

Sydney Water Operating Licence Review - summary of submissions in response to the draft 2024-2028 reporting manual

1 July 2024

In this Information Paper, we have summarised the written submissions that we received from the following stakeholders, in response to our draft proposals for the 2024-2028 reporting manual that we published for consultation in December 2023:

- Sydney Water
- the Energy and Water Ombudsman (EWON)
- the Public Interest Advocacy Centre (PIAC)
- Hunter Water
- Individual submissions.

These written submissions are available on our [website](#). They have informed the 2024-2028 Sydney Water Reporting Manual.

The following symbols indicate the stakeholders' positions:



Support our draft recommendation or have minor amendments



Support our draft recommendation but propose alternative approach OR have a view on an issue where IPART did not make a draft recommendation






Disagree with our draft recommendation






Did not provide a view but provided further information on an issue.

Table 1 Summary of submissions to the draft 2024-2028 Reporting Manual





#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
1	<p>We propose to:</p> <ul style="list-style-type: none"> retain most of the current water quality reporting requirements outlined in the Reporting Manual but remove requirements for fluoridation monitoring remove the current requirement for Sydney Water to provide IPART with a Strategic Asset Management Plan. 	 Sydney Water supports IPART's proposal to retain most of the current water quality reporting requirements outlined in the Reporting Manual, but to remove requirements for fluoridation monitoring. As the fluoridation monitoring requirements are already required by the Fluoridation Code, removing these from the operating licence will result in no change to reporting on fluoridation.	Nil	The final reporting requirements remain materially the same as those in our draft proposal.
2	<p>We propose to retain most of the current reporting requirements for water quality management and monitoring in Chapter 3 of Sydney Water's 2019-2024 Reporting Manual. Under these requirements:</p> <ul style="list-style-type: none"> Sydney Water must prepare: <ul style="list-style-type: none"> annual compliance reports on its Drinking Water Quality Management System and Recycled Water Quality Management System to IPART and NSW Health quarterly water quality monitoring reports (and publish these on Sydney Water's website) quarterly exception-based reports on its water quality monitoring to NSW Health monthly fluoride monitoring reports to NSW Health. 	 Sydney Water does not support defining 'significant changes' to the water quality management system in the reporting manual. It considers that this is better managed through the Memorandum of Understanding (MoU) with NSW Health.	Nil	We recommended requirements in the 2024-2028 operating licence for Sydney Water to consult with and notify NSW Health of proposed significant changes to the water quality management systems. We have retained examples of what may be considered significant changes in the reporting manual but these are not exhaustive.

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
	<ul style="list-style-type: none"> Sydney Water must immediately notify NSW Health of any water quality incidents and emergencies. Sydney Water must notify IPART and NSW Health on any significant changes it proposes to make to a water quality management system prior to implementing the change. We propose minor changes to clarify that Sydney Water must notify IPART and NSW Health at least 30 days before implementing the change and we have explained what constitutes a significant change. 			
3	<p>We propose to retain the current reporting requirements in section 4.1 of the 2019-2024 Reporting Manual for Sydney Water to report on its performance against the system performance standards in the operating licence, for each financial year.</p>	<p> Sydney Water supports the proposed reporting obligations to report on its performance with the system performance standards but does not support making this report public, as proposed in the draft reporting manual. It proposes that this should be available to IPART and internal stakeholders (as in the current operating licence).</p>	<p>Nil</p>	<p>We have removed the requirement from the current (2019-2024) reporting manual for Sydney Water to prepare an annual report to IPART on its performance against the system performance standards for service interruptions in the operating licence.</p> <p>Our preliminary position in the Issues Paper was to remove this reporting requirement and rely on data that Sydney Water is required to report on against the IPART indicators connected to these performance standards. The IPART indicators include reporting against the number of properties that experience unplanned water continuity service interruptions, water pressure failures and properties that experience uncontrolled wastewater overflows in dry weather. We consider that this is adequate information to understand Sydney Water's performance against its system performance standards, and requiring Sydney Water to prepare a separate report on that is duplicative. In its response to the Issues Paper, Sydney Water sought to retain the current requirement for the annual report on its performance with the system performance standards, despite the duplication with other reporting requirements, because of value to its stakeholders. As such, we proposed to retain it in the draft reporting manual and extend the requirement to publish the report on its website.</p>



