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SPECIAL SUPPLEMENT

Sydney Water Corporation

Operating Licence

2005-2010

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1 INFORMATION ABOUT THIS LICENCE

1.1 Objectives of this Licence

1.1.1 The objective of this Licence is to enable and require Sydney Water to lawfully provide the Services within its Area of Operations. Consistent with this objective, this Licence requires Sydney Water to:

- (a) meet the objectives and other requirements imposed on it in the Act;
- (b) comply with the quality and performance standards in this Licence;
- (c) recognise the rights given to Customers and Consumers; and
- (d) be subject to operational audits of compliance with this Licence.

1.2 Duration of licence

1.2.1 This Licence is renewed for a term of 5 years from the Commencement Date.

1.2.2 Notwithstanding the expiry of the term, the Governor may renew this Licence in accordance with the Act.

[Note: Section 17 of the Act allows the Governor to renew the licence for a maximum of 5 years at a time.]

1.3 End of term review of licence

1.3.1 On or about 1 January 2009 a review of this Licence must be undertaken:

- (a) to determine whether this Licence is fulfilling its objectives;
- (b) in relation to any matter requiring to be reviewed by this Licence; and
- (c) to determine the terms of any renewal of this Licence.

1.3.2 The review is to be undertaken by IPART, unless the Minister otherwise determines.

1.3.3 The person undertaking the review is to engage in Public Consultation as part of the review.

1.3.4 The person undertaking the review must report to the Minister within 12 months of commencing the review on the following:

- (a) the findings of the review;
- (b) any recommendations for amendment to this Licence, including any additional terms to be included in any renewal of this Licence; and
- (c) any recommendations for amendment to any law that adversely impacts on this Licence.

1.3.5 The Minister may accept or reject any recommendation made by the person undertaking the review.

- 1.3.6 If any recommendation made and accepted by the Minister requires an amendment to this Licence, the recommendation is of no force or effect unless this Licence is relevantly amended in accordance with section 16 of the Act.
- 1.3.7 Any recommendation made by the person undertaking the review that is not accepted by the Minister is of no force or effect.
- 1.3.8 The report prepared under clause 1.3.4 must be made available to the public by Sydney Water at the direction of the Minister. Copies are to be made available from Sydney Water's website on the internet for downloading by any person also free of charge. A reasonable number of copies are to be made available from Sydney Water's offices.

1.4 Licence amendment

- 1.4.1 Subject to the Act and clause 1.4.2, this Licence may be amended by the Governor by notice in the NSW Government Gazette.

[Note: Section 16 of the Act requires that, in addition to the above procedure, in order for an amendment to this Licence to take effect, written notice of the amendment must be laid before Parliament. 15 sitting days of each House of Parliament must have passed after the proposed amendments were laid before Parliament without a notice of motion being given to disallow the proposed amendment; or if such a notice has been given, it has lapsed, been withdrawn or defeated.]

- 1.4.2 Before notice of the Licence amendment is tabled in Parliament under section 16 of the Act, the Minister must give Sydney Water reasonable notice of the proposed amendment to enable it to comply with the amendment (if relevant) upon its commencement.

1.5 Contravention of Licence

Sydney Water acknowledges that, if the Minister is of the opinion that Sydney Water has contravened this Licence, the Minister may take action against Sydney Water under the Act.

[Note: Section 19 of the Act provides that, where the Minister is of the opinion that Sydney Water contravenes this Licence, the Minister may serve a notice on Sydney Water requiring it to rectify the contravention; or, in addition to or instead of the notice to rectify, the Governor may direct that a letter of reprimand is to be served on Sydney Water, or direct that Sydney Water is to pay a monetary penalty not exceeding \$1 million.]

1.6 Cancellation of Licence

This Licence may be cancelled by the Governor in the circumstances described in the Act.

[Note: Section 20 sets out the circumstances in which this Licence may be cancelled by the Governor. These include where Sydney Water ceases without authority or permission to do any of the things referred to in section 14 of the Act; or where Sydney Water is, in the Minister's opinion, in material default in compliance with the Licence and has not rectified such default or shown cause why the Licence should not be cancelled; or where Sydney Water is convicted on more than 3 occasions within a 12 month period of criminal offences punishable by at least \$10,000 fine or 12 months penal servitude or imprisonment if Sydney Water were a natural person.]

2 SYDNEY WATER'S RESPONSIBILITIES

2.1 Responsibility of Sydney Water under this Licence and other laws

2.1.1 Sydney Water must comply with this Licence and all applicable laws.

[Note: Sydney Water has obligations under a number of laws including:

Protection of the Environment Operations Act 1997
Public Health Act 1991
Fluoridation of Public Water Supplies Act 1957
Water Act 1912
Water Management Act 2000
Independent Pricing and Regulatory Tribunal Act 1992
State Owned Corporations Act 1989
Environmental Planning and Assessment Act 1979]

2.2 Responsibilities of Sydney Water under the Sydney Water Act

2.2.1 Sydney Water acknowledges that its principal objectives under the Act (each of which is of equal importance) are:

- (a) to be a successful business and to this end operate at least as efficiently as any comparable business, maximise the net worth of the State's investment in Sydney Water, and exhibit a sense of social responsibility by having regard to the interests of the community in which it operates;
- (b) to protect the environment by conducting its operations in compliance with the principles of Ecologically Sustainable Development contained in section 6(2) of the *Protection of the Environment Administration Act 1991*; and
- (c) to protect public health by supplying safe Drinking water to its Customers and other members of the public in compliance with the requirements of this Licence.

2.2.2 Sydney Water acknowledges that in implementing its principal objectives set out in clause 2.2.1, its special objectives under the Act are:

- (a) to reduce risks to human health; and
- (b) to prevent the degradation of the environment.

2.2.3 The special objectives are to be interpreted by reference to the objectives referred to in section 6(1)(b) of the *Protection of the Environment Administration Act 1991*, so far as they are relevant to Sydney Water.

[Note: Sydney Water's objectives are set out in section 21 and section 22 of the Act. Section 6(1)(b) of the *Protection of the Environment Administration Act 1991*, sets out the means by which risks to human health and degradation of the environment can be reduced. These are:

- promoting pollution prevention,
- adopting the principle of reducing to harmless levels the discharge into the air, water or land of substances likely to cause harm to the environment,
- minimising the creation of waste by the use of appropriate technology,
- regulating the transportation, collection, treatment, storage and disposal of waste,
- encouraging the reduction of the use of materials, encouraging the re-use and recycling of materials and encouraging material recovery,

- *adopting minimum environmental standards,*
- *setting mandatory targets for environmental improvement,*
- *promoting community involvement in decisions about environmental matters,*
- *ensuring the community has access to relevant information about hazardous substances arising from, or stored, used or sold by, any industry or public authority,*
- *conducting public education and awareness programs about the environment.]*

2.3 Memoranda of Understanding

- 2.3.1 In accordance with the Act, Sydney Water must maintain a Memorandum of understanding with each of the Water Administration Ministerial Corporation (WAMC), NSW Health, and DEC for the term of this Licence.

[Note: Section 35 of the Act requires Sydney Water to enter into separate memoranda of understanding with certain regulatory agencies, being the Water Administration Ministerial Corporation, the Director-General of NSW Health and the Department of Environment and Conservation. If Sydney Water and those regulatory agencies are not able to agree on a term of the memorandum of understanding, the view of the regulatory agency prevails. Section 36 deals with public exhibition of memoranda of understanding.]

- 2.3.2 The purpose of a Memorandum of understanding is to form the basis for co-operative relationships between the parties to the memorandum. In particular:
- (a) the Memorandum of understanding with NSW Health is to recognise the role of NSW Health in providing advice to the Government of NSW in relation to Drinking water quality standards and the supply of water which is safe to drink;
 - (b) the Memorandum of understanding with DEC is to recognise DEC as the environmental regulator of the State and to commit Sydney Water to environmental improvements; and
 - (c) the Memorandum of understanding with the WAMC, is to recognise the role of WAMC in regulating water access, use and management and Sydney Water's right to use water vested in the WAMC.
- 2.3.3 Clause 2.3.1 does not limit the persons or regulatory agencies with whom Sydney Water may have a Memorandum of understanding.

2.4 Monitoring and Reporting Protocol

- 2.4.1 By no later than 6 months from the Commencement Date, Sydney Water must develop and provide to IPART a protocol ("Monitoring and reporting protocol") that includes how Sydney Water will record, compile, monitor, measure and report against the service quality and system performance indicators in Schedule 1, the customer service indicators in Schedule 2 and the environmental performance indicators in Schedule 3.

- 2.4.2 If IPART is not satisfied the Monitoring and reporting protocol (or any part of it) complies with clause 2.4.1, IPART may require Sydney Water to amend the Monitoring and reporting protocol. If Sydney Water fails to amend the Monitoring and reporting protocol within a reasonable time after IPART requests an amendment or amendments to the Monitoring and reporting protocol, the Monitoring and reporting protocol as determined by IPART will prevail.
- 2.4.3 This clause 2.4 applies to any amendment to the Monitoring and reporting protocol during the duration of this Licence.

3 WATER QUALITY

3.1 Drinking Water Quality – Standards

3.1.1 Sydney Water must comply with:

- (a) the Australian Drinking Water Guidelines 1996 relating to Health guideline values and the Aesthetic guideline values for pH, true colour, turbidity, aluminium, iron and zinc; and
- (b) the fluoridation plant operating targets set out in the Fluoridation Code.

3.1.2 If there is an inconsistency between the Health guideline values and the Aesthetic guideline values, the Health guideline values will prevail.

3.1.3 In delivering the Services, Sydney Water must have regard to the concepts of good practice set out in the Australian Drinking Water Guidelines 1996 and must apply these concepts in the manner, form and timeframes specified by NSW Health.

3.2 Drinking Water Quality – Monitoring

3.2.1 Sydney Water must prepare, to the satisfaction of NSW Health, a comprehensive annual Drinking water quality monitoring plan for the water supply system by 31 March each year, for the duration of this Licence and must:

- (a) include system performance monitoring and regular sampling, laboratory testing and processes to ensure quality control;
- (b) have regard to the concepts of good practice set out in the Australian Drinking Water Guidelines 1996 and must apply those concepts in the manner, form and timeframes specified by NSW Health;
- (c) include the monitoring of Health guideline values;
- (d) include the monitoring of Aesthetic guideline values;
- (e) assess the quality of water in Sydney Water's water supply system; and
- (f) be undertaken for the period from the Commencement Date to 30 June 2006 and after that for each subsequent financial year.

3.2.2 The sampling frequency and the locations chosen for the monitoring should be such that the results are representative of the quality of water supplied to Consumers.

[Note: The requirement for an annual Drinking water monitoring plan is also found in the Memorandum of understanding between NSW Health and Sydney Water, November 2000.]

3.3 Drinking Water Quality – Reporting

3.3.1 Sydney Water must produce a quarterly report that includes the water quality monitoring test results undertaken in accordance with clause 3.2. The quarterly report must be placed on its website on the internet and also made available for access by any person, free of any charges imposed by Sydney Water.

3.3.2 Sydney Water must provide to NSW Health a copy of the report compiled to comply with clause 3.3.1. If the results do not comply with the Health guideline values or the Aesthetic guideline values for pH, true colour, turbidity, aluminium, iron and zinc, Sydney Water must provide NSW Health with an appraisal of the inconsistency, and indicate action to be taken to resolve any non compliance.

[Note: The requirement for quarterly reporting of monitoring results is also found in the Memorandum of understanding between NSW Health and Sydney Water, November 2000.]

3.3.3 Sydney Water must comply with requests by NSW Health to provide additional information on water quality. The additional information provided under this clause is to conform to the manner and form specified by NSW Health.

[Note: Under section 10H of the Public Health Act 1991 the Director General of NSW Health may require Sydney Water to produce certain information.]

3.4 Drinking Water – Planning

3.4.1 Sydney Water must prepare, to the satisfaction of NSW Health, a five-year Drinking water quality management plan (Five-Year Plan) within 5 months after the Commencement Date. Sydney Water must release to the public a discussion paper in relation to the Five-Year Plan within 2 months after the Commencement Date and must engage in Public Consultation on the discussion paper.

3.4.2 The Five-Year Plan must include strategies for the comprehensive management of the quality of Drinking water in Sydney Water's water supply system, the aim of which is to control any risk to public health and meet any Aesthetic guideline values extended to Sydney Water in or by this Licence.

[Note: The requirement for a long term water quality management strategy is also found in the Memorandum of understanding between NSW Health and Sydney Water, November 2000.]

