



Independent Pricing and Regulatory Tribunal

State Water Corporation Reporting Manual

Water – Reporting Manual
July 2013

Amendment Record

Issue No	Date Issued	Reason/s for Amendment
RM-StateWater-V1	July 2013	First release

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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, where applicable).

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 definition and interpretation provisions are contained in clause 10 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 7 outline the specific reporting requirements for each section of the Licence
- ▼ Section 8 outlines other reporting requirements, 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. State Water is required to report annually according to the schedule and this Reporting Manual.

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, asset management 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
Annual		Water balance reports – 1 December	Compliance and performance report – 1 September			
	Report on audit recommendations and significant changes to systems and/or procedures – 31 March					

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 Annual reporting

3.1.1 Water balance reports

State Water must complete water balance reports for each financial year. 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 balance reports must be prepared consistently for each Valley, and must include an annual account of:

- ▼ water delivery, including sources and distribution of water
- ▼ breakdown of the distribution of water by each major category of water user,
- ▼ the percentage of time that planned environmental water delivery requirements were met; and
- ▼ water that is unaccounted for.

[Note: State Water must prepare annual water balance reports in accordance with clause 3.3.1 of the Licence.]

3.2 Publicly available documents

State Water must make the water balance reports (referred to in section 3.1.1 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 4.1.1 of this Reporting Manual. Following certification of the Asset Management System, State Water must report in accordance with section 4.1.2 of this Reporting Manual.

4.1 Annual reporting

4.1.1 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 the programs for the financial year, and
- ▼ asset management programs identified for the next financial year.

[Note: Under clause 4.1.4 of the Licence, State Water must maintain programs to manage its asset base, and ensure that its asset management activities are carried out in accordance with those programs. This section 4.1.1 requires State Water to report on those programs.]

² Licence, clause 4.1.1.

4.1.2 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 performance 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 and proposed performance measures
- ▼ 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 4.1.2 are those that State Water identifies for the Asset Management System. The asset management activities and programs referred to in this section 4.1.2 are those that State Water is to undertake to achieve the objectives of the Asset Management System.]

4.2 Publicly available documents

State Water must make the compliance and performance report on asset management (referred to in sections 4.1.1 and 4.1.2 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 Annual Reporting

5.1.1 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 code of practice on payment difficulties (**Code**)
 - 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 code of practice on payment difficulties (Licence, clause 5.5);*
- ▼ *consult with its Customers through a Valley-based customer service committee and maintain a Customer Service Charter (Licence, clauses 5.1 and 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).]*

5.2 Publicly Available Documents

State Water must make the compliance and performance report on its Customer management (referred to in section 5.1.1 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 6.1.1 of this Reporting Manual. Following certification of the Environmental Management System, State Water must report in accordance with section 6.1.2 of this Reporting Manual.

6.1 Annual reporting

6.1.1 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
- ▼ programs and timetables identified for the next financial year to achieve environmental improvement targets.

³ Licence, clause 6.1.

[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 6.1.1 requires State Water to report on those programs and the targets.]

6.1.2 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 performance and outcomes of 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 and proposed performance measures
- ▼ 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 6.1.2 requires State Water to report on how it complies with these Licence conditions. The environmental management activities and programs referred to in this section 6.1.2 are those that State Water would need to undertake to achieve the objectives and targets of the Environmental Management System.]

6.2 Publicly available documents

State Water must make the compliance and performance report on:

- ▼ its environmental programs (referred to in section 6.1.1 of this Reporting Manual), and
- ▼ the Environmental Management System (referred to in section 6.1.2 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 Annual reporting

7.1.1 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 7.2 of the Licence, State Water is required to measure its performance against the performance indicators specified in Appendix A of this reporting manual.]

7.2 Publicly available documents

State Water must make the compliance and performance report on performance indicators (referred to in section 7.1.1 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.

[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 audit report to the Minister.

State Water must submit the audit recommendations status 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 Audit opportunities for improvement

State Water may, but is not required to, report to IPART on the implementation of any opportunities for improvement identified in our report to the Minister on the results of the audit.

State Water should provide this information with the status update on audit recommendations, if it chooses to report on opportunities for improvement. This information may be considered by an auditor in the subsequent annual audit.

[Note: IPART requirements for opportunities for improvement are set out in the Audit Guideline – Public Water Utilities.⁴]

⁴ IPART, *Audit Guideline – Public Water Utilities*, May 2013, Appendix D.

8.3 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 (as established and maintained under clause 5.2 of the Licence)
- ▼ 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 8.3 requires State Water to report on any significant changes to these systems or programs. State Water must also notify IPART of any proposed significant changes to the Customer Service Charter in accordance with this Reporting Manual. We use this information to inform the scope of operational audits.]

8.4 Statement of compliance

Our PWU audit guideline specifies the information that IPART requires for a statement of compliance. State Water must provide a statement of compliance 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 7.2 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 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 water management work 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.]