#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
4	<p>We intend to:</p> <ul style="list-style-type: none"> remove the current reporting requirement to prepare and submit to IPART a strategic asset management plan reinstate a requirement to provide a 2-yearly state of the assets report that includes the following information (at minimum), or provide the required information in another format: <ul style="list-style-type: none"> a description of each group of assets managed by Sydney Water Sydney Water's assessment of the expected capability of the assets to deliver services and to meet the existing obligations under the operating licence, Customer Contract, and all applicable laws that Sydney water must comply with Sydney Water's assessment of the major issues or constraints on current and future performance of its assets 	<p> Sydney Water supports the requirement to provide a 2-yearly report on the state of its assets and the requirements IPART proposed for what the report must contain.</p> <p> Sydney Water seeks flexibility in the reporting manual about the format of the report required so that it can provide an expanded strategic asset management plan (SAMP) instead of a State of the Assets report.</p>	<p> The EPA made verbal comments at the public hearing. The EPA considers that IPART's proposed reporting requirements for the state of assets report may need to be amended to provide greater visibility specifically for renewal of those assets to IPART.</p>	<p>However, Sydney Water has now clarified that it only considers that it is valuable for its internal stakeholders and would prefer to retain the requirement to only report to IPART. As such, we consider that there is no need to require this reporting through the reporting manual. Sydney Water can continue to prepare the report internally if it considers valuable. We publish information reported to us against IPART indicators on our website, and the Bureau of Meteorology publishes information reported against the NPR Indicators. This ensures accountability and transparency to the public.</p> <p>The final reporting requirements remain largely unchanged from our draft proposal. However, the 2024-2028 reporting manual requires Sydney Water to provide IPART with biennial asset management reports rather than 2-yearly state of the assets reports. The minimum information that must be included in these reports is the same as what we proposed in the draft reporting manual for the 2-yearly state of the assets reports. The change in name of the document is intended to reduce misinterpretation about the intention of the document and to reduce confusion with previous state of the assets reports in the 2015-2029 reporting manual.</p> <p>The 2024-2028 reporting manual includes more prescription about what Sydney Water must provide in the biennial asset management reports than what was required in the state of the asset reports in the 2015-2020 reporting manual. For example, Sydney Water must provide asset performance and maintenance delivery trends, changes in the profile of risk and opportunities that could constrain current and future performance of assets, and a summary of overdue maintenance or replacement projects for major assets.</p> <p>We consider that this will allow us greater visibility of Sydney Water's asset maintenance and plans for renewals than we did in the 2012-2021 period that the EPA has raised concerns with.</p>



#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
	<ul style="list-style-type: none"> the strategies and expected costs of future investment in assets. 		<p>The EPA raised concerns with Sydney Water's rate of renewal for some of its assets. In particular, the EPA was concerned with the renewals of critical network assets, such as rising mains and pumping stations. The EPA stated that between around 2012 and 2021, Sydney Water renewed less than one kilometre of rising mains, and that period of time was when the state of the assets report was being provided to IPART. The EPA considers that greater oversight, visibility and accountability may be required in relation to rate of renewal.</p> <p>An anonymous submission raised concerns with:</p> <ul style="list-style-type: none"> Sydney Water's response time to reported leaks credibility of reports produced by Sydney Water's engineers unsafe conditions, including sinkholes and long-term sewage exposure without residents being notified Sydney Water advising homeowners to claim damages caused by Sydney Water on their home insurance. 	<p>We note the anonymous submission's concerns with Sydney Water's asset management and operational practices. We will continue performance monitoring through the operating licence requirements for asset management and reporting requirements.</p>
5	<p>We propose to remove current requirements for reporting on water conservation and efficiency in the Reporting Manual.</p>	<p>Nil</p>	<p>Nil</p>	<p>Our final proposal remains unchanged from our draft proposal.</p>

