The status of the current operating environment.
Strategic basis of plan	▪ Goals, objectives, management strategies, costs and performance targets relevant to the sub-plan (tabular format). (Strongly linked to TMP summary strategic framework. See Section 3.1: Scope of the business management plan.)
Implementation	▪ Description of how each of the strategies is to be implemented, with a list of required actions, timetables and resource requirements cross-referenced to the appropriate action plan. It will also outline the scope, significant underlying assumptions, desired outcomes and management responsibility for each action plan.
Monitoring	▪ Description of how action plan progress will be monitored. ▪ Key performance indicators (KPIs) adopted for performance assessment.

Section	Content
Management	<ul style="list-style-type: none"> ▪ People responsible for maintenance and implementation of the sub-plan.
Appendices	<ul style="list-style-type: none"> ▪ List of supporting documents directly relevant to the sub-plan (e.g. planning reports, investigation reports). ▪ Adopted policies. ▪ Other appendices as relevant to the particular sub-plan.

4.1 What needs to be in the TMP?

A TMP needs to be appropriate for the size of the WSP, its functions and the issues it faces. This will maximise the degree of ‘ownership’ of the TMP by operational staff and the cost-effectiveness of its preparation. For example, a large WSP for a rapidly growing urban area will usually require more advanced operational management systems than a small WSP for a stable rural community, and this will be reflected in the level of sophistication of the respective TMPs.

Consequently some WSPs may:

- need to include more sub-plans in their TMPs compared to other WSPs;
- omit irrelevant sub-plans; or
- incorporate varying standards of management system in various sub-plans.

All WSPs will need to prioritise the implementation of sub-plans according to the available resources.

The scope of the business management plan component will usually be as outlined above, and its level of development will be determined largely by that of the sub-plans included. Guidance on prioritising sub-plan implementation is given in Section 6.

4.2 Identifying TMP sub-plan requirements

WSPs need to consider two basic criteria before proceeding to develop a TMP:

Range of sub-plans required

The first criterion to consider is which of the sub-plans shown in Figure 1 are relevant to the WSP’s circumstances.

Appendix C indicates the range of TMP sub-plans typically required for each category of WSP. There may of course be exceptions in particular cases, which should be agreed in principle between the WSP and NR&M before preparing the TMP, and noted in the business management plan.

Level of sub-plan development

The second criterion to consider is the appropriate level of development for each sub-plan, in terms of what it should aim to achieve.

As explained in the Concept document, these Guidelines have adopted the concept of a hierarchy of different levels of total management planning development. Its purpose is to guide each WSP in determining the appropriate scope, emphasis and content for its TMP, according to its circumstances and based on the current replacement cost of infrastructure it controls. The hierarchy is shown in Table 2, and assumes that the necessary level of sophistication or development of operational management systems within a WSP, and hence the necessary level of total management planning, is broadly related to the scale of its infrastructure and its relative performance in service delivery.

TABLE 2: Total management planning level hierarchy

Current cost (\$m) ¹	Number of connections ²	Hierarchy level ³
>200	>25 000	3
10 – 200	1000 – 25 000	2
0 – 10	<1000	1

¹ Replacement cost of assets controlled by the WSP.

² The largest number of connections for any one service.

³ 3 = highest level of development; 1 = lowest level of development

Table 2 is intended to guide WSPs in adopting a level of development for TMP sub-plans that is appropriate to their circumstances. It should not be applied rigidly in order to justify an inappropriately low level of development, because:

- the boundaries between levels of the hierarchy are arbitrary and are not defined by obvious discontinuities; and
- individual circumstances must always be considered by both the WSP and NR&M.

The guidelines for each of the key result areas include suggested levels of development for each part of the hierarchy and for each sub-plan, in terms of management mechanisms and targets. Again, these suggestions should not be seen as hard and fast, but should be applied according to circumstances. For example:

- these are intended as minimal requirements, and WSPs can of course aim higher if they wish;
- a WSP with clearly deficient management systems should aim to implement some or all of the target management mechanisms listed;
- where the nominal management mechanisms are already in place, the sub-plan strategies might focus instead on improving existing systems or otherwise enhancing service delivery; and
- any WSP aiming at a lower level of TMP development than that appropriate to its nominal hierarchy level would need to demonstrate to NR&M the adequacy of the chosen target management mechanisms for its particular circumstances.

5 DEVELOPING A TOTAL MANAGEMENT PLAN

5.1 Preliminary considerations

Before embarking on the development of a TMP, the WSP should give appropriate consideration to:

- identification of policy formulation needs;
- resources for the project;
- the need to involve external consultants; and
- arrangements for TMP coordination.

Policy formulation needs

As a first step, a WSP needs to consider the extent to which it wishes to define and formalise policy on key management issues. This is particularly so when a quality and/or environmental system is to be documented and seriously implemented within the organisation. Actual policy formulation can proceed concurrently with TMP development, but policy needs should preferably be identified in advance.

The terms ‘policy’ and ‘procedure’ are sometimes used interchangeably. For the purposes of these Guidelines they are distinguished as follows:

Policy

A policy is defined as a statement of intent or course of action to be followed by an organisation in relation to a particular activity; i.e. the way the organisation can be expected to act in carrying on an activity.

A policy could be supported by a policy document, procedures or detailed guidelines.

Procedure

A procedure is a description of who in the organisation does what, when, where, how and (where appropriate) why.

Policies are normally defined at a relatively high management level, whereas procedures are normally detailed statements of how policies are to be put into practice at the operational level.

The advantages of formally defining policy within an organisation include:

- greater consistency and predictability in carrying out functions;
- a tangible basis for accountability by management;
- a logical and rational starting point for defining business processes and procedures; and
- a convenient and defensible reference point for dealing with customers and other stakeholders.

In considering which, if any, policies should be defined and formalised within a TMP, smaller WSPs should refer to the suggested policy areas listed in the individual guidelines. Policies adopted should be referenced and included in the respective sub-plans, as indicated in Table 1.

