



Independent Pricing and Regulatory Tribunal

State Water Corporation Draft Reporting Manual

Water – Draft Reporting Manual
February 2013

© Independent Pricing and Regulatory Tribunal of New South Wales 2013

This work is copyright. The *Copyright Act 1968* permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

The Tribunal members for this review are:

Dr Peter J Boxall AO, Chairman

Mr James Cox PSM, Chief Executive Officer and Full Time Member

Mr Simon Draper, Part Time Member

Inquiries regarding this document should be directed to a staff member:

Gary Drysdale (02) 9290 8477

Josh Tickell (02) 9113 7761

Contents

1	Introduction	1
1.1	Purpose	1
1.2	Definitions and interpretation	1
1.3	Structure of this Reporting Manual	2
1.4	Changing this Reporting Manual	2
1.5	When should the information be reported?	2
1.6	How should the information be reported?	3
2	Water quality	5
3	Water quantity	6
3.1	Periodic reporting	6
3.2	Annual reporting	6
3.3	Intermittent reporting	6
3.4	Publicly available documents	7
4	Assets	8
4.1	Periodic reporting	8
4.2	Annual reporting	8
4.3	Intermittent reporting	10
4.4	Publicly available documents	10
5	Customers	11
5.1	Periodic Reporting	11
5.2	Annual Reporting	11
5.3	Intermittent Reporting	12
5.4	Publicly Available Documents	12
6	Environmental management	13
6.1	Periodic reporting	13
6.2	Annual reporting	13
6.3	Intermittent reporting	15
6.4	Publicly available documents	15

7	Performance monitoring	16
7.1	Periodic reporting	16
7.2	Annual reporting	16
7.3	Intermittent reporting	16
7.4	Publicly available documents	17
8	Other Reporting	18
8.1	Audit recommendations	18
8.2	Significant changes	18
8.3	Statement of compliance	19
Appendices		
A	Performance Indicators	23

1 Introduction

The Independent Pricing and Regulatory Tribunal (**IPART** – also referred to as “we”, “us” or “our”) is responsible for monitoring and reporting on the compliance of State Water Corporation (**State Water**) with its Licence.

1.1 Purpose

This Reporting Manual outlines all of State Water’s reporting requirements under its Licence. This Reporting Manual identifies:

- ▼ when State Water should report
- ▼ what information State Water must report, and
- ▼ how State Water should report.

It is a condition of State Water’s Licence that it must comply with the reporting obligations set out in this Reporting Manual.¹

This Reporting Manual does not reproduce State Water’s Licence obligations in full. It is still necessary for State Water to refer to the Licence and to any law, statutory instrument or document referred to in the Licence terms and conditions (including guidelines and international standards).

1.2 Definitions and interpretation

Terms that are defined in the Licence have the same meaning in this Reporting Manual, unless the terms are separately defined in this Reporting Manual.

The interpretation provisions in the Licence apply to this Reporting Manual, with all references to the Licence in those provisions taken to be references to this Reporting Manual.

[Note: As at the Commencement Date, the interpretation provisions are contained in clause 10.2 of the Licence.]

¹ Clause 7.2.1 of the Licence.

1.3 Structure of this Reporting Manual

This Reporting Manual is structured as follows:

- ▼ Section 1 details how and when State Water is to report
- ▼ Sections 2 to 8 outline the specific reporting requirements for each section of the Licence, and
- ▼ Appendix A sets out State Water's performance indicators.

1.4 Changing this Reporting Manual

IPART may change this Reporting Manual at any time. In particular, we may change this Reporting Manual to:

- ▼ reflect changes in any applicable law, including the Act
- ▼ include additional reporting obligations where appropriate
- ▼ include references to new Licence obligations,
- ▼ delete references to Licence obligations that are no longer relevant,
- ▼ amend the information that State Water must provide to IPART, to NSW Health and to any Auditor appointed by IPART under the Licence (as the case may be), and
- ▼ improve the reporting process.

