

Implementation Plan for Enhancements to Victorian Water Register Systems (Stage 2)

NATIONAL PARTNERSHIP AGREEMENT
ON WATER FOR THE FUTURE

PRELIMINARIES

- A1 This implementation plan is created subject to the provisions of the *National Partnership Agreement on Water for the Future* and should be read in conjunction with that Agreement.
- A2 As part of the Water for the Future initiative, the Commonwealth has committed to be a financial partner in developing and implementing enhancements to the Victorian water registry systems to improve the performance of these systems against the National Water Market System (NWMS) outcomes as specified in the model endorsed by Premiers and Chief Ministers.
- A3 In this second stage of enhancing the Victorian water registry systems, the Commonwealth has agreed to provide a financial contribution of \$2,789,778 for a suite of enhancements to those systems to be delivered in 2011-12, with completion by June 2012.
- A4 This implementation plan is consistent with the objectives and funding criteria for the NWMS.

TERMS OF THIS IMPLEMENTATION PLAN

- A5 This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by [the Minister for Sustainability, Environment, Water, Population and Communities or the position of the Minister's authorised delegate], and the State of Victoria, represented by [the Minister for Water or the position of the Minister's authorised delegate].
- A6 This Implementation Plan will cease on completion of the project as specified in this Implementation Plan, including the acceptance of final performance reporting and processing of final payments against performance benchmarks specified in this Implementation Plan.
- A7 This Implementation Plan may be varied by written agreement between the Ministers or the authorised delegates.
- A8 Either Party may terminate this agreement by providing 30 days notice in writing. Where this Implementation Plan is terminated, the Commonwealth's liability to make payments to the State is limited to payments associated with performance benchmarks achieved by the State by the date of effect of termination of this Implementation Plan.
- A9 The Parties to this Implementation Plan do not intend any of the provisions to be legally enforceable. However, that does not lessen the Parties' commitment to this Implementation Plan.

PROJECT OBJECTIVE

A10 The objective is to further enhance the Victorian water registry systems in such a way as to improve the performance of these systems against the NWMS outcomes.

ROLES AND RESPONSIBILITIES

Role of the Commonwealth

A11 The Commonwealth Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) is responsible for reviewing the State's performance against the project milestones specified in this implementation plan.

Role of the State

A12 The State will have responsibility for:

- (a) fully funding the Project after accounting for financial contributions from the Commonwealth and any third party;
- (b) completing the project in a timely and professional manner in accordance with this implementation plan; and
- (c) meeting all conditions including providing reports, in accordance with this implementation plan

A13 The State agrees to allow, at all reasonable times, appropriate Commonwealth representatives access to all sites where Project works are being or have been undertaken.

A14 The State agrees to establish a Project Management Committee (the Committee) to monitor and oversee the implementation of the project. The Commonwealth, at its option, may be an observer.

A15 The State agrees to have in place and regularly maintain a project management plan, including, but not limited to, a procurement strategy, communication, risk and stakeholder plans.

A16 The State agrees that the Commonwealth will be consulted on the nature and content of major events, announcements, promotional material or publicity relating to the activity under this Implementation Plan, in which case the roles of both the Commonwealth and the State will be acknowledged and recognised appropriately.

MILESTONES AND FINANCIAL ARRANGEMENTS

A17 The maximum funding to be provided by the Commonwealth for the project is \$2,789,778 payable in accordance with milestones set out in table 1 below. GST is not payable on amounts paid by the Commonwealth under this Implementation Plan.

Table 1: Milestones and associated payments

Milestone Number	Milestone	Due Date	Amount (excl.GST) \$
1	Release 1 enhancements [as detailed in Attachment	July 2011	557,956

