



Independent Pricing and Regulatory Tribunal
New South Wales

Sydney Water Reporting Manual

Operating Licence 2019-2023

Reporting Manual
Water

April 2019

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1 Introduction

The Independent Pricing and Regulatory Tribunal of New South Wales (IPART) is responsible for monitoring and reporting on Sydney Water Corporation's (Sydney Water) compliance with the Sydney Water Corporation Operating Licence 2019-2023 (Licence).

Under clause 10.2.1 of the Licence, IPART has the function of determining Sydney Water's reporting and auditing obligations and publishing these obligations in a reporting manual.

1.1 Purpose

The Licence contains a number of reporting obligations with which Sydney Water must comply. This Reporting Manual outlines all of Sydney Water's reporting requirements under the Licence and, with respect to those requirements, identifies when, what information and how Sydney Water is to report. It also outlines certain obligations of Sydney Water in relation to critical infrastructure security audits.

This Reporting Manual does not reproduce all of Sydney Water's obligations that are set out in the Licence. Therefore, it is necessary for Sydney Water to refer to the Licence and to any legislation, statutory instrument or document referred to in the Licence.

The Licence also contains a condition requiring Sydney Water to comply with any reporting and auditing obligations set out in this Reporting Manual. Therefore, Sydney Water must comply with any reporting and auditing requirements that are set out in this Reporting Manual, which are in addition to those set out in the Licence.

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: The interpretation provisions are contained in clause 11.2 of the Licence.]

1.3 Structure of this Reporting Manual

This Reporting Manual is structured as follows:

- ▼ Section 1 details how and when Sydney Water is to report
- ▼ Sections 2 to 8 outline the specific reporting requirements under each part of the Licence
- ▼ Section 8 also outlines other general reporting obligations with which Sydney Water must comply.

There are reporting requirements under parts 3, 4, 5, 6, 8, 9 and 10 of the Licence, and no reporting requirements under parts 1, 2 or 7 of the Licence.

1.4 Changing this Reporting Manual

We may change this Reporting Manual at any time. In particular, we may change this Reporting Manual to:

- ▼ reflect changes in the applicable law, including the Act;
- ▼ include additional reporting obligations where appropriate;
- ▼ include references to new Licence obligations;
- ▼ delete references to Licence obligations that no longer apply;
- ▼ amend the information that Sydney Water must provide to IPART, NSW Health, the Department of Planning and Environment (DPE) or the Commonwealth Representative (as the case may be);
- ▼ amend the requirements on Sydney Water in relation to critical infrastructure audits; and
- ▼ improve the reporting process.

Before we change this Reporting Manual significantly, we will consult with Sydney Water and other interested stakeholders. We will consider any submissions and where we decide to make the changes, we will then notify Sydney 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 enough time for Sydney Water to implement new arrangements.

1.5 When should the information be reported?

The timing of Sydney Water's reporting under the Licence is summarised in Tables A1 and A2. We have grouped reporting requirements into:

- ▼ Periodic reporting
- ▼ As required reporting.

We have also included in each section where relevant, the information that Sydney Water must make publicly available under the Licence.

1.6 How should the information be reported?

Reporting to IPART

Sydney Water should report the required information to IPART in a clear and concise report. Where this Reporting Manual requires information on more than one area (eg, water quality and environment) at the same time, Sydney Water is encouraged to provide the information in a single report. However, Sydney Water may choose to report the information in separate reports.

Any report must be approved by Sydney Water's Managing Director. The Statement of Compliance (Appendix E) requires approval by Sydney Water's Managing Director and a Board member.

Sydney Water must lodge each report electronically. If requested by IPART, Sydney Water must also submit a hard copy by mail. When lodging a report, Sydney Water must provide the name and contact details (phone and email) of the primary contact at Sydney Water with whom IPART may 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

Hardcopy reports, if requested, must be sent to:

The Chief Executive Officer
Independent Pricing and Regulatory Tribunal of New South Wales
Level 15, 2-24 Rawson Place
Sydney NSW 2000

or to another address specified by IPART at the time a hard copy is requested.

Reporting to NSW Health

Sydney Water must provide reports to NSW Health as outlined in this Reporting Manual.

Sydney Water must lodge each report electronically. When lodging a report with NSW Health, Sydney Water must also provide the name and contact details (phone and email) of the primary contact at Sydney Water with whom NSW Health may liaise, and an alternative contact for those times when the primary contact is unavailable.

Electronic reports must be emailed to: waterqual@doh.health.nsw.gov.au or to the last email address notified by NSW Health to Sydney Water.

Reporting to DPE

Sydney Water must provide reports to DPE as outlined in this Reporting Manual.

Sydney Water must lodge each report electronically. When lodging a report with DPE, Sydney Water must also provide the name and contact details (phone and email) of the primary contact at Sydney Water with whom DPE may liaise, and an alternative contact for those times when the primary contact is unavailable.

Hardcopy reports, if requested, must be sent to:

Director of Water and Utilities
NSW Department of Planning and Environment
Level 31, 320 Pitt St
Sydney NSW 2000

or to another address specified by DPE at the time a hard copy is requested.

