



Independent Pricing and Regulatory Tribunal
New South Wales

Water NSW Reporting Manual

Operating Licence 2017-2022

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Tribunal Members

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Amendment record

Issue No	Date issued	Change log
1.0	30 May 2017	First release for recommended Operating Licence 2017-2022
2.0	1 July 2017	Second release for recommended Operating Licence 2017-2022
3.0	14 February 2018	Minor corrections in terminology used and references to relevant sections (pp 20, 21, 35, 36, 39, 40).
4.0	27 April 2018	Performance indicators amendments. Add statement of compliance template Appendix. Delete National Water Initiative Performance Indicators Appendix. Draft for consultation.

Invitation for submissions

IPART invites written comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

Submissions are due by 24 May 2018

We would prefer to receive them electronically via our online submission form <www.ipart.nsw.gov.au/Home/Consumer_Information/Lodge_a_submission>.

You can also send comments by mail to:

Water Utility Performance Indicators Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Late submissions may not be accepted at the discretion of the Tribunal. Our normal practice is to make submissions publicly available on our website <www.ipart.nsw.gov.au> as soon as possible after the closing date for submissions. If you wish to view copies of submissions but do not have access to the website, you can make alternative arrangements by telephoning one of the staff members listed on the previous page.

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If you would like further information on making a submission, IPART's submission policy is available on our website.

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1 Introduction

The Independent Pricing and Regulatory Tribunal (IPART) is responsible for monitoring and reporting on Water NSW's compliance with its Operating Licence (Licence).

1.1 Purpose of the Reporting Manual

The Licence contains a number of reporting obligations with which Water NSW must comply. This Reporting Manual outlines all of Water NSW's reporting requirements under the Licence. This Reporting Manual identifies:

- ▼ when Water NSW must report
- ▼ what information Water NSW must report
- ▼ to whom Water NSW must report, and
- ▼ how Water NSW must report.

It is a condition of Water NSW's Licence that it must comply with the reporting obligations set out in this Reporting Manual.¹

This Reporting Manual does not reproduce Water NSW's Licence obligations in full. It is still necessary for Water NSW to refer to the Licence and to any law, statutory instrument or document referred to in the Licence obligations (eg, guidelines).

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 the 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 the Reporting Manual.

1.3 Structure of this Reporting Manual

This Reporting Manual is structured as follows:

- ▼ Section 1 provides an overview of the purpose and structure of the Reporting Manual, and when and how information should be reported in accordance with this Reporting Manual.
- ▼ Sections 2 to 6 outline the specific reporting requirements under each clause of the Licence, when to report and who to report to, according to the reporting schedule in Appendix A.

¹ Clause 7.2.1 of the Licence.

- ▼ Section 7 outlines other general reporting obligations with which Water NSW must comply.

1.4 Changing this Reporting Manual

At times we may change this Reporting Manual to:

- ▼ reflect changes in the applicable law, including the *Water NSW Act 2014* (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 Water NSW must provide to IPART and to NSW Health (as the case may be), and
- ▼ improve the reporting process.

Before we change this Reporting Manual (other than changes to correct minor grammatical or typographical errors), we will consult with Water NSW and other interested stakeholders. We will then notify Water NSW and stakeholders of the changes to this Reporting Manual and the start date for any new reporting arrangements. In determining the start date of changes, we will make sure there is enough time for Water NSW to implement new arrangements to enable the reporting.

1.5 When should the information be reported?

Water NSW's reporting schedule is summarised in Appendix A. We have grouped reporting requirements into:

- ▼ 'periodic' (ie, monthly, quarterly, annual, etc) reporting, and
- ▼ 'as required' reporting (ie, once-off report as required under the Licence, or report when certain events are triggered).

Appendix A of this Reporting Manual provides a complete timeline for Water NSW's reporting requirements under its Licence.

1.6 How should the information be reported?

1.6.1 Reporting to IPART

Water NSW should provide the required information to IPART in a clear and concise report. Where this Reporting Manual requires information on more than one area, (such as the compliance and performance reports on the Asset Management System and Environmental System, as required in section 5.1.1 of this reporting manual) at the same time, Water NSW is encouraged to provide the information in a single report. However, Water NSW may choose to report the information in separate reports.

Any report must be approved by Water NSW's Chief Executive Officer.

Water NSW must lodge each report electronically, with a hard copy sent by mail if requested by IPART. When lodging a report, Water NSW must also provide the name and contact details (phone, email) of the primary contact at Water NSW with whom IPART can 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, or to the last email address notified by IPART to Water NSW.

Hardcopy reports, if requested, must be sent to:

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

or to the last address notified by IPART.

1.6.2 Reporting to NSW Health

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

Water NSW must lodge each report electronically. **If requested by IPART, Water NSW must also submit a hard copy by mail.** When lodging a report, Water NSW must also provide the name and contact details (phone, email) of the primary contact at Water NSW with whom IPART can liaise when assessing compliance, 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 Water NSW.

2 Water Source protection and conservation

This section relates to Water NSW's reporting obligations under Part 2 of the Licence.

2.1 Periodic reporting

2.1.1 Annual compliance and performance reporting - Water quality management

Water NSW must submit an annual compliance and performance report to IPART and NSW Health (for each financial year) on the implementation of the Water Quality Management System (**Annual report on the Water Quality Management System**). This requirement is relevant to the Declared Catchment Areas and for all water that is Supplied from Non-Declared Catchment Areas.

Water NSW must use the template in **Appendix B** of this Reporting Manual to prepare the Annual Report on Water Quality Management System. Water NSW must submit this report to IPART by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

The Annual report on the Water Quality Management System must include details on the following matters for each financial year:

- ▼ the water quality management activities and programs completed by Water NSW in the financial year to meet its water quality objectives, including the results and outcomes from those activities and programs
- ▼ the water quality management activities and programs proposed by Water NSW to meet Water NSW's water quality objectives in the future, 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 System) over the long term in accordance with Chapter 10 of the *Australian Drinking Water Guidelines* or Element 11 of the *Australian Guidelines for Water Recycling* (as the case may be), or other requirements as specified by NSW Health or IPART
- ▼ 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 *Australian Drinking Water Guidelines* or *Australian Guidelines for Water Recycling* (as the case may be), or other requirements as specified by NSW Health or IPART
- ▼ any significant changes made to the Water Quality Management System, and
- ▼ any non-conformances with the Water Quality Management System and the actions taken to resolve them.

[Note: As explained in the Note to section 2.2.1 below, Water NSW must maintain and implement a Water Quality Management System for managing water in Declared Catchment Areas, and that it Supplies from Non-Declared Catchment Areas, in accordance with the Licence. This section 2.1.1 requires Water NSW to report on how it complies with this Licence requirement.

The Water Quality objectives referred to in this section are objectives that Water NSW identifies in implementing the Water Quality Management System. Water NSW's water quality objectives may be:

- ▼ the broad objectives of the Water Quality Management System. For example, a broad objective may be to ensure consistent management of water quality. Under Element 4 of the Australian Water Drinking Guidelines, operational procedures should be developed to achieve this objective, such as a data analysis procedure which is followed when routine data monitoring results are available. Objectives may cover all 12 elements of the Guidelines, and may include monitoring, operation, maintenance, training, community consultation and research programs; or
- ▼ the target water quality criteria (ie. operational water quality objectives) for each operational characteristic included in the monitoring program developed as part of the Water Quality Management System (eg, E.coli numbers in feeder streams and Bulk Water).

The water quality management activities and programs referred to in this section 2.1.1 are those that Water NSW would need to undertake to carry out a risk assessment. Risk assessment is part of the Australian Drinking Water Guidelines and Australian Guidelines for Water Recycling, with which the Water Quality Management System may be required to be consistent. The activities and programs should be identified in the risk assessments as actions required for managing or maintaining a risk below a tolerable level.