Milestone Number	Milestone	Due Date	Amount (excl.GST) \$
	A] fully operational, substantiated by submission of a progress report endorsed by the Committee detailing successful systems, integration and user testing to the satisfaction of the Commonwealth (as agreed in an operational and outcomes testing strategy) and providing a revised estimate of the actual cost.		
2	Release 3 enhancements [as detailed in Attachment A] fully operational, substantiated by submission of a progress report endorsed by the Committee detailing successful systems, integration and user testing to the satisfaction of the Commonwealth (as agreed in an operational and outcomes testing strategy) and providing a revised estimate of the actual cost. Acceptance of evidence of successful achievement of identified outcomes for enhancements delivered in release 1 (as agreed in an operational and outcomes testing strategy and including outcomes and targets set out in attachment A)	December 2011	771,588
3	Acceptance of evidence of successful achievement of identified outcomes for enhancements delivered in release 3 (as agreed in an operational and outcomes testing strategy and including outcomes and targets set out in attachment A)	March 2012	976,422
4	Release 2 enhancements [as detailed in Attachment A] fully operational, substantiated by submission of a progress report endorsed by the Committee detailing successful systems, integration and user testing to the satisfaction of the Commonwealth (as agreed in an operational and outcomes testing strategy) and providing a revised estimate of the actual cost. Acceptance of evidence of successful achievement of identified outcomes for enhancements delivered in release 2 (as agreed in an operational and outcomes testing strategy and including outcomes and targets set out in attachment A). Acceptance of a final progress report endorsed by the Committee and to the satisfaction of the Commonwealth.	June 2012	483,812
TOTAL			\$2,789,778

A18 Any Commonwealth financial contribution payable will be processed by the Commonwealth Treasury and paid to the State Treasury in accordance with the payment arrangements set out in Schedule D of the *Intergovernmental Agreement on Federal Financial Relations*.

Intellectual Property

A19 Intellectual property (IP) and licensing agreements for these enhancements are the same as those contained in the Funding Agreement for the Victorian Water Register between the National Water Commission (the Commission) and the Department of Sustainability and Environment (DSE) dated 13 March 2006. The arrangements are as follows:

1. DSE (the State of Victoria) owns the IP in the project material (anything created or acquired primarily for the project).
2. DSE grants the Commonwealth a licence to use the project material and associated IP for similar water register systems.
3. The licence specifically includes a right to sub-licence to parties to the National Water Initiative, and Australian water authorities, trusts and cooperatives only.
4. The licence specifically includes the purposes of replicating, developing compatible, comparable, similar water register systems (but not commercialising) the Project. (Commercialising does not include charging on a cost recovery basis.)
5. DSE grants the Commonwealth a licence to use existing material (anything in existence before the project commenced) in the same manner as the project material.
6. Additionally, where that material is owned by a third party, DSE must arrange for that third party to grant the Commonwealth a licence.
7. However, where any existing material or associated IP is owned by a third party and a license purchased by DSE, the Commonwealth must procure that licence on a commercial basis.
8. Similarly, if the Commonwealth sub-licences that material, the Commonwealth must ensure that the sub-licensee procures the original licence on a commercial basis.

BUDGET

A20 The overall project budget is set out in Table 2. GST is not payable on amounts paid by the Commonwealth under this implementation plan.

Table 2: Overall project budget

	2011-12
Total estimated project budget	\$2,789,778
<i>less</i> estimated Commonwealth contribution	\$2,789,778
<i>equals</i> estimated contribution from non-Commonwealth sources	NIL

A21 Having regard to the agreed estimated costs of the project specified in this Implementation Plan, Victoria will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Victoria bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.

REPORTS

- A22 Milestone progress reports will be submitted as set out in Table 1 above. Each progress report is to contain the following information:
- (a) a description of actual performance of the project to date against the project milestone/s and budget,
 - (b) promotional activities undertaken in relation to, and media coverage of, the project during the last reporting period (if appropriate); and
 - (c) a description of the work that will be undertaken to complete the remaining project milestone(s), and any expected promotional opportunities, during the next reporting period for the project.
- A23 The final project report is due within 60 business days of the completion of the project (or termination of this implementation plan or the project) and will be a stand-alone document that can be used for public information dissemination purposes regarding the project. The final project report must:
- (a) describe the conduct, benefits and outcomes of the project as a whole;
 - (b) evaluate the project, including assessing the extent to which the objective has been achieved and explaining why any aspect were not achieved; and
 - (c) include a discussion of any other matters, relating to the project, which the Commonwealth notifies the State should be included in this final project report at least 30 days before it is due.

