



Independent Pricing and Regulatory Tribunal
New South Wales

Hunter Water Reporting Manual

Operating Licence 2017-2022

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Contents

1	Introduction	1
1.1	Purpose of the Reporting Manual	1
1.2	Definitions and interpretation	1
1.3	Structure of this Reporting Manual	1
1.4	Changing this Reporting Manual	2
1.5	When should the information be reported?	2
1.6	How should the information be reported?	2
2	Water conservation	4
2.1	Periodic reporting	4
2.2	As required reporting	6
2.3	Publicly available documents	7
3	Supply services and performance standards	8
3.1	Periodic reporting	8
3.2	As required reporting	12
3.3	Publicly available documents	12
4	Organisational systems management	13
4.1	Periodic reporting	13
4.2	As required reporting	14
4.3	Publicly available documents	14
5	Customers and stakeholder relations	15
5.1	Periodic reporting	15
5.2	As required reporting	16
5.3	Publicly available documents	16
6	Performance monitoring and reporting	17
6.1	Periodic reporting	17
6.2	As required reporting	19
6.3	Publicly available documents	19
	Appendices	21
A	Timeline for reporting	22
B	IPART performance indicators	23
C	Licence data	28
D	Drinking water and recycled water quality management system report template	31
E	Statement of Compliance template	32

1 Introduction

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

1.1 Purpose of the Reporting Manual

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

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

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

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

1.2 Definitions and interpretation

Terms that are defined in the Licence have the same meaning in this Reporting Manual, unless the terms are separately defined in this Reporting Manual.

The interpretation provisions in the Licence apply to this Reporting Manual, with all references to the Licence in those provisions taken to be references to this Reporting Manual.

1.3 Structure of this Reporting Manual

This Reporting Manual is structured as follows:

- ▼ Section 1 details how Hunter Water is to report and provides a summary of the reporting schedule.
- ▼ Sections 2 to 6 outline the specific reporting requirements for each section of the Licence, when to report and who to report to, according to the reporting schedule in Appendix A.

¹ Clause 6.2.1 of the Licence.

1.4 Changing this Reporting Manual

At times we may change this Reporting Manual to:

- ▼ reflect changes in the applicable law, including the *Hunter Water Act 1991* (NSW) (the Act)
- ▼ include additional reporting obligations where appropriate
- ▼ include references to new Licence obligations
- ▼ delete references to Licence obligations that are no longer relevant
- ▼ amend the information that Hunter Water 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 Hunter Water and other interested stakeholders. We will then notify Hunter Water and stakeholders of the changes to this Reporting Manual and the start date for any new reporting arrangements. In determining the start date of changes, we will make sure there is enough time for Hunter Water to implement new arrangements to enable the reporting.

1.5 When should the information be reported?

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

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

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

1.6 How should the information be reported?

1.6.1 Reporting to IPART

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

The reports must be approved by Hunter Water's Managing Director.

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

Hard copy 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

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

Hunter Water must lodge each report electronically. When lodging a report with NSW Health, Hunter Water must also provide the name and contact details (phone, email) of the primary contact with whom NSW Health 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 Hunter Water.

2 Water conservation

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

2.1 Periodic reporting

2.1.1 Annual reporting - Water conservation work program

Hunter Water must submit a report on their progress against the water conservation work program developed using the Water Conservation Strategy and the approved Economic Level of Water Conservation Methodology to IPART, by **1 September 2019** and annually thereafter.

The report must:

- ▼ describe and explain Hunter Water's progress against implementation (or otherwise) of water conservation activities for the previous financial year
- ▼ include, for water conservation activities upstream of Hunter Water's water treatment plants, for the next five financial years:
 - Hunter Water'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,
- ▼ include, for water conservation activities within and downstream of Hunter Water's water treatment plants, for the next five financial years:
 - Hunter Water's strategies, programs and projects relating to water leakage, recycled water and water efficiency
 - Hunter Water's water conservation objectives, targets and timetables, and
 - the extent to which these elements align with the Economic Level of Water Conservation Methodology
- ▼ describe and explain any changes to the water conservation activities, relative to the water conservation activities identified in the previous annual report
- ▼ outline how Hunter Water's water conservation activities relate to the Lower Hunter Water Plan, and
- ▼ include information on the following measures for the previous financial year, as well as earlier financial years (where applicable) of the Licence term:
 - the level of water leakage from Hunter Water's Drinking Water supply system against the economic level of leakage for that financial year
 - the volume of water sourced from Recycled Water (in megalitres), and

- the quantity of Drinking Water drawn by Hunter Water from all sources, expressed in gigalitres per year (aggregate), litres per person per day (weather corrected) and kilolitres per person per year (weather corrected).