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
6	<p>We propose to include a new environmental indicator in the Reporting Manual requiring Sydney Water to report to IPART on its progress towards achieving net zero.</p>	<p> Sydney Water believes it is in the public's interest to report on their progress towards net zero compared to Sydney Water's internal targets, but within the context of the NSW Government Net Zero Plan targets. Sydney Water also:</p> <ul style="list-style-type: none"> • considers the timeline is tight to provide this information by the proposed 31 October deadline. • seeks clarity on how IPART will audit and review projections for Scope 1 and 2 emissions, as this is a constantly evolving landscape. • Suggest it is Scope 3 emissions are not included in the new environmental indicator and that this is revisited in the subsequent Operating Licence review. 	<p> Hunter Water's view is that, to eliminate duplication, water businesses should be afforded the flexibility to meet the reporting requirement through public customer outcome performance measure reporting, rather than IPART's performance indicators.</p>	<p>The requirements for what the water conservation plan should cover are contained in the 2024-2028 operating licence. Further prescription is not necessary in the reporting manual.</p> <p>The final reporting requirements remain unchanged from our draft proposal, except for a minor change to the publication date for reporting on net zero. In the 2024-2028 reporting manual, Sydney Water is required to provide this report on 31 March (instead of 1 September as in the draft reporting manual). The 31 March date is aligned with when Sydney Water publishes its Annual Environmental Performance Report. It would cover information for the previous financial year.</p> <p>Reporting against this environmental indicator will provide transparency and accountability about how Sydney Water is meeting its aspirational targets, which Sydney Water has publicly declared, as well as the mandatory State targets. The environmental indicator requirement does not prescribe a method for calculating emissions or set a target. This means that the obligation is for monitoring or information purposes only.</p>

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
7	<p>We propose to include new reporting obligations in the Reporting Manual requiring Sydney Water to report to IPART on the number of complaints received each financial year, as well as the number of customers impacted by family violence or who are on a payment assistance plan.</p>	<p>Nil</p>	<p> PIAC supports IPART's proposal.</p>	<p>The final reporting requirements remain unchanged from our draft proposal.</p>
8	<p>We propose to include new reporting requirements (in the Reporting Manual) for Sydney Water to prepare and publish, for each financial year, a report about:</p> <ul style="list-style-type: none"> the number of complaints received from customers and consumers the average time taken for Sydney Water to resolve complaints any systemic problems arising from customer and consumer complaints and its performance with managing these complaints any actions that Sydney Water has taken to resolve these complaints the number of customers affected by family violence the number of customers on payment assistance programs the number of customers on payment assistance programs who are also affected by family violence the number of customers that have had their services restricted of non-payment. 	<p> Sydney Water supports IPART's proposed reporting obligations on vulnerable customers and customer protections. However, it questions the need for further reporting requirements for complaints, customers affected by family violence and payment assistance programs as they are currently required under existing legislation or the National Water Initiative (NWI) Indicators Report.</p> <ul style="list-style-type: none"> Sydney Water reports the number of complaints received when reporting against NWI indicators. Sydney Water considers that the reporting manual should only require it to report the number of complaints it has resolved. 	<p> PIAC supports IPART's proposal.</p> <p> EWON supports including new requirements for Sydney Water to annually report on</p> <ul style="list-style-type: none"> the number of complaints received the number of customers impacted by family violence customers that have had supply restricted due to non-payment customers who are on a payment assistance plan. <p>It further supports separate reporting of issues that property owners and tenants raise; collecting data about debt levels, average bills and interest/late fees charged to customers; and reporting more granular information about the use of BillAssist and Payment Assistance Scheme vouchers.</p>	<p>The final reporting requirements remain unchanged from our draft proposal, except for a minor change to require Sydney Water to also report on the number of complaints that it has resolved in the year.</p> <p>We have not removed any reporting requirements from the current reporting manual, or any that we had proposed in the draft reporting manual. We consider that it is useful for stakeholders to be able to access all the customer-related reporting in one document, even if this duplicates part of the national performance reporting or Sydney Water's Annual Report. For example, we propose that it is useful for stakeholders to be able to see in the same report the number of complaints that Sydney Water has received, as well as the actions Sydney Water has taken to resolve these complaints and the time it has taken to resolve them, all in one report (information required to be reported by the reporting manual).</p> <p>To reduce some of the duplication, instead of producing a new report, Sydney Water can demonstrate that it has met the proposed reporting requirements through its Annual Report, if all the information required by the reporting manual is contained in the Annual Report.</p> <p>Publishing information on the average time taken to resolve complaints is important for transparency and accountability. Sydney Water can support this reporting by explaining any anomalous durations with the actions it has taken to resolve the complaints and the reasons why the complaint/resolution may be complex.</p>