NOTICE OF DETAILS FOR THIS PROJECT

- A24 A notice relating to this project, rather than the Agreement generally, is to be in writing and dealt with as follows:

- a) if given by the State to the Commonwealth:

Aidan Dalgliesh
 Assistant Secretary
 National Water Market System Branch
 Water Reform Division
 Department of Environment, Water, Heritage and the Arts
 GPO Box 787
 Canberra ACT 2600.

Tel: 02 6274 1859 Fax: 02 6274 2271;
 Email: aidan.dalgliesh@environment.gov.au

or

- b) if given by the Commonwealth to the State:

David Lewis
 Director Retail Water Entitlements and Markets
 Office of Water
 Department of Sustainability and Environment
 Level 10, 89 Nicholson St
 East Melbourne Victoria 3002

Tel: 03 9637 8813 Fax: 03 9637 8119
Email: david.lewis@dse.gov.au

IMPLEMENTATION PLAN: VICTORIAN ENHANCEMENTS

ATTACHMENT A

This table identifies the individual pieces of work that will be delivered in each release. This table provides further detail about the information in Table 1 above.

Enhancement	Release
<i>CR321 Improved management of licenses</i>	
Bundled entitlement transfer enhancements	1
Recording existing works	1
Carryover for groundwater licences	3
Streamlining processes to cancel licences	3
Water Use Registration ownership	1
D&S Farm dam registrations	1
Improve land data parcel validations	3
<i>CR 320 Providing better information n resources and markets</i>	
Increase available information in the warehouse	3
Enhance reporting services	3
Improve reported information on the public website	3
<i>CR 319 Enhancing turnaround and integrity by better interaction with operators</i>	
Improved workflow management	3
Streamlining application processes	3
Improved data structures	3
Dealing with performance pain points	1
<i>Wholesale water accounting</i>	
Wholesale water accounting	2

IMPLEMENTATION PLAN: VICTORIAN ENHANCEMENTS

ATTACHMENT B

This table sets out the relevant National Water Market System (NWMS) outcomes and the indicators and measures of success that will be used to demonstrate achievement of the outcomes at each of the milestones in Table 1 above.

Note: Measurement for each success indicator will take place during the 60-day period immediately following the implementation of a fully-operational system enhancement. Detailed dates and milestones are set out in the body of the implementation plan. Outcome payments (20% of the estimated cost of the enhancement) are dependent on achievement of the targets set out below during that 60-day period.

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target
319	3	Obj2b	Transaction times are reduced.	Number of manual checks duplicated during application processes.	Up to 10 per application. 0
	3	PC3a	Water market systems provide a 'single point of truth' for all information collected.	Number of entities with incorrect data as a result of a mismatch in hierarchical dimension values.	>100 0
	3	PC6a	Water market systems provide electronic processing of transactions with clear workflows.	Number of steps required to notify, search, locate and navigate to applications ready for processing.	>10 steps in the current process: Notifier/Supervisor: 1. Open workflow 2. Select find option 3. Enter application number 4. Choose "actions" 5. Select "Delegate" 6. Identify user code of person to receive application notification 4 steps in the proposed process Approval Officer 1. Open task list or alert monitor window 2. Select find option to enable search function 3. Enter application number 4. Open application at approval tab.

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target	
				7. Notify recipient via email, phone call, verbal communication. Recipient/Approval Officer: 8. Open workflow 9. Select find option to enable search function 10. Enter application number 11. Choose 'Start' to select the application to be worked on 12. Choose 'Jump to' to navigate to the application. 13. Open up the "approval" tab of the application.	<i>Please note: This change is planned for delivery in Release 3 – 2011. The steps above provide an indication of the steps that will be performed. However the final design had not been completed at the time of writing. The detail of the actual steps may vary slightly in the final product</i>	
	1	PC9	Users (internal and external) are able to flexibly access information to meet their requirements.	Time taken to perform an allocation trade at the Water Corporation locations.	Up to 15 minutes	Less than 2 minutes
320	3	PC5c	Water market systems provide for the centralised reporting of trade data.	The number of application types in the reporting data warehouse.	17 application types	28 application types
	3	PC9	Users (internal and external) are able to flexibly access information to meet their requirements.	The number of report models available to water register users.	4 report models	10 report models
			§ The number of publicly		0 reports	5 reports