[Note: IPART: (a) does not expect that Hunter Water will have fully implemented all of the water conservation activities by 1 September 2019, (b) expects that the annual report prepared by 1 September 2019 will capture water conservation activities implemented after the development of the Water Conservation Strategy and the approved Economic Level of Water Conservation Methodology, which do not necessarily cover the full financial year, and (c) anticipates that the five year plan set out in the annual report in September 2019 may be subject to change as the Water Conservation Strategy or the Economic Level of Water Conservation Methodology becomes more established.]

2.1.2 Annual compliance and performance reporting - Water Conservation Target

Until IPART approves the new Economic Level of Water Conservation Methodology, Hunter Water must submit a report on their compliance and performance with the Water Conservation Target by **1 September**, annually.

The report must include:

- ▼ Hunter Water's compliance with the Water Conservation Target (refer to Licence clause 2.2.1)
- ▼ an update on the projects that Hunter Water has undertaken in the financial year to achieve the Water Conservation Target, including:
 - a description of each project, and
 - an estimate of the amount of water that was saved as a result of each project
- ▼ a list of projects that Hunter Water proposes to undertake to achieve the Water Conservation Target, including:
 - a description of each project, and
 - an estimate of the amount of water that will be saved as a result of each project
- ▼ an estimate of the maximum reliable quantity of water that Hunter Water can supply from one year to the next, from its existing water storages, taking into account and quantifying all relevant factors including but not limited to:
 - the capacity of the water storages, and the rates of depletion and recovery of water in the water storages at current rates of consumption;
 - climatic data, trends and projections;
 - supply to and/or from areas outside the Area of Operations; and
 - constraints on extraction of water to the water storages, including those imposed by licences and approvals under the *Water Act 1912 (NSW)*, the *Water Management Act 2000 (NSW)* and conditions in the relevant water sharing plans.

[Note: Under Licence clause 2.2.1, Hunter Water must continue to report on its compliance with the Water Conservation Target until the Economic Level of Water Conservation Methodology is approved and program is developed. This section 2.1.2 requires Hunter Water to report on its compliance with the Water Conservation Target as well as the actions it has taken or proposes to take to maintain such compliance.]

Reporting of the maximum reliable quantity of water should be based on the yield definition in Hunter Water's H250 Plan (the integrated water resource plan published in 2008) until a new definition of yield is developed under the Lower Hunter Water Plan.]

2.2 As required reporting

2.2.1 Economic Level of Water Conservation Principles and Approach

Hunter Water must submit to IPART its Economic Level of Water Conservation Principles and Approach for approval by IPART by **1 November 2017**, or by a later date as approved by IPART.

2.2.2 Economic Level of Water Conservation Methodology

Hunter Water must submit to IPART its Economic Level of Water Conservation Methodology for approval by **1 November 2018**, or by a later date as approved by IPART.

2.2.3 Water Conservation Strategy for Water Storage and Transmission

Hunter Water 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.

2.2.4 Water conservation work program

Hunter Water 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 must be developed using the process set out in the Water Conservation Strategy and the approved Economic Level of Water Conservation Methodology. The water conservation work program should set out for the next five financial years:

- ▼ for 'catchment to water treatment plants':
 - Hunter Water'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, and
- ▼ for 'water treatment plants to tap':
 - Hunter Water's strategies, programs and projects relating to water leakage, recycled water and water efficiency
 - Hunter Water's water conservation objectives, targets and timetables, and
 - the extent to which these elements align with the Economic Level of Water Conservation Methodology

2.2.5 Changes to the approved Economic Level of Water Conservation Methodology

Hunter Water must obtain IPART's written consent to make any changes to the Economic Level of Water Conservation (other than changes to correct minor grammatical or typographical errors).