Electronic reports, if requested, must be emailed to the last email address notified by DPE to Sydney Water.

Reporting to the Commonwealth Representative for critical infrastructure security

Sydney Water must provide reports to the Commonwealth Representative as outlined in this Reporting Manual. The Commonwealth Representative means the First Assistant Secretary with responsibility for critical infrastructure security within the Commonwealth Department of Home Affairs.

Sydney Water must lodge each report electronically. When lodging a report with the Commonwealth Representative, Sydney Water must also provide the name and contact details (phone and email) of the Critical Infrastructure Compliance Manager at Sydney Water with whom the Commonwealth Representative may liaise, and an alternative contact for those times when the Critical Infrastructure Compliance Manager is unavailable.

Electronic reports must be emailed to: cicentre@homeaffairs.gov.au or to the last email address notified by the Commonwealth Representative to Sydney Water.

2 Water Conservation and Planning

This section is on Sydney Water's reporting obligations relating to water conservation and planning.

2.1 Periodic reporting

Annual – Water Conservation Report

Sydney Water must prepare, for each financial year, a report with respect to water conservation (**Water Conservation Report**).

Sydney Water must submit the Water Conservation Report to IPART and DPE by **1 September** following the end of the relevant financial year, or another date approved by IPART.

The Water Conservation Report must:

- ▼ include information of Sydney Water's water conservation program for the previous financial year and for at least the next five financial years, including where relevant (but not limited to):
 - Sydney Water's strategies, programs and projects relating (at a minimum) to water leakage, recycled water and water efficiency (**Water Conservation Measures**);
 - whether the Water Conservation Measures are economic;
 - how and when the measures will be implemented;
 - the targeted water users;
 - the expected water savings;
 - cost of the measure per kilolitre of water saved; and
 - the method to assess the effectiveness of the measures; and
 - the extent to which these Water Conservation Measures accord with the economic level of water conservation (ELWC) and the ELWC Method or another economic method approved by IPART;
- ▼ include details of all of the Water Conservation Measures relating (at a minimum) to water leakage, recycled water and water efficiency that were considered by Sydney Water in developing its water conservation program. Clearly identify those Water Conservation Measures that
 - are economic when assessed by the ELWC Method;
 - may become economically efficient at a later date;
 - Sydney Water is required to implement under licence clause 3.1.2;
 - Sydney Water has implemented;
 - Sydney Water is proposing to implement at a later date (or under specific circumstances); and

- Sydney Water is proposing not to implement and the reasons for not implementing;
- ▼ describe and explain Sydney Water’s progress against each of the Water Conservation Measures of its water conservation program for the previous financial year, including any deviations from the program;
- ▼ describe and explain any changes to Sydney Water’s water conservation program relative to the previous annual Water Conservation Report (where applicable);
- ▼ outline how Sydney Water’s water conservation program relates to the Metropolitan Water Plan and its progress against the Metropolitan Water Plan;
- ▼ include information on any Water Conservation Measures researched, piloted or developed for the previous financial year (including the funds spent on these activities);
- ▼ include information on the water conservation performance indicators (in Appendix C) for the previous financial year; and
- ▼ include the following water conservation information for the previous financial year:
 - quantity of Drinking Water drawn by Sydney Water from all sources, expressed in gigalitres per year (aggregate);
 - level of water leakage from Sydney Water’s Drinking Water supply system against the economic level of leakage for that financial year (in megalitres per day); and
 - volume of water sourced from Recycled Water (in megalitres).

2.2 As required reporting

Notification and approval of significant changes to economic level of water conservation method

Before making any significant changes to its approved economic method for water conservation, Sydney Water must:

- ▼ notify IPART of the significant changes that it proposes making, including proposing:
 - significant changes to the ELWC Method
 - to replace the ELWC Method with another economic method; or
 - significant changes to another economic method approved by IPART; and
- ▼ obtain IPART’s written approval to make any significant changes.

[Note: This requirement is imposed under clause 3.1.7 of the Licence.]

2.3 Publicly available documents

Sydney Water must make a copy of the Water Conservation Report, the ELWC Method (or another method approved by IPART under Licence clause 3.1.1(b)), a plain English summary of that method and the economic level of water conservation (expressed as the quantity of savings in megalitres per day and updated monthly) available to any person, free of charge:

- ▼ on its website; and
- ▼ upon request made to the Contact Centre.

[Note: The ELWC Method (or another method approved by IPART), a plain English summary of that method and the economic level of water conservation is to be made available to any person free of charge under clause 3.1.3 of the Licence.]

3 Performance Standards for Water Quality

This section is on Sydney Water's reporting obligations relating to performance standards for water quality.

3.1 Periodic reporting

Quarterly – Water Quality Monitoring Report – Drinking Water

Sydney Water must prepare, for each quarter, a report (the **Quarterly Water Quality Monitoring Report**) on Sydney Water's performance against all health and aesthetic water characteristics and raw water operational characteristics identified in the reporting schedule under the Drinking Water Quality Management System (DWQMS).

