



Australian Government

**North Queensland
Water Infrastructure Authority**

Corporate Plan 2019-20

Introduction

I am pleased to present the 2019-20 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 research into prospective water projects, and appropriately manage water infrastructure projects as directed by the Minister.

The 2019-20 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 2019-20 to 2022-23, and has been updated to reflect decisions by government regarding the Authority's role and scope. Future updates to the Plan may be made from time to time in line with decisions of government.

Richard McLoughlin

Chief Executive Officer



Australian Government

North Queensland Water Infrastructure Authority

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.

Environment

Australia faces major challenges in ensuring sustainable water supply in the face of an increasingly variable rainfall and runoff outlook under climate change, and growing demand for water for economic and social development purposes. In response, the Australian Government provides national leadership in water policy and legislation reform for all Australians, through legislation such as the *Water Act 2007* and policy reform agendas such as the 2004 National Water Initiative. The Australian Government aims to progress water reforms and encourage the implementation of best practice water resource management nationally.

The Authority's primary role is to advise the Australian Government on both specified and potential water infrastructure projects in northern Queensland supported under the \$1.3 billion National Water Infrastructure Development Fund (the Fund). The Fund implements the Australian Government's commitment to identify and build water infrastructure, including dams, weirs, pipelines, wastewater treatment and reuse schemes and managed aquifer recharge schemes to capture and store the water needed to secure the nation's water supplies, deliver strong economic benefits for Australia whilst also protecting our environment.

Under the Fund, the Australian Government co-invests with state and territory governments in the assessment, planning, design and construction of water infrastructure that will provide secure and affordable water to support the growth of primary industry sectors and enhance the prosperity of rural and regional economies and communities across Australia.

The Australian Government's current and future investments in northern Queensland under the Fund recognise the development opportunities for new water capture, storage and supply infrastructure, to support irrigated agriculture growth, enhance farm businesses, boost community drought resilience, and create new job opportunities.

This investment also recognises the heightened public interest in new water infrastructure due to:

- increased incidence of extreme weather events in many parts of Queensland, including prolonged drought and significant episodic flooding;
- the belief that new water infrastructure can drive regional economic growth;
- community understanding of the objectives and operation of the Australian Government's National Water Infrastructure Development Fund.



Australian Government

North Queensland Water Infrastructure Authority

The North Queensland Water Infrastructure Authority seeks to progress priority water infrastructure projects against a backdrop of a number of broader drivers.

The potential of Northern Australia – governments at all levels have acknowledged the need for positive policies and support structures to assist North Queensland and the north more broadly, to achieve its full economic potential. Through the White Paper on Developing Northern Australia released in 2015, the Australian Government recognised the potential for Northern Australia to support Australia’s long-term prosperity. The establishment of the North Queensland Water Infrastructure Authority supports the potential for water infrastructure development in north Queensland to contribute to these broader aspirations for northern Australia.

Northern Australia receives an average of more than two million GL of rainfall every year - more than 60 per cent of the national total, but it typically occurs during a four to five month wet season from November to March each year, with low and unreliable rainfall outside this period. The north’s evaporation rates are also high, with about 65 per cent of the rainfall evaporating or used by plants before it can recharge groundwater or flow through rivers. Being able to capture runoff during a short wet season window and store it for later use in the dry season generates particular challenges for consideration of efficient water infrastructure options.

Natural Environment - Public concerns about water security, biodiversity, climate change and air quality are helping to shape the design and delivery of 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.

Infrastructure Investment – The work of the North Queensland Water Infrastructure Authority complements the Australian Government’s significant investment in infrastructure, which aims to assist national, regional economic and social development.

Regional Australia – Rural and regional Australia generates around 30 per cent of Australia’s annual GDP. Rural and regional Australia is home to food, fibre and resources industries, with these making up 61 per cent of the goods Australia sells on the global market.

Indigenous Australia – The North Queensland Water Infrastructure Authority recognises that developing the north will need to be undertaken in full partnership with Indigenous Australians, with a focus on creating opportunities through education, job creation and economic development.

Australia’s population challenge - Despite recent rapid population growth in the biggest cities which has stretched the capacity of Australia’s public infrastructure, in many regional parts of Northern Queensland, populations are either not growing or are in decline.

National Water Infrastructure - The Australian Government is investing \$3.3 billion through the \$1.3 billion National Water Infrastructure Development Fund (Fund) and the \$2 billion National Water Infrastructure Loan Facility to help identify and build water infrastructure that will deliver secure and affordable water for rural and regional Australia.