2.3 Publicly available documents

Hunter Water must make the annual report on the water conservation program (referred to in sections 2.1.1 and 2.1.2 of this Reporting Manual) available to any person, free of charge:

- ▼ on its website for downloading, and
- ▼ upon request through the General Enquiry Process.

3 Supply services and performance standards

This section sets out Hunter Water's reporting obligations for Part 3 of the Licence.

3.1 Periodic reporting

3.1.1 Monthly Water Quality Monitoring Report – Drinking Water

Hunter Water must prepare a report that summarises the results of routine monitoring of Drinking Water quality, which is undertaken each month under the monitoring program developed as part of the Drinking Water Quality Management System (**Monthly Water Quality Monitoring Report**).

Hunter Water must report publicly on the Monthly Water Quality Monitoring Report in accordance with section 3.3 of this Reporting Manual by the 14th day of the following month.

[Note: Under Licence clauses 3.1.1 and 3.1.2, Hunter Water must maintain and implement a Drinking Water Quality Management System, ie, a Management System that is consistent with the Australian Drinking Water Guidelines. The Australian Drinking Water Guidelines provide a framework for good management of Drinking Water supply. One of the central aspects of the framework is the use of monitoring to confirm the effectiveness of the preventive measures and barriers to contamination, and to enhance Hunter Water's understanding of the performance of the system that implements the Australian Drinking Water Guidelines.]

To comply with the Licence, the Drinking Water Quality Management System must include a monitoring program. This section 3.1.1 of the Reporting Manual requires Hunter Water to report on aspects of its monitoring of Drinking Water quality to Customers.]

3.1.2 Monthly Fluoridation Report – Drinking Water

Hunter Water must submit a report on its fluoride monitoring to NSW Health for each month, which contains the information required by the Code of Practice for Fluoridation of Public Water Supplies. Hunter Water must submit the report by the 7th day of the following month.

[Note: Hunter Water must report on its fluoride monitoring on the basis that: (a) its performance programs must comply with monitoring requirements in the Code of Practice for the Fluoridation of Public Water Supplies, and (b) NSW Health has specified (as it is authorised to do under Licence clause 3.1.1) that the monitoring and reporting of fluoridation in the Drinking Water Quality Management System must be consistent with the Code of Practice for the Fluoridation of Public Water Supplies.]

3.1.3 Quarterly Exception Report – Drinking Water and Recycled Water

Hunter Water must submit a report on its monitoring of the quality of Drinking Water and Recycled Water on an exception² basis to NSW Health for each quarter starting from 1 July 2017. Hunter Water must submit the report by the 14th day of the second month following the end of the quarter, even if there are no exceptions to report.

Each report must include the following information for the quarter:

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

The details must include:

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

[Note: As explained in the Note to section 3.1.1 above, Hunter Water must maintain and implement a Drinking Water Quality Management System in accordance with the Licence. Hunter Water must also maintain and implement a Recycled Water Quality Management System, ie, a Management System that is consistent with the Australian Guidelines for Water Recycling (Licence, clauses 3.2.1 and 3.2.2). The Australian Guidelines for Water Recycling seek to provide a framework for good management of Recycled Water supply. To comply with the Licence, the Drinking Water Quality Management System and Recycled Water Quality Management System must each include a monitoring program. This section 3.1.3 requires Hunter Water to report on aspects of its monitoring of the quality of Drinking Water and Recycled Water under such monitoring programs.]

² An exception is a test result that does not meet the guideline value for that water characteristic. A non-compliance occurs where the value for a water characteristic observed in testing does not satisfy the long term (12-month or longer) performance requirements set out in the Australian Drinking Water Guidelines or as determined by NSW Health.