Where NSW Health or IPART has specified or approved requirements that the Water Quality Management System is to be consistent with, other than the Guidelines, Water NSW must still report to IPART on the water quality management activities and programs proposed to meet its water quality objectives in the future.]

2.1.2 Annual water quality monitoring reporting relevant to Declared Catchment Areas only

Water NSW must submit an annual report to IPART and NSW Health (for each financial year) regarding its monitoring of water quality (**Annual Report on Water Quality Monitoring**). This requirement is relevant to the Declared Catchment Areas only.

Water NSW must submit the Annual Report on Water Quality Monitoring to IPART and NSW Health by **30 November** after the end of the financial year, or at a later date agreed to by IPART. Water NSW must also report publicly on this report in accordance with section 2.3 of this Reporting Manual.

The Annual Report on Water Quality Monitoring must:

- ▼ summarise the monitoring program developed under the Water Quality Management System, including Water NSW's water quality objectives relating to monitoring and the applicable guidelines for water quality (eg, the *Australian Drinking Water Guidelines*, or other requirements as approved by NSW Health or IPART)

- ▼ summarise the monitoring results and analyse if the results address Water NSW's water quality objectives. This will include the results of:
 - ▼ routine monitoring of the water quality characteristics identified in the Water Quality Management System, and
 - ▼ non-routine monitoring (event-based and investigative monitoring), including a summary of water quality incidents identified during the financial year and actions taken to resolve, eliminate or mitigate the effect of those incidents, especially to protect public health during the incident; and
- ▼ provide information on the integrity of the data reported.

For 2017 and 2019, Water NSW must also include in the Water Quality Monitoring Report an analysis of trends in water quality over the previous 10 years:

- ▼ at the inflows to any (downstream) water filtration plants,
- ▼ within Water NSW's water storages, and
- ▼ at other locations as specified by NSW Health and DPI Water (including inflows into Water NSW's water storages).

[Note: Under Clause 2.1.1 of the Licence, Water NSW must maintain and implement a Water Quality Management System to manage the risks to the quality of any water relevant to Declared Catchment Areas. This Water Quality Management System must be consistent with the Australian Drinking Water Guidelines, or any amendment or addition to the Australian Drinking Water Guidelines that applies to Water NSW, as amended or added to by NSW Health, or other requirements as specified or approved by NSW Health or IPART, as required by clause 2.1.1 of the Licence.]

The Australian Drinking Water Guidelines seek to provide a framework for good management of Drinking Water Supply. A central aspect of this framework is the use of monitoring to confirm the effectiveness of the preventive measures and barriers to contamination, and to enhance Water NSW's understanding of the performance of the system that implements the Guidelines. To comply with the Licence, the Water Quality Management System must include a monitoring program. Where other requirements have been specified or approved within Declared Catchment Areas, the Licence allows for compliance of the WQMS with requirements other than the Australian Drinking Water Guidelines, as approved by NSW Health or IPART. The use of a monitoring program to confirm the effectiveness of the Water Quality Management System being implemented would still be relevant in this case.

This section of this Reporting Manual requires Water NSW to report on its monitoring of water quality, with respect to water in the Declared Catchment Areas, under such a monitoring program. Further, Clause 2.3.1 of the Licence requires Water NSW to publish information collected by Water NSW on water quality relevant to Declared Catchment Areas.

The Annual Water Quality Monitoring Report required under this section of this Reporting Manual does not need to include information relevant to Non-Declared Catchment Areas. That is, currently, Water NSW is not required to report to IPART or NSW Health on its water quality monitoring in the Non-Declared Catchment Areas. However, this should not preclude Water NSW from maintaining a monitoring program for water Supplied from Non-Declared Catchment Areas, as part of the Water Quality Management System required under Clause 2.1.2 of the Licence.]

2.1.3 Annual compliance and performance monitoring - catchment management relevant to Declared Catchment Areas only

Water NSW must submit an annual compliance and performance report to IPART (for each financial year) on its catchment management and protection activities (**Annual Report on Catchment Management**). The report must cover Water NSW's catchment management and protection activities, relevant to the Declared Catchment Areas only.

Water NSW must submit the Annual Report on Catchment Management to IPART by **30 November** after the end of the financial year, or at a later date agreed to by IPART. Water NSW must also report publicly on this report in accordance with section 2.3 of this Reporting Manual.

The Annual Report on Catchment Management must include:

- ▼ the planned and actual catchment management and protection activities
- ▼ the planned and actual expenditure for each of the catchment management and protection activities
- ▼ the planned and actual outcomes for each of the catchment management and protection activities
- ▼ identification of program activities in response to the recommendations or findings of the Operational Audit, Catchment Audit, or Water NSW's research or monitoring programs
- ▼ an explanation of the types of catchment research activities and programs undertaken by Water NSW and the planned and completed catchment research activities, to meet Water NSW's research objectives
- ▼ an explanation of any annual changes in catchment management and protection activities or programs and expenditure
- ▼ an explanation of the types of community education activities and programs run by Water NSW
- ▼ the actual (completed) community education activities, and
- ▼ any other matter notified by IPART to Water NSW.

[Note: Under, Clause 2.2 of the Licence, Water NSW must manage and protect the Declared Catchment Areas. Under clause 2.8 of the Licence, Water NSW must maintain a program of research for each Declared Catchment Area, in accordance with the requirements of the Licence. Further, under Clause 6.11 of the Licence, Water NSW must undertake an educative role in the community on its activities and functions in Declared Catchment Areas consistent with its objectives under section 6(1)(c) of the Act, and report on its activities in accordance with the Reporting Manual.]

This section of the Reporting Manual therefore requires Water NSW to report on its catchment management and protection activities, including its community education and catchment research activities, relevant to the Declared Catchment Areas.]

2.1.4 Annual compliance and performance monitoring - reporting on IPART Environmental Indicators relevant to Declared Catchment Areas only

Water NSW must submit an annual compliance and performance report to IPART on the IPART Environmental Indicators relevant to Water NSW's activities in Declared Catchment Areas only, contained in **Appendix C, Table C.1** of this Reporting Manual, for each financial year (**Annual Report on IPART Environmental Indicators relevant to Declared Catchment Areas**).

Water NSW must submit the Annual Report on IPART Environmental Indicators relevant to Declared Catchment Areas to IPART by **1 October** after the end of the financial year, or at a later date agreed to by IPART.

*[Note: Under clause 2.3.1(d) of the Licence, Water NSW must monitor, record, and compile data on Environmental Indicators relevant to Declared Catchment Areas, and report on those indicators in accordance with this Reporting Manual. These Environmental Indicators are contained within **Table C.1** of this Reporting Manual.]*

Note that these IPART indicators are separate from the NWI indicators (environment) in section 2.1.5 of this Reporting Manual]

2.1.5 Annual compliance and performance monitoring - reporting on National Water Initiative – NWI Environmental Indicators relevant to the Sydney Catchment Area

Water NSW must submit an annual compliance and performance report to IPART on the NWI Environmental Indicators contained in **Appendix C** of this Reporting Manual for each financial year for all water Supplied from the Sydney Catchment Area (unless reported to another regulator) (**Annual Report on NWI Environmental Indicators**). The Environmental Indicators in Table C.1 are those indicators identified by "environment" in the **second** column of that table.

Water NSW must submit the Annual Report on NWI Environmental Indicators to IPART by **1 October** after the end of the financial year, or at a later date agreed to by IPART.

[Note: The NWI Environmental Indicators, which are developed by the Bureau of Meteorology, relate to water sourced from, and Supplied by, Water NSW in the Sydney Catchment Area.]