Before we change this Reporting Manual significantly, we will consult with State Water and other interested stakeholders. We will also examine the costs and benefits of any major changes.

We will then notify State Water and stakeholders of the changes to this Reporting Manual and the start date for any new reporting arrangements. In determining the start date of significant changes, we will make sure there is sufficient time for State Water to implement new arrangements.

1.5 When should the information be reported?

State Water's reporting schedule is summarised in **Table 1.1**. We have grouped reporting requirements into:

- ▼ periodic reporting (ie, monthly, quarterly, etc)
- ▼ annual reporting, and
- ▼ intermittent reporting (at specified times during the Licence period).

1.6 How should the information be reported?

1.6.1 Reporting to IPART

State Water should report the required information in a clear and concise report. Where this Reporting Manual requires information on more than one area (eg, water quality and environment) at the same time, State Water is encouraged to provide the information in a single report. However, State Water may choose to report the information in separate reports.

The reports must be approved by State Water's Chief Executive Officer prior to submission to IPART.

State Water must lodge each report electronically with a hard copy sent by mail. When lodging a report, State Water must also provide the name and contact details (phone, email) of the primary contact with whom IPART can liaise when assessing compliance, and an alternative contact for those times when the primary contact is unavailable.

Electronic reports must be emailed to: compliance@ipart.nsw.gov.au.

Hard copy reports must be sent to:

The Chief Executive Officer
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Table 1.1 Summary of State Water’s reporting requirements

Reporting schedule	Water quality	Water quantity	Assets	Customers	Environmental management	Performance monitoring
	Section 2 of Reporting Manual	Section 3 of Reporting Manual	Section 4 of Reporting Manual	Section 5 of Reporting Manual	Section 6 of Reporting Manual	Section 8 of Reporting Manual
Periodic	None	None	None	None	None	None
Annual	None	Water accounting reports – 1 December	Compliance and performance report – 1 September			
	Report on audit recommendations and significant changes to systems and/or procedures – 31 March					
Intermittent	None	None	State of assets – 1 September 2016	None	None	None

2 | Water quality

There are no reporting obligations for clause 2 of the Licence.

3 | Water quantity

This section sets out State Water's reporting obligations for clause 3 of the Licence.

3.1 Periodic reporting

There is no periodic reporting requirement under this section 3 of the Reporting Manual.

3.2 Annual reporting

3.2.1 Water accounting reports

State Water must complete water accounting reports for each financial year. Water accounting reports must be prepared in accordance with the Australian Water Accounting Standard 1 (AWAS 1).

State Water must complete final reports by **1 December** following the end of the financial year, or at such later date as agreed to by IPART.

The water accounting reports prepared by State Water must include an annual account of water delivery, including sources and distribution of water, for each major category of water user. The content and presentation of the reports must be consistent across each Valley.

[Note: State Water must prepare annual water accounting reports in accordance with clause 3.2.1 of the Licence. State Water is not required to prepare reports for Valleys for which the NSW Office of Water prepares or has prepared an annual water accounting report.]

3.3 Intermittent reporting

There is no intermittent reporting requirement under this section 3 of the Reporting Manual.

3.4 Publicly available documents

State Water must make the water accounting reports (referred to in section 3.2.1 of this Reporting Manual) available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ at its offices for access or collection by any person.

4 Assets

This section sets out State Water's reporting obligations for clause 4 of the Licence.

State Water is required to develop and have certified an Asset Management System by 30 June 2018.² Before the Asset Management System is certified, State Water must report in accordance with section 4.2.1 of this Reporting Manual. Following certification of the Asset Management System, State Water must report in accordance with section 4.2.2 of this Reporting Manual.

4.1 Periodic reporting

There is no periodic reporting requirement under this section 4 of the Reporting Manual.

4.2 Annual reporting

4.2.1 Compliance and performance reporting (before certification of Asset Management System)

State Water must submit a compliance and performance report on its asset management programs to IPART for each financial year. State Water must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ details of activities undertaken by State Water to maintain asset management programs across its business
- ▼ any changes to existing asset management programs
- ▼ State Water's performance in meeting those programs for the financial year, and
- ▼ Asset management programs identified for the next financial year.