3.4.3 In preparing the Five-Year Plan, Sydney Water must have regard to the concepts of good practice set out in the Australian Drinking Water Guidelines 1996 and must apply these concepts in the manner, form and timeframes specified by NSW Health.

- 3.4.4 Sydney Water must prepare, and make available to NSW Health by 1 October each year, an annual report on the implementation of the Five Year Plan. The report must include details of:
- (a) any proposed amendments to the Five Year Plan needed to protect public health or to ensure the effective operation of the Plan; and
 - (b) any additional water quality improvement actions identified in the preceding year through the Drinking water quality monitoring data or by NSW Health and action taken to implement them.

3.5 Drinking Water - Incident Management

- 3.5.1 Sydney Water must immediately report to NSW Health any information or event in the delivery of the Services or in its systems or operations which may have risks for public health.

[Note: The requirement for immediate notification for events of public health significance is also found in the Memorandum of understanding between NSW Health and Sydney Water, November 2000.]

- 3.5.2 From the Commencement Date, Sydney Water must maintain the existing Drinking water quality incident management plan (Incident Plan) prepared to the satisfaction of NSW Health and that Incident Plan must remain in place until any new plan is developed in agreement with NSW Health.
- 3.5.3 The Incident Plan must contain, or incorporate by reference, procedures and protocols for the coordinated management of Drinking water incidents including media and stakeholder liaison and any notification to Consumers of public health advice received from NSW Health.
- 3.5.4 In preparing the Incident Plan under clause 3.5.2, Sydney Water must have regard to the concepts of good practice set out in the Australian Drinking Water Guidelines 1996 and must apply these concepts in the manner, form and timeframes specified by NSW Health.

[Note: The requirement for a comprehensive incident management plan is also found in the Memorandum of understanding between NSW Health and Sydney Water, November 2000.]

3.6 Other Grades of Water

- 3.6.1 Other grades of water supplied by Sydney Water must be supplied according to relevant guidelines specified by NSW Health, DEC, DIPNR and the Department of Primary Industries.
- 3.6.2 Other grades of water supplied by Sydney Water does not include Drinking water but does include Re-use water.
- 3.6.3 Where there is a conflict between any of the guidelines, requirements or standards applying to Sydney Water under clause 3.6, the Minister's decision will prevail.

4 INFRASTRUCTURE PERFORMANCE

4.1 System performance standards

Water Pressure Standard

- 4.1.1 Sydney Water must ensure that no more than 15,000 Properties experience a water pressure failure in a financial year. This is known as the water pressure standard.
- 4.1.2 A Property experiences a water pressure failure if the Property experiences a pressure of less than 15 metres for a continuous period of 15 minutes or more measured at the point of connection of the Property to Sydney Water's water supply system, usually at the point of connection known as the "main tap".
- 4.1.3 For the purpose of the water pressure standard (including clause 4.7 and the Schedules), the following applies:
- (a) each separately billed or separately occupied part of a multiple occupancy Property is a separate Property;
 - (b) a Property is taken to have experienced a water pressure failure at each of the following times:
 - (i) when a person notifies Sydney Water that the Property has experienced a water pressure failure and that water pressure failure is confirmed by Sydney Water; or
 - (ii) when Sydney Water's systems identifies that the Property has experienced a water pressure failure; and
 - (c) a Property will not be taken to have experienced a water pressure failure only because of a short term operational problem (such as a main break) which is remedied in accordance with Schedule 6 or from abnormal demand (such as demand during fire fighting).
- 4.1.4 Clause 4.1.3 does not limit the circumstances in which a Property will have experienced a water pressure failure under clause 4.1.2.

4.2 Water Continuity Standard

- 4.2.1 Sydney Water must ensure that:
- (a) no more than 32,000 properties experience a Planned Water Interruption exceeding 5 hours in a financial year; and
 - (b) no more than 35,000 properties experience an Unplanned Water Interruption exceeding 5 hours in a financial year.

This is known as the water continuity standard.

- 4.2.2 For the purpose of the water continuity standard, the following applies:
- (a) in determining whether a Property experiences a Planned Water Interruption or an Unplanned Water Interruption a best estimate is to be applied from the best available data, taking account of water pressure data where that data is available;
 - (b) each separately billed or separately occupied part of a multiple occupancy Property is a separate Property; and
 - (c) for the avoidance of doubt, a Property is taken to have experienced a separate Planned Water Interruption or an Unplanned Water Interruption for each period of 5 hours or more that the Planned Water Interruption or Unplanned Water Interruption (as the case may be) exists.
- 4.2.3 Clause 4.2.2 does not limit the circumstances in which a Property will have experienced a Planned Water Interruption or an Unplanned Water Interruption under clause 4.2.1.

4.3 Sewage Overflows on Private Property Standard

- 4.3.1 Sydney Water must ensure that no more than 25,000 Properties (other than Public Properties) experience an Uncontrolled Sewage Overflow in dry weather in a financial year. This is known as the sewage overflow standard.
- 4.3.2 For the purpose of the sewage overflow standard, each separately billed or separately occupied part of a multiple occupancy Property is a separate Property.

4.4 Compliance with performance standards

Sydney Water must comply with the water pressure standard in clause 4.1.1, the water continuity standard in clause 4.2.1 and the sewage overflow standard in clause 4.3.1.

4.5 Reporting on system performance standards

- 4.5.1 By no later than 1 September each year, Sydney Water must report to IPART on its compliance with the water pressure standard, the water continuity standard and the sewage overflow standard.
- 4.5.2 By no later than 1 September each year, Sydney Water must report to IPART on the number of Properties in the preceding financial year that experience the following:
- (a) a water pressure failure;
 - (b) a Planned Water Interruption or an Unplanned Water Interruption;
 - (c) an Uncontrolled Sewage Overflow.
- 4.5.3 Sydney Water must maintain record systems sufficient to enable it to measure accurately its performance against the water pressure standard, the water continuity standard and the sewage overflow standard and to enable measurement and reporting by Sydney Water of those standards by delivery systems. Delivery system in this clause means the geographic classification used by Sydney Water for its own internal purposes, based on geographic regions forming part of the Services.

- 4.5.4 Sydney Water must provide IPART with physical or electronic access to the records kept by Sydney Water that enable it to report under clause 4.5.1.

4.6 Review of system performance standards

- 4.6.1 At least once during this Licence, IPART must consult with Sydney Water and other stakeholders and report to the Minister on whether the water pressure standard, the water continuity standard and the sewage overflow standard should be amended, and if so the nature of the amendments.
- 4.6.2 The report under clause 4.6.1 must include an analysis of the benefits and costs of any amendments.
- 4.6.3 Following receipt of the report the Minister, or a person appointed by the Minister, may publish a notice in the NSW Government Gazette which lists the amendments that must be adopted by Sydney Water.
- 4.6.4 Any amendments to the performance standards that must be adopted by Sydney Water under clause 4.6.3 must be incorporated into the Customer Contract as soon as reasonably possible and also considered as part of any review of the Customer Contract.

4.7 Service quality and system performance indicators

- 4.7.1 Sydney Water must maintain record systems that are sufficient to enable it to measure accurately its performance against the service quality and system performance indicators in Schedule 1.
- 4.7.2 Where there is any inconsistency between any of those indicators (or their application), the decision of IPART will prevail.
- 4.7.3 By 1 September 2006 and at the same time in each subsequent year, Sydney Water must report to IPART its performance against the service quality and system performance indicators in Schedule 1 for the immediately preceding financial year. The report must include an analysis of any problems of a systemic nature.
- 4.7.4 As part of its report, Sydney Water must provide IPART with physical and electronic access to the records kept by Sydney Water that enable it to report under clause 4.7.3.

4.8 Asset management obligation

Sydney Water must ensure that its Assets are managed consistent with;

- (a) the terms and conditions in this Licence, and its obligations under the Customer Contract and all applicable laws with which Sydney Water must comply;
- (b) subject to (a) above, the lowest life cycle cost and acceptable risk of the Assets;
- (c) the whole of life of the Assets; and
- (d) its assessment of the risk of loss of the Assets, and capacity to respond to a potential failure or reduced performance of the Assets.

4.9 Reporting on the asset management system

- 4.9.1 At least once during this Licence at a time agreed with IPART, Sydney Water must report to IPART on the state of each group of Assets managed by Sydney Water.
- 4.9.2 The report must include the following matters:
- (a) a description of the processes, practices, systems and plans Sydney Water uses in managing the Assets;
 - (b) a description of each group of Assets;
 - (c) an assessment of the expected capability of the Assets to deliver the Services and meet the existing obligations consistent with this Licence, the Customer Contract and all applicable laws with which Sydney Water must comply;
 - (d) an assessment of the major issues or constraints on current and future performance of the Assets;
 - (e) the strategies and expected costs of future investment in Assets;
 - (f) progress in implementing the management of Sydney Water's Assets and any recommended improvements in processes, practices, systems and plans for the management of the Assets; and
 - (g) such other matters reasonably required by IPART.

4.10 Auditing the asset management system

- 4.10.1 At least once during this Licence IPART may (at a time it determines) conduct an audit of Sydney Water's compliance with clauses 4.8 and 4.9. The audit may form part of an Annual audit or be conducted separately from an Annual audit, at the discretion of IPART.
- 4.10.2 In addition, IPART may at any time audit Sydney Water's compliance with clauses 4.8 and 4.9 for the purpose of:
- (a) investigating and reporting on, or reviewing the pricing of Sydney Water's Services under the IPART Act; or
 - (b) investigating compliance by Sydney Water with specific areas of its Asset management.
- 4.10.3 An audit undertaken under clause 4.10.1 or 4.10.2, must comply with the scope and audit specifications determined by IPART.
- 4.10.4 The provisions of clause 12 apply to an audit under clause 4.10 as if the audit under clause 4.10 is an Annual audit.
- 4.10.5 The Minister must be advised of any such decision to audit and, subsequent to the audit, be provided with a report on the outcomes of the audit.

4.11 Water Leakage

- 4.11.1 Sydney Water must ensure that by 30 June 2009, the amount of Water leakage from its Drinking water supply system does not exceed 105 megalitres a day.
- 4.11.2 Each year Sydney Water must calculate the level of Water leakage from its Drinking water supply system using the assumptions and methodology approved by IPART.
- 4.11.3 On 1 September 2006 and at the same time in each subsequent year, Sydney Water must report to IPART on:
- (a) the economic level of Water leakage for the preceding financial year and how that level of Water leakage is calculated; and
 - (b) its assessment of its progress towards compliance with clause 4.11.1

4.12 Reports Related to Water Leakage

- 4.12.1 Sydney Water must report to IPART no later than 1 September 2005 and at the same time in each subsequent year on the number of bulk water meters in Sydney Water's Drinking water system that Sydney Water:
- (a) intends to install in the current and subsequent financial years; and
 - (b) had planned to install in a financial year compared with the number actually installed in that financial year.
- 4.12.2 Sydney Water must report to IPART no later than 1 September 2005 and at the same time in each subsequent year on the number of water pressure control zones in Sydney Water's Drinking water system that Sydney Water:
- (a) intends to complete in the current and subsequent financial years; and
 - (b) had planned to complete in a financial year compared with the number actually completed in that financial year.
- 4.12.3 On 1 September 2005, and on 1 September of each subsequent year, Sydney Water must report to IPART on the number of bursts, breaks or leaks (in the trunk and reticulation component of Sydney Water's Drinking water system between water treatment plants and a Property) which occurred in the immediately preceding financial year and the time taken by it to repair those bursts, breaks or leaks.
- 4.12.4 Sydney Water must report to IPART, no later than 1 September 2005 and at the same time in each subsequent year, on:
- (a) the number of kilometres of reticulation mains it inspected during the preceding financial year for Water leakage; and
 - (b) its program during the preceding financial year for inspecting reservoir zones for Water leakage and for rehabilitating reservoir zones to prevent or correct Water leakage.

4.13 Response time for water main breaks

4.13.1 Sydney Water's response to water main breaks and leaks (in the trunk and reticulation components of Sydney Water's drinking water system between water treatment plants and a property), as measured from the time Sydney Water receives notification of a break or leak to the time Sydney Water stops the loss of water, shall be as follows:

- (a) Priority 6 breaks/leaks: 70% of jobs within 2 hours
90% of jobs within 3 hours
- (b) Priority 5 breaks/leaks: 65% of jobs within 3 hours
85% of jobs within 6 hours
- (c) Priority 4 breaks/leaks: 50% of jobs by end of next working day
100% of jobs within 5 days, subject to clause 4.13.4

4.13.2 Categorisation of Priorities 4, 5 and 6 is to be finalised by IPART and published on Sydney Water's Internet site www.sydneywater.com.au

4.13.3 On 1 September 2006, and on 1 September of each subsequent year, Sydney Water must report to the Minister and IPART on the number of breaks or leaks (in the trunk and reticulation components of Sydney Water's drinking water system between water treatment plants and a property) which occurred in the immediately preceding financial year and Sydney Water's performance against the targets in clause 4.13.1. The Minister from time to time may adjust targets based on Sydney Water's performance.