3.1.4 Annual compliance and performance reporting – Drinking water and Recycled water quality management

Hunter Water must submit a compliance and performance report on its Drinking Water and Recycled Water Quality Management Systems to IPART for each financial year. The report must use the template in Appendix D of this Reporting Manual. Hunter Water must submit the report by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ the Drinking Water and Recycled Water quality management activities and programs completed by Hunter Water in the financial year to meet its water quality objectives, including the results and outcomes from those activities and programs,
- ▼ the Drinking Water and Recycled Water quality management activities and programs proposed to be undertaken by Hunter Water to meet its 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 Drinking Water Quality Management System and the Recycled 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),
- ▼ an assessment of the review and continual improvement conducted over the previous 12-month period (as identified by the Drinking Water and Recycled Water Quality Management Systems) in accordance with Element 12 of the relevant Guideline,
- ▼ any significant changes made to the Drinking Water Quality Management System and/or the Recycled Water Quality Management System, and
- ▼ any non-conformances with a Water Quality Management System and the action(s) taken to resolve those non-conformances.

[Note: Under Licence clauses 3.1.1, 3.1.2, 3.2.1 and 3.2.2, Hunter Water must maintain and implement a Drinking Water Quality Management System and Recycled Water Quality Management System. This section 3.1.4 requires Hunter Water to report on how it complies with this Licence condition.]

The water quality objectives referred to in this section 3.1.4 are objectives that Hunter Water would need to identify for the Drinking Water Quality Management System and the Recycled Water Quality Management System. Hunter Water's water quality objectives may be either:

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

The Drinking Water and Recycled Water Quality Management System activities and programs referred to in this section 3.1.4 are those that Hunter Water would identify in its risk assessments as actions or programs that are required to manage or maintain a risk below a tolerable level. Undertaking a risk assessment is part of the Drinking Water Quality Framework and Recycled Water Quality Framework, with which the Drinking Water Quality Management System and the Recycled Water Quality Management System (respectively) must be consistent.]

3.1.5 Annual compliance and performance reporting – System performance standards

Hunter Water must submit a compliance and performance report on its management of the performance standards to IPART for each financial year on:

- ▼ How Hunter Water has complied or not complied with the Water Pressure Standard, Water Continuity Standard and Wastewater Overflow Standard, including:
 - major factors (both positive and negative) that have influenced Hunter Water's performance, both within and beyond Hunter Water's control, and
 - reasons for any variation (both positive and negative) between Hunter Water's performance in the financial year with performance in prior years.
- ▼ Any change in the Area of Operations.

Hunter Water must submit the report by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

[Note: Under Licence clause 3.3, Hunter Water is required to comply with the System Performance Standards. This section 3.1.5 requires Hunter Water to report on how it complies with this Licence condition.]

3.2 As required reporting

3.2.1 Incident and emergency reporting – Drinking Water and Recycled Water

Hunter Water must immediately report to NSW Health any incident in the delivery of its drinking water and recycled water services which may adversely affect public health.

Hunter Water must report the 'incident' (as defined in a Water Quality Management System) in accordance with the reporting protocols developed in that necessary Water Quality Management System.

[Note: To comply with the Licence, the Drinking Water Quality Management System and the Recycled Water Management System should define 'incidents' and include protocols for external communications and reporting of incidents. This section 3.2.1 requires Hunter Water to report these incidents in accordance with these protocols.]

3.2.2 Notification of significant changes to Water Quality Management Systems

Hunter Water must notify IPART and NSW Health of any significant changes that it proposes to make to the Drinking Water and Recycled Water Quality Management Systems.

3.2.3 Customer survey report

Hunter Water must provide a customer survey report by **30 June 2020** that provides information to inform a potential review of System Performance Standards and rebates.

3.3 Publicly available documents

Hunter Water must make:

- ▼ the Monthly Water Quality Monitoring Report - Drinking Water (referred to in section 3.1.1 of this Reporting Manual), and
- ▼ the annual compliance and performance report on Drinking Water and Recycled Water quality management (referred to in section 3.1.4 of this Reporting Manual),

available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ upon request through the General Enquiry Process.

4 Organisational systems management

This section sets out Hunter Water's reporting obligations for Part 4 of the Licence.

