



Australian Government

**North Queensland
Water Infrastructure Authority**



NQWIA
CORPORATE PLAN
2022–23

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North Queensland Water Infrastructure Authority
Corporate Plan 2022–23

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Front cover image:
Burdekin River overhead – Courtesy of SMEC



Introduction

I am pleased to present the 2022–23 corporate plan for the North Queensland Water Infrastructure Authority (the Authority).

The Authority's role is to provide rigorous, independent, and balanced advice to the Minister responsible for the Authority, commission examination into prospective water projects, and appropriately manage water infrastructure projects as directed by the Minister.

Since its establishment in March 2019, the Authority has successfully oversighted:

- the completion of the Hughenden Irrigation Scheme feasibility study, and Detailed Business Case
- the completion of the Big Rocks Weir Business Case
- commencement of Big Rocks Weir pre-construction activities and
- the completion of the Hells Gates Dam Pumped Hydro Scheme feasibility study and delivery and consideration of the Hells Gates Dam Scheme business case.

In achieving the above, the Authority has also:

- completed important project de-risking work, to enable more detailed advice to Government
- engaged closely with local and regional expertise regarding potential water infrastructure projects in northern Queensland
- worked with relevant state and Federal government and non-government stakeholders with portfolio or financial interests in water infrastructure in Northern Queensland and
- provided advice to relevant Ministers and the Australian Government.

The 2022–23 North Queensland Water Infrastructure Authority Corporate Plan has been prepared to meet the requirements of paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

This Plan covers the four years from 2022–23 to 2025–26. Future updates to the Plan may be made from time to time in line with decisions of government.

A handwritten signature in black ink that reads 'J. Pruss'.

Jim Pruss
Chief Executive Officer

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Purpose

The North Queensland Water Infrastructure Authority (the Authority) was established on 12 March 2019 to provide strategic planning and coordination of Commonwealth resources to implement water projects in North Queensland.

Who we are

The Authority is an Executive Agency under Section 65 of the *Public Service Act 1999*, with the following responsibilities:

1. to provide strategic planning and coordination of Commonwealth resources to implement the Hughenden Irrigation Scheme project and the Hells Gates Dam Scheme (including Big Rocks Weir) project
2. to coordinate information sharing among relevant regulatory authorities necessary to implement the Hughenden Irrigation Scheme project and the Hells Gates Dam Scheme (including Big Rocks Weir) project
3. to provide advice to the Minister on the progress of the Hughenden Irrigation Scheme and the Hells Gates Dam Scheme (including Big Rocks Weir) project and
4. to undertake other relevant tasks as the Minister may require from time to time.

Authority staff are based in Bowen, Canberra and Townsville, with staff currently co-located with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

From 1 July 2022, the Authority is formally part of the Climate Change, Energy, the Environment and Water portfolio. The Authority's responsible minister is the Minister for the Environment and Water. Consistent with previous arrangements, the Authority will seek to obtain required services through a dedicated memorandum of understanding with the Department of Climate Change, Energy, the Environment and Water (the Department).

What we do

For the period covered by this Corporate Plan, the Authority's role is to progress the development of key water resource infrastructure projects in North Queensland, through strategic planning, project management, and coordination of information sharing among relevant regulatory authorities and stakeholders.

In doing so, the Authority is tasked with overseeing the delivery of new water capture, storage and supply infrastructure to support irrigated agriculture growth, enhance community drought resilience, and to grow regional economies through creating new job opportunities in North Queensland.

Key activities

The Authority's key activities within the reporting period are to:

- progress the Hells Gates Dam project to pre-construction/construction phase, pending acceptance of the Detailed Business Case and any decision from the Australian Government to proceed
- oversee pre-construction activities of the Big Rocks Weir project, and any subsequent construction, pending any decision from the Australian Government to proceed
- progress the Hughenden Irrigation Scheme project to pre-construction/ construction phase, following the acceptance of the Detailed Business Case and pending any decision from the Australian Government to proceed
- undertake/commission relevant activities in support of projects concerning water infrastructure development in north Queensland, including strategic water resource planning of the Burdekin Basin
- Progress priority business cases for projects in the Bowen region (pending Australian Government decisions)
- co-ordinate with the Queensland Government to agree/progress relevant schedules, milestone approvals and payments.