² Licence, clause 4.1.

[Note: Under clause 4.1.4 of the Licence, State Water must maintain programs to manage risks to the environment from carrying out its activities, and ensure that its activities are carried out in accordance with those programs. This section 4.2.1 requires State Water to report on those programs.]

4.2.2 Compliance and performance reporting (after certification of Asset Management System)

State Water must submit a compliance and performance report on its Asset Management System to IPART for each financial year. State Water must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ the asset management activities and programs completed by State Water in the financial year to meet the objectives of the Asset Management System
- ▼ the results and outcomes from those activities and programs
- ▼ the asset management activities and programs proposed to be undertaken by State Water to meet objectives of the Asset Management System in the future, including the timetable for completion
- ▼ any proposed significant changes to the Asset Management System, and
- ▼ any Asset Management System failures and the action taken to resolve them.

[Note: As noted above, State Water must maintain and implement by 30 June 2018 an Asset Management System, ie, a Management System that is consistent with the standard specified in the licence (Licence, clauses 4.1.1 and 4.1.2). The objectives referred to in this section 4.2.2 are those that State Water identifies for the Asset Management System. The asset management activities and programs referred to in this section 4.2.2 are those that State Water is to undertake to achieve the objectives of the Asset Management System.]

4.3 Intermittent reporting

4.3.1 State of the assets report

State Water must report to IPART on the state of each group of assets it manages by **1 September 2016**. The report must include the following matters as at 1 July 2016:

- ▼ a description of each group of assets
- ▼ State Water's assessment of the expected capability of the assets to meet the obligations (including water quality and water quantity performance standards) specified in the licence, the Fish River Customer Contract, and all applicable laws with which State Water must comply
- ▼ State Water's assessment of the major issues or constraints on current and future performance of the assets
- ▼ the strategies and expected costs of planned future investment in assets, and
- ▼ such other matters reasonably required by IPART.

[Note: Under clauses 4.1.4 of the Licence, State Water must maintain asset management programs. This section 4.3.1 requires State Water to provide a snap shot of these aspects of asset management at a point in time.]

4.4 Publicly available documents

State Water must make the compliance and performance report on asset management (referred to in sections 4.2.1 and 4.2.2 of this Reporting Manual) available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ at its offices for access or collection by any person.

5 Customers

This section sets out State Water's reporting obligations for clause 5 of the Licence.

5.1 Periodic Reporting

There is no periodic reporting requirement under this section 5 of the Reporting Manual.

5.2 Annual Reporting

5.2.1 Compliance and performance reporting

State Water must submit a compliance and performance report on its Customer management to IPART for each financial year. State Water must submit the report by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ any systemic problems arising from Complaints and the action taken to resolve them
- ▼ any proposed significant changes to:
 - the Customer Service Charter
 - the Procedure for Payment Difficulties
 - the Internal Complaints Handling Procedure, and
 - the external dispute resolution scheme referred to in clause 5.7 of the Licence.
- ▼ the following information:
 - the number of requests by Customers for assistance with paying Bills, including which valleys they are located in
 - the number of Customers in receipt of assistance with paying Bills, including which valleys they are located in
 - the number of licences and entitlements suspended under the *Water Management Act 2000* or the *Water Act 1912*, and

- the number of approvals suspended under the *Water Management Act 2000*.

[Note: Under the Licence, State Water must:

- ▼ *maintain and implement a Procedure for Financial Hardship and Payment Difficulties (Licence, clause 5.5);*
- ▼ *consult with its Customers through a Valley-based customer service committee and maintain a Customer Service Charter (Licence, clause 5.2); and*
- ▼ *maintain and implement an Internal Complaints Handling Procedure (Licence, clause 5.6) and be a member of the external dispute resolution scheme (Licence, clause 5.7).]*

5.3 Intermittent Reporting

There is no intermittent reporting requirement under this section 5 of the Reporting Manual.