4.1 Periodic reporting

4.1.1 Annual compliance and performance reporting

Hunter Water must submit to IPART a compliance and performance report on the following management systems:

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

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

The report must include:

- ▼ the management activities and programs completed by Hunter Water in the financial year to meet the objectives of each management system
- ▼ the results and outcomes from those activities and programs
- ▼ the activities and programs proposed to be undertaken by Hunter Water to meet the objectives of each management system in the future, including the timetable for completion
- ▼ any significant changes made to each management system, and
- ▼ any major non-conformities in each management system and the action taken to resolve them.

[Note: Hunter Water must maintain and implement:

- *an AMS, ie, a Management System that is consistent with the standard specified in the licence (Licence, clauses 4.1.1 and 4.1.2);*
- *an EMS, ie, a Management System that is consistent with the standard specified in the licence (Licence, clauses 4.2.1 and 4.2.3); and*
- *a QMS, ie a Management System that is consistent with the standard specified in the licence (Licence, clauses 4.3.1 and 4.3.3).*

This section 4.1.1 requires Hunter Water to report on how it complies with these Licence condition. The objectives referred to in this section 4.1.1 are those that Hunter Water would need to identify for each Management System. The activities and programs referred to in this section 4.1.1 are those that Hunter Water would need to undertake to achieve the objectives of the each Management System.]

4.2 As required reporting

4.2.1 Strategic asset management plan

Hunter Water must submit a copy of its Strategic Asset Management Plan to IPART by **1 July 2018**, once the Asset Management System is fully implemented as per Licence clause 4.1.2.

4.3 Publicly available documents

Hunter Water must make the compliance and performance report on its Management Systems (referred to in section 4.1.1 of this Reporting Manual) available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ upon request through the General Enquiry Process.

5 Customers and stakeholder relations

This section sets out Hunter Water's reporting obligations for Part 5 of the Licence.

5.1 Periodic reporting

5.1.1 Annual compliance and performance reporting

Hunter Water must submit a compliance and performance report on its Customer and stakeholder relations to IPART for each financial year. Hunter Water must submit the report by **1 September** after the end of the financial year, or at a later date agreed to by IPART.

The report must include:

- ▼ the activities of the customer advisory group in the financial year including:
 - the activities and achievements of the customer advisory group, and
 - compliance with the Customer Advisory Group Charter,
- ▼ any systemic problems arising from Complaints and the action taken to resolve them, and
- ▼ any changes made to:
 - the Customer Contract,
 - the Procedure for Payment Difficulties and Actions for Non-Payment,
 - the Customer Advisory Group Charter,
 - the Internal Complaints Handling Procedure, and
 - the external dispute resolution scheme referred to in Licence clause 5.6.

[Note: Under the Licence, Hunter Water must:

- ▼ *maintain and implement a Procedure for Payment Difficulties and Actions for Non-payment (Licence clause 5.3)*
- ▼ *consult with its Customers through a customer advisory group and maintain a Customer Advisory Group Charter (Licence clause 5.4),*
- ▼ *maintain and implement an Internal Complaints Handling Procedure (Licence clause 5.5), and*
- ▼ *be a member of the external dispute resolution scheme (Licence clause 5.6).]*

5.2 As required reporting

Under Licence clause 5.1.2, Hunter Water must provide IPART with a copy of the notice under section 38 of the Act, for the purpose of varying the terms and conditions of the Customer Contract.

5.3 Publicly available documents

Hunter Water must make the documents referred to in Licence clause 5.7.2 available free of charge:

- ▼ on its website for downloading by any person, and
- ▼ upon request through the General Enquiry Process.

6 Performance monitoring and reporting

This section sets out Hunter Water's reporting obligations for Part 6 of the Licence.

6.1 Periodic reporting

6.1.1 Annual compliance and performance reporting

Hunter Water must submit two compliance and performance reports to IPART each year:

- ▼ A report by **1 September** after the end of the financial year, or at a later date agreed to by IPART, on:
 - Hunter Water's performance against the IPART performance indicators set out in Appendix B of this Reporting Manual for the financial year
 - Hunter Water's analysis of any problems of a systemic nature arising from Hunter Water's performance against those IPART performance indicators, and
 - Hunter Water's performance against the National Water Initiative (NWI) Performance Indicators (except for environment indicators) in accordance with the National urban water utility performance reporting framework.
- ▼ A report by **1 October** after the end of the financial year, or at a later date agreed to by IPART, on Hunter Water's performance against the NWI Performance Indicators (environment indicators) in accordance with the National urban water utility performance reporting framework.