Operating context/environment

Within its defined remit, the Authority aims to help shape and enable national water infrastructure policy, through the progression of strategically important water infrastructure projects, and coordinating with other Commonwealth agencies to identify water infrastructure-based opportunities to:

1.

increase water security

2.

build community resilience to droughts and floods

3.

support the growth of Australia's primary industries

4.

support regional development and

5.

build resilience to a changing climate.

Proposed Big Rocks Weir site – Courtesy of GHD



The Authority's work program is influenced by a range of drivers, the most significant of which are outlined below.

Northern Australia

Successive Australian Governments have highlighted the opportunity for northern Australia's land and water resources to enable irrigation and agricultural production to foster economic opportunities under development in the North. Northern Australia continues to be a focus for the Commonwealth and relevant State and Territory governments, through pursuing infrastructure and other economic investments to attract greater private sector investment, address environmental challenges and improve social outcomes for the North. Water for irrigated agriculture is a key part of this strategy and will remain a focus over the entire reporting period.

Environmental pressures and climate change

The 2021 *State of the Environment* report highlights a number of serious challenges around the quality and quantity of Australia's water resources. The report notes that "competition for water between users is in many ways a foretaste of what may be experienced regularly under projected climate changes. The projections for Australia reported in the 2020 State of the Climate Report...are for more heat extremes; more time in drought; more intense, short-duration storms; continued decrease in cool-season rainfall; and a longer fire season".¹ The authors explain that "the likely effect of these impacts will be less water available for agriculture, urban water supplies and ecosystems in coming decades".² While water resources in North Queensland have benefited recently from a good wet season, the north will also be likely affected by the changing climate over the coming decades.

Concerns about water security, biodiversity loss, climate change and other environmental challenges are helping to shape the design and delivery of the Authority's projects. North Queensland has experienced increased instances of extreme weather events in recent years, including prolonged drought and significant flooding. Delivery of high-quality water infrastructure will improve water security and community disaster resilience by increasing the amount of water available and reducing flooding impacts in the areas of proposed projects.

In managing projects within its remit, and providing advice to Government about progressing water infrastructure projects, the Authority recognises the strong need to deliver enhanced sustainability, efficiency and productivity in the management and use of water resources. In this the Authority must also demonstrate a deep understanding of environmental issues faced by the people of northern Queensland.

1 Green J & Moggridge B (2021). *Australia state of the environment 2021: inland water*, independent report to the Australian Government Minister for the Environment, Commonwealth of Australia, Canberra. Page 10

2 As above

Engaging traditional owners and empowering First Australians

The 2021 *State of the Environment* report highlights the importance of recognising that water is an integral part of Indigenous peoples' connection with the land – comprising cultural and spiritual values as well as being the lifeblood of the land.³ The report recognises the value of incorporating Indigenous people's water interests in new water plans, through explicitly stated cultural outcomes and recognising the importance of water resources to Indigenous people, including their strong spiritual connection to water.⁴

The Authority recognises and celebrates the unique and continuing cultures of First Australians and acknowledges the path to reconciliation involves engaging closely with traditional owners wherever its activities may impact on Country. The Authority, as well as state and local governments and project proponents, are continuing to consider the impacts of water infrastructure projects on cultural heritage, as well as look for ways to empower First Australians by celebrating their culture and identifying opportunities for projects to enhance economic and social outcomes for traditional owners.

National Water Initiative

Water is critical to the wellbeing of Australian communities, the economy and the environment. But our highly variable rainfall patterns, coupled with frequent droughts and floods, make it a challenging resource to manage. Since the mid-1990s, governments have implemented a program of national water reform. The current agreement — the National Water Initiative (NWI) — was signed in 2004.

Successive periodic reviews of the implementation of the NWI and the recent change of government following the May 2022 election means there is likely to be an impetus for a refresh of national water reforms in the current reporting period – including the potential for new institutional arrangements.