Larger WSPs, or smaller WSPs planning to prepare a formal quality and/or environmental management system, should consider preparing a 'total policy framework'. This is usually developed after a comprehensive process analysis of the organisation, which identifies all significant business processes and related activities. The need to define policy for each activity may then be prioritised by applying appropriate benefit and risk criteria.

A total policy framework might be prepared as an adjunct to preparing a TMP, or separately as part of business development, or as a prerequisite to preparing a quality and/or environmental management system. If included in the TMP, it could be incorporated as a separate document alongside the sub-plans and referenced in the business management plan.

Resourcing the project

As with any major strategic planning initiative, the WSP must ensure that adequate resources are allocated for the development, implementation and maintenance of the TMP, in terms of budgets and of staff skills and availability. It is also important that long-term financial projections and budgets provide for works and other initiatives arising out of the TMP.

An early decision will be needed as to whether the TMP is to be prepared in-house by the WSP, by external consultants, or by a combination of both. Each WSP must determine the approach that is most appropriate for its circumstances.

The use of in-house staff will enhance the 'ownership' of the TMP and should maximise its relevance to the WSP's particular needs. However, to ensure timely completion and eventual NR&M approval of the TMP, it is essential that the staff involved be suitably qualified and experienced, and be allocated sufficient time to do the project justice. Where these requirements cannot be met, external consultants may need to be engaged to progress the project, with WSP staff providing most of the detailed operational input.

A basic consideration will be whether funds can be budgeted for engaging consultants. If funding is a serious obstacle, an obvious course will be to consult officers of other WSPs as to their experience with each alternative.

Using consultants

Potential advantages

Where appropriate use is made of a suitably qualified consultant, the main advantages that can be expected are as follows.

Access to expertise

Gives the WSP access to a wider industry perspective and specialised expertise, including the application of new ideas and innovative processes.

Predictable timeframe

Increases the likelihood that the project will be completed within a reasonable time and hence remain relevant and credible.

Process facilitation

Ensures the process is conducted on 'neutral ground', and hence reduces the chance of personality or territorial/cultural issues impeding progress.

Objective insight

Allows for a more objective view of the WSP's organisation and functions, and hence more objective process, including SWOT analysis and risk assessment.

Maintaining momentum

Where the consultant continues to be involved in the implementation phase, this lessens the chance of action plans being sidelined by day-to-day operational issues.

Potential disadvantages

Obviously a decision to involve an external consultant will not guarantee realisation of the above advantages. WSP management must at all times oversee and direct the TMP process, and continue to demonstrate commitment to it. Otherwise, or if the consultant's involvement is poorly planned or managed, the following disadvantages could apply.

Lack of staff 'ownership'

Insufficient interaction between consultant and staff at a range of levels, inadequate information collection, and/or unsympathetic communication with operational staff can lead to a lack of staff ownership of the total management planning process and the resulting TMP.

Under-qualified consultant

Insufficient depth and breadth of knowledge and experience on the part of the consultant can lead to a deficient, ineffectual, and/or irrelevant TMP.

Over-standardised approach

Without adequate terms of reference and/or sufficient funding, there could be a risk of over-standardisation on the part of the consultant, for example in defining the strategic elements of the TMP or preparing the draft documentation.

Lack of continuity

Where the consultant's involvement terminates on finalisation of the TMP, the momentum generated during the project can be lost on completion, if management is not sufficiently committed to the overall total management planning process.

TMP coordination

For implementation of a TMP to be effective over the life of the plan, it is essential that responsibility for its coordination be assigned to an experienced staff member with a broad appreciation of operational functions, roles and responsibilities across the WSP's organisation. Such a person can fulfil an essential coordination role during the plan preparation phase. TMP coordinator's main role will be broadly as follows:

During preparation:

- to act with authority to coordinate information collection and collation;
- arrange staff interviews, workshops, etc;
- manage routine project administration;
- regularly report on TMP development progress; and
- as primary contact for the TMP project.

During implementation:

- keep the TMP up to date;
- disseminate to managers and staff information generated through implementing the TMP; and
- coordinate the review and updating of action plans.

A procedural manual should be prepared for the TMP coordinator, defining his or her TMP-related duties and responsibilities and associated quality procedures.

A typical scope for a TMP coordinator's manual is outlined below:

- Purpose of manual
- Coordinator's role and responsibilities
- Distribution of TMP documentation:
 - hard copy
 - digital
 - within organisation
 - outside organisation
- Document control
 - identification
 - procedures
- Review frequency:
 - business management plan
 - sub-plans
- Maintaining relevance of TMP

5.2 Development process

While the scope and detail will vary to some extent, the process for developing a TMP will in principle be the same for all categories of WSP.

The recommended development process is as outlined in Figure 2. It commences at the point at which the preliminary considerations in Section 5.1 have been addressed, and terminates at the point where implementation of the TMP commences.

The development process is broadly consistent with, and equivalent to, the first three steps in the strategic planning cycle (see Figure 3 in the Concept document):

- Prepare.
- Identify strategic issues.
- Develop plan.

For practical purposes these three steps have been subdivided into the five phases shown in Figure 2, which are more readily associated with milestones commonly established in actual TMP projects.

Further explanation of the steps in Figure 2 is provided in Sections 5.3 to 5.7.