4.13.4 Due to operational, planning and customer impact issues, it is recognised that Sydney Water will not be able to respond to 100% of priority 4 jobs within 5 days. Therefore Sydney Water shall annually submit to IPART a list of all instances of non-compliance with the above target and the reasons for that non-compliance. This will be reviewed as part of the annual operational audit.

4.14 Priority Sewerage

4.14.1 Sydney Water must meet the following requirements in relation to the "Priority Sewerage Program":

- (a) By 30 June 2009 connection shall be made available to all lots eligible for connection under Stage 1 Priority Sewerage Program, excluding those lots in the area of Menangle/Menangle Park;
- (b) By 30 June 2006 Sydney Water must report to the Minister on how it intends to service the area of Menangle/Menangle Park; and
- (c) By 30 June 2009 work shall be commenced which, when completed, will permit connection to be made available to at least 30% of lots eligible for connection under Stage 2 Priority Sewerage Program and including those lots which are situated in areas adjacent to World Heritage areas.

- 4.14.2 Should Sydney Water incur delays caused by consent authorities that impair its ability to meet the above targets, Sydney Water is required to write to the Minister for Energy and Utilities, to advise the Minister of the reasons for the delay.
- 4.14.3 On 1 September 2006 and at the same time in each subsequent year Sydney Water must report to IPART on its assessment of its progress towards compliance with clause 4.14.1 and the reasons which lead it to reasonably believe that (as at the date of its report) it will or will not be able to comply with clause 4.14.1.
- 4.14.4 In this clause the Stage 1 Priority Sewerage Program is the program (incorporating the principle of least cost technology) for improving sewerage services in unsewered areas within Sydney Water's Area of Operations more fully described by the following:
- (a) by Schedule 5; and
 - (b) announcements made by the Minister (and the Government of NSW) which may include announcements made under this Licence clarifying or amending paragraph (a), which announcements will prevail if they are inconsistent with paragraph (a) .

5 CUSTOMER AND CONSUMER RIGHTS

5.1 Customer contract

- 5.1.1 The Customer Contract applies for the purpose of section 54 of the Act and may only be varied in accordance with section 59 of the Act.

[Note: Division 7 of Part 6 of the Act contains various provisions in relation to the Customer Contract.

Section 59 of the Act requires that a variation of the Customer Contract must be published in a daily newspaper circulating in the Area of Operations at least 6 months before the variation becomes effective, or a shorter period of notice approved by the Minister. A copy of the notice must also be given to the Customer. Section 59 does not apply to an alteration of fees or charges where the alteration is in accordance with an IPART determination.]

- 5.1.2 Subject to section 56 of the Act, the Customer Contract automatically applies to persons specified in section 55(1) of the Act.

[Note: Section 55(1) of the Act provides that the owner of land connected to a water main or sewer main owned by Sydney Water is taken to have entered into a Customer Contract. By section 56 of the Act, the customer contract does not apply for unauthorised connections to a water main or a sewer main owned by Sydney Water].

- 5.1.3 The Customer Contract sets out the rights and obligations of Customers and Sydney Water in relation to the Services provided through systems required under this Licence. These rights and obligations are in addition to the rights and obligations conferred by the Act and any other law.

- 5.1.4 A copy of the Customer Contract, and any variations to it must be made available from Sydney Water's offices on request free of charge and posted on Sydney Water's website on the internet for downloading by any person also free of charge.

- 5.1.5 Unless otherwise required by the Minister, IPART must initiate a review of the Customer Contract during the term of the Licence. The review must:

- (a) include an evaluation of the effectiveness of the financial hardship and other Customer protection provisions; and
- (b) have regard to the system performance standards in clauses 4.1.1, 4.2.1 and 4.3.1, or as determined by the Minister under clause 4.6.3.

- 5.1.6 By the completion of the review, IPART must produce a report setting out its findings and recommendations. A copy of the report must be provided to the Minister upon its completion.

- 5.1.7 Sydney Water must take all steps necessary to issue an amended Customer Contract that addresses those recommendations of the review report adopted by the Minister within 3 months of the Minister's adoption of the review report.

- 5.1.8 Sydney Water must prepare a pamphlet that:
- (a) provides a brief explanatory introduction to the Customer Contract;
 - (b) summarises the key rights and obligations of Customers, under the Customer Contract;
 - (c) refers to the types of account relief available for Customers experiencing financial hardship; and
 - (d) contains a list of Sydney Water's local offices and emergency contact numbers in its Area of Operations.
- 5.1.9 The pamphlet prepared under clause 5.1.8 must be updated when changes are made to the Customer Contract under clause 5.1.7 and must be disseminated by Sydney Water free of charge to:
- (a) Customers, at least once annually with their quarterly or other bills; and
 - (b) any other person on request.
- 5.1.10 As provided by and subject to section 57 of the Act, Sydney Water may enter into other contracts or arrangements for the supply of Services. The terms of any such contract or arrangement are such as may be negotiated between Sydney Water and any such person.

5.2 Consumers

Sydney Water must fulfil its obligations under the Customer Contract relating to complaint handling and complaint resolution procedures as if those obligations also extended to Consumers.

5.3 Code of practice and procedure on debt and disconnection

- 5.3.1 Sydney Water must have in place a code of practice and procedure on debt and disconnection.
- 5.3.2 The code of practice and procedure on debt and disconnection must provide for:
- (a) deferred payment or payment by instalment options for consumption bills; and
 - (b) the payment options referred to in (a) to be advised in consumption bills.
- 5.3.3 Sydney Water must include the code of practice and procedure on debt and disconnection in its Customer Contract.
- 5.3.4 Sydney Water must disseminate information on its code of practice and procedure on debt and disconnection free of charge to:
- (a) Customers, at least once annually with their quarterly or other bills; and
 - (b) any other person on request.

5.4 Customer councils

5.4.1 In accordance with the Act, Sydney Water must have in place and regularly consult with one or more customer councils to enable community involvement in issues relevant to the performance of Sydney Water's obligations under this Licence.

[Section 15 of the Act requires that the Licence set out the terms and conditions for Sydney Water to establish and consult with one or more Customer Councils].

5.4.2 A customer council may be utilised by Sydney Water, among other things, to provide it with high quality advice on the interests of Customers and Consumers of Sydney Water and on the Customer Contract, in accordance with the terms of the relevant customer council charter, and on such other key issues related to Sydney Water's planning and operations as Sydney Water may determine.

5.4.3 Sydney Water must appoint the members of a customer council, consistent with this Licence.

5.4.4 At all times, the membership of one or more customer councils must between them include a representative from at least each of the following:

- (a) business and consumer groups;
- (b) low income households;
- (c) people living in rural and urban fringe areas;
- (d) residential consumers;
- (e) environmental groups;
- (f) local government; and
- (g) the Ethnic Communities Council.

5.4.5 Sydney Water may allow a representative under clause 5.4.4 to serve on so many customer councils as it considers appropriate to best discharge the tasks assigned to him or her.

5.4.6 The customer council or customer councils under this Licence must comprise:

- (a) members of any customer council prior to the Commencement Date ("existing members"); and
- (b) any other person appointed by Sydney Water, consistent with clause 5.4.4.

5.4.7 Subject to clause 5.4.8 the term of a member of a customer council (including the term of an existing member) will expire 2 years after his or her appointment.

5.4.8 At least half of the persons appointed as members of a customer council must be new members. That is, they must not be persons who were members of a customer council at any time during the period of 2 years before the date of their appointment.

5.4.9 No person may be appointed as a member of a customer council for more than 2 consecutive terms (including, without limitation, any term served as a replacement member under 5.4.10).

- 5.4.10 If a member's place becomes vacant before the expiration of their term, Sydney Water may appoint a suitable replacement for the remainder of that member's term.
- 5.4.11 If Sydney Water chooses to establish one or more customer councils the majority of members of which are not individuals, clauses 5.4.8, 5.4.9 and 5.4.12 do not apply to those customer councils.
- 5.4.12 Existing members will be eligible to be appointed for one term and other members for 2 consecutive terms. For the avoidance of doubt:
- (a) existing members will be regarded as having served their first term at the end of the period, mentioned in clause 5.4.7; and
 - (b) replacement members appointed under clause 5.4.10 will be regarded as having served their first term at the expiration of the term of the member they replaced.
- 5.4.13 Within 3 months of establishing a customer council, Sydney Water must develop in consultation with members of each customer council, a customer council charter that addresses the following issues:
- (a) the role of the customer council;
 - (b) selection criteria on how members will be drawn from the community;
 - (c) information on how the customer council will operate;
 - (d) induction processes for new members;
 - (e) a description of the type of matters that will be referred to the customer council;
 - (f) procedures for the conduct of customer council meetings, including the appointment of a chairperson and the requirement to invite on an annual basis a co-chair of the customer council from Customer representatives;
 - (g) communicating the outcome of the customer council's work to Sydney Water;
 - (h) procedures for tracking issues raised and ensuring appropriate follow-up of those issues; and
 - (i) funding and resourcing of the customer council by Sydney Water including sitting fees and expenses for members.
- 5.4.14 There must be a charter for each customer council. However a single charter may be expressed to apply to more than one customer council.
- 5.4.15 Sydney Water must provide a customer council with information within its possession or under its control (other than information or documents over which Sydney Water or another person claims confidentiality or privilege) necessary to enable the customer council to discharge the tasks assigned to it.
- 5.4.16 Sydney Water must report annually on the issues considered by, and the achievements, of each of its customer councils. A copy of the report and each charter for a customer council must be posted on Sydney Water's website on the internet for downloading free of charge and made available at its offices for access or collection by any member of the public, also free of charge.

5.5 Customer service indicators

- 5.5.1 Sydney Water must maintain record systems that are sufficient to enable it to measure accurately its performance against the Customer service indicators set out in Schedule 2.
- 5.5.2 By no later than 1 September 2006 and at the same time in each subsequent year , Sydney Water must report to IPART its performance against the Customer service indicators in Schedule 2 for the immediately preceding financial year.
- 5.5.3 The report must include an analysis of any problems of a systemic nature.
- 5.5.4 It will be sufficient compliance with this clause if the report required by this clause is integrated into the report required by Sydney Water under clause 4.7.3.

6 COMPLAINT AND DISPUTE HANDLING

6.1 Internal Dispute Resolution Process

- 6.1.1 Sydney Water must establish and maintain internal complaint handling procedures for receiving, responding to and resolving complaints by Customers and Consumers against Sydney Water.
- 6.1.2 The internal complaints handling procedures of Sydney Water must be based on the Australian Standard AS4269-1995 Complaint Handling.
- 6.1.3 Sydney Water must make available to Customers and Consumers information concerning its internal complaints handling procedures which explains how to make a Complaint and how the procedure works.
- 6.1.4 Sydney Water must provide information of the nature described in clause 6.1.3 to Customers through their quarterly, or other, bills at least once annually.

6.2 External Dispute Resolution Scheme

- 6.2.1 Sydney Water must establish or be a member of an industry based dispute resolution scheme for the resolution by a dispute resolution body of disputes between Sydney Water and its Customers and between Sydney Water and Consumers.

[Note: The industry based dispute resolution body at the commencement date of this Licence is EWON – the Energy and Water Industry Ombudsman of New South Wales.]

- 6.2.2 The industry based dispute resolution scheme so established by Sydney Water is subject to the Minister's approval.
- 6.2.3 Sydney Water must prepare a pamphlet that explains how the dispute resolution scheme operates and how it can be accessed.
- 6.2.4 Sydney Water must provide the pamphlet to Customers through their quarterly or other bills, at least once annually.
- 6.2.5 Sydney Water must provide IPART with written reports of the determinations made by the dispute resolution body based on information available to Sydney Water and information reasonably obtained from the dispute resolution body. Where considered appropriate by Sydney Water and the dispute resolution body, confidentiality arrangements are to be made so as not to disclose the Customer or Consumer's identity in such reports.