3 Green J & Moggridge B (2021). *Australia state of the environment 2021: inland water*, independent report to the Australian Government Minister for the Environment, Commonwealth of Australia, Canberra. Page 47

4 As above, page 63

The 2021 *State of the Environment* report notes that “the recent drought has exposed weaknesses in achieving agreed environmental outcomes in some systems, and the assessment found that independent economic regulation needed to be extended to some utilities”.⁵ The report also addresses the fact that “improved engagement with Indigenous people and the inclusion of Indigenous values and uses in water planning are required”.⁶

In this context, the Authority will ensure its advice takes the NWI framework into consideration – particularly in ensuring environmental and cultural water outcomes of its projects are consistent with the NWI – and will work closely with relevant areas in the development of any new water reform frameworks or institutional architecture for managing Australia’s water resources.

Agricultural competitiveness

Sustainable irrigation profitability is key to growing Australia’s agricultural sector. It is imperative that Australia has profitable farms and farmers that are viable, secure and sustainable. If farmers cannot sustain a livelihood, then investment in irrigation (public or private) will not deliver ongoing and sustainable economic benefits and positive outcomes.

However, there are threats and challenges to the irrigated water sector. The 2021 *State of the Environment* report explains that “the increased competition for water resources will make it essential to develop and implement water management plans that recognise and equitably share the available water between consumptive users, the environment and cultural practice”.⁷

The Authority recognises that farmers and producers are environmental stewards as well as risk managers, and acknowledge their key role in balancing risk management, enhancing system resilience, and the ongoing need to support their families and communities. In general, land managers/owners are the decision makers concerning the ultimate use of any irrigation water, and they will carry much of the risk. In providing advice to Government, the Authority will continue to be highly cognisant of the pivotal custodianship role of farm owners and managers.

5 Green J & Moggridge B (2021). *Australia state of the environment 2021: inland water*, independent report to the Australian Government Minister for the Environment, Commonwealth of Australia, Canberra. Page 89

6 As above, page 89

7 As above, page 11

COVID–19 and recovery

The COVID–19 pandemic continues to cause unprecedented social and economic global impacts that are expected to result in permanent changes to the way Australians work and live. While COVID–19 has not resulted in significant changes on Australian urban and irrigation water demand to date, the virus continues to impact up and down the related supply chains, and will continue to do so for at least for the current reporting period and possibly beyond.

For the Authority, the COVID–19 pandemic has impacted – and will continue to impact – on how staff engage with project proponents and local communities. The Authority is utilising ways of working – such as using technology solutions – to ensure a strong local presence and engagement. The Authority is endeavouring to undertake face-to-face stakeholder engagement wherever it is safe to do so and makes good business sense.

Global and national economy

The global and national economy poses major challenges for governments around the world. The ongoing impacts of the COVID–19 pandemic, higher than average inflation levels, rising interest rates, supply chain pressures, volatility in the energy market, skilled worker shortages, and war in Ukraine constitute factors that are likely to impact over the current reporting period. These challenges are making the choices governments face more difficult and may impact the willingness of governments to continue to invest in major infrastructure projects in the face of greater uncertainty and pressures around project timeframes and costs, and competing priorities for public funds.

Workforce pressures and increased competition for skilled workers

The current low unemployment rate and reduced skilled migration during the COVID–19 pandemic has resulted in high demand for skilled workers and competition among employers. The Authority faces challenges attracting and retaining talent and getting the right skills into the agency, and its projects may be impacted by workforce pressures in the infrastructure planning and construction sectors.



Geotech testing, proposed Hells Gate Dam site – Courtesy of SMEC

Performance

Outcomes

The Authority will progress the development of water resource projects in North Queensland, through strategic planning and coordination of information sharing among relevant regulatory authorities and stakeholders.

The Authority will work with stakeholders to deliver priority water resource projects and supporting investment in North Queensland including: Hells Gate Dam and Hughenden Irrigation schemes, the Big Rocks Weir, and other priority projects.

The Authority will deliver this by engaging with project proponents, state and local governments and regulatory agencies to ensure timely progression of projects, and collaboratively undertake relevant water infrastructure master planning and on-the-ground project delivery in North Queensland.

