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WHAT

The Independent Pricing and Regulatory Tribunal of NSW (IPART) regulates three major public water utilities in NSW with respect to compliance with their operating licences and the prices they charge for their monopoly services. We collect and publish annual performance information provided by each utility on water quality, system continuity and reliability, environmental performance and customer service. This document provides information about the utilities we regulate and the information we publish.



WHY

We collect and publish annual performance data to ensure transparency and improve public confidence, provide additional incentives to the utilities to perform to expectations and enable identification of areas for improvement.



HOW

The performance information is presented as follows:

- ▼ Part A (this document): Introduces the utilities and their operations, provides some context about the types of indicators presented and the factors that can influence performance.
- ▼ Part B (2014-15 update): Is an excel workbook, which presents a complete database of performance indicator information from 2005-06 to 2014-15.

As the nature and scale of operations vary between utilities, valid comparisons of performance indicator data are difficult. For this reason, we consider it is inappropriate to provide commentary or make comparisons of different utilities.



WHO

The NSW utilities that we regulate are vastly different in nature and operations. A brief introduction to the utilities and their operations is presented here to provide context for the indicators presented.

Information presented in this fact sheet and the Excel workbook relates to the following regulated public water utilities:

- ▼ Sydney Water Corporation
- ▼ Hunter Water Corporation, and
- ▼ WaterNSW (formerly Sydney Catchment Authority and State Water Corporation).

None of the data presented relates to the private water utilities licensed under the *Water Industry Competition Act 2006* (the WIC Act). Information on these utilities can be found in our Annual WIC Act Licence Compliance Report on our website (www.ipart.nsw.gov.au).



WHAT NEXT

The information in Part A and data in Part B complement the Bureau of Meteorology's 2014-15 Urban Water Utilities National Performance Report, which will be available in March 2016 from the Bureau's website (www.bom.gov.au).

The following link [Part B](#) takes you to the excel workbook, which presents a complete database of public water utility performance indicators collected since 2005-06.

We will assess the data and identify any areas to be monitored or scrutinised in operating licence audits or price reviews.

Any enquiries about the database should be made to IPART: Director, Licensing and Compliance on (02) 9113 7778.

1 Introduction

A function of our role as the licensing and pricing regulator is to collect annual performance data on the water utilities we regulate:

- ▼ Sydney Water Corporation (Sydney Water)
- ▼ Hunter Water Corporation (Hunter Water), and
- ▼ WaterNSW.¹

For the 2014-15 reporting period, we have presented IPART performance indicators and selected National Water Initiative (NWI) indicators in the categories of water quality, system performance, environmental performance and customer service.

The purpose of the database is to ensure transparency and improve public confidence, provide additional incentives to the utilities to perform to expectations and enable identification of areas for improvement.

The following sections provide some context about the types of indicators presented and the factors that can influence performance. The accompanying [Excel workbook](#) presents a complete database of information on water utilities regulated by IPART.

2 Indicators

Water Quality

Sydney Water, Hunter Water and WaterNSW each conduct water quality monitoring programs. The objectives of each utility's monitoring program differ according to the nature of their operations.

Utilities that supply drinking water manage water quality according to the risk based management framework of the Australian Drinking Water Guidelines, 2011 (see Box 1).

Box 1 Australian Drinking Water Guidelines 2011

The Australian Drinking Water Guidelines provide a comprehensive framework for good management of drinking water supplies that, if implemented, will assure safety at point of use. The framework includes 12 elements considered good practice for system management of drinking water supplies. The guidelines also include two different types of guideline values for water quality characteristics:

- ▼ a **health-related** guideline value, which is the concentration of a water quality characteristic that, based on present knowledge, does not result in any significant risk to the health of the consumer over a lifetime of consumption (free of microbial, chemical, radiological and physical contaminants).
- ▼ an **aesthetic guideline** value, which is the concentration of a water quality characteristic that is associated with acceptability of water to the consumer, eg, colour, turbidity, taste and odour.

The microbial and chemical requirements referred to in this report and the associated database are health-related guideline values.

Source: Australian Government, Australian Drinking Water Guidelines 6, 2011. Available online at <http://www.nhmrc.gov.au/guidelines/publications/eh52>

¹ On 1 January 2015, the *WaterNSW Act 2014* came into effect, integrating the Sydney Catchment Authority with State Water Corporation to form a single organisation called WaterNSW. In 2014-15, we have continued reporting WaterNSW data against the two former utilities to maintain clarity of the historical series.

The primary monitoring objectives of these utilities are to confirm that the final drinking water supplied is safe and aesthetically pleasing to meet the community's expectations.