- 6.2.6 Sydney Water must report each year to IPART based on information available to Sydney Water and information reasonably obtained from the dispute resolution body. The report must take into account any issues raised by the dispute resolution body and must contain the following information:
- (a) the number and types of complaints received by the dispute resolution body, classified in accordance with the dispute resolution body's reporting arrangements; and
 - (b) any other relevant information required by IPART to be included in the report.
- 6.2.7 The report in clause 6.2.6 must be made available to the public free of charge.

6.3 Complaints to other bodies

- 6.3.1 Sydney Water must report to the IPART by no later than 1 September each year on all complaints made to Sydney Water in the preceding financial year that relate to its performance under this Licence or the Customer Contract that were referred for resolution by an external dispute resolution body (other than a court), for example the Consumer Trader and Tenancy Tribunal.
- 6.3.2 Sydney Water must report to the IPART by no later than 1 September each year on all civil actions in the preceding financial year that were brought against Sydney Water in all courts where the person bringing the action sought damages or other relief against Sydney Water for Sydney Water's failure to comply with a provision of its Customer Contract.
- 6.3.3 The reports required under clauses 6.3.1 and 6.3.2 must contain the following information:
- (a) the number and types of matters;
 - (b) the outcome of the matters;
 - (c) if the matters were subject to a negotiated settlement, how they were settled;
 - (d) any problems of a systemic nature arising from the matters or which the matters uncovered; and
 - (e) any other information that IPART may reasonably request.

7 ENVIRONMENT – INDICATORS AND MANAGEMENT

7.1 Environmental Indicators

7.1.1 Each year Sydney Water must monitor, record, compile data and report on the environmental performance indicators in Schedule 3 for the immediately preceding financial year.

[Notes 14(1)(d) of the Act, provides that Sydney Water is to compile indicators of the direct impact on the environment of its activities (1) to enable preparation of an annual report of its performance and (2) to provide information for a year to year comparison in relation to its performance in this area.]

7.1.2 By no later than 1 September 2006 and at the same time in each subsequent year, (or an alternative later date specified by IPART), Sydney Water must report on its performance against the environmental performance indicators, in Schedule 3 in a manner to be approved by IPART.

7.1.3 The report must provide information which enables a year to year comparison in relation to Sydney Water's performance against the environmental performance indicators in Schedule 3. In particular, Sydney Water is to compare the performance indicators in Schedule 3 with historical annual values over at least the previous 10 years where comparable data is available.

7.1.4 The information in the report referred to in clauses 7.1.1 and 7.1.2 is to be made available to the public by Sydney Water. Copies of the information are to be made available from Sydney Water's offices on request free of charge and posted on Sydney Water's website on the internet for downloading by any person also free of charge.

7.2 Environment Management

7.2.1 By no later than 1 month from the Commencement Date, Sydney Water must have in place an environmental management system certified to AS/NZS ISO 14001 to manage environmental risk.

7.2.2 Sydney Water must produce a five-year Environment Plan by 30 September 2005. Sydney Water must annually review and update the Environment Plan in accordance with its environmental management system referred to in clause 7.2.1.

7.2.3 Sydney Water must engage in Public Consultation in developing the Environment Plan required by clause 7.2.2.

7.2.4 The Environment Plan must:

- (a) contain details of Sydney Water's program for environmental improvement for its water, waste water and stormwater strategies, as well as the environmental aspects of its other activities such as energy management, waste minimisation, heritage and Botany Wetlands;
- (b) endorse Ecologically Sustainable Development principles;
- (c) be integrated into Sydney Water's business plans,
- (d) incorporate the objectives of the energy management plan of Sydney Water to:

- (i) improve energy efficiency and generate renewable energy; and
- (ii) minimise the environmental impact of its energy consumption; and
- (iii) comply with all relevant energy related regulation; and
- (e) incorporate environmental improvement targets and time tables for Sydney Water to achieve over the term of the Environment Plan

- 7.2.5 The Environment Plan must be posted each year on Sydney Water's website on the internet for downloading free of charge, and made available at its premises for access or collection by any member of the public.
- 7.2.6 By no later than 1 September each year, or an alternative later date specified by IPART, Sydney Water must report to IPART on its progress for the previous financial year in meeting the Environment Plan. The report is to include Sydney Water's compliance with the targets and timetables in clause 7.2.4, and in managing the Botany Wetlands. The information in the report must be posted on Sydney Water's website on the internet for downloading free of charge and made available at its premises for access or collection by any member of the public.
- 7.2.7 Each year Sydney Water must review the Environmental Plan by consulting with DEC, DIPNR, IPART, and peak environmental non-governmental organisations for the purpose of considering the views of those consulted organisations and whether they seek amendments to the Environmental Plan in the subsequent year.

7.3 Potable Water Use

- 7.3.1 Sydney Water must ensure that potable water use for treatment processes at each of the following sewage treatment plants has been reduced by 80% in volumetric terms from its 2003/04 usage rates by 30 June 2009 – Malabar, North Head and Bondi.
- 7.3.2 By 30 June 2009 Sydney Water must ensure that all sewage treatment plants (other than Malabar, North Head and Bondi, and storm flow sewage treatment plants at Fairfield, Bellambi and Port Kembla) use at least 85% recycled water for treatment processes.
- 7.3.3 Sydney Water must undertake potable water efficiency audits at all sewage treatment plants (other than Malabar, North Head and Bondi) and implement appropriate findings under a water conservation plan by 30 June 2009.
- 7.3.4 By no later than 1 September each year, Sydney Water must report to IPART on its progress in relation to clause 7.3.1, 7.3.2 and 7.3.3 for the previous 12 months, to enable the IPART to consider and report on the matter as part of the Annual audit.

7.4 Metering of individual units

- 7.4.1 Within 9 months of the commencement of this licence, Sydney Water must;
- a) Conduct at least one trial to determine the costs and benefits and to identify any impediments to providing for each unit in new multi-unit buildings to have an individual meter which is read on a quarterly basis.

- b) Evaluate the outcomes of the trial and within 6 months of completion of the trial, provide a report to the Minister outlining the outcomes of the trial and Sydney Water's plans for future metering of units in multi-unit buildings.

8 PRICING

Sydney Water must set the level of fees, charges, and other amounts payable for its Services subject to the terms of this Licence, the Act and the maximum prices and methodologies for Sydney Water's Services determined from time to time by IPART under the IPART Act.

[Note: Division 8 of Part 6 of the Act governs the nature of fees and charges which may be imposed by Sydney Water. Under the terms of the Independent Pricing and Regulatory Tribunal Act, Sydney Water is a government agency for which IPART has standing reference to conduct investigations and report on the determination of pricing for services supplied and pricing policies.]

9 WATER CONSERVATION AND DEMAND MANAGEMENT

9.1 Water Conservation Target

9.1.1 Sydney Water must take action to reduce the quantity of water (other than Re-use water) it draws from all sources to meet the water conservation target of 329 litres per capita per day by 2010/2011 (being a reduction of 177 litres per capita per day or 35% from the 1990/1991 baseline).

[Note: The 1990/1991 baseline is 506 litres per capita per day.]

9.1.2 In assessing compliance with the water conservation target in clause 9.1.1, reasonable adjustments are to be made for the effects of weather on water usage.

9.1.3 By no later than 1 September each year, Sydney Water must report to IPART on its progress in complying with the water conservation target in clause 9.1.1 (which may include any targets for Water leakage), to enable IPART to consider and report on the matter as part of the Annual audit.

9.2 Demand Management Strategy

9.2.1 Sydney Water must give due consideration to demand side management as the basis for planning the future provision of its Services, including addressing Water leakage.

9.2.2 By no later than 1 September each year, Sydney Water must provide a demand management strategy implementation report to IPART that reports on its implementation of its demand management strategy for the previous financial year, to enable IPART to consider and report on the matter as part of the Annual audit.

9.2.3 The demand management strategy implementation report must:

- (a) contain an estimate of past, current and projected water uses and distinguish between residential, industrial, commercial and government uses;
- (b) describe the frequency and magnitude of expected supply deficiencies, including those arising as a result of wastage or loss, drought or emergency;
- (c) identify conservation measures currently adopted and being practised;
- (d) describe, cost and evaluate additional conservation measures;
- (e) describe future plans for water reclamation and strategies to alter water use practices, including those relating to the installation of more efficient water appliances and devices by users;
- (f) evaluate these plans in terms of their cost and contrast with the cost of alternative water supplies;
- (g) prioritise and schedule the implementation of courses of action found to be cost effective;
- (h) identify strategies for reducing Water leakage;
- (i) include components of a water balance table consistent with the format and definitions in the IWA water table;
- (j) include consumption of water across sectors in a format and content specified by IPART; and

- (k) for each of the demand management activities of Sydney Water in the preceding financial year, report in a schedule in a format and content agreed between IPART and Sydney Water:
- (i) the planned and actual water savings and planned and actual expenditure; and
 - (ii) the actual measures of outcomes for performance indicators.

9.2.4 At least once during this Licence, Sydney Water must engage a suitably qualified third party to verify the accuracy and soundness of its mathematical models for projecting future demands for water usage and report the results to IPART.

9.3 Reducing Discharges

9.3.1 Sydney Water must meet the Re-use water targets set by the Minister or Sydney Water from time to time.

9.3.2 Sydney Water must take action to generate Re-use water from the sewage or effluent of Customers and Consumers by intercepting or otherwise preventing the discharge of that sewage or effluent into the ocean, waterways and other waters.

[Note: Pursuant to Section 27(2) of the Sydney Water Act, in the Gazette of 30 June 2000 Sydney Water projected it could increase the amount of reuse of the sewage or effluent of Customers by between 4 and 59 megalitres per day by 30 June 2005 based on a baseline of 27 megalitres per day as at 30 June 2000.]

9.3.3 By no later than 1 September each year, Sydney Water must report to IPART on its progress in meeting the Re-use water target required under clause 9.3.1 for the previous financial year, to enable IPART to consider and report on the matter as part of the Annual audit.

9.4 Water Conservation Rating and Labelling

9.4.1 Sydney Water, through continuing support for any national scheme (whether legislated or not), is to encourage manufacturers of water appliances to improve the water use efficiency of these appliances where consistent with Sydney Water's objectives.

9.4.2 By no later than 1 September each year, Sydney Water must report to IPART on its performance under clause 9.4.1 for the previous financial year, to enable IPART to consider and report on the matter as part of the Annual audit.

9.5 Review of Part 9 of Licence

During this Licence IPART may review Part 9 of the Licence if the Minister directs it to do so.

[Note: The New South Wales Government published "Meeting the Challenges – Securing Sydney's water future" known as the Metropolitan Water Plan 2004. IPART's review may consider government policies on water sharing, water recycling and other policies affecting Part 9 of the Licence.]

10 LICENCE AUTHORISATION AND AREA OF OPERATIONS

10.1 What the licence authorises and regulates

10.1.1 This Licence is granted to enable and require Sydney Water to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems for providing the Services throughout the Area of Operations.

[Note: The systems include those systems of Sydney Water necessary to enable it to provide the Services.]

10.1.2 Sydney Water must ensure that its systems and Services comply with the quality and performance standards required in this Licence or required to be developed under this Licence.

10.2 Powers not limited

This Licence does not restrict or affect Sydney Water's power to carry out any functions imposed under any applicable law.

10.3 Area of Operations

The Area of Operations may be varied only as permitted under the Act.

[Note: The Area of Operations for Sydney Water is listed in Schedule 4 of this Licence. Section 10 of the Act states that subject to certain requirements, the Governor may vary the Area of Operations by order published in the NSW Government Gazette. Such order does not take effect until after the notice of the order has been laid before Parliament.]

10.4 Connection of Services

10.4.1 Subject to Sydney Water continuing to be in compliance with any applicable law, Sydney Water must ensure that its Services are available for connection on request to any Property situated in the Area of Operations.

10.4.2 Connection to the Services is subject to any conditions Sydney Water may lawfully determine to ensure the safe, reliable and financially viable supply of Services to Properties in the Area of Operations in accordance with this Licence. Satisfactory compliance with the conditions of connection is an essential requirement for gaining Sydney Water's approval for connection of the land to a water main or sewer main under section 56(2) of the Act.

[Note: Sydney Water can authorise and approve connection to the Services under section 56(2) of the Act.]

10.5 Non-exclusive licence

This Licence does not prohibit another person from providing services in the Area of Operations that are the same as or similar to the Services, if the person is lawfully entitled to do so.

11 LIABILITY ISSUES

11.1 Contracting out

11.1.1 Subject to the Act, the SOC Act and any other applicable law, Sydney Water may contract out the provision, construction, operation, management or maintenance of any of the systems and Services the subject of this Licence.

[Note: Section 91 of the Act permits Sydney Water to enter into contracts or arrangements with any person for such purposes.]