In 2022–23 the Authority will achieve this through:

- overseeing completion of the Big Rocks Weir project pre-construction phase
- substantially progressing decisions concerning further development of the Hells Gate Dam scheme
- substantially progressing decisions concerning further development of the Hughenden Irrigation scheme
- overseeing the substantial completion of business cases for projects in the Bowen region, (pending any Australian Government decision) and
- completion of other activities or projects as requested by the Minister.

Capability

Fully staffed, the Authority will consist of a Chief Executive Officer (CEO) and suitable technical and policy skilled staff based in Townsville, Canberra and other suitable locations in Queensland as required to support timely project implementation and strategic planning of water infrastructure and water resources. Staff are engaged on the basis of their technical skills and expertise in integrated water resource management, policy formulation, regional development and infrastructure, using merit-based processes.

The Authority has identified areas of capability required to support the delivery of organisational objectives – leadership, water infrastructure policy, governance, and stakeholder engagement.

For 2022–23 the Authority will strengthen senior leadership capability to ensure it effectively responds to and manages organisational change. The Authority will continue strengthening its Queensland staffing presence, including senior and middle manager capability through training, development, and robust recruitment arrangements.

Building on its role as an evidence based advisor and facilitator to successfully achieve satisfactory project progression, the Authority will work to recruit relevant skills wherever they are available (including from the private sector), provide training and development opportunities, and adopt fit for purpose tools and frameworks.

The Authority will continue to enhance its capability and capacity over the period of this corporate plan. It will do this by:

- investing in and strengthening critical professional capabilities of Authority employees to align its workforce with its operating environment
- uphold the Authority's culture and values through effective communication and engagement internally and across the Commonwealth
- continuing to focus on outcomes by delivering high quality advice on water infrastructure opportunities
- strengthening the Authority's partnerships by maintaining collaborative stakeholder engagement with the Queensland Government and project proponents
- maintaining an efficient governance and corporate structure and continuously improving and
- ensuring Authority employees actively engage in the successful delivery of its purpose and are supported by an inclusive and flexible workplace culture.

To minimise administrative overheads, and to ensure the organisation's continued focus on local project delivery, the Authority will seek to build upon successful arrangements through implementing a memorandum of understanding with the Department for the provision of corporate services.

Collaboration, consultation and cooperation

The Authority will work closely with the following entities to achieve its objectives.

Department of Climate Change, Energy, the Environment and Water

The Authority will collaborate closely with relevant line areas in the Department – including the National Water Grid Authority – to ensure alignment in water infrastructure policy, financial management of infrastructure projects, and relevant scientific research projects are joined up at the Commonwealth level.

Queensland Government

The Authority will continue to build relationships and cooperate with officials within the Queensland Government Department of Regional Development, Manufacturing and Water to ensure Commonwealth and State strategic planning for water resources and water infrastructure in North Queensland is working towards common goals.

Traditional owners

The Authority will continue to build meaningful relationships with traditional owners and their representatives to ensure impacts of projects on cultural heritage are mitigated and opportunities for economic and social inclusion are fully explored.

University sector

The Authority will work with the university sector as required to ensure the most up-to-date research and scientific expertise on water resources, environmental impacts and other relevant expertise is incorporated into advice to Government and in project planning.

Private sector

The Authority will engage with the private sector to obtain required technical expertise and services (especially around project engineering and de-risking), and coordinate with private sector infrastructure project proponents. The Authority will consult with private sector end-users of irrigated water to ensure project deliverables are fit for purpose.

Local government

The Authority will engage with relevant local governments as proponents of water infrastructure projects and as managers and end-users of irrigated water.

Risk oversight and management

As a non-corporate Commonwealth entity, the Authority manages risk in accordance with the Commonwealth Risk Management Policy, as required under section 16 of the PGPA Act.

The Authority's framework includes up to date systems, policies, guidelines and processes that govern how the organisation identifies, manages and communicates risk and is regularly reviewed to ensure it reflects the operating environment.