WaterNSW is a bulk water supplier which manages part of the drinking water system. It manages the raw water supply system in light of its knowledge of the whole drinking water system. Monitoring assists it to select the best quality water and timing for releases for its customers (other utilities) with the aim of optimising the downstream treatment process. WaterNSW also has responsibilities to manage the Sydney catchment area, so some of the water quality indicators assist in monitoring the health and state of the catchment and its aquatic ecosystems.

System Continuity and Reliability

Sydney Water, Hunter Water and WaterNSW each report system continuity and reliability indicators to IPART.

When utilities provide essential services like water supply and sewerage services, events such as unplanned interruptions, pressure failures and sewage overflows can have health, financial and inconvenience implications for customers.

System performance standards provide customers with certainty about the minimum level of service being provided. The three system performance standards in the Sydney and Hunter Water licences relate to:

- ▼ water pressure
- ▼ water continuity, and
- ▼ sewage overflow.

These standards recognise that failures occasionally occur in water systems but impose compliance limits on how many properties may experience one of these failures in a year. Breaches beyond these limits in a non-compliance.

In addition, a number of other indicators are also reported that relate to the utilities' provision of water and sewerage services. It is important to understand that a utility's performance against these indicators can be influenced by local factors such as rainfall, soil type, age of infrastructure, population density, remoteness and other geographic features. Given differences in operating environments, functions and scale, it is difficult to compare utilities and we have not attempted to do so in this instance.

Environmental Performance

All operations of a water utility have the potential to impact the local environments in which they operate. Water utilities should aim to protect the environment while conducting its operations.

The environmental performance indicators measure usage of resources such as water and energy, in relation to quantities of water, sewage or recycled water processed.

Using water and energy efficiently and minimising waste products, sewer overflows and other emissions and discharges to the environment are all actions that minimise the impact of the utility on the environment

The differing nature of the utilities, their geographies, climates and operations, make it difficult to make valid comparisons between utilities with respect to these indicators.

Customer Service

The vast majority of water customers in NSW cannot change their water provider if they are unhappy with the service they receive. For this reason, there are customer service obligations in the operating licences of the major public water utilities.

Licences require water utilities to have practices and procedures in place to deal with customer hardship, debt, water flow restrictions, disconnections for non-payment, internal dispute resolution and complaints handling and membership of an external industry based dispute resolution scheme.

All of the NSW public water utilities regulated by IPART are members of the Energy & Water Ombudsman of NSW (EWON) dispute resolution scheme.

Sydney Water, Hunter Water and WaterNSW report to us annually on their levels of customer complaints, the time it took to resolve these complaints and their call centre performance. They also report customer hardship indicators, such as the level and value of payment assistance provided to customers, number of flow restrictions, disconnections and licence suspensions and the numbers of customers accessing or enquiring about payment instalment plans.

Pricing Performance

Each of the water utilities for which IPART sets maximum prices provide us with an Annual Information Return (AIR). This AIR contains detailed information regarding the utility's financial and non-financial performance over the preceding financial year.

This information is used to prepare reports for stakeholder consultation during water utility pricing reviews and determinations, which are usually undertaken every four years.

3 NSW Public Water Utilities regulated by IPART

Sydney Water Corporation

Sydney Water Corporation is a State Owned Corporation wholly owned by the NSW Government. Within its prescribed area of operations, it is responsible for the treatment and distribution of drinking water sewerage services, some stormwater and drainage services and recycled water to some areas of Sydney.

IPART regulates Sydney Water's compliance with its operating licence and sets the maximum prices it may charge for its monopoly services.

Information about Sydney Water is available on its website: www.sydneywater.com.au

Hunter Water Corporation

Hunter Water Corporation is a State Owned Corporation wholly owned by the NSW Government. Its principal functions are to provide, construct, operate, manage and maintain systems and services for: supplying water, providing sewerage and disposing of wastewater within its prescribed area of operations. Hunter Water also provides some drainage services and recycled water to parts of its area of operations.

IPART regulates Hunter Water's compliance with its operating licence and sets the maximum prices it may charge for its monopoly services.

Information about Hunter Water is available on its website www.hunterwater.com.au

WaterNSW

WaterNSW is a State Owned Corporation wholly owned by the NSW Government. It was established on 1 January 2015 by amalgamation of the previous State Water Corporation and the Sydney Catchment Authority (SCA). WaterNSW operates under the existing State Water and SCA Operating Licences until reviewed in mid-2017.

WaterNSW has rural water delivery functions and water quality, catchment management and urban bulk water supply.

IPART regulates WaterNSW's compliance with its operating licences and sets the maximum prices it may charge for its monopoly services.

Information about WaterNSW is available on its website www.waternsw.com.au