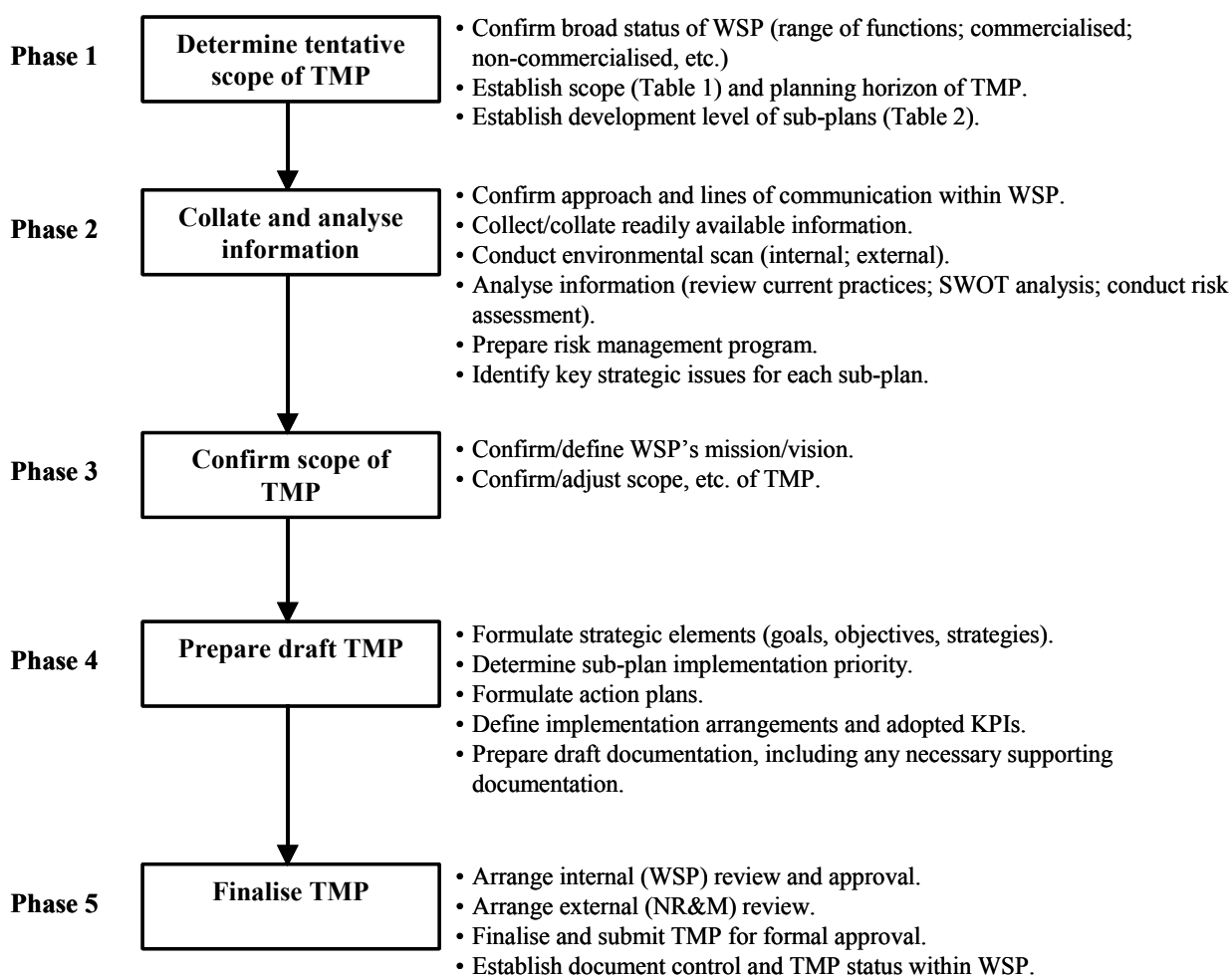


FIGURE 2: TMP development process

5.3 PHASE 1: Determining tentative scope of TMP

The scope of the TMP should be tentatively established in terms of its level of development, sub-plans required, and the planning horizon. This will provide the initial basis for:

- (where a consultant is to prepare the TMP) the project and fee proposals;
- defining the scope of the environmental scan; and
- defining the types of information to be collated and analysed.

Where WSPs have done relatively little infrastructure planning, the scope may need to provide for updating or even developing completely new planning reports and asset registers. This will ensure that the TMP can encompass asset replacement and other capital works programs, as well as financial projections. This work would need to proceed in parallel with development of the TMP, for completion in time to support the draft TMP in Phase 4.

It may be desirable at this stage to have preliminary discussions with NR&M about the scope and general direction of the TMP, particularly if it is intended to use it to satisfy the SAMP and CSS requirements of the *Water Act 2000*.

5.4 PHASE 2: Collating and analysing information

At this stage the overall direction for the TMP exercise and the necessary level of WSP staff commitment should be established.

Existing information

Readily available existing information should be collected and collated. Typical information sources might include the following.

Within the WSP:

- other strategic management plans;
- policies and operating agreements;
- other operational documentation (e.g. asset registers, environmental management system);
- financial, operational, performance and planning reports;
- capital works programs; and
- statutory documentation (e.g. environmental licences, industrial agreements).

Within the local government:

- planning scheme;
- benchmark development sequencing plan;
- infrastructure charges plan or developer contributions policy; and
- where applicable, corporate documents such as information technology plans.

From elsewhere:

- performance review reports (e.g. by the Department Local Government and Planning (DLGP) for local government WSPs, Water Service Association of Australia (WSAA) for urban authorities).

Environmental scan

The environmental scan should usually comprise a series of scheduled, structured interviews with key stakeholders and WSP staff, for example based loosely on a set of predetermined 'prompts'. The prompts should be derived from a consideration of the information gained from all preceding steps, so as to provide a basis for a broad SWOT (strengths, weaknesses, opportunities, threats) analysis of the WSP.

A typical TMP environmental scan could extend to some or all of the following.

Internal scan (i.e. within the WSP and its parent body):

- elected representatives;
- board directors;
- executive management;
- operational managers (including finance, environmental, human resources etc.); and
- key system operators.

External scan:

- customer groups;
- regulators (NR&M, Environmental Protection Agency (EPA), DLGP); and
- contracted service providers.

Analysing information

Analysis of all collated information should establish the current status of:

- infrastructure controlled;
- policy documentation;
- organisational structure;
- service delivery operations;
- proposed WSP initiatives;
- broad strengths, weaknesses, opportunities and threats; and
- risk management processes.

A systematic consideration of threats to the organisation should provide the basis for conducting a risk assessment across the WSP's full range of activities. This assessment should identify all types of risks, but should focus in particular on extreme and high-risk events for which risk treatment strategies and control measures will be required (see Risk Management Implementation Guide).

In cases where such a risk assessment has been carried out previously, this step may simply involve reviewing and updating the earlier findings.