The NWI Environmental Indicators are also published by the Bureau of Meteorology in the Annual Urban National Performance Report.

Note that these NWI indicators are separate from the IPART environmental indicators in section 2.1.4 of this Reporting Manual.]

2.1.6 Annual reporting - Water Conservation Program report

Water NSW must submit an annual report on its progress against the water conservation work program using the process set out in the Water Conservation Strategy to IPART, by **1 September 2020**, and annually thereafter (**Annual Report on the Water Conservation**

Program). Water NSW must also report publicly on this report in accordance with section 2.3 of this Reporting Manual.

The Annual Report on the Water Conservation Program must:

- ▼ describe and explain Water NSW's progress against implementation (or otherwise) of each of the elements of its program of water conservation activities for the previous financial year
- ▼ include, for the next five financial years:
 - Water NSW's strategies, programs and projects relating to Water Storage and Transmission
 - options identified for conserving water within system operating arrangements
 - comparison of these options, and
 - options selected for implementation
- ▼ describe and explain any proposed changes to the water conservation activities, and
- ▼ outline how Water NSW's water conservation activities relate to the Metropolitan Water Plan.

[Note: IPART (a) expects the first report will describe progress against the Water Conservation work program submitted on 1 September 2019 see section 2.2.6 below, (b) anticipates that the rolling five year plan may be subject to change as the Water Conservation Strategy becomes more established.]

2.2 As required reporting

2.2.1 Routine water quality monitoring reporting

Water NSW must report to its Customers and NSW Health the results of routine water quality monitoring undertaken under the monitoring program that it develops as part of the Water Quality Management System (**Routine Water Quality Monitoring Report**).

This report is to contain the results of routine monitoring which the monitoring program requires to be reported to Water NSW's Customers and NSW Health. This requirement is relevant to Customers which are Supplied water from within the Declared Catchment Areas only.

[Note: Under Clause 2.1.1 of the Licence, Water NSW must maintain and implement a Water Quality Management System to manage the risks to the quality of any water relevant to Declared Catchment Areas. As explained in the note to section 2.1.1 of this Reporting Manual, to comply with the Licence, the Water Quality Management System must include a monitoring program.]

This section of this Reporting Manual requires Water NSW to report on its monitoring of water quality, with respect to water in the Declared Catchment Areas, under such a monitoring program, to ensure timely reporting for operational purposes. This section of the Reporting Manual requires Water NSW to report on water quality relevant to the Declared Catchment Areas.

2.2.2 Catchment health indicators relevant to Declared Catchment Areas only – Catchment audit

Water NSW must provide to the Appointed Auditor all data within Water NSW's possession which informs the Catchment Health Indicators contained in **Appendix D** of this Reporting Manual. This requirement is relevant to the health of the Declared Catchment Areas only.

Water NSW must provide the data to the Appointed Auditor at the time specified by the Appointed Auditor, after they are appointed under the Act to undertake an audit of the health of the Declared Catchment Areas.

[Note: Clause 2.3.1(c) of the Licence requires Water NSW to provide this data to the Appointed Auditor in accordance with this Reporting Manual. Under section 41 of the Act, Catchment Health Indicators of the health of the Declared Catchment Areas have been developed, approved and published in the NSW Government Gazette. When the Appointed Auditor conducts Catchment Audits, they must have regard to the gazetted indicators.]

At the Commencement Date of the Licence, Appendix D includes indicators that relate to the Sydney Catchment Area only and are a subset of those indicators developed, approved, and published in the NSW Government Gazette Number 158 dated 19 December 2008. That is, in Table D.1, we have listed the indicators for which Water NSW is the data custodian. Table D.1 is not a comprehensive list of the gazetted indicators. The data for the remainder of the gazetted indicators is collected by other agencies involved in the catchment audit under section 42 of the Act.]

2.2.3 Incident reporting

Water NSW must report to NSW Health and its Customers immediately if there is an incident where the Bulk Water it supplies poses a risk to human health.

“Incident” is as defined under the Water Quality Management System.

Water NSW must report in accordance with the reporting protocols developed in the Water Quality Management System.

[Note: This requirement applies to any Water Quality Management System that Water NSW has developed under clauses 2.1.1 and 2.1.2 of the Licence.]

To be consistent with the framework in the Australian Drinking Water Guidelines or Australian Guidelines for Water Recycling, the Water Quality Management System should define “incidents” and include protocols for external communications and reporting of incidents. This section 2.2.3 requires Water NSW to report these incidents in accordance with these protocols.]

2.2.4 Notification of significant changes to a Water Quality Management System

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

[Note: Under clause 2.1.5 of the Licence, Water NSW must notify IPART and NSW Health, in accordance with the Reporting Manual, of any significant changes that it proposes to make to a Water Quality Management System.]

2.2.5 Water Conservation Strategy for water storage and transmission

Water NSW must submit to IPART its Water Conservation Strategy for water storage and transmission to IPART by **1 November 2018**, or by a later date as approved by IPART.

[Note: Clause 2.7 of the Licence requires Water NSW to submit to IPART, a report outlining Water NSW's water conservation strategy in relation to its operations under the Licence, for water storage and transmission.]

2.2.6 Water conservation work program

Water NSW must submit to IPART its water conservation work program to IPART by **1 September 2019**, or by a later date as approved by IPART. The water conservation work program is based on its Water Conservation Strategy. The water conservation work program should set out for the next five financial years:

- ▼ Water NSW's strategies, programs and projects relating to Water Storage and Transmission
- ▼ options identified for conserving water within system operating arrangements
- ▼ comparison of these options, and
- ▼ options selected for implementation

[Note: Clause 2.7 of the Licence requires Water NSW to submit to IPART, a water conservation work program using the process set out in the Water Conservation Strategy.]

2.2.7 System Yield reporting relevant to Declared Catchment Areas only

Following a recalculation of the System Yield under clause 2.5.1 of the Licence, Water NSW must:

- ▼ advise the Minister the details of any changes (including reasons for the changes) in writing, as soon as practicable after the recalculation, and
- ▼ report publicly on the changes (including reasons for the changes) in accordance with section 2.3 of this Reporting Manual, as soon as practicable after advising the Minister of the changes.

[Note: Under clause 2.5.1 of the Licence, Water NSW must re-calculate the System Yield with respect to Declared Catchment Areas only, if certain events occur. Under clause 2.5.2(a) of the Licence, Water NSW must report any changes to the System Yield. This section of the Reporting Manual requires Water NSW to report the changes to the System Yield following its recalculation.]

2.2.8 Where future demand may exceed System Yield relevant to Declared Catchment Areas only

Water NSW must advise the Minister in writing as soon as practicable if it considers that future demand for Bulk Water may exceed the System Yield and when this exceedance might occur.

[Note: Under clause 2.5.2(b) of the Licence, Water NSW must advise the Minister if it considers that future demand for Bulk Water may exceed the System Yield in accordance with this Reporting Manual. This section requires Water NSW to advise the Minister on this matter.]

2.2.9 Review of System Yield model relevant to Declared Catchment Areas only

Water NSW must submit to IPART a report on the independent review of the modelling and procedures for calculating the System Yield, by **30 June 2021**. Water NSW must also report publicly on this report in accordance with section 2.3 of this Reporting Manual.

The report must include:

- ▼ the independent expert's findings of the review, and
- ▼ Water NSW's response to those findings.

[Note: Under clause 2.6 of the Licence, Water NSW must retain an independent expert to review its modelling and procedure for calculating the System Yield, and to report on the review in accordance with the Reporting Manual.]

