

Service providers—system leakage management plan exemptions

Water service providers have an obligation under the *Water Supply (Safety and Reliability) Act 2008* (the Act) to prepare a system leakage management plan (SLMP).

Service providers may be granted an exemption from complying with the SLMP requirement. This fact sheet explains the exemptions available.

Exemptions available

A service provider may apply for an exemption from having to prepare a SLMP (s. 83 of the Act) if:

- the water service distribution system is relatively new—s. 84(1)(b)(i)
- the water service distributes underground water from the Great Artesian Basin primarily for stock and domestic purposes—s. 84(1)(b)(ii)
- the water service provider's distribution system is designed to operate as a groundwater recharge system—s. 84(1)(b)(iii)
- the current water leakage from the distribution system is considered low—s. 84(1)(b)(iv)
- the current water leakage from the distribution system is considered high but the water service provider does not have the financial capacity to undertake a cost/benefit analysis for the distribution system—s. 84(1)(b)(v)
- the current water leakage from the distribution system is considered high but the cost of undertaking a cost benefit analysis for the distribution system is more than the cost of the water that could be recovered—s. 84(1)(b)(vi)
- a cost benefit analysis for the distribution system shows that it is not cost-effective to implement any measures to reduce leakage—s. 84(1)(b)(vii).

SLMPs are not required for service providers who:

- only provide a sewerage service; or
- only provide a drainage service; or
- do not have a distribution system.

Applying for an exemption

An application for exemption should be given to the regulator in the approved form (SPE02) with enough information to enable a decision to be made as stated in the Act. The form is available from the Department of Environment and Resource Management (DERM) website <www.derm.qld.gov.au>. The regulator is the Director-General of DERM.

Certifications

Depending on the basis for exemption, the application requires certification by either the chief executive officer (CEO) of the service provider or a registered professional engineer (RPE)—s. 83(5).

After the application is made

Under s. 84 of the Act, an exemption must be granted if the regulator is satisfied:

- the application complies with s. 83 (form, certification etc.); and
- any one of the criteria for which an exemption may be granted (as detailed above) are met.

The regulator will approve the application if satisfied; otherwise the regulator must refuse to grant the application. The regulator considers the *Guidelines for granting exemptions for system leakage management plans* (the guidelines) when deciding the application.

After a decision is made

The regulator will give the service provider an information notice, advising the outcome of the application within 10 business days of making the decision and explain the reasons for the decision.

Granting an exemption

An exemption will usually be granted for five years, unless the regulator considers that the circumstances under which the exemption was granted are likely to change within that period.

Exemption conditions

The Act imposes conditions on some exemptions granted. Under s. 85(2) of the Act, conditions will apply to successful exemption applications based on any of the below criteria:

- The current water leakage from the distribution system is considered low.
- The current water leakage from the distribution system is considered high but the water service provider does not have the financial capacity to undertake a cost/benefit analysis for the distribution system.
- The current water leakage from the distribution system is considered high but the cost of undertaking a cost benefit analysis for the distribution system is more than the cost of the water that could be recovered.
- A cost benefit analysis for the distribution system shows that it is not cost-effective to implement any measures to reduce leakage.

The conditions are:

- The water service provider must have in place a leakage control system of a standard approved under guidelines issued by the regulator.
- The water service provider must give the regulator a report on the leakage levels for each two-year period that the exemption is in force.

An exemption granted to a service provider only applies if the service provider abides by the conditions (s. 85(3)).

Change in circumstances

If the circumstances under which an exemption was given change, s. 86(1) requires the service provider to immediately notify the regulator.

Amending or cancelling an exemption

Section 86(2) of the Act permits an exemption to be amended or cancelled by the regulator if the regulator becomes aware of a change in the circumstances under which an exemption was given.

If an exemption is amended or cancelled, the regulator will give the service provider an information notice about the change.

Review and appeal provisions

A service provider can apply to the regulator for an internal review of a decision in an information notice and obtain a review decision. If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority.

Further information

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

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

W106—Service providers—system leakage management plans.

For more information about service provider issues, email the Office of the Water Supply Regulator 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>.

August 2009
W108

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