Sydney Water must publish the Quarterly Water Quality Monitoring Report on its website within **four weeks** following the end of the relevant quarter.

[Note: Under clauses 4.1.1 and 4.1.3 of the Licence, Sydney Water must maintain and implement a DWQMS, ie, a Management System that is consistent with the Australian Drinking Water Guidelines, except to the extent that NSW Health specifies otherwise. The Australian Drinking Water Guidelines provide a framework for the management of Drinking Water supplies (ie, Framework for Management of Drinking Water Quality). One of the central aspects of the framework is the use of monitoring to confirm the effectiveness of the preventive measures and barriers to contamination and to enhance Sydney Water's understanding of the performance of the Drinking Water network.]

To comply with the Australian Drinking Water Guidelines, the DWQMS must include a monitoring program. This section of this Reporting Manual requires Sydney Water to report on aspects of its monitoring of Drinking Water quality to Customers.

In line with clause 4.1.3 of the Licence, Sydney Water must ensure that the DWQMS is implemented and that all relevant activities are carried out to the satisfaction of NSW Health. This includes the characteristics that the DWQMS specifies for inclusion in the Quarterly Water Quality Monitoring Report]

Quarterly – Exception reporting to NSW Health

Sydney Water must prepare, for each quarter starting from **1 July**, a report on Sydney Water's monitoring of Drinking Water and Recycled Water. Sydney Water must submit the report to NSW Health within **six weeks** following the end of the relevant quarter.

The report must include the following information for the relevant quarter:

- ▼ details of any monitoring test result that does not comply with:
 - the relevant health or aesthetic guideline value for each Drinking Water quality characteristic (each as specified in the monitoring program developed as part of the DWQMS); and
 - the relevant health or aesthetic guideline value for each Recycled Water quality characteristic (each as specified in the monitoring program developed as part of the Recycled Water Quality Management System (RWQMS)); and(each, an **Exception**)
- ▼ the relevant critical control point breached and the action taken.

The details must include:

- ▼ test results and the date or period of non-compliance with the relevant health or aesthetic guideline values;
- ▼ an appraisal of the Exception, including discussion of the extent and nature of the Exception and an analysis of the risks posed by the Exception; and
- ▼ an explanation of the causes of the Exception and any action taken to rectify the Exception and prevent it from re-occurring.

If there are no Exceptions in the quarter, the report should state that to be the case.

[Note: As explained in the note above, Sydney Water must maintain and implement a DWQMS in accordance with the Licence. Sydney Water must also maintain and implement a RWQMS, being a Management System that is consistent with the Australian Guidelines for Water Recycling, in accordance with the Licence (clauses 4.2.1 and 4.2.3 of the Licence). The Australian Guidelines for Water Recycling provide a framework for good management of Recycled Water quality (ie, the Framework for Management of Recycled Water Quality and Use). To comply with the Licence, the DWQMS and the RWQMS (each, a Water Quality Management System) must each include a monitoring program. This section requires Sydney Water to report on aspects of the quality of Drinking Water and Recycled Water under such monitoring programs.]

Monthly – Reporting on fluoride monitoring to NSW Health

Sydney Water must prepare, for each month, a report containing fluoride monitoring information required by the Fluoridation Code or specified by NSW Health. Sydney Water must submit the report to NSW Health within **two weeks** following the end of the relevant month.

Annual – Compliance and performance reporting

Sydney Water must prepare, for each financial year, compliance and performance report on its management of the quality of Drinking Water and Recycled Water. Sydney Water must submit the compliance and performance report to IPART and NSW Health by **1 September** following the end of the relevant financial year (or another date approved in writing by IPART).

The compliance and performance report must include:

- ▼ the Drinking Water and Recycled Water quality management activities and programs completed by Sydney Water in the financial year to meet its water quality objectives, including the results and outcomes from those activities and programs;
- ▼ the Drinking Water and Recycled Water quality management activities and programs proposed to be undertaken by Sydney Water to meet its water quality objectives, including the expected outcomes, scope and timetable for completion;
- ▼ an assessment of the performance of critical control points (as identified by the Water Quality Management Systems) over the long-term in accordance with the Australian Drinking Water Guidelines and the Australian Guidelines for Water Recycling (each, a Guideline) (as the case may be);
- ▼ an assessment of the review and continual improvement conducted over the previous 12-month period (as identified by the Water Quality Management Systems) in accordance with Element 12 of the relevant Guideline;
- ▼ any significant changes made to a Water Quality Management System; and
- ▼ any non-compliance with a Water Quality Management System and the action/s taken to resolve those non-compliances.

[Note: As explained in the notes above, Sydney Water is required, under the Licence, to maintain and implement the Water Quality Management Systems in accordance with the Licence. This section requires Sydney Water to report on how it complies with those Licence requirements.]