11.1.2 Contracting out under clause 11.1.1 does not relieve Sydney Water of its responsibility to comply with its obligations under this Licence.

11.2 Damage and Compensation to Persons

Sydney Water is required by the Act to do as little damage as practicable in exercising its functions under Division 4 of Part 6 of the Act, and to compensate persons who suffer damage by the exercise of those functions.

[Note: Section 41 of the Act provides that compensation may be made by reinstatement, repair, construction of work or payment.]

11.3 Competitive Neutrality

11.3.1 Subject to the Act, the SOC Act and any applicable law, Sydney Water must comply, and must ensure that its Subsidiaries comply, with the competitive neutrality policies and guidelines adopted by New South Wales under clause 3 of the Competition Principles Agreement.

11.3.2 This Part is in addition to any obligations of Sydney Water under the *Trade Practices Act 1974* and the *Competition Code* of NSW and other States and Territories as applicable.

[Note: For example Section 46 of the Trade Practices Act 1974 prohibits a corporation that has a substantial degree of power in a market from taking advantage of that power for the purpose of:

- (a) eliminating or substantially damaging a competitor of the corporation or of a body corporate that is related to the corporation in that or any other market;*
- (b) preventing the entry of a person into that or any other market; or*
- (c) deterring or preventing a person from engaging in competitive conduct in that or any other market.]*

12 OPERATIONAL AUDITS OF THIS LICENCE

12.1 Commission of audits

- 12.1.1 IPART must initiate an operational audit of Sydney Water as soon as practicable after 30 June each year covering the preceding financial year, as required by this Part (the "Annual audit").
- 12.1.2 The Annual audit must be conducted by IPART or by a person appointed by IPART whom IPART considers is suitably qualified to perform the Annual audit. Neither Sydney Water nor any of its Subsidiaries may conduct the Annual audit.
- 12.1.3 As part of the Annual audit, IPART must invite members of the public to make submissions to it. IPART may also undertake any other Public Consultation it considers appropriate.
- 12.1.4 IPART may include in its Annual audit all or any of the matters referred to in clauses 4.10 or 12.2 and where in any Annual audit a matter is not made the subject of that Annual audit, IPART may require Sydney Water to provide IPART with a report on the matter not included in the Annual audit.

12.2 What the audit is to report on

- 12.2.1 IPART or the person undertaking the Annual audit must investigate and prepare a report on any of, or any part of any of, or all of, the following:
- (a) compliance by Sydney Water with its obligations in each of Parts 3, 4, 5, 6, 7, 8, 9, 10 and 11 (and any Schedules referred to in those Parts), of this Licence;
 - (b) Sydney Water's implementation of any Memorandum of understanding; and
 - (c) any other matter required by this Licence, the Act or administrative direction to be assessed or considered as part of the Annual audit.
- 12.2.2 Despite clause 12.2.1, neither IPART nor the person undertaking the Annual audit may investigate a matter under clause 12.2.1 if the investigation of that matter is ordinarily within the regulatory activities of DEC, NSW Health or DIPNR and the relevant agency has undertaken an investigation of the matter.
- 12.2.3 Nothing in this Part restricts the capacity of IPART, as part of the Annual audit, from:
- (a) satisfying the requirement in clause 12.2.1 to investigate and report on a matter under clause 12.2.1 by including in its report consideration of the findings and Sydney Water's response to the findings, of any investigation of the matter by DEC, NSW Health or DIPNR; or
 - (b) requesting Sydney Water to provide information relating to an investigation of a matter by DEC, NSW Health or DIPNR which is ordinarily within the regulatory activities of those agencies.

- 12.2.4 IPART must ensure the report of the Annual audit addresses the matters in clauses 12.2.1 (and the matters in clause 4.10 if the audit in clause 4.10 is conducted as part of the Annual audit) and must advise the Minister on the following matters:
- (a) areas in which Sydney Water's performance under this Licence may be improved;
 - (b) any changes to the Licence and the Customer Contract that are considered necessary;
 - (c) any penalties or remedial action required as a result of Sydney Water's performance under the Licence;
 - (d) whether the Minister should recommend that Sydney Water's Licence be cancelled by the Governor under section 20 of the Act for reasons identified in the report; and
 - (e) any other matter relating to the Annual audit or IPART's functions in relation to this Licence considered appropriate.

12.3 Reporting of audit

- 12.3.1 IPART must ensure that the report of the Annual audit is presented to the Minister within 1 month after its receipt of the Annual audit.
- 12.3.2 Where the Annual audit report has identified non-compliance with this Licence, in addition to any other action that is taken or required to be taken, the Minister may require Sydney Water to promptly advertise publicly and notify Customers and Consumers, of the areas in which its performance has not complied, the reasons why and the measures that will be taken by it to address the non-compliance. Such advertisements and notices are to be in a form reasonably acceptable to IPART.

12.4 Additional audits

- 12.4.1 IPART must initiate additional audits of Sydney Water if required by the Minister.
- 12.4.2 An additional audit may address one or more of the matters in clauses 4.10 or 12.2.1 or any other matter required by the Minister.
- 12.4.3 The provisions of this Part applying to the Annual audit will apply equally to any additional audits or audit under clause 4.10 (all necessary changes having been made), to the extent that those provisions are relevant.

12.5 Provision of Information

- 12.5.1 Sydney Water must provide IPART, and the person appointed by IPART under clauses 4.10 or 12.1.2, with all information within its possession or under its control necessary to the conduct of the Annual audit or an additional audit, including whatever information is requested by IPART or the person appointed by IPART.
- 12.5.2 The information sought under clause 12.5.1 must be made available within a reasonable time of it being requested.

- 12.5.3 For the purposes of any audit, (including any Annual audit or any additional audit or any audit under clause 4.10), or a report to IPART under clause 12.1.4, Sydney Water must, within a reasonable time of being required by IPART, or a person appointed by IPART, permit IPART or the person appointed to:
- (a) have access to any works, premises or offices occupied by Sydney Water;
 - (b) carry out inspections, measurements and tests on, or in relation to, any such works, premises or offices;
 - (c) take on to any such premises, works or offices any other persons or equipment as necessary for the purposes of performing the audit or verifying the report;
 - (d) inspect and make copies of, and take extracts from, any books and records of Sydney Water that are maintained in relation to the performance of Sydney Water's obligations in accordance with this Licence; and
 - (e) discuss matters relevant to the audit or a report with Sydney Water's employees.
- 12.5.4 If Sydney Water contracts out any of its activities to third parties (including a Subsidiary) it must take all reasonable steps to ensure that, if required by IPART, any such third parties provide information and do the things specified in this Part that extend to Sydney Water as if that third party were Sydney Water.
- 12.5.5 For the purpose of any audit, or a report to IPART under clause 12.1.4, the information over which confidentiality or any form of privilege is claimed by Sydney Water or a Subsidiary or third party must be provided to IPART or the person appointed by IPART. IPART or the person appointed by IPART is required to enter into reasonable arrangements with Sydney Water or a Subsidiary or third party to ensure that the confidential or privileged information remains confidential or privileged.

13 NOTICES

Any notice or other communication given under this Licence is to be made in writing addressed to the intended recipient at the address shown below or the last address notified by the recipient.

Sydney Water Corporation

IPART

The Managing Director
Sydney Water Corporation
115-123 Bathurst Street
Sydney NSW 2000

The Chief Executive Officer
Independent Pricing and Regulatory Tribunal
Level 2, 44 Market Street
Sydney NSW 2000

14 DEFINITIONS AND INTERPRETATION

14.1 Definitions

Act means the *Sydney Water Act 1994*.

Aesthetic guideline values are contained in the Australian Drinking Water Guidelines 1996 and mean the concentration or measure of a water quality characteristic associated with good quality water.

Annual audit is defined in clause 12.1.1 as the annual operational audit of Sydney Water.

Area of Operations means the area of operations specified in section 10(1) of the Act, a description of which is in Schedule 4.

[Note: Sydney Water has the same area of operations that Sydney Water Corporation Limited had immediately before it ceased to be a company State Owned Corporation. Section 10(1) requires that an operating licence contain a schedule that details the area of operations to which the operating licence applies.]

Assets mean the structures, plant, equipment, corporate and business systems of Sydney Water which cause, allow, or assist the delivery of its Services.

Australian Drinking Water Guidelines 1996 means the document so titled and published by the National Health and Medical Research Council and the Agriculture and Resource Management Council of Australia and New Zealand (as amended or updated from time to time and adopted by NSW Health from time to time) and which contains the following:

- (a) health guideline values;
- (b) aesthetic guideline values; or
- (c) the concepts of good practice.

Commencement Date is the date by law on which this Licence commences.

Competition Principles Agreement means the Competition Principles Agreement made on 11 April 1995 between the Commonwealth, States and internal territories, as in force from time to time.

Complaint means a contact between any person and Sydney Water in which the person expresses dissatisfaction with Sydney Water's products, services, infrastructure, policy, actions or proposed actions or failure by Sydney Water, its employees or contractors to act.

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

Controlled Sewage Overflow is a Sewage Overflow that is directed by Sydney Water via a designed structure to a predetermined location such as a stormwater system or waterway in order to prevent overloaded or blocked sewers from discharging at sensitive locations, on private property or within buildings thus endangering public health or causing a public nuisance.

Customer means any person who is taken to have entered into a Customer Contract under section 55 of the Act, or to have entered into a contract on terms relating to the imposition of charges under sections 64 or 65 of the Act.

Customer Contract means the customer contract for the purpose of section 55 of the Act specified in Schedule 6 of this Licence.

DEC means the Department of Environment and Conservation.

DIPNR means the Department of Infrastructure Planning and Natural Resources.

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

Ecologically Sustainable Development has the meaning given to that expression in the *Protection of the Environment Administration Act 1991*.

Environment Plan means a plan concerning the environment which contains, at a minimum, the details set out in clause 7.2.4.

Fluoridation Code has the meaning given to that expression in the *Fluoridation of Public Water Supplies Regulation 2002*.

Health guideline values are contained in the Australian Drinking Water Guidelines 1996 and mean the concentration or measure of a water quality characteristic, based on present knowledge, that does not result in any significant risk to the health of the Consumer over a lifetime of consumption.

IPART means the Independent Pricing and Regulatory Tribunal of NSW constituted by the *Independent Pricing and Regulatory Tribunal Act 1992*.

IWA water table means the water balance table in the document published by the International Water Association in October 2000 and entitled "Losses from Water Supply System: Standard Terminology and Recommended Performance Measures".

Licence means this operating licence granted under section 12 of the Act to Sydney Water or any renewal of it, as in force for the time being.

Memorandum of understanding means a memorandum of understanding referred to in clause 2.3.

Minister means the Minister responsible for administering those provisions of the Act relating to this Licence.

Monitoring and reporting protocol has the meaning given to it in clause 2.4.

NSW Health means the NSW Department of Health.

Planned Water Interruption is 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 occupier of a prior Water interruption notice from Sydney Water of the interruption; and
- (b) ceases when a normal supply of Drinking water is restored to the Property referred to in paragraph (a).

Priority Sewerage Program (Stage 1) - Stage 1 Priority Sewerage Program is the program (incorporating the principle of least cost technology) for improving sewerage services in the following unsewered areas within Sydney Water's Area of Operations: *Mulgoa, Wallacia, Silverdale; The Oaks, Oakdale, Belimbla Park; Jamberoo; Stanwell Park, Stanwell Tops, Otford, Coalcliff; Brooklyn and Dangar Island; Menangle and Menangle Park; Upper Blue Mountains; and Mount Ku-ring-gai Industrial Estate.*

Priority Sewerage Program (Stage 2) - Stage 2 Priority Sewerage Program is the program (incorporating the principle of least cost technology) for improving sewerage services in the following unsewered areas within Sydney Water's Area of Operations: *Agnes Banks, Londonderry; Appin, Douglas Park, Wilton; Bargo, Buxton, Yanderra; Cowan; Glossodia, Freeman's Reach, Wilberforce; Hawkesbury Heights, Yellow Rock; Austral, West Hoxton; Galston, Glenorie; Nattai; and Scotland Island.*

Property means any real property to which either or both of the following conditions apply:

- (a) the real property is connected to Sydney Water's Drinking water supply system, Sydney Water's sewerage system or Sydney Water's recycled water system and a charge for the services provided by one or more of those systems is levied on the owner of the real property;
- (b) the real property is within a declared stormwater drainage area for which a stormwater charge is imposed by Sydney Water upon the owner of real property in that area.

Public Consultation has the meaning given to it in clause 14.2.2.