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target	
	3	PC10	Users are able to access information contained in the water market system on-line at a single point per jurisdiction, including PC10a – water entitlements PC10c – market information (trade prices, volumes) PC10d – other relevant information (delivery capacities, use approvals).	accessible reports from the data warehouse. The number of water entitlement records that can be accessed on public website. Up to date information on unused allocations within a basin available from a single source.	1 type (42,276 entitlements) 3 sources of information Updated weekly	6 types (>72,000 entitlements) Single source of information Updated daily
	3	Obj2d	Customers can satisfy their requirements for ready access to accurate, detailed and comprehensive information.	Time taken by customers to access water entitlement record information.	On average 2 days by Australia Post.	< 2 minutes via website.
321	3	PC3a	Water market systems provide a single 'point of truth' for all information collected.	Number of entitlements with carryover managed outside the register.	146	< 5
	1	Obj2a	Transaction times for trades and other dealings are not limited by register processes	Percentage of bundled entitlement volume transfers in restricted systems requiring work-arounds from the register's bundled entitlement functionality.	100%	< 1%
	1	PC6b	Water market systems provide electronic processing of transactions with seamless processing.	Average number of application steps required to process a non-authoritative bundled entitlement of works licence.	6 steps – Currently: 1. Create and lodge a modify application 2. Process the modify application	3 steps – Proposed 1. Create and lodge the transfer/cancel application

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target	
				3. Approve the modify application 4. Create and lodge the transfer/cancel application 5. Process the transfer/cancel application 6. Approve the transfer/cancel application	2. Process the transfer/cancel application 3. Approve the transfer/cancel application	
			Percentage of works licences to construct in the register that are "dummy" licences used to create works.	10%	<1%	
	1	PC3b	The accuracy and reliability of the information in water market systems is to be a common standard agreed by jurisdictions.	Number of water use entities created each month that have inaccurate ownership and/or inaccurate parcel relationships.	Up to 8	< 4
	1	Obj2e	User experience across jurisdictions is more consistent.	Number of different systems and processes required for capturing and storing Domestic and Stock farm dam registrations.	> 3	1
	3	PC9	Users (internal and external) are able to flexibly access information to meet their requirements.	For land parcels that have a matching VOTS record, the number of land parcels linked to a Water Use Entity and/or Delivery Share in the Water Register where the Volume and Folio is the same as that	< 96%	> 99%

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target	
			on VOTS. For land parcels that have a matching VOTS record, the number of land parcels linked to a Water Use Entity and/or Delivery Share in the Water Register where the ownership is correct.	< 92%	> 97%	
225	2	PC3a	Water market systems provide a single 'point of truth' for all information collected.	Number of different Victorian sources from which wholesale water accounting information is gathered.	Information is sourced from up to 20 different places (water authorities, CMAs, etc).	Information is sourced from 1 place (the water register).
	2	Obj2c	Transaction costs for users and administrators are reduced.	Cost incurred (in FTE effort) to prepare data to service information requests from various bodies.	>4 FTE days [2-3 FTE days per request (to obtain raw data only, which would then need to be manipulated by requesting body – 1+ FTE days)].	<0.5 FTE days [< 2 mins where water register has standard reports, < 2 hours for ad hoc requests].
	2	PC12a	Water accounting systems are available and integrated (or linked automatically) with other elements of the water market systems (eg register components).	Number of separate systems for wholesale accounting and registration of retail rights.	2 or more unlinked systems, with wholesale accounts kept in diverse spreadsheets outside the water register with no regular reconciliations.	1 system doing all water accounting – including reconciliations and audit trails - as well as registration of rights.
	2	PC13a	Information for purposes of water market accounting is produced by water market systems in consistent format.	Percentage of Victoria's water accounts that follow a consistent format (with standard codes and ledger accounts) as set out in the water register's chart of accounts.	75%	100%

CR	Release	NWMS Outcome	Indicator	Baseline Measure	Target
	2	PC13b Transfer of data is possible via data transfer schemes and associated technology and infrastructure that are in place.	Time taken to transfer wholesale accounting data to external bodies (i.e. BoM, MDBA, etc).	1 day (manually)	10 mins (automated schedules)