Preparing risk management program

Once the risk assessment has been carried out, a risk management program should be prepared (see Risk Management Implementation Guide.) This program documents risk treatment strategies and controls for the extreme and high-risk events identified in the assessment, or updates an existing risk management program.

The extreme and high-risk events and their associated risk treatment and control strategies should be included among the key strategic issues in the next step.

Identifying key strategic issues

For each sub-plan to be included in the TMP, a limited number of key strategic issues should be identified. This will make it possible to define, in Phase 4, the management strategies to be implemented under the TMP. The key strategic issues must include extreme and high-risk events and their associated treatment and control strategies, as noted in the previous paragraph.

5.5 PHASE 3: Confirming scope of TMP

On the strength of the analysis in Phase 2, mission and vision statements can be formulated if appropriate, and agreed with senior management. Alternatively, any current statements can be confirmed or amended.

The initial tentative assumptions in Phase 1 should be briefly reviewed in the light of any significant new information arising from Phase 2, and any necessary adjustments made.

5.6 PHASE 4: Preparing a draft TMP

Formulating strategic elements (see Table D2)

Formulation of management strategies for each strategic issue should be based on a consideration of:

- SWOT analysis;
- risk treatment strategies and risk controls formulated in the WSP's risk management program (see Section 5.4);
- feasible options;
- likely benefits/costs of each;
- any defined relevant policy; and
- external constraints/imperatives.

Formulation of strategies should include the definition of realistic performance targets, consistent with achieving the adopted objectives and with the adopted planning horizon. Performance targets may be in terms of completion dates and/or adopted key performance indicators (KPIs).

Determining sub-plan implementation priority

Resource constraints will usually prevent concurrent implementation of all sub-plans. The WSP should therefore determine a relative priority for implementing each sub-plan, once all management strategies have been formulated but before formulating action plans and determining associated action target dates.

Each sub-plan should be given a priority level of A, B or C (A being highest) in terms of:

- resources allocated for implementation;
- target dates for completing implementation of adopted management strategies; and
- achievement of adopted performance targets.

The recommended method for prioritising sub-plans is outlined in Appendix D.

Formulating action plans

Action plans should include summary statements on scope, significant underlying assumptions, desired outcomes and management responsibility.

Defining implementation arrangements and adopted KPIs

Implementation arrangements will involve specifying monitoring and review procedures and management responsibilities.

In addition, and as appropriate, a set of KPIs may be adopted at this point for use in:

- defining implementation performance targets (e.g. 10% reduction in average water demand per customer by June 2003); and/or
- otherwise assessing improvements in service delivery flowing from the sub-plan; and/or
- performance benchmarking.

To assist with this, the guidelines for each sub-plan contain recommended performance measures for operational outputs and outcomes, for use in defining appropriate KPIs.

Preparing draft documentation

In practice the preparation of draft documentation will usually proceed as the four preceding steps are taking place, including any supporting documentation being prepared in parallel with TMP development, as discussed in Section 5.3.

5.7 PHASE 5: Finalising TMP

Arranging internal (WSP) review and approval

The draft TMP documentation should be selectively distributed to key contributing staff to review the accuracy of factual information reported and confirm the feasibility and prioritisation of the relevant sub-plans.

The TMP coordinator should set a deadline for the review, and if necessary follow reviewers up. The WSP should formally endorse the TMP before arranging for its review by NR&M.

Arranging external (NR&M) review

The endorsed TMP should be submitted to the relevant NR&M regional office for review. Any unusual aspects or significant departures from NR&M requirements concerning the documentation should be highlighted and explained in the covering letter of submission.

Establishing document control and TMP status within WSP

The TMP documentation should include the necessary forms for formal document control after approval, in accordance with the WSP's established quality assurance procedures. The TMP Coordinator should be responsible for such matters.

Where an external consultant has been involved in preparing the TMP documentation, it is usual for ownership and copyright of the resulting documentation to reside with the client. Nevertheless, it is recommended that any WSP engaging a consultant to prepare a TMP should clearly stipulate this requirement in the terms of reference for the project.

As the final prelude to implementation, the status of the TMP should be reinforced and consolidated by executive and senior management. This would normally be done as an adjunct to formally establishing the implementation program and assigning associated management roles and responsibilities, in accordance with the provisions of the TMP itself.

6 IMPLEMENTING THE TMP

The development process outlined in Section 5 should establish the status of the TMP as the primary strategic planning tool for driving the WSP's continuing processes of improvement.

At least one senior manager should assume the role of TMP advocate or champion, in order to establish and maintain the status of the TMP. This will become increasingly important, because a current approved TMP will largely meet one of the principal requirements of Queensland's new water industry legislation.

Implementation of the TMP essentially involves:

- implementation of action plans;
- integration of TMP implementation into the wider planning context; and
- periodic review and updating of all elements of the TMP.

Review and updating of the TMP are dealt with separately in Section 7, 'Maintaining the TMP'.

6.1 Action plan implementation

Coordination

An overall action plan timetable should be drawn up, consistent with the priorities determined in Phase 4 of the TMP development process (see Section 5.6). The TMP coordinator, in consultation with relevant managers, should do this.

Management responsibility

Management responsibility for implementing action plans should reside with staff nominated in the action plans.

Progress review

A key management activity in the implementation phase will be to monitor and periodically report on progress with action plans. The progress reviews and subsequent reporting should be conducted at 6–12 month intervals, or as necessary.

The review process should be overseen by the nominated implementation manager, but could be coordinated and managed by the TMP coordinator or by an external facilitator.

To maximise the benefits of the progress review process, the action plan progress report should cover, for each action plan:

- the actual progress against planned progress;
- recent/emerging developments relevant to action plan issues;
- proposed revisions; and
- recommendations.

6.2 Integration into wider planning context

A TMP cannot fully achieve its purpose if it is implemented solely within the confines of the WSP's organisation.

It is important for senior management responsible for overall TMP implementation to recognise any external factors that are likely to impinge significantly on the effectiveness of the TMP, and any ways in which the effectiveness of the plan can be demonstrated in a wider context. Some of these are discussed below.