5.4 Publicly Available Documents

State Water must make the compliance and performance report on its Customer management (referred to in section 5.2.1 of this Reporting Manual), available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ at its offices for access or collection by any person.

6 Environmental management

This section sets out State Water's reporting obligations for clause 6 of the Licence.

State Water is required to develop and have certified an Environmental Management System by 30 June 2018.³ Before the Environmental Management System is certified, State Water must report in accordance with section 6.2.1 of this Reporting Manual. Following certification of the Environmental Management System, State Water must report in accordance with section 6.2.2 of this Reporting Manual.

6.1 Periodic reporting

There is no periodic reporting requirement under this section 6 of the Reporting Manual.

6.2 Annual reporting

6.2.1 Compliance and performance reporting (before certification of Environmental Management System)

State Water must submit a compliance and performance report to IPART for each financial year on the programs that it is required to maintain under clause 6.1.4 of the Licence. State Water must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ details of the activities undertaken by State Water to maintain the programs across its business to manage risks to the environment
- ▼ any changes to the environmental improvement targets or timetables to achieve these targets
- ▼ State Water's performance in meeting the targets and timetables for the financial year, and

³ Licence, clause 6.1.

- ▼ programs and timetables identified for the next financial year to achieve environmental improvement targets.

[Note: Under clause 6.1.4 of the Licence, State Water must maintain programs to manage risks to the environment from carrying out its activities, and ensure that its activities are carried out in accordance with those programs. In implementing those programs, State Water must identify the targets for those programs. This section 6.2.1 requires State Water to report on those programs and the targets.]

6.2.2 Compliance and performance reporting (following certification of Environmental Management System)

Once the Environmental Management System is certified, State Water must submit a compliance and performance report on its Environmental Management System to IPART for each financial year. State Water must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ a summary of the objectives and targets of the Environmental Management System
- ▼ the environmental management activities and programs completed by State Water in the financial year to meet the objectives and targets of the Environmental Management System
- ▼ the results and outcomes from those activities and programs
- ▼ the environmental management activities and programs proposed to be undertaken by State Water to meet the objectives and targets of the Environmental Management System in the future, including the timetable for completion
- ▼ any proposed significant changes to the Environmental Management System, and
- ▼ any failures in the Environmental Management System and the action taken to resolve them.

[Note: Under clauses 6.1.1 and 6.1.2 of the Licence, State Water must develop and implement an Environmental Management System, ie, a Management System that is consistent with the standard specified in the Licence. The standard outlines the components of an Environmental Management System, which includes identifying and developing objectives and targets for the Environmental Management System. This section 6.2.2 requires State Water to report on how it complies with these Licence conditions. The environmental management activities and programs referred to in this section 6.2.2 are those that State Water would need to undertake to achieve the objectives and targets of the Environmental Management System.]

6.3 Intermittent reporting

There is no intermittent reporting requirement under this section 6 of the Reporting Manual.

6.4 Publicly available documents

State Water must make the compliance and performance report on:

- ▼ its environmental programs (referred to in section 6.2.1 of this Reporting Manual), and
- ▼ the Environmental Management System (referred to in section 6.2.2 of this Reporting Manual),

available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ at its offices for access or collection by any person.

7 Performance monitoring

This section sets out State Water's reporting obligations for clause 7 of the Licence.

7.1 Periodic reporting

There is no periodic reporting requirement under this section 7 of the Reporting Manual.

7.2 Annual reporting

7.2.1 Compliance and performance reporting

State Water must submit a compliance and performance report on performance indicators to IPART for each financial year. State Water must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ State Water's performance against the performance indicators set out in Appendix A of this Reporting Manual for the financial year, and
- ▼ State Water's analysis of any systemic problems arising from its performance against those performance indicators.

[Note: Under clause 7.4 of the Licence, State Water is required to measure its performance against the performance indicators specified in Appendix A of this reporting manual.]