The water quality objectives referred to in this section are objectives Sydney Water would need to identify for the Water Quality Management Systems. Sydney Water's water quality objectives may be either:

- ▼ *the broad objectives of the Water Quality Management Systems (eg, to ensure consistent management of water quality). These objectives may cover all 12 elements of the Framework for Management of Drinking Water Quality or the Framework for Management of Recycled Water Quality and Use, such as monitoring, operation, maintenance, training, community consultation and research programs, or*
- ▼ *the target water quality criteria (ie, operational water quality objectives for each operational water quality characteristic included in the monitoring program developed as part of the Water Quality Management Systems eg, Escherichia coli numbers in raw water or sewage).*

The activities and programs set out in the Water Quality Management Systems, which are referred to in this section, are those that Sydney Water would identify in its risk assessments as actions or programs that are required to manage or maintain a risk below a tolerable level. Undertaking a risk assessment is part of the Framework for the Management of Drinking Water Quality and the Framework for the Management of Recycled Water Quality, with which the relevant Water Quality Management System must be consistent.]

3.2 As required reporting

Incident and emergency reporting – Drinking Water and Recycled Water

Sydney Water must immediately report to NSW Health any incident in the delivery of its Services which may adversely affect public health.

Sydney Water must report the “incident” (as defined in its Water Quality Management System) in accordance with the reporting protocols developed in that necessary Water Quality Management System.

[Note: To comply with the Licence, each Water Quality Management System must define the word “incident” include protocols for external communications and reporting of any incident. This section requires Sydney Water to report any incident in accordance with these protocols.]

Notification of significant changes to Water Quality Management Systems

Sydney Water must notify IPART and NSW Health of any significant changes that it proposes to make to a Water Quality Management System prior to implementing the changes.

3.3 Publicly available documents

Sydney Water must make the Quarterly Water Quality Monitoring Report available to any person, free of charge:

- ▼ on its website; and
- ▼ upon request made to the Contact Centre.

4 Performance Standards for Service Interruptions

This section is on Sydney Water's reporting obligations relating to performance standards for service interruptions.

4.1 Periodic reporting

Annual – Compliance and performance reporting

Sydney Water must prepare, for each financial year, a report about its performance against the performance standards for service interruptions: the Water Continuity Standard, the Water Pressure Standard and the Dry Weather Wastewater Overflow Standard. Sydney Water must submit the report to IPART by **1 September** following the end of the relevant financial year, or another date approved by IPART.

The report must include the following:

- ▼ information on Sydney Water's compliance or non-compliance with the performance standards for service interruptions specified in Part 5 of the Licence in accordance with the template in Appendix B of this Reporting Manual; and
- ▼ an explanation of how Sydney Water has met or failed to meet the performance standards for service interruptions, which details:
 - major factors (both positive and negative) that have influenced Sydney Water's performance, including factors that are both within and beyond Sydney Water's control; and
 - reasons for any significant variation (both positive and negative) between Sydney Water's performance in the financial year and performance in the previous five years.

[Note: under part 5 of the Licence, Sydney Water is required to comply with the Water Continuity Standard, Water Pressure Standard and Dry Weather Wastewater Overflow Standard.]

4.2 As required reporting

Strategic Asset Management Plan

Sydney Water must prepare a Strategic Asset Management Plan (SAMP) in line with the Australian asset management standard, AS ISO 55001:2014. Sydney Water must submit its SAMP to IPART by **1 September 2019** (or another date approved by IPART).

4.3 Publicly available documents

There is no public reporting obligation on performance standards for service interruptions.

5 Customers and Consumers

This section is on Sydney Water's reporting obligations relating to customers and consumers.

5.1 Periodic Reporting

There is no periodic reporting obligation on customers and consumers.

5.2 As required reporting

Report on review of the operation of the Customer Council

Sydney Water must, by **30 June 2020** (or another date approved by IPART in writing) submit to IPART a report detailing the outcome of Sydney Water's review of the operation of the Customer Council.

[Note: This requirement is imposed under clauses 6.6.5 and 6.6.6 of the Licence.]

5.3 Publicly available documents

Sydney Water must make a copy of the minutes from proceedings of the Customer Council available to any person, free of charge, upon request made to the Contact Centre.

[Note: This requirement is imposed under clause 6.6.4 of the Licence.]

Sydney Water must also make a copy of the:

- ▼ Customer Contract, including any variations to it;
- ▼ pamphlet that explains the Customer Contract, including any variations made to it;
- ▼ explanation of Assistance Options for Payment Difficulties and Actions for Non-Payment;
- ▼ information concerning internal Complaints handling, explaining how to make a Complaint and how Sydney Water will receive, respond to and resolve Complaints; and
- ▼ pamphlet that lists the external dispute resolution services available.

available to any person, free of charge:

- ▼ on its website; and
- ▼ upon request made to the Contact Centre.

[Note: This requirement is imposed under clauses 6.1.2, 6.2.3, 6.4.2, 6.7.4, and 6.8.2 of the Licence.]

6 Information and services for competitors

This section is on Sydney Water's reporting obligations relating to information and Services for competitors.

6.1 Periodic Reporting

Sydney Water must prepare, for each financial year, a report about its performance in provision of information and Services to licensees under the WIC Act and Potential Competitors. Sydney Water must submit the report to IPART by **1 September** following the end of the relevant financial year, or another date approved by IPART.

