



WHAT

IPART reviewed the performance indicators we collect annually from public water utilities (PWUs) and licensees under the *Water Industry Competition Act 2006* (WIC Act).

We have released a Final Report¹ setting out our decisions on the performance indicators. We have also released amended reporting manuals to reflect the updated performance indicators and other minor changes.



WHY

We reviewed our performance indicators to ensure that the information we collect has a regulatory purpose and that we are not imposing unnecessary regulatory costs.

This means the benefits derived from requiring utilities to report on performance indicators should outweigh the costs of collection and reporting. We also have taken the opportunity to make other updates to water utility reporting manuals.



WHO

Changes to IPART's performance indicator requirements and reporting manuals apply to:

- ▼ Hunter Water Corporation
- ▼ Sydney Water Corporation
- ▼ WaterNSW, and
- ▼ WIC Act licensees.

¹ IPART, *Review of water utility performance indicators* – June 2018.



HOW

We considered feedback we received on our Issues Paper, Draft Report and draft reporting manuals and completed our analysis, before we made our final decisions on performance indicators and released our Final Report and amended reporting manuals.



WHEN

Our amended reporting manuals, including the updated performance indicators commence on 1 July 2018.



WHAT NEXT

We will release performance indicator data reflecting the updated performance indicators for 2017-18 in late 2018.

Any enquiries about the Final Report or the water utility reporting manuals should be made to IPART:

Director, Regulation & Compliance
(02) 9113 7778
compliance@ipart.nsw.gov.au

1 What performance indicators are we collecting?

We hold water utilities accountable using both compliance monitoring (for example, annual reporting and auditing against licence conditions) and performance indicators.

We monitor water utility performance across the following performance areas:

- ▼ water quality and quantity
- ▼ assets
- ▼ environment, and
- ▼ customers.

We will continue to use both compliance monitoring and performance indicators to monitor performance. Where compliance monitoring is sufficient to monitor performance we will not collect performance indicators.

As a result of this review we have reduced the number of performance indicators to 27 indicators (see Table 1.1, Final Report), representing a reduction of more than 75 percent from our existing indicator list. Our streamlined performance indicators will remove unnecessary red tape without compromising the quality of our regulatory oversight.

The performance indicators we are collecting include:

- ▼ performance indicators aligned to performance standards on:
 - water quantity
 - service interruptions
 - water pressure, and
 - wastewater overflows, and
- ▼ environment indicators where there are legislative requirements for utilities to collect them.

2 What other information are we collecting?

We will collect licence data that allows for the calculation of WIC Act retail suppliers annual fees and to understand the number of customers served by retail water utilities (ie, Hunter Water, Sydney Water and WIC Act licensees). In some cases this data replaces existing performance indicators.

We will also continue to collect other information (eg, annual compliance reports) to monitor the compliance of water utilities with their licence obligations.

3 How will we create consistency in timing and formatting of reporting of performance indicators?

We considered the timing and format of collection and reporting on performance indicators. We are creating consistency for all water utilities' reporting:

- ▼ all water utilities are required to report on performance indicators (excluding environment performance indicators) on 1 September each year
- ▼ Sydney Water and WaterNSW are required to report on environment performance indicators on 1 October each year²
- ▼ all water utilities are required to submit information in a database or spreadsheet format, and
- ▼ IPART will publish the performance indicator we collect from water utilities annually.

4 What reporting manual changes are we making?

We amended our water utility reporting manuals to reflect our updated performance indicators. We also took the opportunity to make other minor changes to our reporting manuals to clarify utilities' reporting requirements.

Hunter Water Corporation Reporting Manual 2017-2022

We made the following changes to the *Hunter Water Corporation Reporting Manual 2017-2022*.

- ▼ Added Appendix with Statement of Compliance template (no longer included in the *PWU Audit Guideline*³).
- ▼ Removed requirement to submit reports in hard copy unless requested by IPART.
- ▼ Updated introductory pages, including copyright statement and contact details.
- ▼ Updated cross references related to performance indicators and other changes.

Sydney Water Corporation Reporting Manual 2015-2020

We made the following changes to the *Sydney Water Corporation Reporting Manual 2015-2020*.

- ▼ Added Appendix with Statement of Compliance template (no longer included in the *PWU Audit Guideline*).
- ▼ Removed requirement to submit reports in hard copy unless requested by IPART.
- ▼ Updated introductory pages, including copyright statement and contact details.
- ▼ Updated cross references related to performance indicators and other changes.

² Sydney Water and WaterNSW are the only water utilities required by legislation to collect environment indicators. We are implementing a one-year transition period for WaterNSW to report on its updated IPART environment performance indicators.

³ On 4 June 2018 we released an amended PWU Audit Guideline – more information is available at: <https://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Compliance/Public-Water-Utility-Audit-Guideline-Review-2018>

Water NSW Reporting Manual 2017-2022

We made the following changes to the *Water NSW Reporting Manual 2017-2022*.

- ▼ Require the reporting of NWI environment indicators by 1 October each year.
- ▼ Included a one-year transition period for WaterNSW to report on updated IPART environment performance indicators. For the 2017-18 reporting period WaterNSW will be required to report on the existing IPART environment performance indicators, and it will be required to report on the updated IPART environment performance indicators for the first time for the 2018-19 reporting period.
- ▼ Added Appendix with Statement of Compliance template (no longer included in the *PWU Audit Guideline*).
- ▼ Removed NWI indicator Appendix, and replace with general requirement to report on NWI indicators.
- ▼ Updated introductory pages, including copyright statement and contact details.
- ▼ Updated cross references related to performance indicators and other changes.

WIC Act Network Operators' Reporting Manual

We made the following changes to the *WIC Act Network Operators' Reporting Manual*.

- ▼ Require network operators to return their Statements of Compliance by 1 September each year.
- ▼ Require the reporting of performance indicators by 1 September each year.
- ▼ Revised the wording in the immediate licence non-compliance report template.
- ▼ Revised the wording in the annual compliance report template.
- ▼ Removed the NIL returns template.
- ▼ Removed requirement to submit reports in hard copy unless requested by IPART.
- ▼ Updated our language to be consistent with terminology used in our *Compliance and Enforcement Policy*.
- ▼ Clarified the insurance reporting requirements.
- ▼ Updated reporting requirements tables in Appendix A.
- ▼ Updated introductory pages, including copyright statement and contact details.
- ▼ Updated references to organisations or individuals whose details have changed since our last release of this reporting manual.
- ▼ Updated cross references related to performance indicators and licence conditions.

WIC Act Retail Suppliers' Reporting Manual

We made the following changes to the *WIC Act Retail Suppliers' Reporting Manual*.

- ▼ Require retail suppliers to return their Statements of Compliance by 1 September each year.
- ▼ Revised the wording in the immediate licence non-compliance report.
- ▼ Revised the wording in the annual compliance report template.
- ▼ Removed the NIL returns template.
- ▼ Removed the requirement to submit reports in hard copy unless requested by IPART.
- ▼ Updated our language to be consistent with terminology used in our *Compliance and Enforcement Policy*.
- ▼ Clarified the insurance reporting requirements.
- ▼ Updated reporting requirements tables in Appendix A.
- ▼ Updated introductory pages, including copyright statement and contact details.
- ▼ Updated references to organisations or individuals whose details have changed since our last release of this reporting manual.