Public property means real property vested in or under the control of a Minister of the Crown or public authority excluding so much of such real property as is leased, licensed or used for private purposes.

Re-use water means water derived from sewerage treatment plants and untreated effluent extracted from sewers, which upon further treatment, is suitable for its intended re-use application.

Services means the following services of Sydney Water permitted by this Licence and any applicable law:

- (a) storing and supplying water;
- (b) providing sewerage services;
- (c) providing stormwater drainage services;
- (d) disposing of waste water; and
- (e) recycled water.

Sewage Overflow is the discharge of untreated or partially treated sewage from any part of Sydney Water's sewerage system which may occur in dry weather or in wet weather.

SOC Act means the *State Owned Corporations Act 1989*.

Subsidiary has the meaning given to that expression in the SOC Act.

[Note: Section 3(1) of the State Owned Corporations Act 1989 defines a subsidiary to mean "a body corporate that is a subsidiary of a state owned corporation as determined in accordance with the Companies (New South Wales) Code or any other applicable law, and (in relation to a statutory SOC) includes a body corporate that would be such a subsidiary if the statutory SOC were a company SOC".]

Sydney Water means the Sydney Water Corporation constituted as a corporation by the Act.

Uncontrolled Sewage Overflow is a Sewage Overflow that is not a Controlled Sewage Overflow and will be taken to have commenced on the earliest to occur of the following:

- (a) when a person notifies Sydney Water that a Property (which may include a Public property) has experienced a Sewage Overflow which Sydney Water confirms is an Uncontrolled Sewage Overflow; and
- (b) when Sydney Water's systems (which may include modelling undertaken by Sydney Water) identify that a Property (which may include a Public property) has experienced an Uncontrolled Sewage Overflow.

Unplanned Water Interruption is 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 occupier having received prior notice of that interruption from Sydney Water (and includes an interruption resulting from damage caused by a person, other than Sydney Water, or from a power failure); and
- (b) ceases when a normal supply of Drinking water is restored to the Property referred to in paragraph (a).

Water interruption notice is a notice of the following duration issued by Sydney Water in relation to a Planned Water Interruption:

- (a) 48 hours in the case of a Planned Water Interruption to which clauses 4.2 and 4.5 apply; and
- (b) 24 hours in the case of a Planned Water Interruption to which clause 4.7 and Schedule 1 applies.

Water leakage means the water lost from Sydney Water's Drinking water supply system calculated by applying the methodology in the IWA water table, which at the Commencement Date involved determining that amount described in the IWA water table as the amount of "real losses".

Water main break means leakage of water from a water main that requires the water main to be isolated to allow repairs to be undertaken. Typically it involves the replacement of a section of pipe or a fitting such as a tee or bend. The severity of water main breaks may be prioritised for response with Priority 6 requiring the most urgent attention.

14.2 Interpretation

14.2.1 In this Licence, unless the contrary intention appears:

- (a) the word person includes an individual, a body corporate, an unincorporated body or other entity and one or more of each of them;
- (b) headings are for convenience only and do not affect the interpretation of the Licence;
- (c) notes do not form part of this Licence but may be used to assist with interpretation if there is an ambiguity;
- (d) words importing the singular include the plural and *vice versa*;
- (e) a reference to a law or legislation (including the Act) includes regulations made under the law or legislation;
- (f) a reference to regulations includes ordinances, codes, licenses, orders, permits and directions;
- (g) a reference to a law or regulation, in this Licence includes consolidations, amendments, variations, re-enactments, or replacements of any of them;
- (h) 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;
- (i) a reference to a year means a calendar year that ends on 31 December. "Yearly" has a corresponding meaning;
- (j) a reference to a financial year means a period of 12 months commencing on 1 July and ending on next following 30 June;
- (k) a reference to a clause or Schedule is to a clause of or Schedule to this Licence; and
- (l) a reference to a quarter is a period of three months beginning on 1 July, 1 October, 1 January or 1 April in a year.

14.2.2 If this Licence requires that something undergo Public Consultation, it requires as a minimum that:

- (a) notice of that thing and the nature and timing of the consultation be:
 - (i) advertised in a major daily newspaper circulating in the Area of Operations;
 - (ii) communicated to government agencies, organisations and persons to whom it would reasonably be expected notice should be given notice;
 - (iii) displayed on Sydney Water's website,
 - (iv) given to the relevant Customer Council referred to in clause 5.4; and
 - (v) given to IPART.

- (b) submissions be sought from the public and that these submissions be considered by the person conducting the review.
- 14.2.3 If any part of this Licence is prohibited, void, voidable, illegal or unenforceable, then that part is severed from the Licence but without affecting the continued operation of the remainder of the Licence.
- 14.2.4 A reference in this Licence to any organisation, association, society, group or body shall, 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.
- 14.2.5 A reference in this Licence to a document (the 'original document') is a reference to the original document as amended, or revised or where the original document is replaced, by the replaced document, or the document that most closely approximates the original document.
- 14.2.6 Except where a contrary intention appears in the Licence, where there is disagreement between Sydney Water and IPART as to the proper interpretation of any term of this Licence, the matter must be referred to the Minister for resolution by the Minister.
- 14.2.7 Information provided to IPART under this Licence may be used by IPART for the purpose of an investigation or report under the IPART Act in relation to Sydney Water, or in the discharge of any function lawfully conferred on IPART.

SCHEDULE 1 SERVICE QUALITY AND SYSTEM PERFORMANCE INDICATORS

Service Quality and System Performance Indicator	Service Quality and System Performance Measure
<i>Drinking Water</i>	
1 Drinking water quality	<ul style="list-style-type: none"> • The percentage of water tests that meet the Australian Drinking Water Guidelines 1996 (for system performance monitoring for indicator organisms). • The number complaints relating to Drinking water quality received by Sydney Water per 1000 Properties.
<i>Water System Reliability</i>	
2 Properties experiencing Planned Water Interruptions and Unplanned Water Interruptions	<ul style="list-style-type: none"> • The number of Properties (and the number expressed as a percentage of all Properties) which experience Planned Water Interruptions and Unplanned Water Interruptions (each separately identified) where the duration is: <ul style="list-style-type: none"> ○ less than or equal to 1 hour ○ more than 1 hour and less than or equal to 5 hours ○ more than 5 hours and less than or equal to 12 hours ○ more than 12 hours and less than or equal to 24 hour ○ more than 24 hours
3 Frequency of Planned Water Interruption and Unplanned Water Interruptions	<ul style="list-style-type: none"> • For the total number of water interruptions (being all Planned Water Interruptions and Unplanned Water Interruptions): <ul style="list-style-type: none"> ○ the average number of Properties experiencing water interruptions in a financial year, calculated as the total number of Properties experiencing water interruptions divided by the total number of Properties ○ the average time of a water interruption, calculated as the total time for which each Property experiences a water interruption divided by the total number of water interruptions ○ the average time period Customers experience water interruptions, calculated as the number of Properties experiencing water interruptions multiplied by the average time taken to restore an interrupted supply divided by the total number of Properties.
4 Customers experiencing 2, 3, 4, 5 or more Planned Water Interruptions and Unplanned Water Interruptions	<ul style="list-style-type: none"> • The number of Properties (and the number expressed as a percentage of all Properties) which experience: <ul style="list-style-type: none"> ○ 2 Planned Water Interruptions ○ 3 Planned Water Interruptions ○ 4 Planned Water Interruptions ○ 5 or more Planned Water Interruptions • The number of Properties (and the number expressed as a percentage of all Properties), which experience: <ul style="list-style-type: none"> ○ 2 Unplanned Water Interruptions ○ 3 Unplanned Water Interruptions ○ 4 Unplanned Water Interruptions ○ 5 or more Unplanned Water Interruptions
5 Frequency of main breaks	<ul style="list-style-type: none"> • The number of bursts and leaks per 100 km of Drinking water mains in the trunk and reticulation system between water treatment plants and Properties, resulting in the Drinking water mains being shut down.

Service Quality and System Performance Indicator	Service Quality and System Performance Measure
6 Losses from the water system	<ul style="list-style-type: none"> • Water leakage
7 Response time to breaks	<p>The average time taken for Sydney Water to respond to breaks, bursts and leaks in Drinking water mains in the trunk and reticulation system between water treatment plants and Properties, resulting in the Drinking water mains being shut down.</p> <p>Rate of compliance with response times for different leak categories indicated in Schedule 6</p>
8 Low water pressure	<ul style="list-style-type: none"> • The number of Properties (and the number expressed as a percentage of all Properties) experiencing a water pressure failure as described in clause 4.1.2 where the water pressure failure is: <ul style="list-style-type: none"> (a) Occasional or recurrent, but not permanent (b) permanent low pressure. • The number of Customer complaints relating to low water pressure where Sydney Water does not confirm the low water pressure failure or Sydney Water's systems do not identify that the Property has experienced low water pressure below the minimum pressure standard described in clause 4.1.2.
9 Repeat low water pressure	<ul style="list-style-type: none"> • The number of Properties experiencing more than one water pressure failure as described in clause 4.1.2, and the number expressed as a percentage of all Properties (not being Properties in permanent low pressure areas).
<i>Sewerage system reliability</i>	
10 Frequency of Uncontrolled Sewage Overflows and Properties affected	<ul style="list-style-type: none"> • The number of Uncontrolled Sewage Overflows occurring in dry weather, separately identifying those affecting Public Properties and those affecting Properties (other than Public Properties). • The number of Uncontrolled Sewage Overflows occurring in wet weather separately identifying those affecting Public Properties and those affecting Properties (other than Public Properties). • The average number of Properties (other than Public properties) experiencing an Uncontrolled Sewage Overflow in dry weather and in wet weather calculated as the total number of Properties (other than Public Properties) experiencing an Uncontrolled Sewage Overflow in dry weather and in wet weather divided by the total number of Properties.
11 Repeat Sewage Overflows	<ul style="list-style-type: none"> • The number of Properties (other than Public properties) experiencing more than one Uncontrolled Sewage Overflow in dry weather: <ul style="list-style-type: none"> ○ on 2 occasions ○ on 3 or more occasions. • The number of Properties (other than Public properties) experiencing more than one Uncontrolled Sewage Overflow in wet weather: <ul style="list-style-type: none"> ○ on 2 occasions ○ on 3 or more occasions. • The number of Public properties experiencing more than one Uncontrolled Sewage Overflow in dry weather: <ul style="list-style-type: none"> ○ on 2 occasions ○ on 3 or more occasions. • The number of Public properties experiencing more than one Uncontrolled Sewage Overflow in wet weather: <ul style="list-style-type: none"> ○ on 2 occasions

Service Quality and System Performance Indicator	Service Quality and System Performance Measure
	<ul style="list-style-type: none"> o on 3 or more occasions.
12 Response times	<ul style="list-style-type: none"> • The number of events notified to Sydney Water to which Sydney Water responded (following receipt of the notice) in less than one hour and those to which it responded in more than one hour where the event was assessed by Sydney Water as: <ul style="list-style-type: none"> (a) a public health concern; (b) likely to amount to significant damage to property, (c) likely to have a significant environmental impact, (d) an interruption of the sewerage service. • The number of events notified to Sydney Water to which Sydney Water responded (following receipt of the notice) in less than three hours and those to which it responded in more than three hours, where the event was assessed by Sydney Water as likely to amount to: <ul style="list-style-type: none"> (a) minor property damage; (b) minor environmental impact (including unpleasant odours) not posing a significant health risk
13 Restoration time	<ul style="list-style-type: none"> • The average time taken by Sydney Water to restore full normal sewerage service from the commencement of Uncontrolled Sewage Overflows that occurred in dry weather.
14 Frequency of breaks and blockages.	<ul style="list-style-type: none"> • The number of sewer main breaks and blockages per 1000 Properties and the percentage of the breaks and blockages caused by tree roots. The number of Property connection sewer breaks and blockages per 1000 Properties and the percentage of the breaks and blockages caused by tree roots; Where: <ul style="list-style-type: none"> • “sewer main” means the main in the sewerage reticulation system between individual sewer Properties and sewage treatment plants, excluding Property connection sewers. • “Property connection sewer” means a short sewer which connects the reticulation sewer main to the customer sanitary drain of a Property.