2.3 Publicly available documents

Water NSW must make the following documents available free of charge on its website for downloading by any person:

- ▼ the Annual Report on Water Quality Monitoring (referred to in section 2.1.2 of this Reporting Manual)
- ▼ the Annual Report on Catchment Management (referred to in section 2.1.3 of this Reporting Manual)
- ▼ Annual Report on Water Conservation Work Program (referred to in section 2.1.6 of this Reporting Manual)
- ▼ the Design Criteria and data and assumptions underlying calculations about Water Supply System Yield (referred to in clause 2.4 of the licence)
- ▼ any changes to the System Yield (including reasons for the changes) (referred to section 2.2.7) of this Reporting Manual), and
- ▼ the report on the review of the modelling and procedure for calculating the System Yield (referred to in section 2.2.9 of this Reporting Manual).

3 Bulk water storage and transmission

This section relates to Water NSW's reporting obligations under Part 3 of the Licence.

3.1 Periodic reporting

3.1.1 Annual water balance reports

Water NSW must complete water balance reports for each financial year for all of its activities in relation to its function to CSR Water, annually from each water source (river valley).

Water balance reports are not required to include water Supplied directly to customers.

Further, Water NSW is not required to submit these reports to IPART but must report on them publicly (at the same time as completion), in accordance with section 3.3 of this Reporting Manual.

[Note: Water balance information provided to other government agencies will satisfy this requirement of the Reporting Manual if made publicly available].

3.2 As required reporting

3.2.1 Report on review of monitoring of water quality released to Local Water Utilities

Water NSW must submit to IPART a report **detailing** the outcomes of the review of its water quality monitoring, for all of its activities in relation to its CSR Water to Local Water Utilities, by **30 June 2019**.

The report must include:

- ▼ a description of the review and consultation undertaken
- ▼ measures that were identified
- ▼ the timing by which the measures could be implemented, and
- ▼ any barriers to immediate implementation of identified measures, including limitations to funding.

[Note: Under clause 3.4 of the Licence, Water NSW must, by 31 December 2018, in consultation with NSW Health, the Local Water Utility Customers on the Local Water Utility Register and its customer advisory groups, complete a review of its water quality monitoring, of water released by Water NSW to Local Water Utilities. By 30 June 2019, Water NSW must provide IPART with a report detailing the outcomes of the review.]

3.3 Publicly available documents

Water NSW must make the following documents available free of charge on its website for downloading by any person:

- ▼ details of the Local Water Utility Information Request Procedure (referred to in clauses 3.4.2 – 3.4.3 of the Licence), and

[Note: Clause 3.4.3 of the Licence requires Water NSW to make details of the LWU Information Request Procedure available free of charge on its website for downloading by any person.]

- ▼ the water balance reports (referred to in section 3.1.1 of this Reporting Manual).

4 Performance standards

This section relates to Water NSW's reporting obligations under Part 4 of the Licence.

4.1 Periodic reporting

4.1.1 Annual compliance and performance reporting against Performance Standards

Water NSW must submit to IPART an annual compliance and performance report with respect to Water NSW's performance against the Performance Standards (**Annual Report against Performance Standards**).

Water NSW must submit the report to IPART by **1 September** following the end of the relevant financial year, or by a later date agreed by IPART.

The report must include an explanation of how Water NSW has complied, or not complied with the Performance Standards, which details:

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

[Note: under Part 4 of the Licence, Water NSW is required to comply with the performance standards in relation to Water NSW's functions to CSR Water, and to Supply water.]

4.2 As required reporting

There is no as required reporting requirement for the purpose of Part 4 of the Licence.

4.3 Publicly available documents

There are no requirements to make documents public for the purpose of Part 4 of the Licence.

5 Organisational systems management

This section relates to Water NSW's reporting obligations under Part 5 of the Licence.

5.1 Periodic reporting

5.1.1 Annual compliance and performance reporting - Management Systems

Water NSW must submit to IPART an annual compliance and performance report(s) on the following management systems:

- ▼ Asset Management System (AMS), and
- ▼ Environmental Management System (EMS)

Water NSW must submit the report by **1 September** following the end of the financial year, or at a later date agreed to by IPART. Water NSW must also report publicly on this report(s) in accordance with section 5.3 of this Reporting Manual.

The annual report(s) on the management systems must include:

- ▼ a summary of the objectives and/or targets of each management system
- ▼ the activities and programs completed by Water NSW in the financial year to meet the objectives and targets of each management system
- ▼ the results and outcomes from those activities and programs
- ▼ the activities and programs proposed to be undertaken by Water NSW to meet the objectives and targets of each management system in the future, including the timetable for completion and proposed performance measures
- ▼ any significant changes made to each management system, and
- ▼ any major non-conformities in each management system and the actions taken to resolve those non-conformances.

[Note: Water NSW must maintain and implement:

- *An Asset Management System consistent with the standard specified in the licence (Licence clauses 5.1.1 and 5.1.2)*
- *An Environmental Management System consistent with the standard specified in the licence (Licence clauses 5.2.1 and 5.2.2)*

This section 5.1.1 of the Reporting Manual requires Water NSW to report on how it complies with these Licence conditions. The objectives referred to in this section 5.1.1 are those that Water NSW would need to identify for each management system. The activities referred to in this section 5.1.1 are those that Water NSW would need to undertake to achieve the objectives of each management system.]

5.2 As required reporting

5.2.1 State of the assets report

Water NSW must submit a report to IPART on the state of each group of Assets managed by Water NSW (**State Of The Assets Report**). Water NSW must submit the report to IPART by **30 June 2018** or at a later date agreed to by IPART.

The State Of The Assets Report must cover the following matters as at 1 July 2017:

- ▼ a description of each group of Assets
- ▼ Water NSW's assessment of the expected capability, including condition and criticality, of the Assets to deliver the services and to meet the existing obligations of Water NSW consistent with the Licence and all applicable laws with which Water NSW must comply
- ▼ Water NSW's assessment of the major issues or constraints on current and future performance of the Assets
- ▼ the strategies and expected costs of future investments in the Assets
- ▼ Water NSW's progress in implementing the management of the Assets and any recommended improvements in processes, practices, systems and plans for the management of the Assets, and
- ▼ other such information reasonably required by IPART.

[Note: Under clauses 5.1.1 and 5.1.2 of the Licence, Water NSW must maintain and implement an Asset Management System. To implement the Asset Management System, Water NSW must assess the state of the Assets and their performance in accordance with the matters listed above. This section 5.2.1 requires Water NSW to report on these matters.]

5.3 Publicly available documents

Water NSW must make the compliance and performance reports on its Asset Management System and Environmental Management System (referred to in section 5.1.1 of this Reporting Manual) available free of charge on its website for downloading by any person.

6 Customer and stakeholder relations

This section relates to Water NSW's reporting obligations under Part 6 of the Licence.

6.1 Periodic reporting

6.1.1 Annual compliance and performance reporting

Water NSW must submit to IPART, an annual compliance and performance report on its Customer and stakeholder relations (**Annual Compliance and Performance Report on Customer and stakeholder relations**).

Water NSW must submit the Annual Compliance and Performance Report on Customer and stakeholder relations to IPART **by 1 September** after the end of the financial year, or at a later date agreed to by IPART. Water NSW must also report publicly on this report(s) in accordance with section 6.3 of this Reporting Manual.