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

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

[Note: Under Licence clause 6.2, Hunter Water must comply with its reporting obligations in this Reporting Manual. This section 6.1.1 requires Hunter Water to report on its performance against the performance indicators.]

Under Licence clause 6.2.1(e)(i), Hunter Water must report to IPART the IPART performance indicators. From time to time, IPART may review and change IPART performance indicators. When that occurs we will update this Reporting Manual accordingly and notify stakeholders of the changes.

Under Licence clause 6.2.1(e)(ii), Hunter Water 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.]

6.1.2 Annual audit recommendations status report

Hunter Water 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.

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

Hunter Water 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.

Hunter Water 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 Licence clause 6.1, IPART or an Auditor may undertake an Operational Audit. This section 6.1.2 requires Hunter Water 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.^{3]}

6.1.3 Significant changes

Hunter Water must submit to IPART by **31 March** of each year a report on any significant changes that have been made from **1 July** the previous year to the:

- ▼ Drinking Water Quality Management System
- ▼ Recycled Water Quality Management System
- ▼ Asset Management System
- ▼ Environmental Management System, and
- ▼ Quality Management System.

[Note: Under the Licence, Hunter Water is required to develop and implement Management Systems referred to in Licence clauses 3.1, 3.2, 4.1, 4.2 and 4.3. This section 6.1.3 requires Hunter Water to report on any significant changes to these systems, over the first nine months of the financial year, to inform the scope of the Operational Audit. The full year reporting requirements on Management Systems are provided in sections 3.1.4 and 4.1.1.]

6.1.4 Statement of compliance

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

³ IPART, *Audit Guideline – Public Water Utilities*, May 2016, Appendix D.

[Note: This section 6.1.4 relates to Licence clause 6.1, under which IPART may undertake an Operational Audit on Hunter Water's compliance with the Licence. As part of the preparation for IPART's audit process, this section 6.1.4 requires Hunter Water to provide a statement of compliance which identifies any non-compliance of which Hunter Water is aware.]

6.2 As required reporting

There is no as required reporting requirement under section 6 of this Reporting Manual.

6.3 Publicly available documents

Hunter Water is not required to make documents or reports publicly available under this section 6 of the Reporting Manual.

[Note: IPART prepares an annual performance report on the public water utilities (including Hunter Water). The Bureau of Meteorology also prepares an annual national performance report of all urban water utilities (including Hunter Water). Both of these reports are publicly available.]



Appendices

A Timeline for reporting

Table A.1 Periodic reporting under Hunter Water’s Licence and reporting manual

Date	Report to	Reporting on	Reporting Manual Section
Monthly	Public (web)	Water quality monitoring report on Drinking Water	3.1.1
Monthly	NSW Health	Fluoride monitoring report	3.1.2
Quarterly	NSW Health	Exception report on Drinking and Recycled Water quality	3.1.3
31 March	IPART	Audit recommendation status update	6.1.2
31 March	IPART	Significant changes report	6.1.3
1 September	IPART	Annual report on: <ul style="list-style-type: none"> ▼ Water conservation ▼ Supply services and performance standards ▼ Organisational systems management ▼ Customer and stakeholder relations ▼ IPART performance indicators ▼ NWI Performance Indicators (except for environment indicators) 	2.1.1, 2.1.2 3.1.4, 3.1.5 4.1.1 5.1.1 6.1.1 6.1.1
1 September	IPART	Statement of Compliance	6.1.4
1 October	IPART	NWI Performance Indicators (environment indicators)	6.1.1

Table A.2 As required reporting under Hunter Water’s Licence and reporting manual