Australian Government

North Queensland Water Infrastructure Authority

The Government has already committed more than \$990 million through the Fund to fund the construction of 21 water infrastructure with a total value of around \$1.98 billion.

In addition to funding to build new water infrastructure the Australian Government has committed more than \$119 million for 51 feasibility studies across the country to fast track the planning required to identify and build new water infrastructure including the Lakelands Irrigation Area, North and South Burnett, Hells Gates Dam (incl Big Rocks Weir), and Urannah Dam projects in Queensland.

The pursuit of outcomes for 2019-20 is being undertaken in the context of the development of the National Water Grid, a \$100 million investment to bring together world best science to identify opportunities to increase water supply and reliability through the sustainable development and integration of Australia's water resources and infrastructure to support the growth of regional Australia and meet the demands of a growing population.

The North Queensland Water Infrastructure Authority will continue to progress water those infrastructure projects designated in this Plan, and work with the National Water Grid Authority.

For the four year period covered by this Corporate Plan, the Authority's role is to progress the development of water resource infrastructure projects in North Queensland, through strategic planning, project management, and coordination of information sharing among relevant regulatory authorities and stakeholders. In general terms, north Queensland is defined for the Authority's purpose as the area of the state of Queensland north of the Tropic of Capricorn.

The North Queensland Water Infrastructure Authority (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.

Broadly, water infrastructure projects recommended by the Authority for investment should align with National Water Initiative principles (to which Queensland is a signatory) including:

- Principles for the recovery of capital expenditure to provide guidance to water service providers on asset valuation and cost recovery for urban and rural capital expenditure;
- Principles for urban water tariffs to provide guidance for price setting in situations where there are monopoly providers and the absence of competitive pressures;



Australian Government

North Queensland Water Infrastructure Authority

- Principles for water planning and management to provide guidance, for urban and rural water service providers, in identifying and allocating the costs of water planning and management activities between government and water users; and
- Principles for recycled water and stormwater reuse to provide broad policy guidance to stimulate efficient water use, in urban and rural settings, no matter what the water source.

The Authority seeks to play a key role in planning and coordinating the implementation of major water infrastructure feasibility studies, business cases and capital works projects across northern Queensland.

For the period covered by this Corporate Plan, the Authority will focus on implementation of projects under its responsibility to ensure stakeholder confidence remains strong, continuing to build its presence through the employment of locally based staff for the Authority's Townsville office and by utilising regional and local business expertise wherever possible.

The projects assigned to the Authority reflect the past efforts of many stakeholders in identifying viable and/or prospective water infrastructure projects in the region and represent a new phase in moving from feasibility studies and investigations to implementation.

Performance

Outcomes

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 deliver this outcome by:

1. Engaging with project stakeholders and government stakeholders to support better coordination of water resources projects, and
2. Awareness raising of the new entity through dissemination of information to stakeholders, to inform future water resource projects.



Australian Government

North Queensland Water Infrastructure Authority

In 2019-20 the Authority will achieve this through:

1. Appointment of up to 4 Townsville-based staff, and other regionally-based personnel as required;
2. Appointment of ongoing Chief Executive Officer and Advisory Panel;
3. Oversighting the completion of Hughenden Irrigation Scheme analysis project, funded through the Community Development Grants Programme;
4. Working closely with Townsville Enterprise Ltd and the Queensland Government for delivery of the Hells Gates Dam Business Case including authorising payments against completed milestones;
5. Pending the outcome of the business case development work for the Big Rocks Weir sub-project (part of the Hells Gates Dam business Case), make recommendations to the Minister on potential funding of capital works to construct the weir in line with stakeholder expectations and all relevant approvals.
6. Develop and seek approval from the Minister on appropriate funding arrangements for the construction of Big Rocks Weir, including potential co-contribution arrangements from the Queensland Government; and
7. Completion of other activities or projects as requested by the Minister.

In 2020-21 the Authority will achieve this through:

1. Oversight progression of Hells Gates Dam Business Case and authorising payments against completed milestones;
2. At least 4 meetings of the Advisory Panel undertaken and associated documentation completed;
3. Monitor the construction of the Big Rocks Weir (if approved) including authorising milestone payments against completed milestones; and
4. Completion of other activities or projects as requested by the Minister.