The Annual Compliance and Performance Report on Customer and stakeholder relations must include:

- ▼ The activities of the Customer Advisory Group in the financial year including:
 - the activities and achievements of the customer advisory group; and
 - the compliance of the Customer Advisory Group with the Customer Advisory Group Charter
- ▼ any systemic problems arising from Complaints and the action taken to resolve them
- ▼ any proposed significant changes to:
 - the Customer Advisory Group Charter referred to in clause 6.6 of the Licence
 - the Customer Service Charter referred to in clause 6.7 of the Licence
 - the Code of Practice on payment difficulties referred to in clause 6.8 of the Licence
 - the Internal Complaints Handling Procedure referred to in clause 6.9 of the Licence, and
 - the External Dispute Resolution Scheme referred to in clause 6.10 of the Licence
- ▼ the following information:
 - total number of Customers by category (Supply and CSR) for each scheme or area
 - the number of requests by Customers for assistance with paying Bills, including which area or scheme they are located in
 - the number of Customers in receipt of assistance with paying Bills, including which area they are located in

- the number of licences and entitlements suspended under the *Water Management Act 2000* or the *Water Act 1912*
- total number of licences administered by Water NSW, and
- the number of approvals suspended under the *Water Management Act 2000*.

[Note: Under the Licence, Water NSW must:

- ▼ consult with its Customers through area based customer advisory groups and maintain a Customer Advisory Group Charter and a Customer Service Charter (Licence clauses 6.5, 6.6 and 6.7);
- ▼ maintain and implement a code of practice on payment difficulties (Licence clause 6.8); and
- ▼ maintain and implement an Internal Complaints Handling Procedure (Licence clause 6.9) and be a member of the external dispute resolution scheme (Licence clause 6.10).]

6.2 As required reporting

There is no as required reporting requirement for the purpose of Part 6 of the Licence.

6.3 Publicly available documents

Water NSW must make a copy of the following documents available to any person, free of charge on its website for downloading:

- ▼ Compliance and performance report on its Customer and stakeholder relations (referred to in section 6.1.1 of this Reporting Manual)
- ▼ Customer Advisory Group Charter(s) and minutes from proceedings of the Customer Advisory Group(s) (as required under clause 6.6 of the Licence)
- ▼ Customer Service Charter(s) (as required under clause 6.7.3 of the Licence)
- ▼ information on the Code of Practice on Payment Difficulties (as required under clause 6.8.4 of the Licence)
- ▼ information concerning internal Complaints handling, explaining how to make a Complaint and how Water NSW will receive, respond to and resolve Complaints (as required under clause 6.9.4 of the Licence)
- ▼ information that explains how the external disputes resolution service works and how it can be accessed (as required under clause 6.10.2 of the Licence)
- ▼ the Memorandum of Understanding with NSW Health (as required under clause 6.13 of the Licence)

[Note: Water NSW is required to enter into a Memorandum of Understanding with NSW Health under section 21 of the Act. Clause 6.13 of the Licence requires Water NSW to maintain this Memorandum of Understanding and make it publicly available on its website.]

-
- ▼ the Memorandum of Understanding with the Environmental Protection Authority (EPA, as required under clause 6.14 of the Licence), and

[Note: Water NSW is required to enter into a Memorandum of Understanding with the EPA under section 21 of the Act. Clause 6.14 of the Licence requires Water NSW to maintain this Memorandum of Understanding and make it publicly available on its website.]

- ▼ the statement setting out Water NSW's and DPI Water's role and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of the Licence (as required under clause 6.16.2 of the Licence).

[Note: Clause 6.16 of the Licence requires Water NSW to agree in writing with DPI Water the roles and responsibilities regarding the conduct of the Conferred Functions specified in Schedule A of the licence, and publish a statement setting out the roles and responsibilities on its website.]

7 Performance monitoring and reporting

This section relates to Water NSW's reporting obligations under Part 7 of the Licence.

7.1 Periodic reporting

7.1.1 Annual compliance and performance reporting

In addition to any annual reporting requirements referred to in other sections of this Reporting Manual:

Water NSW must prepare, for each financial year, a compliance and performance report on Water NSW's performance against the performance indicators set out in Appendix C of this Reporting Manual for the relevant financial year.

Water NSW must submit the report to IPART by **1 September** following the end of the relevant financial year, or by a later date agreed by IPART.

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

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

[Note: Under Licence clause 7.2, Water NSW must comply with its reporting obligations in this Reporting Manual. This section 7.1.1 requires Water NSW to report on its performance against the performance indicators.]

Under Licence clause 7.2.1(f)(i), Water NSW must report to IPART the IPART performance indicators. From time to time, IPART may review and change the IPART performance indicators. When that occurs we will update this Reporting Manual accordingly and notify stakeholders of the changes.

Under Licence clause 7.2.1(f)(ii) [and clause 7.1.2 of this Reporting Manual], Water NSW must report to IPART the National Water Initiative Performance 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 and updated from time to time.]

7.1.2 Reporting on National Water Initiative – indicators relevant to the Sydney Catchment Area only

Water NSW must submit an annual compliance and performance report to IPART on the NWI indicators (excluding environment indicators) for all water Supplied from the Sydney Catchment Area (unless reported to another regulator) (Annual Report on NWI Indicators).

Water NSW must submit the Annual Report on NWI Indicators (excluding environment indicators) to IPART by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

[Note: Water NSW participates in the National Benchmarking Framework for Urban Water Utilities developed by the Bureau of Meteorology. IPART collects NWI Indicators for this Framework under the National Water Initiative.]

Note: National Water Initiative Indicators are outlined in the National urban water utility performance reporting framework: indicators and definitions handbook, published in January 2018 by the Bureau of Meteorology and updated from time to time.]

7.1.3 Annual audit recommendations status report

Water NSW must report to IPART annually on the status of any audit recommendations identified in the most recent Operational Audit and outlined in IPART's audit report to the Minister.

Water NSW must submit the audit recommendations status report to IPART by **31 March** each year (or at a later date agreed to by IPART).

Water NSW may, but is not required to, report to IPART on the implementation of any opportunities for improvement identified in our report to the Minister on the results of the audit.

Water NSW should provide this information with the status update on audit recommendations, if it chooses to report on opportunities for improvement. This information may be considered by an auditor in the subsequent annual audit.

[Note: Under clause 7.1 of the Licence, IPART or an Auditor may undertake an Operational Audit. This section 7.1.3 (of this Reporting Manual) requires Water NSW to report on the status of implementing recommendations identified in an Operational Audit.]

IPART requirements for opportunities for improvement are set out in the Audit Guideline – Public Water Utilities.]

7.1.4 Statement of compliance

Water NSW must submit a statement of compliance to IPART by **1 September** each year. Water NSW must provide the statement of compliance in the form of Appendix E of this Reporting Manual.

[Note: This section 7.1.4 related to the requirement under Licence clause 7.1, IPART may annually, or from time to time as the occasion requires, undertake, or appoint an Auditor to undertake, an Operational Audit on Water NSW's compliance with its Licence, this Reporting Manual or any other matters required by the Minister. As part of the preparation for the audit process, this section 7.1.4 requires Water NSW to provide a statement of compliance which identifies any non-compliance of which Water NSW is aware.]

7.1.5 Significant changes

Water NSW must submit to IPART by **31 March** each year a report on any significant changes that have been made to the following since 31 March the previous year:

- ▼ the Water Quality Management System (required under Clause 2.1 of the Licence),
- ▼ the Design Criteria (required under Clause 2.4 of the Licence),
- ▼ Water NSW's operation or management of the Catchment Infrastructure (required under Clause 2.4.1 of the Licence),
- ▼ Water NSW's management and protection of the Catchment Area (required generally under Part 2 of the Licence),
- ▼ the Asset Management System and Environmental Management System (required under Part 5 of the Licence),
- ▼ the Customer Advisory Group Charter(s) (as established and maintained under Part 6 of the Licence), and
- ▼ the Customer Service Charter (as established and maintained under Part 6 of the Licence).

[Note: Under the Licence, Water NSW is required to develop and implement the Management Systems referred to above (Licence, Part 5), manage and operate the Catchment Infrastructure consistent with the Design Criteria and manage and protect the Catchment Area consistent with its statutory objectives and functions (Licence, Part 2).