Linkage to corporate and operational plans

Implementation of action plans needs adequate resources, including an appropriate budget. The action plan implementation program should therefore be coordinated with the WSP organisation's corporate and operational budget planning cycle.

It may be advantageous to produce separate compilations of action plans for allocation to the respective responsible officers, who become accountable for budgetary provision as well as implementation.

Linkages to EPP (Water) requirements

Part 7 of the EPP (Water) (Environmental Protection (Water) Policy 1997) sets out general obligations of local governments with regard to the preparation of environmental plans.

Sections 40 to 45 of the EPP (Water) set out specific requirements for environmental plans covering the following activities.

For local governments these activities are:

- sewage management (s. 40);
- trade waste management (s. 41); and
- water conservation (s. 43).

(An environmental plan for urban stormwater management under Section 42 of the EPP (Water) is required of local governments, but this is outside the scope of these Guidelines).

It would be appropriate to include environmental plans required to meet the requirements of Sections 40, 41 and 43 of the EPP (Water) in the TMP. Further guidance in this regard is contained in the Environmental Sustainability Implementation Guide.

Consistency of WSP planning processes with the TMP

Management must ensure that the WSP's financial, infrastructure and human resources plans provide for, and are consistent with, the planned strategies, targets and budgetary requirements of the TMP.

Monitoring of implementation performance

The effectiveness with which the TMP is being implemented should be regularly monitored, for example on a quarterly basis. There should be annual reports in terms of:

- performance targets for each strategy of each sub-plan;
- adopted KPIs not incorporated in performance targets; and
- target dates for completing action plans.

The information gained through this process will enable the WSP to demonstrate how and where improvements are being achieved, and how it is complying with the State Government's total management planning requirements when required. The TMP coordinator will normally perform this task.

Participation in benchmarking surveys

WSPs should consider actively participating in performance benchmarking surveys conducted by NR&M, DLGP and WSAA. This will provide a way of developing a realistic and informed comparison of the WSP's performance with that of similar WSPs in Queensland and nationally.

Again the TMP coordinator could be made responsible for any such benchmarking activities.

7 MAINTAINING THE TMP

In addition to regular progress review and updating of action plans as discussed in Section 6, the whole basis of the TMP needs to be periodically reviewed and updated in line with inevitable changes in the external and internal environments.

The relevance or relative importance of various aspects of the TMP may be affected, for example, by changes in:

- WSP policy;
- external environment;
- legislation;
- industry reform;
- industry trends;
- administrative requirements;
- community perceptions;
- demographic changes;
- market shifts;
- regional initiatives;
- risk climate;
- internal operating environment;
- infrastructure deterioration;
- resource availability;
- service level agreements;
- competing priorities; and
- risk climate.

Any or all of such changes could necessitate revision of strategies, performance targets and/or action plans, and updating of relevant sub-plan and business management plan content.

Recommended intervals for reviewing/updating are:

- | | |
|--|-------------|
| • action plans (combined with progress review) | 6–12 months |
| • sub-plans | 1–3 years |
| • associated policies | 1–5 years |
| • business management plan | 1–3 years |

Where a TMP is used to satisfy the SAMP/CSS requirements of the *Water Act 2000*, the recommended intervals for reviewing/updating will be those required under the Act or set by the regulator.

The suggested internal process for conducting a periodic TMP review/update is as follows:

- Senior and operational managers note significant operational environment changes or emerging issues as they arise, and refer to TMP coordinator for collation.
- TMP coordinator initiates convening of review group and prepares agenda based on documented developments.
- Review group decides on changes to action plans and TMP documentation in light of developments.
- TMP coordinator arranges updates and distributes revised documentation.

8 USE OF A TMP FOR A SAMP AND CSS

Under the *Water Act 2000*, a WSP, unless exempted, must have an approved SAMP and a CSS. The SAMP is the primary mechanism for documenting the actions needed to ensure the continuity of supply of services to customers. A CSS is the mechanism used to inform customers about the service they are receiving.

SAMP and CSS requirements are inter-related. A CSS essentially “communicates” to customers the level of service standards that have been identified in the SAMP and which the SAMP strategy is designed to deliver. A CSS must also outline how customers interact with the WSP; i.e. processes for billing, metering, complaints, consultation, etc. Any changes to a SAMP (e.g. to the standard of service sought to be achieved) should be reflected in the CSS while any changes to a CSS should result in a change in the SAMP.

The inter-relationship between a SAMP and a CSS is taken into account in the regulator’s consideration of small service provider exemption applications. Small service providers may apply for an exemption from all or part of the SAMP requirements. An exemption granted for a level of service standards component of a SAMP would also apply to the corresponding level of service standard component of the CSS.

Local government WSPs, will have documented all or part of the information required for inclusion in a SAMP or CSS within a properly prepared TMP. Where this is the case, the WSP may submit the TMP to the regulator as a “SAMP and CSS” without extracting or “re-packaging” the information into a new document. This will only be permitted if:

- the TMP addresses all SAMP and CSS issues required under the Act and the regulator’s guidelines; and
- the TMP clearly identifies the information which is intended to address SAMP and CSS requirements; and
- the relevant information in the TMP is certified by the registered professional engineer as required under the Act; and
- accompanying documentation clearly indicates that the TMP is to serve two purposes.

The approval processes for a TMP and a SAMP are quite separate. Submission of a TMP in order to obtain subsidy is a voluntary undertaking. Submission of a SAMP is a legislative requirement involving a regulatory approval. Failure to submit a SAMP when required will attract a penalty.

APPENDIX A: The relationship between the TMP and other corporate plans

EXAMPLE 1: SMALL WSP

Example 1 is a typical small uncommercialised WSP, such as a small shire, Aboriginal community council or rural water board. The way it functions is illustrated in Figure A1.