The report must include the following:

- ▼ number of agreements for the provision of Services established with WIC Act licensees and Potential Competitors;
- ▼ number of negotiations for the provision of Services commenced with WIC Act licensees and Potential Competitors that did not eventuate in an agreement and, where known to Sydney Water, the reasons for this outcome;
- ▼ type of information requested by WIC Act licensees and Potential Competitors in addition to information that is publicly available; and
- ▼ time taken for Sydney Water to respond to requests for provision of information or services.

[Note: under part 8 of the Licence, Sydney Water is required to negotiate with WIC Act licensees and Potential Competitors, publish servicing information and establish a code of conduct with WIC Act licensee required under a WIC Act licence.]

6.2 As required reporting

Provision of Servicing Information

Sydney Water must by the dates specified in the Licence clause 8.2, publish electronically in a form accessible from its website, at least ten years of servicing information for each major water system and wastewater system.

The servicing information for each major water system and wastewater system must, at a minimum, include information on:

- ▼ current and projected demand;
- ▼ current and projected capacity constraints;
- ▼ indicative costs of alleviating or deferring capacity constraints;
- ▼ locations where further investigation is needed; and

- ▼ key sources of information used to develop the servicing information where those sources are publicly available,

(Servicing Information).

Sydney Water must, by **30 September 2019** (or another date approved by IPART in writing), publish electronically the Servicing Information for each major water system and wastewater system that it has available by that date in a form suitable for publication.

Sydney Water must continue to publish Servicing Information for each major water system and wastewater system as it becomes available. Sydney Water must publish all Servicing Information by **30 June 2021**.

Sydney Water must update the Servicing Information:

- ▼ for each major water system and wastewater system as it becomes available in a form suitable for publication; and
- ▼ for all major water and wastewater systems between the date that is 12 months after the Servicing Information was first published and **30 June 2023**.

[Note: This requirement is imposed under clauses 8.2.1, 8.2.2, 8.2.3, 8.2.4 and 8.2.5 of the Licence.]

6.3 Publicly available documents

Report on provision of information and Services

Sydney Water must make the compliance and performance report on the provision of information and Services to licensees under the WIC Act and Potential Competitors available to any person, free of charge:

- ▼ on its website; and
- ▼ upon request made to the Contact Centre.

7 Critical infrastructure security

This section is on Sydney Water's reporting and auditing obligations relating to critical infrastructure security.

7.1 Periodic reporting

Annual – Cyber Security Audit reporting

From 2020, by **1 September** each year (or another date as is approved in writing by IPART), Sydney Water must provide IPART and the Commonwealth Representative with a written report (**Cyber Security Audit Report**) from an Independent Auditor approved by IPART that:

- ▼ assesses Sydney Water's compliance with clauses 9.1.1 and 9.1.2 of the Licence for the audit period;
- ▼ assesses the adequacy of the Cyber Security Management System with particular regard to:
 - network architecture;
 - storage of data;
 - operational control systems; and
 - remote access and third party arrangements;
- ▼ recommends improvements to the Cyber Security Management System; and
- ▼ assesses progress of Sydney Water's response to previous audit recommendations.

(Cyber Security Audit).

The Independent Auditor must be an Australian-based auditor, with experience in cyber security and information technology management systems. The same Independent Auditor must not be used for more than two consecutive annual audit cycles without IPART's written approval. Sydney Water must consult with the Commonwealth Representative on the proposed Independent Auditor, the audit period and the audit scope.

For the purpose of any Cyber Security Audit, Sydney Water must permit the Independent Auditor to:

- ▼ access any works, premises or offices occupied by Sydney Water;
- ▼ carry out inspections, measurements and tests on, or in relation to, any such works, premises or offices; take on to any such premises or offices any person or equipment necessary for the purpose of performing the Cyber Security Audit or verifying any report on the Cyber Security Audit;

-
- ▼ inspect any books and records of Sydney Water that are maintained in relation to the performance of Sydney Water's obligations under the Licence (including this Reporting Manual); and
 - ▼ discuss matters relevant to the Cyber Security Audit or any report on the Cyber Security Audit with Sydney Water, including Sydney Water's officers and employees.

Annual – Notification of response to Cyber Security Audit Report

Within three months of receipt of the Cyber Security Audit Report, Sydney Water must notify IPART and the Commonwealth Representative of its proposed response to each of the recommendations contained in the report, including, if, when and how Sydney Water proposes to implement the recommendation.

If Sydney Water does not propose to implement a recommendation, Sydney Water must provide its reasons for not doing so.

7.2 As required reporting

There is no other reporting obligation relating to critical infrastructure.

7.3 Publicly available documents

There is no public reporting obligation on critical infrastructure.

8 Performance monitoring and reporting

This section is on Sydney Water's obligations relating to performance monitoring and reporting.

8.1 Periodic reporting

Annual – Statement of compliance

Sydney Water must prepare, for each financial year, a statement of compliance in the form of Appendix E to this Reporting Manual.

Sydney Water must submit the statement of compliance to IPART by **1 September** following the end of the relevant financial year.