SCHEDULE 2 CUSTOMER SERVICE INDICATORS

Customer Service Indicator	Customer Service Measure
1 Complaints	<ul style="list-style-type: none"> Total number and the number per 1000 Properties of complaints received by Sydney Water
2 Water supply reliability complaints	<ul style="list-style-type: none"> The total number and number per 1000 Properties of complaints received by Sydney Water relating to burst water mains, leaks, and service interruptions.
3 Sewerage service quality and reliability complaints	<ul style="list-style-type: none"> Total number and number per 1000 Properties of complaints received by Sydney Water relating to sewer blockages, overflows, spills and sewerage system interruptions. The total number and number per 1000 Properties of complaints received by Sydney Water relating to sewage odour.
4 Stormwater and Drainage Complaints	<ul style="list-style-type: none"> Total number and number per 1000 Properties of complaints received by Sydney Water relating to stormwater and drainage services. Total number and the number per 1000 Properties of complaints relating to above ground flooding from stormwater and drainage services.
5 Billing Complaints	<ul style="list-style-type: none"> Total number and number per 1000 Properties of complaints relating to account payments, financial loss, billing errors or overcharging,
6 Affordability contacts	<ul style="list-style-type: none"> Total number and number per 1000 Properties of contacts received by Sydney Water that are requests for instalment or deferred payment plans.
7 Other complaints	<ul style="list-style-type: none"> Total number and number per 1000 Properties of complaints received by Sydney Water other than those to which Indicators 2-7 apply.
8 Customer Complaint Resolution	<ul style="list-style-type: none"> The percentage of complaints received by Sydney Water that are resolved: <ul style="list-style-type: none"> within 2 days within 5 days within 10 days
9 Telephone calls to a primary contact number	<ul style="list-style-type: none"> Percentage of telephone calls received by a permanent primary advertised number of Sydney Water that are answered: <ul style="list-style-type: none"> within 15 seconds within 30 seconds
10 Metered accounts where meter not read	<ul style="list-style-type: none"> Percentage of metered accounts of Customers that receive a bill not based on: <ul style="list-style-type: none"> An actual meter read during the year A business meter read for two consecutive years
11 Customer contacts	<ul style="list-style-type: none"> The average time taken for a caller to Sydney Water to be connected to an operator.
12 Instalment Plans	<ul style="list-style-type: none"> The total number and number per 1000 Properties of continuing instalment plans for two or more consecutive quarters (classified by residential and non-residential Customers).
13 Flow Restrictions	<ul style="list-style-type: none"> The total number and number per 1000 Properties having water flow restricted for non payment (classified by residential and non residential Customers), and the average amount owed to Sydney Water by Customers subject to water flow restriction (classified by residential and non-residential Customers).
14 Legal Actions	<ul style="list-style-type: none"> The total number and number per 1000 Properties on which legal action for non payment of account is taken (classified by residential and non residential Customers), and the average amounts owed to Sydney Water by Customers subject to legal action (classified by residential and non residential Customers).
15 Disconnections	<ul style="list-style-type: none"> The total number and number per 1000 Properties of Customers disconnected for non payment of amounts owed to Sydney Water (classified by residential and non

Customer Service Indicator		Customer Service Measure
		residential Customers).
16	Water Flow Restriction Duration	• The average number of days for which water flow restrictions are applied to Customers and the percentage of water flow restrictions restored within 3 days and the percentage of water flow restrictions still in place after 14 days.
17	Flexipay Cards	• Number of Flexipay cards issued.
18	Payment Assistance Vouchers	• Number and value of payment assistance vouchers utilised.
19	Customer Contract Rebates	• The number and value of rebates paid pursuant to a Customer Contract in the categories in clause 7.2 of the Customer Contract.

[Note: At the Commencement Date of the Licence the categories in clause 7.2 of the Customer Contract were:

- *Planned interruption;*
- *Unplanned interruption;*
- *Low water pressure;*
- *Sewage overflow;*
- *Dirty water; and*
- *Boil water alert.]*

SCHEDULE 3 ENVIRONMENTAL PERFORMANCE INDICATORS

Environmental Performance Indicator	Environmental Performance Measure
<i>Water Conservation, reuse, recycling</i>	
1 Potable Water drawn	<ul style="list-style-type: none"> Total volume of potable water drawn by Sydney Water from all sources. Potable water drawn expressed as a percentage of yield. Potable water drawn expressed on a per capita basis.
2 Demand management	<ul style="list-style-type: none"> Total volume of Drinking water demand saved on account of demand management programs (including savings due to water recycled and reduced unaccounted for water). Cumulative dollars expended on demand management versus cumulative demand saved.
3 Water leakage	<ul style="list-style-type: none"> Water leakage expressed as a percentage of potable water drawn.
4 Water recycled	<ul style="list-style-type: none"> Total volume of sewage effluent reused / recycled (report volumes on-site Sydney Water premises and off-site). Potable water use as a percentage of total water used at each sewage treatment plant as at 2003/2004. Water recycled expressed as a percentage of total sewage effluent discharged. Cumulative dollars expended on water recycling versus cumulative water recycled.
<i>Water/effluent releases</i>	
5 Sewage effluent volume	<ul style="list-style-type: none"> The volume of sewage effluent discharged to the environment from inland sewage treatment plants and ocean sewage treatment plants
6 Sewage treatment plant (STP) effluent quality	<ul style="list-style-type: none"> Total mass of phosphorus discharged to streams / rivers from inland STPs. Total mass of nitrogen discharged to streams / rivers from inland STPs. Total mass of suspended solids discharged from ocean STPs. Total mass of grease discharged from ocean STPs. Suspended solids capture rate for inland STPs and ocean STPs.
7 Breaches of statutory instruments	<ul style="list-style-type: none"> Total number of breaches of conditions relating to environmental impacts under licences issued by DEC for the sewage treatment systems. Total number of breaches of conditions relating to environmental impacts under licences issued by DEC for the water treatment plants. Total number of prosecutions and Notices (including Penalty Notices) issued to Sydney Water under the <i>Protection of the Environment Operations Act 1997</i>. Total number of prosecutions and Notices (including Penalty Notices) under the <i>Protection of the Environment Operations Act 1997</i> issued to contractors engaged by Sydney Water.
8 Overflows from the Sewerage System	<ul style="list-style-type: none"> Total volume and total number of Controlled Sewage Overflows that occur in dry weather and in wet weather. Total volume of Controlled Sewage Overflows that occur in dry weather and in wet weather, expressed as a percentage of total sewage effluent discharged to the environment.
9 Stormwater	<ul style="list-style-type: none"> Total mass of silt and litter removed from Sydney Water's stormwater system in a financial year and the rainfall at Observatory Hill for the same period.
10 Recreational water quality	<ul style="list-style-type: none"> Percentage of time recreational water complied with the recreational water quality guidelines as reported by DEC's Beachwatch and Harbourwatch.

<i>Wastes and residuals</i>		
11	Biosolids	<ul style="list-style-type: none"> Total mass of biosolids produced by Sydney Water. Biosolids reused (where the reuse delivers a net environmental benefit) expressed as a percentage of total mass produced.
12	Water treatment residuals	<ul style="list-style-type: none"> Total mass of water treatment residuals produced by Sydney Water. Water treatment residuals reused (where the reuse delivers a net environmental benefit) expressed as a percentage of total mass produced.
13	Trade waste	<ul style="list-style-type: none"> Total mass of heavy metals received under trade waste agreements with Sydney Water.
14	Waste	<ul style="list-style-type: none"> Solid waste generated by Sydney Water. Waste recycled or reused expressed as a percentage of solid waste generated.
<i>Additional indicators</i>		
15	Greenhouse gases	<ul style="list-style-type: none"> CO₂ equivalent emissions through purchase of electricity, fuel and gas.
16	Electricity consumption	<ul style="list-style-type: none"> Total electricity consumed by Sydney Water. Total electricity consumption by water assets expressed as a function of water supplied (KWh/ML of water supplied). Total electricity consumption by sewer assets expressed as a function of sewage treated (KWh/ML of sewage treated). Electricity consumption from renewable sources or generated by Sydney Water expressed as a percentage of total electricity consumption.
17	Contaminated land	<ul style="list-style-type: none"> Number of sites under the control of Sydney Water that present a significant risk of harm as defined under <i>the Contaminated Land Management Act 1997</i>.
18	Heritage	<ul style="list-style-type: none"> The number of State heritage listed sites with Conservation Management Plans prepared as a proportion of the number of State heritage listed sites without Conservation Management Plans prepared. Number of impact permits granted in relation to Aboriginal cultural heritage under the <i>National Parks and Wildlife Act</i>.
19	Flora and Fauna	<ul style="list-style-type: none"> Total area of clearing of native vegetation. Total area of native vegetation gain due to site rehabilitation, restoration or replanting by Sydney Water.
20	Odour	<ul style="list-style-type: none"> Total number of odour complaints generated from the sewage treatment plants or the sewerage system.
21	Noise	<ul style="list-style-type: none"> Total number of noise complaints generated from Sydney Water's construction or operational activities.

SCHEDULE 4 AREA OF OPERATIONS

Area of Operations means the local government areas specified below, the islands in Sydney Harbour, the deemed areas described below, any special area or deemed special area under section 21 of the *Water Board Act 1987* deemed to be a controlled area by section 88(3) of the Act or any special area, deemed special area or controlled area which continues in force by virtue of Part 2, Schedule 9 of the Act, as well as areas declared from time to time to be controlled in accordance with section 88 of the Act and any variation to the Area of Operations made by the Governor in accordance with section 10 of the Act.

Local Government Areas

Ashfield	Liverpool (City)
Auburn	Manly
Bankstown (City)	Marrickville
Baulkham Hills	Mosman
Blacktown (City)	North Sydney
Blue Mountains (City)	Parramatta (City)
Botany	Penrith (City)
Burwood	Pittwater
Camden	Randwick
Campbelltown (City)	Rockdale
Canada Bay	Ryde
Canterbury	Shellharbour
Fairfield (City)	Sutherland
Hawkesbury (City)	Strathfield
Holroyd	Sydney (City)
Hornsby	Warringah
Hunter's Hill	Waverley
Hurstville (City)	Willoughby
Kiama	Wingecarribee (Part)
Kogarah	Wollondilly
Ku-ring-gai	Wollongong (City)
Lane Cove	Woollahra
Leichhardt	

Deemed Areas

Any land under the waters of Port Jackson and adjoining the boundaries of the City of Sydney upon which there is erected any wharf, pier, jetty, building, or other structure shall be deemed to be within the Area of Operations of Sydney Water.

[Note: Under section 10(1) of the Act, the Area of Operations for Sydney Water is the same as the area current for the Water Board as at the date of corporatisation. The Area of Operations for the Water Board was identical in extent to the Area of Operations proclaimed under the Metropolitan Water Sewerage & Drainage Board Act 1924.]

SCHEDULE 5 PRIORITY SEWERAGE PROGRAM

Area	Number of Lots
Upper Blue Mountains - Mt Victoria, Medlow Bath, Blackheath	1,400
Brooklyn, Dangar Island	575
Jamberoo	350
Menangle, Menangle Park	226
Mt Kuring-gai Industrial Estate	83
Mulgoa, Wallacia, Silverdale	1,182
Stanwell Park, Stanwell Tops, Otford, Coalcliff	852
Oaks, Oakdale, Belimbla Park	1,141
TOTAL	5,809

Priority Sewerage Program Stage 1 Lots – Sydney Water Area of Operations

Priority Sewerage Program Stage 2 Lots – Sydney Water Area of Operations

AREA	Number of Lots
Agnes Banks, Londonderry	276
Appin, Douglas Park, Wilton	1200
Bargo, Buxton, Yanderra	1246
Cowan	239
Glossodia, Freeman's Reach, Wilberforce	1494
Hawkesbury Heights, Yellow Rock	348
Austral, West Hoxton	135
Galston, Glenorie	633
Natti	31
Scotland Island	380
TOTAL	5,982

SCHEDULE 6 CUSTOMER CONTRACT

Sydney Water Customer Contract

1 April 2002

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Foreword

Sydney Water provides drinking water, wastewater services and some stormwater services to more than four million people in Sydney, the Illawarra and the Blue Mountains.

For Sydney Water, providing excellent customer service is as important as our other key objectives of protecting the environment, protecting public health and operating as a successful business.

This Customer Contract outlines your rights and obligations as a customer and sets out the minimum standards of customer service that you can expect. It is our service guarantee to our customers.

For more information about Sydney Water and the services we provide visit www.sydneywater.com.au or call us on 13 20 92.

1 Introduction

1.1 Words used in this contract

Some of the words used in this contract have a special meaning. The meanings are set out in the Dictionary in Part 15 at the end of this contract.

1.2 Understanding the contract

There are a number of provisions in Part 15 at the end of this contract that may assist you in interpreting the contract.

2 What is a Customer Contract and who is covered by it?

2.1 What is a Customer Contract

This contract is between us, Sydney Water and you, the customer.