Date	Report to	Reporting on	Reporting Manual Section
1 November 2017	IPART	Approach and principles to developing its Economic Level of Water Conservation Methodology	2.2
1 July 2018	IPART	Strategic Asset Management Plan	4.2.1
1 November 2018	IPART	Economic Level of Water Conservation Methodology	2.2
1 November 2018	IPART	Water Conservation Strategy for Water Storage and Transmission	2.2
1 September 2019	IPART	Water conservation work program	2.2.4
30 June 2020	IPART	Customer Survey Report	3.2.3
As triggered	IPART	Obtain written consent to make changes to the approved Economic Level of Water Conservation Methodology	2.2
As triggered	NSW Health	Drinking Water and Recycled Water Incident and emergency notification	3.2.1
As triggered	IPART, NSW Health	Notification of proposed significant change in drinking and recycled water quality management systems	3.2.2
As triggered	IPART	Notice of variation to Customer Contract	5.2

B IPART performance indicators

Table B.1 in this Appendix B sets out the performance indicators developed by IPART that Hunter Water must report on.

Table B.1 IPART performance indicators

Performance area	Indicator number	Indicator	Definition
Assets	A1	Number of Properties that experience an Unplanned Water Interruption that lasts for more than five continuous hours	Number of Properties that experience an Unplanned Water Interruption that lasts for more than five continuous hours in the financial year.
	A2	Number of Properties that experience three or more Unplanned Water Interruptions that each last for more than one hour	Number of Properties that experience three or more Unplanned Water Interruptions that each last for more than one hour in the financial year.
	A10	Number of properties that experience a Water Pressure Failure	Number of Properties that experience a Water Pressure Failure in the financial year.
	A11	Number of Properties that experience an Uncontrolled Wastewater Overflow in dry weather	Number of Properties that experience an Uncontrolled Wastewater Overflow in dry weather in the financial year.
	A12	Number of Properties that experience three or more Uncontrolled Wastewater Overflows in dry weather	Number of Properties that experience three or more Uncontrolled Wastewater Overflows in dry weather in the financial year.

B.1 Calculating IPART performance indicators

B.1.1 Multiple Occupancy Properties

- a) for the purposes of indicators A1, A2 and A10, each separately billed part of a Multiple Occupancy Property is to be counted as a separate Property.

For example, a complex of five townhouses where each townhouse receives a separate bill from Hunter Water is to be counted as five separate Properties. However, a block of flats that only receives one bill from Hunter Water is to be counted as one Property.

- b) for the purposes of indicators A11 and A12, a Multiple Occupancy Property is considered to be one Property.

For example, a complex of five townhouses where each townhouse receives a separate bill from Hunter Water is to be counted as one Property.

B.1.2 Determining Unplanned Water Interruptions

For the purposes of indicators A1 and A2:

- a) Hunter Water must use the best available data (taking account of water pressure data where that data is available) to determine:
 - i) whether a Property has experienced an Unplanned Water Interruption; and
 - ii) the duration of the Unplanned Water Interruption.
- b) If a Property experiences an Unplanned Water Interruption that was caused by a third party, that Property is taken not to have experienced an Unplanned Water Interruption.

B.1.3 Determining Water Pressure Failures

For the purpose of indicator A10:

- a) a Property is taken to have experienced a Water Pressure Failure at each of the following times:
 - i) when a person notifies Hunter Water that the Property has experienced a water pressure failure and that water pressure failure is confirmed by Hunter Water; or
 - ii) when the Hunter Water's systems identify that the Property has experienced a Water Pressure Failure; and
- b) a Property will not be taken to have experienced a Water Pressure Failure if that Water Pressure Failure occurred only because of:
 - i) a Planned Water Interruption or Unplanned Water Interruption;
 - ii) water usage by authorised fire authorities in the case of a fire; or

a short term or temporary operational problem (such as a main break) which is remedied within four days of its occurrence.

B.2 Definitions for Appendix B

The following definitions are the same as those used in the Licence, but have been reproduced here for convenience.

Area of Operations means the area:

- c) specified in Schedule A to the Licence; and
- d) referred to in section 16(1)(a) to (c) of the Act, but excludes the area referred to in section 16(2) of the Act.

Consumer means any person who consumes or uses the Services and includes, but is not limited to, a tenant or occupier of a Property.

Controlled Wastewater Overflow is an overflow of Wastewater that is directed by Hunter Water via a designed structure to a predetermined location, such as a drainage system or waterway, in order to prevent overloaded or blocked sewers from discharging at sensitive locations, on private property or within buildings.