[Note: This section relates to clause 10.1 of the Licence, under which IPART may undertake an Operational Audit on Sydney Water's compliance with the Licence. As part of the preparation for the audit process, this section requires Sydney Water to provide a statement of compliance which identifies any non-compliance with the Licence of which Sydney Water is aware.]

Annual – Audit recommendations

Sydney Water must report to IPART annually on the status of any recommendations identified in a report prepared by IPART and provided to the Minister in relation to:

- ▼ the most recent Operational Audit; and
- ▼ any previous Operational Audit where the recommendations identified in IPART's audit report to the Minister had not been fully implemented at the time of the last audit recommendations status report.

Sydney Water must submit the audit recommendations status report to IPART by **31 March** of each year (or such later date approved in writing by IPART).

[Note: Under clause 10.1 of the Licence, IPART or an Auditor may undertake an Operational Audit. This section requires Sydney Water to report on the status of implementing recommendations identified in an Operational Audit.]

Annual – Compliance and performance reporting – performance indicators

In addition to any annual reporting requirements referred to in other sections of this Reporting Manual, Sydney Water must submit the compliance and performance report to IPART (other than those that relate to environment indicators) by **1 September** following the end of the relevant financial year (or such later date approved in writing by IPART).

The compliance and performance report must detail:

- ▼ Sydney Water's performance against the performance indicators set out in Appendix C of this Reporting Manual for the relevant financial year; and
- ▼ Information on Sydney Water's performance against National Water Initiative Performance Reporting Indicators (NWI Indicators) (other than those that relate to environment indicators) as outlined in the National urban water utility performance reporting framework: Indicators and definitions handbook, published in January 2018 by the Bureau of Meteorology.

Sydney Water may choose to include with the report an explanation of Sydney Water's performance, which details:

- ▼ major factors (both positive and negative) that have influenced Sydney Water's performance, both within and beyond Sydney Water's control; and
- ▼ reasons for any variation (both positive and negative) between Sydney Water's performance in the financial year and with performance in prior years.

[Note: Under clause 10.2 of the Licence, Sydney Water must comply with its reporting obligations in this Reporting Manual. This section requires Sydney Water to report on its performance against performance indicators set out in this Reporting Manual. From time to time, IPART may review and change IPART performance indicators. When that occurs, we will update this Reporting Manual accordingly and notify stakeholders of the changes.]

Annual – Compliance and performance reporting – Environmental performance indicators

Sydney Water must prepare, for each financial year, a separate compliance and performance report setting out Sydney Water's performance against the environment indicators set out in Appendix C of this Reporting Manual and NWI Indicators that relate to the environment.

Sydney Water must submit the report to IPART by **1 October** following the end of the relevant financial year, or another date approved by IPART.

[Note: Under clause 10.2.3 of the Licence, Sydney Water must report on the Environment Performance Indicators.]

8.2 As required reporting

There is no other reporting obligation relating to performance monitoring and reporting.

8.3 Publicly available documents

There is no public reporting obligation relating to performance monitoring and reporting.



Appendices



A Timeline for reporting

Table A.1 Timing of regular reporting under the Sydney Water Licence

Date/frequency	Report to	Required Report
Monthly	NSW Health	▼ Reporting on fluoride monitoring
Quarterly	Public	▼ Quarterly Water Quality Monitoring Report
Quarterly	NSW Health	▼ Exception reporting on Sydney Water's monitoring of Drinking Water and Recycled Water
Annually 31 March	IPART	▼ Audit recommendation status update
Annually 1 September	IPART	▼ Statement of Compliance ▼ Compliance and performance report on: <ul style="list-style-type: none"> - Performance standards for water quality - Water conservation and planning (Water Conservation Report) - Performance standards for service interruptions (Appendix B) - Information and services for competitors - IPART Performance indicators (Appendix C, except for environmental indicators) - Licence data (Appendix D) - NWI indicators (except for environment indicators) ▼ Cyber Security Audit Report (from 2020)
Annually 1 September	DPE	▼ Water Conservation Report
Annually 1 September	NSW Health	▼ Compliance and performance report on performance standards for water quality.
Annually 1 September (from 2020)	Commonwealth Representative	▼ Cyber Security Audit Report
Annually 1 October	IPART	▼ Compliance and performance report on IPART environment performance indicators (Appendix C) and NWI environment indicators
Annually Within three months of receiving the Cyber Security Audit Report	IPART Commonwealth Representative	▼ Notification of proposed response to Cyber Security Audit Report

Table A.2 Timing of submission of other specific reports by Sydney Water

Date	Submitted to	Report
1 September 2019	IPART	Strategic Asset Management Plan
30 September 2019	Public	Servicing Information available for each major water system and wastewater system
30 June 2020	IPART	Report on the outcomes of the review of the operation of the Customer Council.
30 June 2021	Public	All Servicing Information for each major water system and wastewater system
30 June 2023	Public	Update Servicing Information for all major water and wastewater systems
Immediately upon occurrence of incident	NSW Health	Incident water quality monitoring results.
Prior to making significant changes to approved economic method for water conservation	IPART	Notification of any significant changes that Sydney Water proposes to make to its approved economic method for water conservation prior to implementing the changes
Prior to making significant changes to water quality management system	IPART NSW Health	Notification of any significant changes that Sydney Water proposes to make to a Water Quality Management System, prior to implementing the changes

B Performance standards for service interruptions

The table in this Appendix B sets out the performance standards for service interruptions that must be reported to IPART.