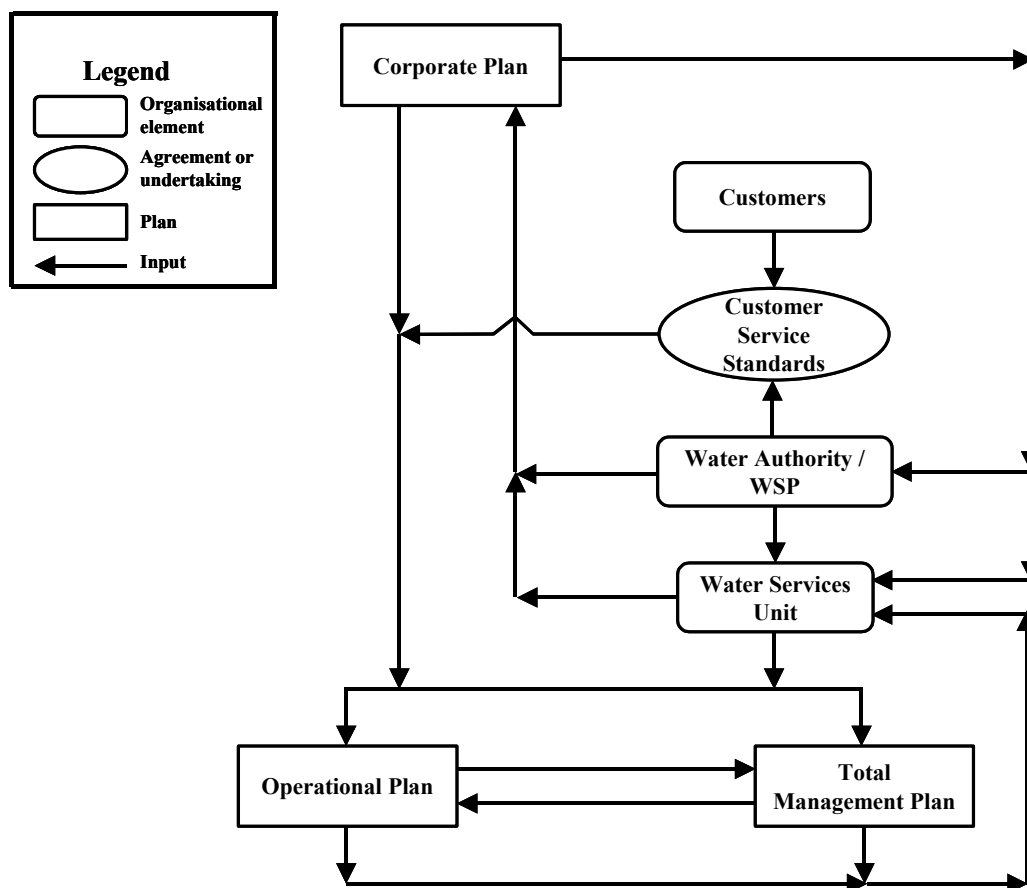


FIGURE A1: The operation of a small WSP

EXPLANATORY NOTES ON FIGURE A1

Customers:

Includes residential, commercial, industrial and rural customers.

Customer service standard:

Under the Water Act 2000, a WSP must have a customer service standard if the WSP does not have a supply contract with all of its customers. The customer service standard must state the following—

- the level of service to be provided by the service provider;
- the process for service connections, billing, metering, accounting, customer consultation, complaints and dispute resolution;
- any other matter stated in guidelines, if any, issued by the regulator for preparing customer service standards.

Water authority/WSP:

In this example, the body responsible for providing water services. In Queensland this would include all small WSPs other than those mentioned in Example 2.

Water services unit:

The operational unit of the water services authority responsible for the day-to-day delivery of water services.

Operational plan – Corporate plan:

Statutory plans required of business entities constituted under the *Local Government Act 1993*, the *Water Act 2000* or other Acts, but may be a non-statutory plan of similar intent in the case of other categories of WSP.

EXAMPLE 2: LARGE WSP

Example 2 is a typical large commercialised or corporatised WSP, such as a large local government water services department or a State Government irrigation scheme operator. The way it functions is illustrated in Figure A2.

