

Service providers—system leakage management plans

The *Water Supply (Safety and Reliability) Act 2008* (the Act) requires water service providers to prepare a system leakage management plan (SLMP), unless the regulator has granted an exemption from this requirement.

The regulator is the Director-General of the Department of Environment and Resource Management (DERM), and is responsible for approving a SLMP.

What is a SLMP?

A SLMP is a document prepared by a water service provider directed at minimising water losses due to leakage from the service provider's distribution system.

Under s. 80 of the Act, a SLMP must state:

- the registered services to which it applies
- the infrastructure for providing those services
- current system leakage and the methodology used to determine the leakage
- details of measures that will reduce leakage from the service provider's distribution system
- a cost benefit analysis for determining which measures to implement
- a plan to implement those reduction measures which are cost-effective to implement
- the proposed financial arrangements for implementing the SLMP including estimated and projected expenditure.

A SLMP must also:

- meet best practice industry standards
- be prepared in accordance with the *Guidelines for the preparation of a system leakage management plan*, issued by DERM.

As detailed in the guidelines, a SLMP should set out the following:

- service and system overview
- current system leakage
- leakage reduction measures
- leakage reduction program
- financial arrangements.

Section 91 of the Act requires a service provider to comply with its approved SLMP when supplying registered services to customers.

A SLMP may be part of another document as long as it meets the requirements of s. 80 of the Act.

Due dates for preparing a SLMP

Under s. 82 of the Act, a water service provider must prepare and submit a SLMP to the regulator for approval within two years of being registered as a service provider, unless the service provider:

- was registered as a service provider immediately before 1 October 2005, in which case 'large' and 'medium' service providers must have submitted a SLMP for registration by 1 October 2007. 'Small' service providers must have submitted a SLMP by 1 October 2008
- has been given an exemption by the regulator from complying with this requirement.

A service provider which is a local government for a new or adjusted local government area under Chapter 9, Part 5, Division 10 of the *Water Act 2000* must provide a SLMP by 16 March 2010.

In addition, a service provider who is a new water entity created under the *South East Queensland Water (Restructuring) Act 2007* is required to provide a SLMP by 18 May 2009.

A service provider that does not have a distribution system is not required to prepare a SLMP.

Certification of a SLMP

Under s. 81 of the Act, a SLMP must be certified as being appropriate for the service provider's infrastructure and registered services by a registered professional engineer (RPEQ), as defined in Schedule 2 of the *Professional Engineers Act 2002*. The certification must include the engineer's name and registration details.

Approving a SLMP

A SLMP must be submitted to the regulator for approval. Section 87 of the Act requires the regulator to approve a SLMP within three months of receiving it, unless satisfied it was not certified by a RPEQ or it was not adequate in all material particulars.

Written notice must be given to the service provider when a SLMP is approved. This notice will indicate when regular reviews and regular audits of the SLMP must be conducted, if these are required.

SLMP not approved

Not certified by a RPEQ

Section 88(1) of the Act requires the regulator to return the SLMP to the service provider, together with a notice stating the SLMP must be certified by a RPEQ and returned within a stated reasonable time.

Not adequate in all material particulars

Section 88(3) of the Act requires the regulator to return the SLMP to the service provider, together with an information notice:

- stating that the SLMP is inadequate in a material particular
- stating how it is inadequate
- requiring the SLMP to be revised and returned by a given date or that a new SLMP be prepared, certified and returned by a given date.

The time period allowed for the revised, or new, certified SLMP to be returned must be reasonable.

When deciding whether a SLMP is inadequate in a material particular, the regulator must take account of cost considerations for the service provider and its customers in addressing the inadequacy.

Review/appeal provisions

Under Chapter 7 of the Act a service provider can apply to the regulator for an internal review of a decision about a SLMP. If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority.

An internal review can be sought only if the SLMP is rejected because the SLMP is inadequate in a material particular. Internal review is not possible if the sole reason the SLMP was rejected was that it was not certified.

Changing a SLMP

A SLMP may be changed with the regulator's agreement under s. 90 of the Act. The SLMP, as changed in the way agreed by the regulator, is taken to be approved by the regulator.

If a regular review of a SLMP under section s. 107(4) of the Act indicates it should be changed to reflect best practice industry standards, the service provider must give the regulator a modified SLMP within 30 business days of the regular review being completed. The process used to approve the initial SLMP must then be used for the modified SLMP.

Further information

Further information can be found on the following service provider fact sheets:

W100—SAMP and SLMP: Review, audit and reporting requirements

W108—Service providers—system leakage management plan exemptions.

For more information about service provider issues, call DERM on (07) 3224 2733 or email the Office of the Water Supply Regulator (OWSR) at <owsr.enquiries@derm.qld.gov.au>.

General information regarding Queensland's water industry regulator can be found on the DERM website <www.derm.qld.gov.au>.

The Act and related regulations can be obtained from the Office of the Queensland Parliamentary Counsel website <www.legislation.qld.gov.au>.

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For general enquiries contact the
Queensland Government call centre 13 13 04
or visit www.derm.qld.gov.au