Important Note: The data in the following table must be accompanied by an explanation of the performance against the requirements in the Licence which details:

- ▼ Major factors (both positive and negative) that have influenced Sydney Water’s performance, including factors that are both within and beyond its control
- ▼ Reasons for any significant variation (both positive and negative) between Sydney Water’s performance in the financial year and performance in the previous five years.

Table B.1 Performance standards for service interruptions

Standard No.	Standard definition
PS 1	The number of Properties per 10,000 Properties (in respect of which Sydney Water provides a Drinking Water supply service) receive a Drinking Water supply service unaffected by an Unplanned Water Interruption. (the Water Continuity Standard)
PS 2	The number of Properties per 10,000 Properties (in respect of which Sydney Water provides a Drinking Water supply service) receive a Drinking Water supply service affected by fewer than 12 Water Pressure Failures. (the Water Pressure Standard)
PS 3	The number of Properties per 10,000 Properties (in respect of which Sydney Water provides a sewerage service but excluding Public Properties) receive a sewerage service unaffected by an Uncontrolled Wastewater Overflow. (together with PS 4, the Dry Weather Wastewater Overflow Standard)
PS 4	The number of Properties per 10,000 Properties (in respect of which Sydney Water provides a sewerage service but excluding Public Properties) receive a sewerage service affected by fewer than three Uncontrolled Wastewater Overflows. (together with PS 3, the Dry Weather Wastewater Overflow Standard)

Please refer to Part 11 of the Licence for definitions of the terms used in Table B.1.



C IPART performance indicators

The table in this Appendix C sets out the performance indicators developed by IPART that Sydney Water must report on.

[Note: Terms that are defined in the Licence have the same meaning in this Appendix, unless the terms are separately defined in this Appendix. The definitions in this Appendix apply to the terms in this Appendix only.]

Table C.1 IPART performance indicators

Performance area	Indicator number	Indicator	Definition
Assets	A1	Number of Properties that experience an Unplanned Water Interruption that lasts for more than five continuous hours	Number of Properties that experience an Unplanned Water Interruption that lasts for more than five continuous hours in the financial year.
	A2	Number of Properties that experience three or more Unplanned Water Interruptions that each lasts for more than one hour	Number of Properties that experience three or more Unplanned Water Interruption that each lasts for more than one hour in the financial year.
	A10	Number of Properties that experience a Water Pressure failure	Number of Properties that experience a Water Pressure failure in the financial year.
	A11	Number of Properties (other than Public Properties) that experience an Uncontrolled Wastewater Overflow in dry weather	Number of Properties (other than Public Properties) that experience an Uncontrolled Wastewater Overflow in dry weather in the financial year.
	A12	Number of Properties (other than Public Properties) that experience three or more Uncontrolled Wastewater Overflows in dry weather	Number of Properties (other than Public Properties) that experience three or more Uncontrolled Wastewater Overflows in dry weather in the financial year.
	Environment	E1	Total energy consumption by the water utility (electricity, fuel and gas) in units provided on energy bills
E2		Electricity consumption from renewable resources or generated by the water utility expressed as a total percentage of electricity consumption	Electricity consumption from renewable resources or generated by the water utility expressed as a total percentage of electricity consumption in the financial year.
E3		Total number of Controlled Wastewater Overflows that occur in dry weather that are discharged to the environment, per km of sewer main	Total number of Controlled Wastewater Overflows that occur in dry weather that are discharged to the environment, per km of sewer main in the financial year.
E4		Total number of Uncontrolled Wastewater Overflows that occur in dry weather that are discharged to the environment, per km of sewer main	Total number of Uncontrolled Wastewater Overflows that occur in dry weather that are discharged to the environment, per km of sewer main in the financial year.
E5		Estimated total mass of Biosolids produced by the water utility	Estimated total mass of Biosolids produced by the water utility in the financial year.
E6		Percent of Solid Waste Recycled or Reused expressed as a percentage of Solid Waste generated	Percent of Solid Waste Recycled or Reused expressed as a percentage of Solid Waste generated in the financial year.

	E7	Estimated total mass of Solid Waste generated by the water utility	Estimated total mass of Solid Waste generated by the water utility in the financial year.
	E8	Total area of clearing of native vegetation	Total area of native vegetation that the water utility cleared in the financial year.
	E9	Total area of native vegetation rehabilitated, including due to replanting, weeding and protection by the water utility	Total area of native vegetation rehabilitated, including due to replanting, weeding and protection by the water utility in the financial year.
	E10	Total area of native vegetation gain due to rehabilitation, replanting, weeding and protection by the water utility	Total area of native vegetation gain due to rehabilitation, replanting, weeding and protection by the water utility in the financial year.
Water conservation	W1	Quantity of Drinking Water drawn by the water utility from all sources during the financial year, expressed in litres per person per day (observed)	Quantity of Drinking Water drawn by the water utility from all sources during the financial year, expressed in litres per person per day (observed) in the financial year.
	W2	Quantity of Drinking Water drawn by the water utility from all sources during the financial year, expressed in litres per person per day (weather corrected)	Quantity of Drinking Water drawn by the water utility from all sources during the financial year, expressed in litres per person per day (weather corrected) in the financial year.