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
		<ul style="list-style-type: none"> • Sydney Water seeks to understand the benefit of reporting on the average time taken for it to resolve complaints. Depending on the complexity of the complaint, it can remain unresolved for lengthy periods which may skew results. • Sydney Water reports systemic problems arising from customer and consumer complaints and its performance with managing these complaints in the Sydney Water Annual Report. • Sydney Water considers that reporting on actions taken to resolve complaints is too broad. • Sydney Water does not ask customers about family violence unless they are seeking assistance so it would be difficult to accurately report on the number of customers affected by family violence • Sydney Water reports the number of customers on payment assistance programs in its Annual Report and when reporting against NPR indicators. 		<p>We have clarified in the 2024-2028 reporting manual that Sydney Water should report on the number of customers that have been <i>identified</i> as affected by family violence. This reporting requirement support the condition we recommended i the 2024-2028 operating licence for Sydney Water's family violence policy to provide for the identification of customers and consumers experiencing family violence.</p>
9	We propose to remove the reporting requirements for Sydney Water to provide an annual cyber security audit report to IPART.	Nil	Nil	The final reporting requirements remain unchanged from our draft proposal.

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
10	We propose to retain the requirements for Sydney Water to report on its engagement with competitors (both current and potential new competitors), including where it has provided information and services.	Nil	Nil	The final reporting requirements remain unchanged from our draft proposal.
11	We propose to retain the current requirements for Sydney Water to report to IPART about its performance in providing information and services to licensees under the WIC Act and potential competitors in section 6.1 of Sydney Water's 2019-2024 Reporting Manual.	Nil	Nil	The final reporting requirements remain unchanged from our draft proposal.
12	<p>We propose to retain requirements in the Reporting Manual for Sydney Water to:</p> <ul style="list-style-type: none"> provide a report on its progress towards completing recommendations from the previous operational audits report annually on its performance against performance indicators (including environmental indicators) provide an annual statement of compliance (of Sydney Water's compliance during the previous financial year). 	<p> Sydney Water supports retaining these reporting requirements.</p> <p> If IPART retains its proposed clauses on environmental indicator reporting, Sydney Water proposes to retain the 1 October deadline for the Environmental Indicators Report, rather than the draft date of 1 September, each year to account for the time required for audits and reviews to take place.</p>	Nil	We have retained the requirement in the current reporting manual for Sydney Water to report against the environmental indicators on 1 October each year (and not 1 September as we proposed in the draft reporting manual).

#	Our proposals for the Draft Reporting Manual	Sydney Water's Response	Other Stakeholder Responses	Final reporting requirements (in the 2024-2028 reporting manual)
13	Schedule A Non-Compliances at Appendix E lists a new item in the Description column requiring the non-compliance return to include 'any additional information as set out in sections 2.1.3, 3.1.1 and 4.1.1 of this Reporting Manual'.	 Sydney Water notes that these sections list out specific information required for its annual compliance and performance reports. To minimise duplication with other reports required by the reporting manual, Sydney Water suggests that item (vii) should be amended to only require additional information relevant to the non-compliance.	Nil	We note Sydney Water's suggestion and have made the clarification that it seeks in the 2024-2028 reporting manual.
14	N/A – general drafting	 Sydney Water notes some inconsistencies between different sections of IPART's draft Reporting Manual. For example, section 4.1.1 states that the Customer & Stakeholder Relations Report must be made public, however the timeline at Appendix A does not. In contrast, section 3.3 does not require the System Performance Standards Report to be made publicly available, however Appendix A does.	Nil	We note the inconsistencies that Sydney Water has identified and made changes in the 2024-2028 reporting manual to rectify them.