7.3 Intermittent reporting

There is no intermittent reporting requirement under this section 7 of the Reporting Manual.

7.4 Publicly available documents

State Water must make the compliance and performance report on performance indicators (referred to in section 7.2.1 **Error! Reference source not found.** of this Reporting Manual) available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ at its offices for access or collection by any person.

[Note: The National Water Commission prepares an annual national performance report for all Australian rural water service providers, including State Water. This report is publicly available.]

8 Other Reporting

8.1 Audit recommendations

State Water must report to IPART annually on the status of any audit recommendations identified in the most recent Operational Audit and outlined in IPART's Operational Audit report to the Minister.

State Water's report on audit recommendations must provide the information as specified in our most recent PWU audit guideline. Our PWU audit guideline is available on IPART's website at www.ipart.nsw.gov.au.

State Water must submit the report to IPART by **31 March** each year, or at a later date agreed to by IPART.

[Note: Under clause 7.1 of the Licence, IPART or an Auditor may undertake an Operational Audit. This section 8.1 requires State Water to report on the status of implementing recommendations identified in an Operational Audit.]

8.2 Significant changes

State Water must submit to IPART by **31 March** each year a report on any significant changes that have been made to the following since 31 March the previous year:

- ▼ the asset management programs maintained under clause 4.1.4 of the Licence
- ▼ the Asset Management System (once implemented in accordance with clause 4.1.3 of the Licence)
- ▼ the Customer Service Charter
- ▼ the environmental programs maintained under clause 6.1.4 of the Licence, and
- ▼ the Environmental Management System (once implemented in accordance with clause 6.1.3 of the Licence).

[Note: Under the Licence, State Water is required to develop and implement the Management Systems or maintain the programs referred to above (Licence, clauses 2.1, 4.1 and 6.1). This section 8.2 requires State Water to report on any significant changes to these matters. State Water must also notify IPART of any proposed significant

changes to the Customer Service Charter in accordance with this Reporting Manual (Licence, clause 5.2.1). We use this information to inform the scope of operational audits.]

8.3 Statement of compliance

Our PWU audit guideline specifies the information that IPART requires for a statement of compliance. State Water's statement of compliance must be provided in accordance with our PWU audit guideline.

[Note: Our PWU audit guideline is available on IPART's website at www.ipart.nsw.gov.au. Under clause 7.1 of the Licence, IPART may undertake an Operational Audit on State Water's compliance with Licence. As part of the audit process, State Water must provide a statement of compliance which identifies any non-compliance of which it is aware.]



Appendices

A Performance Indicators

This appendix sets out the performance indicators against which State Water is required to report to IPART, in accordance with clause 7.4.1 of the Licence.

1. Percentage of customers, who after placing a non-complying water order, are contacted within 1 working day to rectify that order.

[Note: This indicator should be calculated as a percentage of all non-complying water orders placed. A “non-complying water order” is a water order that does not comply with the relevant licence holder’s licence conditions, or which contains insufficient information for State Water to supply water.]

2. Percentage of complying water orders delivered outside of +/- 1 day of the scheduled day of delivery, as measured by customer Complaints.

[Note: This indicator should be calculated as a percentage of all complying water orders placed. A complying water order is an order that complies with licence conditions, and which contains sufficient information for State Water to supply water. The scheduled day of delivery takes into account the period of required notice specified in Works Approvals, Licences, or Entitlements.]

3. Percentage of complying water orders rescheduled in consultation with an affected Customer, within 1 working day of an expected water shortage or delivery delay.

[Note: This indicator should be calculated as a percentage of all water orders rescheduled due to an expected shortage or delivery delay.]

4. Percentage of complying intra-valley transfers processed within five working days of State Water’s receipt of a correct application and fee.

[Note: This indicator should be calculated as a percentage of all complying intra-valley transfers processed. “Intra-valley transfer” is the transfer of allocated water from one licence to another licence within a Valley, and includes transfers under the Water Management Act 2000 and the Water Act 1912.]