This section 7.1.5 requires Water NSW to report on any significant changes to these matters and systems. This is separate to the proposed significant changes that we require Water NSW to report on, in accordance with this Reporting Manual (as detailed in previous section).

We use this information to inform the scope of operational audits.]

7.2 As required reporting

There is no as required reporting requirement for the purpose of Part 7 of the Licence.

8 Definitions and interpretation

8.1 Definitions

In this reporting manual, where the terms below appear in title case, they have the corresponding meaning set out below, unless context dictates otherwise.

Act means the *Water NSW Act 2014* (NSW).

Appointed Auditor means the person appointed by the Minister under section 42 of the Act to carry out functions under that section.

Asset Management System has the meaning given in clause 5.1.1 of the Licence.

Auditor means a person appointed by IPART to undertake an Operational Audit.

Australian Drinking Water Guidelines means the document entitled *Australian Drinking Water Guidelines 2011, including the Framework for Management of Drinking Water Quality*, published by the National Health and Medical Research Council and the Natural Resource Management Ministerial Council of Australia and New Zealand (as amended or updated from time to time).

Australian Guidelines for Water Recycling means the document entitled *Australian Guidelines for Water Recycling: Managing Health and Environmental Risks (Phase 1)* published by the Environment Protection and Heritage Council, the Natural Resource Management Ministerial Council and the Australian Health Ministers' Conference in November 2006 (as amended or updated from time to time).

Bill means an invoice sent by Water NSW to a Customer for the provision of services supplied by Water NSW.

Bulk Water means either water which has not been treated in any way or water that has been treated to improve quality, whether by chemical treatment or otherwise, but not treated, or attempted to be treated, to Drinking Water quality.

Catchment audit has the meaning given in section 42 of the Act.

Catchment Health Indicators means the catchment health indicators which are set out in **Appendix D** of the Reporting Manual.

[Note: At the Commencement Date of the Licence, these include indicators that relate to the Sydney Catchment Area only and are a subset of those indicators developed, approved, and published in the NSW Government Gazette Number 158 dated 19 December 2008]

Catchment Infrastructure Works has the meaning given to it by the Act.

Code of Practice on Payment Difficulties has the meaning given in clause 6.8 of the Licence.

Commencement Date is the date on which this Licence commences, being either 1 July 2017 or, if a different date is specified by the Governor in a notice published in the NSW Government Gazette, that different date.

Complaint means an expression of dissatisfaction made to Water NSW or to the Minister, IPART or the Energy and Water Ombudsman of NSW about Water NSW that is brought to Water NSW's attention, related to Water NSW's products, services, staff or the handling of a complaint, where a response or resolution is reasonably (explicitly or implicitly) expected or legally required.

Council has the meaning given to that term in the *Local Government Act 1993* (NSW).

County Council has the meaning given to that term in the *Local Government Act 1993* (NSW).

CSR Water means capture, store and release (but not Supply) of water by Water NSW:

- a) to persons entitled to take water; and
- b) for any other lawful purpose, including the release of environmental water,

by means of Water Management Works owned and/or controlled by Water NSW.

[Note: Water NSW may undertake such functions by using active or passive management or operating actions to enable passage of CSR Water into a river or channel system. Downstream customers have their own access licences to take the CSR Water in the river or channel system.]

Customer means any person:

- a) authorised under the *Water Management Act 2000* (NSW) or the *Water Act 1912* (NSW) to take and use Bulk Water and to whom Water NSW makes water deliveries;
- b) to whom Water NSW provides a service and includes Fish River Water Supply Scheme Customers and environmental water agencies; or
- c) a person who is Supplied Bulk Water by Water NSW.

Customer Advisory Group has the meaning given to it in clause 6.5.1 of the Licence.

Customer Advisory Group Charter has the meaning given to it in clause 6.6.1 of the Licence.

Customer Service Charter has the meaning given to it in clause 6.7.1 of the Licence.

Customer Supply Agreements are agreements established between Water NSW and its Customers for water Supply under clause 6.1.1 of the Licence. They do not include the arrangements with Sydney Water established under section 25 of the Act.

Declared Catchment Area has the meaning given to it by the Act.

Deliver means to make water available for Extraction or in-stream use, in response to a Water Order from a Customer and as a result of active or passive management or operating actions using Water Management Works owned and/or controlled by Water NSW infrastructure.

Design Criteria means the levels of service for security, robustness and reliability of water available for Supply to Customers (other than Small Customers) in or from Declared Catchment Areas, as published by Water NSW on its website from time to time.

Drinking Water means water intended primarily for human consumption but which has other personal, domestic or household uses such as bathing and showering.

DPI Water means the division responsible for water within the NSW Department of Primary Industries.

Environmental Management System has the meaning given in clause 5.2.1 of the Licence.

Environmental Protection Authority means the Environmental Protection Authority constituted by the *Protection of the Environment Administration Act 1991 (NSW)*.

Extract means the taking of water from a Water Source.

Fish River Water Supply Scheme has the same meaning as under the Act.

Internal Complaints Handling Procedure has the meaning given in clause 6.9.1 of the Licence.

Interstate Temporary Trades means the transfer of allocated water from a water access licence account held in one state or territory of Australia to a water access licence account held in another state or territory.

IPART means the Independent Pricing and Regulatory Tribunal of New South Wales constituted by the IPART Act.

IPART Act means the *Independent Pricing and Regulatory Tribunal Act 1992 (NSW)*.

IPART Environmental Indicator means the environmental indicators that are set out in Appendix C of this Reporting Manual.

Licence means the operating licence granted under section 11 of the Act to Water NSW and includes all Schedules included by reference (excluding Schedule B).

Local Water Utility has the meaning given to that term in the *Water Management Act 2000 (NSW)*.

Local Water Utility Customer has the meaning given in clause 3.4.1 of the Licence.

LWU Information Request Procedure has the meaning given in clause 3.4.3 of the Licence.

Management System means a set of interrelated elements or compounds used by Water NSW to develop and implement its policies and objectives and to manage any of its activities, products, functions or services, and includes organisational structure, planning activities, responsibilities, practices, processes and resources.

Metering Equipment has the meaning given to it in the Act.

[Note: As at the commencement date of the Licence, Metering Equipment is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act 2000 (NSW).]

Metropolitan Water Plan means the document entitled *2017 Metropolitan Water Plan – Water for a Liveable, Growing and Resilient Greater Sydney*, March 2017, published by the State of New South Wales through the Department of Industry, Skills and Regional Development.

Minister means, other than where it appears in Schedule A of the Licence, the Minister responsible for the Act, which at the Commencement Date is the Minister for Regional Water.

National Water Initiative means the Intergovernmental Agreement on a National Water Initiative between the Commonwealth of Australia and the Governments of New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory (as amended from time to time).

National Water Initiative Performance Indicators means the National Water Initiative Performance Reporting Indicators set out in the *National urban water utility performance reporting framework: indicators and definitions handbook*, published in January 2018 by the Bureau of Meteorology, or any document which updates, amends or replaces it from time to time.

Non-Declared Catchment Areas means all areas that are not Declared Catchment Areas.

NSW Health means the Water Unit of the NSW Ministry of Health.

NWI Environment Indicator means the environment indicators in the National Water Initiative Performance Reporting Indicators set out in the *National urban water utility performance reporting framework: indicators and definitions handbook*, published in January 2018 by the Bureau of Meteorology, or any document which updates, amends or replaces it from time to time.

Operational Audit has the meaning given in clause 7.1.1 of the Licence.

Performance Standards means the standards defined in Clause 4 of the Licence.