C.1 Definitions for Appendix C

Biosolids means the stabilised organic solids derived from sewage treatment processes.

Controlled Wastewater Overflow has the same meaning given to it in the Licence.

Property has the same meaning given to it in the Licence.

Public Property has the same meaning given to it in the Licence.

Recycled means waste materials converted into a usable product or resource. The process of recycling includes: the diversion or extraction of the material from the waste stream; the collection and sorting of recyclable materials; and the processing of those materials into products which can then be used (or sold for use). Materials are deemed to have been recycled when they are transferred to a facility for processing or manufacturing (eg, a recycling centre). Energy recovery (or waste-to-energy) is another form of recycling, which involves recovery of latent energy rather than a physical resource.

Reused means a diverted waste product which has been applied to a subsequent use which may be the same or different from the original purpose and which extends the life of the product, but without further manufacture. Beneficial re-use is generally taken to mean that the form of re-use delivers some benefit (economic, social or environmental).

Solid Waste is any solid substance that is discarded, rejected, unwanted, in surplus or abandoned. It does not include gas, energy, water, wastewater, biosolids diverted for beneficial reuse and reuse water.

Stormwater Drainage System has the same meaning given to it in the Licence.

Uncontrolled Wastewater Overflow has the same meaning given to it in the Licence.

Unplanned Water Interruption is an event where, in relation to a Property, the supply of Drinking Water at the first cold water tap of a Property is interrupted without the Customer or Consumer having received prior notice of that interruption from Sydney Water.

Water Pressure Failure has the same meaning given to it in the Licence.

D Licence data

We require the information outlined in this Appendix D to identify the number of customers to which Sydney Water supplies Recycled Water.

[Note: Terms that are defined in the Licence have the same meaning in this Appendix, unless the terms are separately defined in this Appendix. The definitions in this Appendix apply to the terms in this Appendix only.]

Table D.1 Licence data – definitions

Data number	Licence data	Definition
L8	Connected residential Properties – Recycled Water supply (000s)	The number of connected residential Properties receiving Recycled Water services from the utility during the reporting year (properties 000s).
L9	Connected non-residential Properties – Recycled Water supply (000s)	The number of connected non-residential Properties receiving Recycled Water services from the utility during the reporting year (properties 000s).

D.1 Definitions for Appendix D

Connected non-residential properties include:¹

- ▼ Commercial and municipal properties
- ▼ Shopping centres
- ▼ Schools, universities, and technical colleges (TAFEs)
- ▼ Hospitals and nursing homes
- ▼ Shopping centres with separate connections for each shop are to be counted as one non-residential connection.

Connected residential properties include:²

- ▼ Each apartment in a high-rise apartment complex
- ▼ Each property in a department of housing unit complex
- ▼ Each individual stand-alone residential property within a retirement village.

Property has the same meaning given to it in the Licence.

Recycled Water has the same meaning given to it in the Licence.

¹ Supporting notes to NWI indicator C3, National urban water utility performance reporting framework: indicators and definitions handbook, January 2018

² Supporting notes to NWI indicator C2, *ibid.*



E Statement of compliance template

Statement of compliance [*Insert Year*]

For 20__/__/__

Submitted by Sydney Water Corporation

To:

The Chief Executive Officer
Independent Pricing and Regulatory Tribunal of NSW
PO Box K35
Haymarket Post Shop NSW 1240

Sydney Water Corporation reports as follows:

1. This statement documents compliance during [*financial year*] with all obligations to which Sydney Water Corporation is subject by virtue of its operating licence.
2. This report has been prepared by Sydney Water Corporation with all due care and skill, including to ensure that all information provided is true and correct, in full knowledge of conditions to which Sydney Water Corporation is subject under the *Sydney Water Act 1994*.
3. Schedule A provides information on all obligations with which Sydney Water Corporation did not comply during [*financial year*].
4. Other than the information provided in Schedule A, Sydney Water Corporation has complied with all conditions to which it is subject.
5. This compliance report has been approved by the Managing Director (or equivalent) and the Chairman of the Board of Directors of Sydney Water Corporation / Duly authorised Board Member of Sydney Water Corporation.

DATE:

DATE:

Signed

Signed

Name:

Name:

Designation:

Designation:

Schedule A Non-compliances

Table #	List of clauses breached, including a brief description of each licence clause	Describe:
		<ul style="list-style-type: none">i Date or period of non-complianceii Nature and extent of non-compliance (including whether and how many customers have been affected)iii Results of any monitoring (where applicable)iv Reasons for non-compliancev Remedial action takenvi Actual/anticipated date of achieving compliance

Note: Sydney Water should report only non-compliances that were identified during the reporting period.