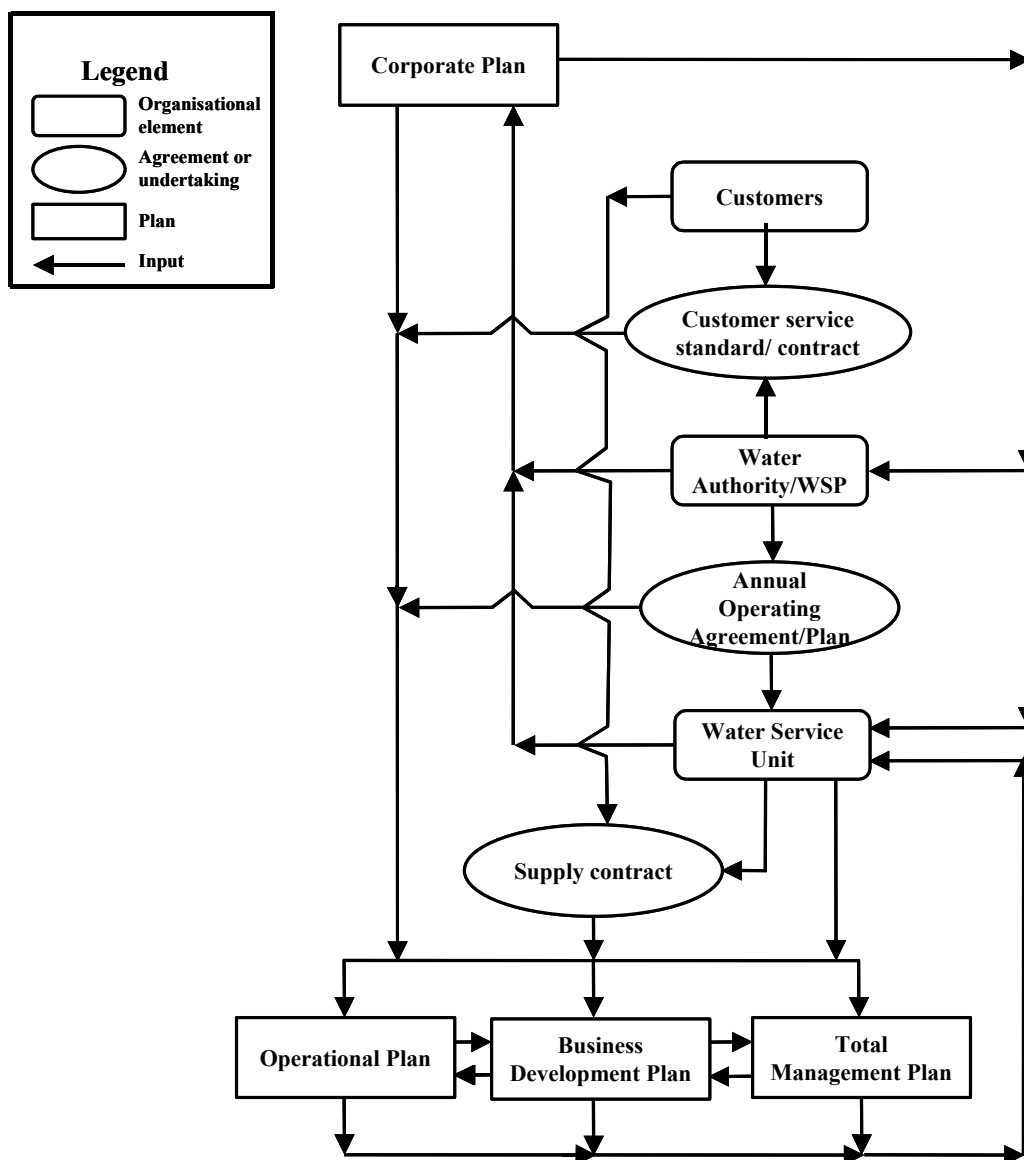


FIGURE A2: Operation of a typical large WSP

EXPLANATORY NOTES ON FIGURE A2

Customers:

Include residential, commercial, industrial and rural customers.

Customer service standard:

Under the Water Act 2000, a WSP must have a customer service standard if the WSP does not have a supply contract with all of its customers. The customer service standard must state the following—

- (a) the level of service to be provided by the service provider;
- (b) the process for service connections, billing, metering, accounting, customer consultation, complaints and dispute resolution;
- (c) any other matter stated in guidelines, if any, issued by the regulator for preparing customer service standards.

Customer contract:

A formal contract between the water authority and the customer outlining the minimum standards of service to be provided, and rights and obligations of the WSP and its customers.

Water authority/WSP:

An entity constituted under the Water Act 2000 or another Act and providing water services.

In Queensland, the WSPs to which Example 2 broadly applies are:

- the 17 or so local governments with Type 1 or Type 2 significant business activities, as defined in the Local Government Act 1993;
- SunWater; and
- some urban water boards.

Water services unit:

The operational unit of the water services authority responsible for the day-to-day delivery of water services.

Supply contracts:

Separate negotiated contracts/agreements between the WSP and particular customers for supply of services or to meet a particular standard, e.g. trade waste agreements, bulk water supply agreements.

Operational plan – Corporate plan:

Statutory plans required of business entities constituted under the *Local Government Act 1993*, the *Water Act 2000* or other Acts.

Business development plan:

A plan outlining strategies for enhancing the commercial viability of the WSP's organisation - usually a 'commercial-in-confidence' document not generally available within the wider organisation.

In addition there may be a number of other elements that could impinge on the WSP's TMP, depending on circumstances, and on the way the organisational management structures and processes have evolved. For example:

- establishment agreement, setting up the relationship between a WSP and a water authority; and
- corporate services agreements, covering the supply of services (e.g. financial, human resources, purchasing services, etc.) by the authority to the WSP.

APPENDIX B: Sample scope of business management plan


Statement to establish status of TMP from the Mayor, Board Chairman or CEO	
Section	Content
Foreword	
Introduction	<ul style="list-style-type: none"> ▪ Purpose of the TMP. ▪ Structure of the TMP. ▪ Relationship to corporate and operational plans. ▪ What the TMP will deliver.
Our mission and vision	<ul style="list-style-type: none"> ▪ Mission statement. ▪ Vision statement. ▪ Linkages with WSP/water authority's strategic direction ▪ This section demonstrates the relationship between mission, vision, objectives and strategies in a water authority's corporate plan and the WSP's strategic parameters.
Our customers	<ul style="list-style-type: none"> ▪ Customer groups. ▪ Major customers.
Our business	<ul style="list-style-type: none"> ▪ The services we provide. ▪ Our service standards. ▪ Our revenue and expenses. ▪ Our revenue (by customer type). ▪ Our costs (by type).
Expectations of key stakeholders	<ul style="list-style-type: none"> ▪ Water authority (or owner/shareholders). ▪ Customers. ▪ State Government/local government. ▪ WSP staff.
The schemes we manage	<ul style="list-style-type: none"> ▪ Basic description including consumption, flows, loadings, capacity, age, condition and performance. ▪ Schematic layouts. ▪ Development strategies — future plans for expanding the infrastructure and/or areas serviced.
The assets we manage	<ul style="list-style-type: none"> ▪ Summary statistics on assets (mains, reservoirs, dams, channels, etc.), including quantity/length, current cost, annual depreciation, current value and average age. ▪ Replacement cost profile (50-year).
Issues facing the business	<ul style="list-style-type: none"> ▪ A summary of the major issues potentially impacting on service delivery that need to be addressed.