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

Multiple Occupancy Property means any land or title on which there is more than one Property.

Planned Water Interruption means an event which:

- a) commences when the supply of Drinking Water at the first cold water tap of a Property is interrupted following receipt by the Customer or Consumer of a prior water interruption notice from Hunter Water; and
- b) ceases when a normal supply of Drinking Water is restored to the Property referred to in paragraph (a).

Property means real property within the Area of Operations, excluding Public Property, which is owned by a person (whether individually or otherwise) and, for the avoidance of any doubt, includes the following:

- a) an individual dwelling or individual premises used for any purpose, which forms part of the land; and
- b) a lot in a strata plan that is registered under the Strata Schemes Development Act 2015 (NSW).

Services means supplying water, providing sewerage and drainage services, and disposing of Wastewater by Hunter Water.

Sewerage System means the sewer mains, pipes, treatment plants and other equipment provided, constructed, managed, operated and maintained by Hunter Water to provide



sewerage services under its operating licence including the collection, transportation, treatment and disposal of sewage.

Uncontrolled Wastewater Overflow means an overflow of Wastewater that is not a Controlled Wastewater Overflow and will be taken to have commenced on the earlier of the following:

- a) when a person notifies Hunter Water that a Property has experienced a Wastewater overflow which Hunter Water confirms is an Uncontrolled Wastewater Overflow; and
- b) when Hunter Water's systems identify that a Property has experienced an Uncontrolled Wastewater Overflow

Unplanned Water Interruption means an event which:

- a) commences when the supply of Drinking Water at the first cold water tap of a Property is interrupted without the Customer or Consumer having received prior notice of that interruption from Hunter Water; and
- b) ceases when a normal supply of Drinking Water is restored to the Property referred to in paragraph (a).

Wastewater means any discarded water, whether clean or contaminated, that is discharged into the Sewerage System.

Water Pressure Failure means a situation in which a Property experiences water pressure of less than 20 metres head for a continuous period of 30 minutes or more measured at the point of connection of the Property to the Water Supply System (usually at the point of connection known as the 'main tap'), but does not include a situation in which the Property experiences low water pressure on a day when peak day demand exceeds 370 megalitres per day.



C Licence data

We require the information outlined in this Appendix C to identify the number of customers to whom Hunter Water supplies recycled water.

Table C.1 Licence data - definitions

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

C.1 Definitions for Appendix C

Property has the meaning given in Appendix B.

Connected residential properties include:⁴

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

Connected non-residential properties include:⁵

- ▼ commercial and municipal properties
- ▼ shopping centres
- ▼ schools, universities, and technical colleges (TAFEs),
- ▼ hospitals and nursing homes
- ▼ shopping centres with separate connections for each shop are to be counted as one non-residential connection.

Drinking Water has the meaning given in Appendix B.

Recycled Water means water that has been treated to a standard suitable for its intended end use such as industrial, commercial and/or household applications but is not intended for use as Drinking Water.

⁴ Supporting notes to NWI indicator C2, National urban water utility performance reporting framework: indicators and definitions handbook, January 2018

⁵ Supporting notes to NWI indicator C3, *ibid*

D Drinking water and recycled water quality management system report template

The following table is a template to be used for Hunter Water to report on its Drinking Water and Recycled Water Quality Management Systems to IPART, as set out in section 3.1.4 of this Reporting Manual.

Table D.1 Management system report template

ADWG Framework sub-element	Water quality objective	Activity/Program	Results/outcomes
<i>Example: 4.1 – Operational procedures 7.2 – Employee training</i>	<i>Example: Consistent management of water quality</i>	<i>Example: Proceduralise the routine data analysis process and train staff in procedure</i>	<i>Example: All data analysts are trained in routine data analysis and respond consistently when new data arrives.</i>
<i>4.3 – Corrective action</i>	<i>pH target for specific WFP</i>	<i>pH buffering facilities at WFP to be installed</i>	<i>Project scheduled for completion in late 2017</i>

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 Compliances⁶

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

⁶ Utilities should report only non-compliances that were identified during the reporting period.