In 2021-22 the Authority will achieve this through:

1. Authorising final payments against Hells Gates Dam Business Case, in line with practical project completion;
2. At least 4 meetings of the Advisory Panel undertaken and associated documentation completed
3. Monitor the construction of the Big Rocks Weir (if approved) including authorising milestone payments against completed milestones; and
4. Completion of other activities or projects as requested by the Minister.

In 2022-23 the Authority will achieve this through:

1. At least 4 meetings of the Advisory Panel undertaken and associated documentation completed; and



Australian Government

**North Queensland
Water Infrastructure Authority**

- 2. Completion of other activities or projects as requested by the Minister.

North Queensland Water Infrastructure Authority – Project progress targets.

	2019-20	2020-21	2021-22	2022-23
Hughenden Irrigation Scheme feasibility study	100%			
Hells Gates Dam Business Case	33%	66%	100%	

Capability

Fully staffed, the Authority will consist of a Chief Executive Officer (CEO) and up to nine staff based in Canberra, Townsville, and elsewhere in northern Queensland as necessary to support timely project implementation. Staff are engaged on the basis of their skills and expertise in project management, policy formulation, regional development and infrastructure, using merit-based processes. In addition, the Authority will be supported by a suitably qualified advisory panel to assist in the performance of its functions.

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

For 2019-20 the Authority will strengthen senior leadership capability to ensure it effectively responds to and manages organisational change. This includes building middle manager capability through training and development, and ensuring strong senior level leadership capability through robust recruitment arrangements.

Acknowledging the role as advisor and facilitator to successfully achieve satisfactory project progression, the Authority will aim to deepen organisational policy skills, particularly in relation to water infrastructure projects. To ensure appropriate policy capability, 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.

Critical to the success of the Authority in achieving its goals will be its ability to meaningfully engage with Commonwealth/State government agencies, and most importantly with local industry and community stakeholders.

The willingness and capability to successfully engage and collaborate at all levels will be a core capability requirement for all staff, with the Authority providing opportunity for Canberra-based staff in particular to work with locally based people and organisations.

Other capabilities to be focused on in 2019-20 include:

- Organisational Governance;
- Data, research and evidenced based decision making, and



Australian Government

North Queensland Water Infrastructure Authority

- Project Management.

As a small agency, the Authority will carefully utilise resources to ensure the delivery of high quality, independent advice that is effective and timely. The Authority will also promote effective communication across Authority and other government partners to support Authority's role in helping realise the Australian Government's water infrastructure agenda for northern Queensland. The Authority will also work to maintain strong collaborations with experts in the public, private and tertiary sectors to ensure considered, balanced and timely advice is provided to government.

Given the significant overlap of interests for regional economic development and building of economic and social resilience in north Queensland, the Authority will also aim to work closely with the North Queensland Livestock Recovery Authority. This includes, but is not limited to, collaboration on projects, staffing and operational priorities.

To ensure the organisation is able to devote the majority of resources toward project delivery, the Authority has established a service level agreement with the Department of Infrastructure, Regional Development and Cities for the provision of corporate services to the Authority.

Risk oversight and Management

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. Provision of services is via a Memorandum of Understanding between the Authority and the Department.

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; and
3. Maintenance of a high level of reputational integrity.

The Authority Strategic Risk Register will identify a number of existing controls required to reduce and mitigate these risks. This risk register is overseen by the Audit Committee and will be updated annually to ensure that the strategies reduce the Authority's exposure to the materialisation of its Strategic Risks.



Australian Government

North Queensland Water Infrastructure Authority

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 it will be tested biennially through an independent external review.

The Authority 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.

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.

Governance

Financial and resources

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

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 evidence, data and research. The Authority has a high risk appetite related to identifying, proposing and deploying innovative approaches or new ideas that support 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 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 moderate risk appetite for reputational damage arising from policy differences where it has engaged openly and firmly in a professional manner.

Other government (local, state, territory, federal)

The Authority recognises that acting for the Australian Government its views may differ with the interests for other government entities and the states and territories. The Authority will engage with



Australian Government

**North Queensland
Water Infrastructure Authority**

respect and courtesy, but robustly, while maintaining the integrity of relationships. The Authority has moderate risk appetite for reputational damage arising from policy differences where it has engaged openly and firmly in a professional manner.



Australian Government

**North Queensland
Water Infrastructure Authority**

Contact

The North Queensland Water Infrastructure Authority (NQWIA)

GPO Box 594, CANBERRA ACT 2601

www.nqwia.gov.au

Email

NQWIA@infrastructure.gov.au