

# South east Queensland water reforms

## Frequently asked questions

Over the past four years SEQ has experienced major water reform and modernisation. This reform has included the construction of major new assets as well as a streamlining of the previously complex water supply arrangements.

This fact sheet contains the frequently asked questions on the water reform process.

- What are the reforms?
- What is the SEQ Water Grid and why is it needed?
- What makes up the Grid?
- Who operates the SEQ Water Grid?
- What is the role of the Water Grid Manager?
- What are the benefits of the water reforms?
- Does the State Government hold ownership of all water assets following the reform?
- How are the arrangements ensuring water security for SEQ?
- How were the reforms implemented?
- As a water user who supplies and bills me for water?
- What were the employment implications of the reforms?
- How were unions consulted on the impact of the reforms?

### What are the reforms?

South east Queensland's (SEQ) water supply reform model was approved by the State Government after consideration of detailed recommendations provided by the Queensland Water Commission and submissions from key stakeholders.

The reforms included the development of a water market comprising:

- bulk source and treatment – ownership of water sources such as dams, weirs and aquifers was combined into a single bulk supply authority, SEQWater, owned by the State since July 2008. The entity sells its water services to the Water Grid Manager.
- manufactured water – the SEQ (Gold Coast) Desalination Plant and the Western Corridor Recycled Water Project are located within a second State-owned bulk entity, WaterSecure, which is focused on manufactured water.

- bulk transport – ownership of all major water transport infrastructure was merged into a single bulk transport authority owned by the State. Trading as Linkwater, the authority sells its services to the Water Grid Manager.
- Water Grid management – a Water Grid Manager was established by the State to manage the flow of water around the SEQ Water Grid from July 2008. The Water Grid Manager buys the services of the other authorities and sells the treated water to distributor-retailers and power stations.
- distribution/retail – three council-owned distribution/retail entities own water and sewerage distribution infrastructure including reticulation pipes, reservoirs, pumps and sewage treatment plants. They sell and deliver water to customers; collect, treat and dispose of sewerage; and purchase treated water from the Water Grid Manager. These entities were established on 1 July 2010.

The State entities are statutory authorities governed by their own boards. The three SEQ distributor-retailers are independently operated businesses, each governed by its own board and owned by their participating local governments:

- Unitywater (northern SEQ) distributor-retailer authority—Sunshine Coast Regional Council and Moreton Bay Regional Council
- Queensland Urban Utilities (central SEQ) distributor-retailer authority—Brisbane City Council, Ipswich City Council, Scenic Rim Regional Council, Lockyer Valley Regional Council and Somerset Regional Council
- Allconnex Water (southern SEQ) distributor-retailer authority—Gold Coast City Council, Redland City Council and Logan City Council.

### What is the SEQ Water Grid and why is it needed?

The SEQ Water Grid is a series of interconnected pipelines that deliver water security to SEQ. By connecting the region's major water sources, water treatment plants and bulk water transport networks, the Water Grid enables the coordinated delivery of urban and industrial water supplies across the region.

The Grid ensures adequate water supplies are maintained throughout SEQ. It connects existing supplies with new water sources so that water can be moved where needed.

## What makes up the Grid?

The Grid comprises bulk water supplies—dams, the desalination plant and purified recycled water scheme—as well as the bulk transport pipelines. It connects to the distributor-retailer networks.

The State bulk water entities (SEQWater, WaterSecure and Linkwater) are Grid participants and the SEQ distributor-retailers are Grid customers, purchasing water to supply businesses and householders. CS Energy and Tarong Energy are also customers of the Grid, purchasing water to supply Swanbank, Tarong and Tarong North Power Stations.

## Who operates the SEQ Water Grid?

The Water Grid Manager operates the Grid and ensures distributor-retailer and power station water requirements are delivered. The Grid is operated under the Water Market Rules established by the Queensland Water Commission, after consultation with stakeholders, and endorsement by the State Government.

## What is the role of the Water Grid Manager?

The Water Grid Manager manages the operation of the SEQ Water Grid. It buys bulk supply and transport services, sells water and water services to Grid customers and oversees the physical operation of the Water Grid. The Water Grid Manager ensures that Water Grid participants comply with the system operating plan through a combination of monitoring and contractual arrangements.

## What are the benefits of the water reforms?

Benefits of the water reforms include:

- improved regional coordination and management of water supplies
- a clearer responsibility and accountability framework
- consistent levels of service and improved water supply security
- improved asset management regimes ensuring water infrastructure is upgraded in a timely and efficient way.

## Does the State Government hold ownership of all water assets following the reform?

No. The State Government owns the major water sources, trunk pipelines and water treatment plants. The distributor-retailers own the local distribution pipeline network and wastewater treatment plants. Where major sources and pipelines were taken over from the councils, fair compensation arrangements were implemented.

## How are the arrangements ensuring water security for SEQ?

The Water Grid is a Queensland Government initiative designed to ensure SEQ's water supply against climate change and population growth.

The Grid connects water supplies, drinking water treatment facilities and drinking water storages through a network of two-way pipelines. Treated water is moved across the region as needed, allowing for the coordinated use of all major water supply sources.

The Queensland Water Commission, in consultation with other State agencies and the SEQ community, will assess the need for, and timing of, new water supply options for the future.

## How were the reforms implemented?

The SEQ reforms were phased over three years, comprising two key stages:

Stage 1: The Water Grid Manager and the other State-owned entities began operation in July 2008 under the SEQ Water Market Rules. The Queensland Government announced the Market Rules and outlook for bulk water prices in May 2008.

Stage 2: Three local government-owned retail and distribution businesses were created and began operation in July 2010.

## As a water user, who supplies and bills me for water?

Since 1 July 2010, households and businesses in SEQ have been buying water from a council-owned distributor-retailer. The three distributor-retailers are:

- Queensland Urban Utilities—servicing Brisbane, Ipswich, Scenic Rim, Somerset and Lockyer Valley
- Allconnex Water—servicing Gold Coast, Logan and Redlands
- Unitywater—servicing Sunshine Coast and Moreton Bay.

Customers are billed by their distributor-retailer, rather than by their local council. Since 1 July 2010, the council-owned distributor-retailer entities have had responsibility for setting retail water and wastewater charges.

## What were the employment implications of the reforms?

The Government observed the following principles with regard to the SEQ urban water reform exercise:

- public ownership of water assets are maintained
- reforms have not, and are not, driven with labour savings as an aim
- staff and unions are engaged throughout the implementation process

- there are no forced redundancies of staff employed under awards or Enterprise Bargaining Agreements
- workers' entitlements and conditions are protected
- the terms and conditions of employment contracts are honoured

## How were unions consulted on the impact of the reforms?

For the bulk water reforms, a staff support group was established in mid-2007 with representatives from unions, relevant government agencies and SEQ councils. This group developed a framework to ensure the proper transition and fair treatment of employees during the reform process. Following extensive consultation with key stakeholders, the SEQ Urban Water Reform: Workforce Framework 2007 was approved in January 2008, based on the group's recommendations.

A consultative group was also established with unions, State Government and councils on the distribution and retail component of the reforms. The SEQ Distribution and Retail Water Reform Workforce Framework protects employment terms and conditions for employees affected by water reform changes.