

## Sydney Water Corporation Quality assurance review of 2015 Pricing Submission

Danu Consulting Pty Ltd has been engaged by Sydney Water Corporation to undertake quality assurance of the financial information included in its submission to Independent Pricing and Regulatory Tribunal for the 2016 pricing determination. The terms of reference for the review were:

The check should reconcile all figures included in the submission with those in the AIR, SIR, financial accounts, output measures, and pricing model. The check should also ensure that the submission figures are correctly sourced and review the accuracy of the calculations.

More specifically, the quality assurance process needs to independently confirm whether:

1. The information in the submission is consistent with that in the information return, the agency's financial accounts, and reports against output measures, as relevant. Where there are variations in figures, these need to be explained.
2. Figures in the submission are accurate and correctly sourced. The figures sum correctly and are in the same terms (i.e., all figures are in nominal or real dollars). The use of nominal or real dollars should also be explained in clear and simple terms so that stakeholders can follow the logic of their use.
3. All the issues IPART has requested information on are addressed in the submission.
4. The submission includes proposed prices for all monopoly services of the water agency along with justification for the price movement.

Danu Consulting Pty Ltd confirms that the following has been completed:

- As appropriate financial costs or revenue included in Sydney Water's prices for 2016 - 20 as provided (Sydney Water's Pricing Submission PR16.pdf) have been agreed to:
  - Annual and Special information return ('Final SWC 2014-15 AIR and SIR 29 June 2015'.xlsx)
  - Support information prepared or used by Sydney Water Corporation to support the pricing submission.
  - Financial Statements
- The financial information in the pricing submission is correctly notated as being in real or nominal dollars.
- The pricing submission has addressed all information requested by IPART
- The pricing submission proposes prices for all monopoly services together with appropriate support.

In undertaking the quality assurance review reliance has been placed upon information provided by Sydney Water Corporation. Sydney Water Corporation advises that the non-financial data included in the Annual Information Return e.g. volumes of product, customer numbers has been sourced mainly from its operational systems; this data has not been validated; however where such data has been used in the pricing submission it has been verified that it is consistent with that included in the Annual Information Return.

The review has not considered the scope or appropriateness of information presented by Sydney Water Corporation in its pricing submission.



The quality assurance review cannot be considered as an audit of either the pricing submission or its supporting data.



Ian Burrows  
Director  
Dau Consulting Pty Ltd  
18 Clement Close  
Pennant Hills  
ABN 88 114 237 23

29 June 2015