Section	Content
Our key management strategies	<ul style="list-style-type: none"> ▪ Summary strategic framework in tabular format which includes: ▪ key result area and goal ▪ sub-plan and objectives ▪ management strategies ▪ performance targets. ▪ Overview of key management strategies — brief explanation of strategies under each key result area. ▪ Action plans for implementing management strategies will be included in the relevant sub-plan. ▪ Proposed priorities for implementing sub-plans.
Our service delivery strategy	<ul style="list-style-type: none"> ▪ Information on staff (including organisational hierarchy) and resources (depots, plant, equipment and in-house capabilities). ▪ An outline of how services will be delivered (in-house, outsourcing).
Implementation of total management plan	<ul style="list-style-type: none"> ▪ Management responsibility. ▪ Plan review (internal) and update process. ▪ Evaluation and reporting process.
Appendices	<ul style="list-style-type: none"> ▪ Documentation structure. ▪ Scheme statistics (tabulations of schemes, asset capacities, quantities, demands/flows, asset values). ▪ Service targets. ▪ Financial statistics and projections (graphical). ▪ Comparative performance indicators. ▪ Basis for prioritising sub-plan implementation (refer Appendix D).

APPENDIX C: Sub-plans required for each WSP category

KEY RESULT AREA	SUB-PLAN	Rural Water Supply Board	Urban Water Supply Board	Irrigation Areas	Local government			Joint Local Government	Aboriginal Community Council	Torres Strait Islander Community Council
					> \$ 200m CC ¹	\$ 10 – 200m CC	< \$ 10m CC			
Service Standards	Service Standards Plan									
Financial Management	Financial Management Plan									
Asset Management	Water Demand Management Plan									
	Water Loss Management Plan									
	Infrastructure Plan									
	Asset Procurement Plan									
	Asset Evaluation and Renewal Plan									
	Operations Management Plan									
	Maintenance Management Plan									
	Sewer I/I Management Plan						3		3	3
	Water Source Management Plan ²									
	Energy Management Plan									
	Drinking Water Quality Management Plan									

KEY RESULT AREA	SUB-PLAN	Rural Water Supply Board	Urban Water Supply Board	Irrigation Areas	Local government			Joint Local Government	Aboriginal Community Council	Torres Strait Islander Community Council
					> \$ 200m CC ¹	\$ 10 – 200m CC	< \$ 10m CC			
Environmental Sustainability	Environmental Management Plan									
	Effluent Management Plan						3		3	3
	Sludge Management Plan									
	Trade Waste Management Plan						4		4	4
Risk Management	Risk Management Plan									
Performance Management	Performance Management Plan									
	Information Management Plan									
Organisation Management and Development	Human Resources Management Plan									

 Indicates sub-plans to be produced.

Notes

- 1: Current cost of assets controlled.
- 2: Except where all water purchased from another WSP
- 3: Required where sewerage services provided.
- 4: Required where sewerage services provided and significant trade wastes are accepted.

Appendix D: Prioritisation of sub-plans

Section 5.6 proposes that a relative priority for implementing each sub-plan should be determined, because resource constraints will usually make it impossible to implement them all concurrently. This appendix provides an approach to the prioritisation process.

The priority levels of sub-plans can be determined semi-quantitatively by:

- listing all required sub-plans;
- listing the strategic issues that each sub-plan addresses, for which management strategies have been formulated;
- assigning an individual score to each strategic issue and an average scores to each sub-plan for the:
 - benefits of addressing the issues; and
 - risks to the WSP of not doing so (see Table D1);
- prioritising sub-plans according to their average combined scores, as follows:

Score grouping	Assigned priority
Top 1/3	A
Mid 1/3	B
Low 1/3	C

Tables D2 and D3 give an example of prioritisation for a WSP that requires eight sub-plans.

The risk management program discussed in Section 5.4 and in the Risk Management Implementation Guide should provide a logical and consistent basis for prioritising sub-plans.

The priorities established, and the basis for prioritisation, should be discussed in the Business Management Plan.

TABLE D1: Benefit/risk scoring table

Benefits to WSP of addressing the issues	Score		Risks to WSP of not addressing the issues
Short-term (0–3 years) benefits which are sustainable in the long term	9		Significant legal, socio-political, customer service, environmental or financial risks in short term (0–3 years)
	8		
	7		
Medium-term (3–10 years) benefits which are sustainable in the long term	6		Significant legal, socio-political, customer service, environmental or financial risks in medium term (3–10 years)
	5		
	4		
Long-term (>10 years) benefits	3		Significant legal, socio-political, customer service, environmental or financial risks in long term (>10 years)
	2		
	1		
Zero or negligible benefits	0		Zero or negligible risks

TABLE D2: Example, scoring of sub-plans

Sub-plan	Strategic issue	Issue scores			Sub-plan av. score
		Benefit	Risk	Total	
Financial Management	Compliance with Council of Australian Governments water pricing reforms	8	5	13	12.3
	Funding infrastructure to service new development	6	3	9	
	Long-term financial sustainability of WSP	7	8	15	
Asset Evaluation and Renewal	Impact of asset deterioration on service levels and costs	3	3	6	8.0
	Timing of future asset replacement costs	8	2	10	
Sewer I/I Management	High incidence of sewer overflows	6	5	11	10.0
	Extraneous inflow sources	3	3	6	
	Sewer/manhole structural defects	5	4	9	
	Reliability of overflow statistics	6	8	14	
Water Demand Management	Increasing unit consumption rates	5	3	8	5.7
	Scale of WSP's own consumption	3	1	4	
	Poorly informed domestic consumers	3	2	5	
Water Source Management	Pace of catchment land-use change	4	2	6	8.5
	Risk of dam structural failure	3	8	11	
Effluent Management	Identifying effluent reuse opportunities	3	2	5	8.0
	Compliance with tighter effluent standards	5	8	13	
	Reliability of reuse statistics	3	3	6	
Sludge Management	Identifying sludge reuse opportunities	3	1	4	8.0
	Constraints on sludge reuse and disposal practices	5	7	12	
Risk Management	WSP vulnerability to unidentified risks	4	6	10	11.0
	Adequacy of emergency response preparedness	3	9	12	

TABLE D3: Example, priority ranking

Ranked scores	Sub-plan	Score grouping	Sub-plan priority
12.3	Financial Management	Top 1/3	A
11.0	Risk Management		A
10.0	Sewer I/I Management		A
8.5	Water Source Management	Mid 1/3	B
8.0	Asset Evaluation and Renewal		B
8.0	Effluent Management		B
8.0	Sludge Management	Low 1/3	C
5.7	Water Demand Management		C