Reporting Manual means this document entitled “Water NSW Reporting Manual” which is published by IPART (as updated from time to time).

Regulation means the *Water NSW Regulation 2013* (NSW).

Small Customer means a person who is Supplied Bulk Water by Water NSW under terms and conditions that prevent that person from supplying water for consumption by others within New South Wales without authorisation under a statute or regulatory instrument, other than:

- a) Sydney Water;
- b) a Water Supply Authority that is Supplied Bulk Water by Water NSW;
- c) a council or county council (each as defined in the *Local Government Act 1993* (NSW)) that is Supplied Bulk Water by Water NSW; or

- d) a WIC Act Licensee that is Supplied Bulk Water by Water NSW.

State means the State of New South Wales.

Supply means the supply by Water NSW of water taken from the State's water rights under its water access licences to a Customer (in accordance with a relevant Customer Supply Agreement or an arrangement with Sydney Water under section 25 of the Act) by means of Water Management Works owned and/or controlled by Water NSW.

[Note: Water NSW may supply water to a downstream Customer by using active or passive management or operating actions. Such downstream Customers do not have their own water access licences for that water.]

Sydney Catchment Area has the meaning given in the Act.

Sydney Water means the Sydney Water Corporation constituted as a corporation by the *Sydney Water Act 1994* (NSW).

System Yield means the amount of water that Water NSW estimates (using a hydrological model) can be Supplied from the Water Sources within the Declared Catchment Areas annually over the long term, subject to:

- a) inflows to the Catchment Infrastructure Works in the Declared Catchment Areas
- b) an adopted set of operational rules; and
- c) the Design Criteria.

Temporary Trade means the transfer of allocated water from one water access licence granted under the Act to another and includes transfers under the *Water Management Act 2000* (NSW) and *Water Act 1912* (NSW)

Water Conservation Program Report means the Report prepared in relation to the water conservation program required under clause 2.7 of the Licence.

Water Conservation Strategy has the meaning given in clause 2.7 of the Licence.

Water Management Work has the meaning given to it in the Act.

[Note: As at the commencement date of the Licence, Water Management Work is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act 2000 (NSW).]

Water NSW means the corporation constituted by section 4(1) of the Act with the corporate name Water NSW.

Water Order means a request for water by a Customer, which contains sufficient information for Water NSW to Deliver that water, and which is made in accordance with the relevant conditions imposed on the relevant:

- a) water access licence, to take water under the *Water Management Act 2000* (NSW); or
- b) entitlement, to take water under section 20AF of the *Water Act 1912* (NSW).

Water Quality Management System means a Management System to manage risks to water quality.

Water Source has the meaning given to that term in the Act.

[Note: As at the commencement date of the Licence, Water Source is defined in section 3(2) of the Act to have the same meaning as in the Water Management Act 2000 (NSW).]

Water Supply Authority has the meaning given to that term in the Act.

[Note: As at the commencement date of the Licence, Water Supply Authority is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act 2000 (NSW).]

WIC Act means the *Water Industry Competition Act 2006* (NSW).

WIC Act Licensee means a person who is authorised under a licence or authorisation under the WIC Act to:

- a) construct, maintain and operate water infrastructure or sewerage infrastructure;
- b) provide water supply services by means of water infrastructure; or
- c) provide sewerage services by means of sewerage infrastructure.

Works means, in relation to Water NSW, any Catchment Infrastructure Works, Metering Equipment, water storages and other Water Management Works vested in or under the control of Water NSW, and any other assets of Water NSW of a kind prescribed by the Regulations.

8.2 Interpretation

- a) In this Reporting Manual, unless the contrary intention appears:
 - i) the word person includes an individual, a body corporate, an unincorporated body or other entity and one or more of each of them;
 - ii) headings are for convenience only and do not affect the interpretation of this Reporting Manual;
 - iii) notes do not form part of this Reporting Manual but may be used to assist with interpretation if there is an ambiguity;
 - iv) words importing the singular include the plural and vice versa;
 - v) if a word or phrase is defined, its other grammatical forms, such as any conjugated verb form or cognate noun form, have a corresponding meaning;
 - vi) a reference to a law or legislation (including the Act) includes regulations made under the law or legislation;
 - vii) a reference to regulations includes ordinances, codes, licences, orders, permits and directions;
 - viii) a reference to a law or regulation includes consolidations, amendments, variations, re-enactments, or replacements of any of them;
 - ix) a reference to a legislative provision that is re-numbered extends to the corresponding re-numbered legislative provision;

- x) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
 - xi) a reference to a year means a calendar year that ends on 31 December;
 - xii) a reference to a financial year means a period of 12 months commencing on 1 July and ending on the following 30 June;
 - xiii) a reference to a clause or schedule is to a clause of or schedule of the 2017-2022 Water NSW Operating Licence; and
 - xiv) a reference to a quarter is a period of 3 months beginning on 1 July, 1 October, 1 January or 1 April in a year.
- b) Terms defined in the Act, *Water Act 1912 (NSW)*, *Water Management Act 2000 (NSW)* and the *New South Wales – Queensland Border Rivers Act 1947 (NSW)* have the same meaning in this Reporting Manual, unless a contrary definition is specified in this Reporting Manual.
 - c) If any part of this Reporting Manual is prohibited, void, voidable, illegal or unenforceable, then that part is severed from this Reporting Manual but without affecting the continued operation of the remainder of this Reporting Manual.
 - d) A reference in this Reporting Manual to any organisation, association, society, group or body will, in the event of it ceasing to exist or being reconstituted, renamed or replaced or if its powers or functions are transferred to any other entity, body or group, refer respectively to any such entity, body or group, established or constituted in lieu thereof or succeeding to similar powers and functions.
 - e) A reference in this Reporting Manual to a document is a reference to the original document as amended or revised or, where the original document is replaced, to the replacing document, or the document that most closely approximates the original document.
 - f) Except where a contrary intention appears in this Reporting Manual, where there is any ambiguity or disagreement between Water NSW and IPART as to the proper application or interpretation of any obligation of this Reporting Manual, IPART's interpretation or assessment will prevail.

Information provided to IPART under this Reporting Manual may be used by IPART for the purpose of an investigation or report under the IPART Act in relation to Water NSW, or in the discharge of any function lawfully conferred on IPART.



Appendices



A Timeline for reporting

Table A.1 Periodic reporting under Water NSW's operating licence and reporting manual

Date	Report to	Reporting on	Reporting Manual Section
31 March	IPART	Annual report on significant changes (Water Quality, design criteria, catchment infrastructure, catchment management, AMS, EMS, Customer Advisory Group charter and Customer Service Charter)	7.1.5
		Annual report on audit recommendations status	7.1.3
1 September		Annual report on:	
	NSW Health/ IPART	▼ Water Quality Management System	2.1.1
	IPART Public	▼ Water Conservation Program (first due in 2020)	2.1.6
	IPART	▼ Performance Standards	4.1.1
	IPART Public	▼ Asset Management Report	5.1.1
		▼ Environmental Management Report	
	IPART Public	▼ Customer and stakeholder relations	6.1.1
	IPART	▼ Statement of Compliance	7.1.4
		▼ IPART performance indicators	Appendix C
		▼ NWI indicators relevant to the Declared Catchment Areas only (except for environment indicators)	
1 October	IPART	Annual Reports on:	
		IPART Performance Indicators (Environment) relevant to Declared Catchment Areas only	2.1.4
		NWI indicators relevant to the Declared Catchment Areas only (environment indicators)	2.1.5
30 November	NSW Health/ IPART Public	Annual report on Water Quality Monitoring relevant to Declared Catchment Areas only	2.1.2
	IPART Public	Annual Report on catchment management relevant to Declared Catchment Areas only	2.1.3