The Authority is committed to an active risk management program extending to all aspects of its operations. In accordance with the PGPA Act requirements, the Authority has:

1. an appropriate system of risk oversight and management for the entity and
2. an appropriate system of internal controls for the entity.

Oversight and reporting

The CEO is responsible for oversight of risk including reviewing the framework, and the risk review process, updating records and reporting through an appropriate Audit Committee. The Authority intends to enter into a memorandum of understanding with the Department for the provision of services.

Review of the Authority's key functions and strategic environment has identified three Enterprise Level Strategic Risks facing the authority, as follows:

1. Sound governance and resource management
2. Maintenance of sound relationships with stakeholders, with a focus on the Minister and key project proponents
3. Maintenance of a high level of reputational integrity.

The Authority Strategic Risk Register identifies a number of existing controls to reduce and mitigate these risks. This risk register is overseen by the Department's Audit & Risk Committee and is updated annually to ensure the presence of appropriate strategies to reduce the Authority's exposure to its Strategic Risks.

The Authority has an Operational Risk Register that is updated annually to ensure appropriate checks and balances are in place to mitigate against any operational risks and this is tested biennially.

The Authority also has a Fraud Control Plan that is updated biennially and a Fraud Risk Assessment Plan that outlines potential areas of risk and identifies mitigation strategies. The Fraud Risk Assessment Plan is reviewed annually.



Geological Assessment - Hells Gate Dam site – Courtesy of Townsville Enterprise Limited

Risk tolerance statements

The Authority has developed risk appetite and tolerance levels to assist the organisation in managing categories of risks. Risk appetite and tolerance statements assist in decision making and help determine the approach to controlling risks and prioritising resources.

As a designated Non-Corporate Commonwealth Entity, the Authority is subject to regular audit of its finances, undertaken by the Australian National Audit Office.

Governance

Financial and resources

The Authority is committed to managing public resources efficiently, effectively, economically and ethically. The Authority has a **very low** risk appetite related to financial management and a **very low** tolerance for systemic control failures or breakdowns and unexplained variances to administered finances.

People

Workforce

The Authority is committed to building a capable, professional and responsive workforce which enables the Authority to deliver on its priorities. The Authority has a **moderate** risk appetite for risks to the Authority's skills, knowledge and expertise and will continue to proactively invest in people.

The Authority has a **low** tolerance for ongoing staff underperformance.

Work Health and Safety

The Authority is committed to providing a safe workspace for all employees, visitors and contractors that is free, where reasonably practicable, from physical or psychological harm. The Authority will maintain a proactive focus on mitigating risks and promote best-practice risk management. The Authority **will not tolerate** unsafe workplaces or work practices and will take all reasonable steps to prevent these.

Performance/delivery

Policy development and advice

The Authority engages with risk in order to take innovative approaches to policy development. The Authority will take risks commensurate with the complexity and uncertainty of the problem, but will also develop policy and provide advice based on technical expertise, evidence, data and research. The Authority has a **high** risk appetite related to identifying, proposing and deploying innovative approaches or new research ideas that support the creation of relevant evidence and/or the achievement of its purposes, where it has appropriately scoped issues, consulted and adequately considered the associated risks and benefits.

Reputation

Ministers

The Authority is committed to upholding its reputation and providing professional, impartial and reliable policy and related technical advice to Ministers and their offices. The Authority has a **very low** tolerance for reputational damage resulting from the provision of inaccurate, partial or poorly timed advice.

Stakeholders

The Authority's relationships with stakeholders support its policy development and achievement of purposes and objectives. The Authority has a **moderate** risk appetite for reputational damage arising from policy differences where it has engaged openly and firmly in a professional manner. The Authority has a **low** tolerance for policy and regulatory approaches that are designed without meaningful stakeholder engagement.

Other government (local, state, territory, federal)

The Authority recognises that while acting for the Australian Government its views may differ with the interests of other government entities – including the states and territories. The Authority will engage with respect and courtesy, but robustly, while maintaining the integrity of relationships. The Authority has a **moderate** risk appetite for reputational damage arising from policy differences where it has engaged openly and firmly in a professional manner.

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Main Work Camp – Hells Gate Dam site – Courtesy of SMEC

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