Table A.2 As required reporting under Water NSW's Licence

Date	Report to	Event	Reporting Manual Section
As required	IPART NSW Health	Proposed significant changes to Water Quality Management System	2.2.4
As required	Public	Water balance reports	3.1.1
As required	Public	Details of the LWU Information Request Procedure	3.3
30 June 2018	IPART	State of the assets report	5.2.1
1 November 2018	IPART	Water Conservation Strategy	2.2.5
30 June 2019	IPART	Report on review of monitoring of water quality released to Local Water Utilities	3.2.1
1 September 2019	IPART	Water conservation work program	2.2.6
30 June 2021	IPART Public	Report on Review of System Yield relevant to Declared Catchment Areas only	2.2.9
Routine trigger	NSW Health Customers Public	Report on routine water quality monitoring relevant to Declared Catchment Areas only	2.2.1
Recalculation trigger	Minister Public	Changes to System Yield relevant to Declared Catchment Areas	2.2.7
If triggered	Minister	Notification if future demand may exceed System Yield	2.2.8
Incident	NSW Health Customers	Incident water quality monitoring results	2.2.3
Catchment audit	Appointed auditor	Data informing Catchment Health Indicators	2.2.2

B Water quality management system report template

The following table is a template to be used for Water NSW's report to IPART on the implementation of the Water Quality Management System, as set out in section 2.1.1 of this Reporting Manual.

Table B.1 Water quality management system

ADWG Framework sub-element	Water quality objective	Activity/program	Results/outcomes
<i>Example:</i> 4.1 – Operational procedures 7.2 – Employee training	<i>Example:</i> Consistent management of water quality	<i>Example:</i> Create a procedure for the routine data analysis process and train staff in procedure	<i>Example:</i> All data analysts are trained in routine data analysis and respond consistently when new data arrives.
4.3 – Corrective action	pH target for specific WFP	pH buffering facilities at WFP to be installed	Project scheduled for completion in late 2018

C IPART Performance Indicators

The table in this Appendix C sets out the performance indicators developed by IPART that Water NSW must report on. These performance indicators must be reported on for the entirety of Water NSW's area of operations with the exception of the Environment indicators (Table C.1), which are limited to the Declared Catchment Areas.

Table C.1 Proposed IPART performance indicators - definitions

Performance area	Indicator number	Indicator	Definition
Water quality and quantity	W1	Percent of customers who place a Non-complying Water Order are contacted within one working day to rectify that order	Percent of customers who place a Non-complying Water Order are contacted within one working day to rectify that order, calculated as a percentage of all Non-complying Water Orders placed in the financial year.
	W2	Percent of Water Orders are Delivered within one day of the scheduled day of Delivery	Percent of Water Orders are Delivered within one day of the scheduled day of Delivery, calculated as a percentage of all complying Water Orders placed in the financial year.
	W3	Percent of complying Temporary Trades within the State in the financial year are processed within five working days of Water NSW's receipt of a correct application and fee	Percent of complying Temporary Trades within the State in the financial year are processed within five working days of Water NSW's receipt of a correct application and fee.
	W4	Percent of Interstate Temporary Trades (except to South Australia) in the financial year are processed within 10 working days of Water NSW's receipt of a correct application and fee	Percent of Interstate Temporary Trades (except to South Australia) in the financial year are processed within 10 working days of Water NSW's receipt of a correct application and fee.
	W5	Percent of Interstate Temporary Trades to South Australia in the financial year are processed within 20 working days of Water NSW's receipt of a correct application and fee	Percent of Interstate Temporary Trades to South Australia in the financial year are processed within 20 working days of Water NSW's receipt of a correct application and fee.
Assets	A9	Percent of Water Orders rescheduled, are rescheduled in consultation with an affected Customer within one working day of an expected water shortage, or other delivery delay	Percent of Water Orders rescheduled, are rescheduled in consultation with an affected Customer within one working day of an expected water shortage, or other delivery delay, calculated as a percentage of all Water Orders rescheduled in the financial year due to an expected shortage or Delivery delay.
Environment	E1 ^a	Total energy consumption by the water utility (electricity, fuel and gas) in units provided on energy bills	Total energy consumption by the water utility (electricity, fuel and gas) in units provided on energy bills in the financial year.
	E2 ^b	Electricity consumption from renewable resources or generated by the water utility expressed as a total percentage of	Electricity consumption from renewable resources or generated by the water utility expressed as a total percentage of electricity consumption in the financial year.

		electricity consumption	
	E6 ^c	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 ^d	Total mass of solid waste generated by the water utility	Total mass of solid waste generated by the water utility in the financial year.

a Existing indicator Environment IPART E1 in Water NSW Reporting Manual

b Existing indicator E 5 in Sydney Water Reporting Manual

c Existing indicator E 9 in Sydney Water Reporting Manual

d Existing indicator E 10 (S) in Sydney Water Reporting Manual

Performance indicators definitions

Recycled means the conversion of waste materials 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.

Re-use is the application of a diverted waste product 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).

Note: Native vegetation indicators will be an estimate based on the production of the water utility's Environmental Management Plans and documents, or triggered by Flora and Fauna studies. It will only be reported above 0.01 Hectares. The definition of Native Vegetation will be derived from the Native Vegetation Act 2003 (NV Act). The Objects of the NV Act provide guidance as to what needs to be considered when assessing whether an area will be included in the vegetation loss figures. Note: Indicator will include works undertaken by or on behalf of the water utility on land that is not owned by the water utility, such as offsetting impacts to one area by rehabilitation or replanting at another site. This is to be reported on a financial year basis only. Planned rehabilitation or clearing works are not to be included until such time as the works are completed.

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.

Total Mass means the quantity in dry tonnes of biosolids captured and removed from sewage treatment plants.

D Catchment Health Indicators

Table D.1 in this **Appendix D** sets out the Catchment Health Indicators which were approved and published in the NSW Government Gazette under section 41 of the *Water NSW Act 2014*.

At the Commencement Date of the Licence, **Table D.1** includes indicators that relate to the Sydney Catchment Area only and are a subset of those indicators developed, approved, and published in the NSW Government Gazette Number 158 dated 19 December 2008. That is, the table only sets out the indicators for which Water NSW is a data custodian. It is not a comprehensive list of the gazetted indicators. The data for the remainder of the gazetted indicators is collected by other agencies involved in the catchment audit under section 42 of the Act.

Table D.1 Catchment Health Indicators as at 13 April 2018, relevant to the Sydney Catchment Area only

Theme	Sub-theme	Measurement
Biodiversity and habitats	Biodiversity ^a	2001 and 2006 Spring AusRivAS scores, plus additional data from Sustainable Rivers Audit (SRA) ^b
Water Availability	Surface Water	Level and variability of streamflow
Water Availability	Surface Water	Total volume of water by type released from Water NSW storages
Water Quality	River Health	Turbidity, pH, EC, Total Al, Total Fe, Total N, Total P, NO _x , NH ₄ , FRP, Chlorophyll a, DO and water temperature – assessed against ANZECC/ARMCANZ (2000) guidelines
Water Quality	River Health ^a	Compliance with recreational guidelines cyanobacteria ^c for Water NSW storages only

^a Other agencies also have responsibility for these indicators.

^b Office of Environment and Heritage also collects macroinvertebrate data.

^c **Department of Industry - Water** and local councils also collect this data.

E Statement of compliance template

Statement of compliance *[Insert Year]*

For 20__/__/__

Submitted by *[utility]*

To:

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

[utility] reports as follows:

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

DATE:

DATE:

Signed

Signed

Name:

Name:

Designation:

Designation:

Schedule A Non Compliances²

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 full compliance

² Utilities should report only non-compliances that were identified during the reporting period.