This contract provides the terms under which we provide, where available, water supply, sewerage, trade wastewater and stormwater drainage services to you. The contract also sets out rights and obligations including your rights in any dispute with us.

This contract is a legally enforceable document and is a requirement of the Act.

This contract is summarised in a separate document called the customer pamphlet. Copies of this pamphlet are available from us.

2.2 Who is covered by this contract

You are our customer and you are covered by this contract if you are the owner of property within our area of operations that is connected to a water main or sewer main owned by us, except where that connection has not been authorised or approved by us.

You are also our customer and covered by this contract (except parts 3, 6, 10 and clauses 8.1, 8.2 and 8.3.) if:

- you are the owner of property that is within a declared stormwater drainage area; or
- you are liable to pay us an availability charge and we have not exempted you from that charge or waived payment of that charge.

2.3 Other agreements with us

If you have a separate agreement with us (for example a trade waste agreement), this contract will apply so far as it is not inconsistent with that agreement.

We may enter a separate agreement with you for the provision of different levels of service where possible. Before entering a separate agreement with you, we will provide you with an estimate of the costs to supply you with the service requested and advise you if the service that we have agreed to provide is below the standards set out in this contract.

2.4 When does this Customer Contract commence

This contract commences when notified in accordance with the Act.

On its commencement this version of the contract replaces any previous contract between you and us.

Any rights and liabilities that have accrued under any previous contract with us are not affected by the commencement of this contract.

3 What services does Sydney Water provide?

3.1 Water supply services

3.1.1 Supply of drinking water

We will supply a customer with drinking water to meet a customer's reasonable needs except:

- in the case of planned or unplanned interruptions, under clauses 3.4.2 and 3.4.3;
- in the case of drought under clause 3.4.4;
- where we are entitled to restrict or discontinue supply under clause 6; or
- in the case of events beyond our reasonable control.

3.1.2 Drinking water quality

The drinking water we supply a customer will comply with the health, taste and odour related guidelines provided in the *Australian Drinking Water Guidelines 1996* as specified by NSW Health, and any other taste and odour related guidelines, as required by the Operating Licence.

3.1.3 Drinking water pressure

We will ensure that the drinking water we supply to your property is at a minimum pressure of 15 metres head at the main tap. We consider this to be suitable and adequate for most commercial customers and residential customers.

3.1.4 Supply of recycled water

In addition to being supplied with drinking water, we may supply you with recycled water intended for uses other than drinking, if:

- you have entered a separate agreement with us; or
- your property is within the Rouse Hill Development Area.

The recycled water we supply in the Rouse Hill Development Area will be at a minimum pressure of 15 metres head at the main tap, except as provided in this contract.

In all cases, the quality of recycled water we supply you will at a minimum comply with the relevant guidelines and requirements prescribed by NSW Health, the NSW Environment Protection Authority, the Department of Land and Water Conservation, the Department of Agriculture and other relevant government agencies depending on the intended use of recycled water.

If you are supplied with recycled water, we will give you information on the standard requirements for its safe use at the time we commence supply to you. We are not responsible for your use of recycled water contrary to the information we provide.

3.1.5 Health or special needs

If you require a water supply to operate a life support machine or for other special health needs you should notify us and we will provide a continuous water supply to meet your reasonable health needs.

We will also minimise the inconvenience to you, by contacting you in advance of any planned interruption or as soon as possible in the event of an unplanned interruption.

3.2 Sewerage services

3.2.1 Supply of sewerage service

If your property is connected to our sewer system, we will supply you with sewerage services to meet a customer's reasonable needs for the discharge of domestic sewage except:

- where we are entitled to discontinue supply under clause 6; or
- in the case of planned interruptions and unplanned interruptions, under clauses 3.4.2 and 3.4.3; or
- in the case of events beyond our reasonable control.

3.2.2 Sewage overflow

We will make every reasonable effort to minimise the incidence of sewage spills on your property due to a failure of our sewer system.

If there is a sewage spill on your property due to the failure of our sewer system, we will ensure that:

- inconvenience and damage to you is minimised;
- the affected area is suitably and promptly cleaned up at our cost and in such a manner to ensure to minimise the risk to human health; and
- any rebates due to you under clauses 7.2 and 7.3 are paid.

3.2.3 Blockage of your sewer system

If a sewer becomes blocked, you are aware of the blockage and you suspect that it is a blockage in our system, you should notify us.

If the blockage occurs in our sewer system we will clear the blockage at our cost. You may be liable to pay to the extent you have contributed to the blockage.

If the blockage occurs in your sewer system, you are responsible for arranging the blockage to be cleared by a licensed plumber or drainer.

3.2.4 Trade waste

You may discharge trade wastewater into our sewer system only if you have obtained our written permission and entered into an agreement with us.

We will give you our written permission and enter into an agreement with you only if we are able to accept, transport and process trade wastewater that you discharge in full compliance with applicable safety and environmental laws, the Operating Licence and the Act.

You can contact us to obtain further information on the guidelines and standards for a trade waste permission.

3.3 Stormwater drainage services

We will provide you with a service for the transportation of stormwater through stormwater drainage systems under our control if your property is within a declared stormwater drainage area.

If your property is within a declared stormwater drainage area we will charge you the fee for this service set by the Independent Pricing and Regulatory Tribunal of NSW.

Maps are available from us for inspection to assist in determining whether your land is within a declared stormwater drainage area.

We will write to you if an area is declared a stormwater drainage area and it affects your property.

3.4 Factors affecting service

3.4.1 Repairs and maintenance

If we undertake any work on or adjacent to your property, we will leave the affected area and immediate surrounds as near as possible to the state which existed prior to the works being undertaken, unless we have agreed to a different arrangement with you.

3.4.2 Unplanned interruptions

If there is an unplanned interruption to your water supply service or sewerage service, we will minimise the inconvenience to you by:

- restoring the service as quickly as possible;
- providing as much information as practicable on a 24 hour emergency telephone service (see clause 11.3). The telephone service will advise you how long the interruption is likely to last, and how to obtain supplies of water, where applicable;

- providing access to emergency supplies of water where reasonably practicable and necessary having regard to the particular circumstances.

3.4.3 Planned interruptions

We may need to arrange planned interruptions to your water supply services and sewerage services to allow for planned or regular maintenance of our sewer system or water system.

We will inform you in writing of the time and duration of any planned interruption, at least two days in advance if you are a residential customer, and seven days in advance if you are a commercial customer, unless you agree to another period.

We will use our best endeavours to ensure the planned interruption is no longer than five hours in one continuous period.

3.4.4 Restrictions in drought

If a drought is declared we may interrupt, limit or place restrictions on the supply of our water supply services to you during or on the approach of a drought. You must comply with our supply conditions during this time.

We will publish, in major newspapers throughout our Area of Operation, our drought supply conditions. These may include:

- restrictions on the use of water, including the purpose for which water may be used; and
- a variation of charges consistent with the Act and Operating Licence; and
- other conditions that we consider appropriate, including the period or likely period of restrictions or limitations on supply and usage of water.

We will also make every reasonable effort to notify you in your next account of drought supply conditions.

4 What you pay

4.1 Responsibility to pay the account

You must pay us the amount of your account by the date specified, unless you have been overcharged or undercharged - see clauses 4.5 and 4.6.

4.2 Publication of charges

We will publish, and provide you up to date information on our charging policies and current charges. This information will be provided to you on request free of charge.

4.3 Concessions

You are eligible for a government funded pension concession if you hold one of the recognised pensioner concession cards. You must apply to us for the concession and establish your eligibility.

If you are eligible, we will ensure that the concession is granted from the commencement of the next quarterly charging period after which your application for a concession was lodged.

To obtain information on whether you are eligible, contact us. On request, information about concessions will be provided in languages other than English.

4.4 Your account

4.4.1 When will your account be sent

We will issue you an account for the services that we provide. Residential customers will be sent an account on a quarterly basis, unless otherwise agreed.

Commercial customers with high water usage and sewage disposal may be sent an account on a monthly basis.

We will provide a printed statement of all outstanding amounts for the previous 12 months at any time on request, free of charge.

4.4.2 What information is on your account

We will ensure that your account contains details of:

- the account period to which it applies;
- the total amount due;
- the usage and service fees;
- other fees and charges payable;
- the date payment is due;

- your postal address and account number;
- the address of the property at which the charges in the account have been incurred;
- options for the method of payment;
- a comparison of your water usage where available;
- contact telephone numbers for account enquiries, emergency services, and TTY services;
- the payment assistance available.

4.4.3 How accounts are sent

We will send your account to the postal address you nominate.

If you do not nominate a postal address, the account will be sent to:

- the property to which the services are available or provided; or
- your last known postal address.

On your request we may send your account electronically (such as by facsimile transmission, or another electronic means of communication).

Your account will be considered delivered to you if it is sent by one of these means.

4.4.4 How payment can be made

We will provide the following payment methods and may, at our discretion, offer additional methods:

- in person;
- by mail;
- by direct debit;
- via the Internet.

4.4.5 Overdue account balances

We may charge you interest on overdue account balances at the rate applicable under s95(1) of the *Supreme Court Act 1970*, or other applicable fees.

4.5 Undercharging

If your account is less than what you are required to pay us (that is, we have undercharged you) as a result of our error, we may adjust your next account to charge the undercharged amount as a separate item.

If the undercharging is due to your providing false information or there has been an unauthorised connection or you have breached this contract or Act, you must pay the correct amount on request. We will state the amount to be paid as a separate item in your next account.

4.6 Overcharging

If your account is greater than what you are required to pay us (that is, we have overcharged you) due to our error, we will refund the amount of the overpayment by crediting your next account after we become aware of the error.

4.7 Account disputes

If there is an unresolved dispute concerning an amount of money to be paid by you, we will not seek the amount from you until the dispute has been resolved in our favour.

4.8 How prices are determined

We may vary charges from time to time, but only in accordance with our Operating Licence, the Act and the maximum prices and methodologies determined by the Independent Pricing and Regulatory Tribunal of NSW.

4.9 Notification of price variations

We will notify you in writing of any variations to our charges. The variation will commence on:

- the date of your next account, or
- the next meter reading period in the case of variations in usage charges; or
- any other date we nominate after we have notified you of the change.

4.10 Other costs and charges

4.10.1 Dishonoured or declined payments

If payment of your account is dishonoured or declined, we may charge you the administrative fee set by the Independent Pricing and Regulatory Tribunal of NSW.

4.10.2 Installation and connection of service costs

You must pay the installation costs of a connection from your property to our water system or our sewer system.

Connection to our water system or sewer system must be approved by us and comply with the conditions we set to ensure the safe and reliable supply of services. The connection must be undertaken by a licensed plumber or drainer and in accordance with plumbing, drainage or other regulations or standards that may apply.

4.10.3 Charges for other matters

We may charge you a fee for any other services you request from us. You should contact us for further details of any ancillary service charges.

We may also charge you other fees, charges and amounts where we are entitled to do so under the Act.

5 What can I do if I am unable to pay my account?

5.1 Payment difficulties

If you are experiencing financial hardship you should contact us and we will provide you with information about the schemes available to assist you. All reasonable effort will be taken by us to provide assistance to you.

If you are experiencing financial hardship, you have the right to:

- be treated sensitively on a case by case basis by us;
- receive information from us on alternative payment arrangements;
- negotiate an amount you can afford to pay us on an agreed instalment plan;
- receive information from us about an accredited welfare agency for payment assistance;
- access the services of a language interpreter, if required, at no cost to you.

5.2 Account relief

If you are experiencing financial hardship we will offer you one of the following types of payment arrangement:

- an agreed instalment plan that is consistent with your capacity to make some form of regular payment;
- deferment of payment for a short period of time;
- access to a 'flexipay' card that allows payment of smaller, regular amounts, which may fit better with your income cycle;
- acceptance of one or more payment assistance scheme vouchers issued by an accredited welfare agency.

Commercial customers may be offered short term payment arrangements based on reasonable commercial considerations and market conditions.

If you enter into a payment arrangement with us and comply with it we will not take any legal action to enforce the debt or disconnection or restriction of the supply of water to your property.

Upon request we will confirm an instalment plan in writing.

6 Disconnection or restriction of water and sewerage services

6.1 Disconnection or restriction of supply for non-payment

If you fail to pay your account by the due date and have failed to make alternative arrangements for payment, we may disconnect or restrict the supply of water to your property in accordance with clauses 6.2 to 6.7 and our Code of Practice on Debt and Disconnection.

We will not take action to restrict the supply of water to your property, until we have provided you with notices under clause 6.2.

6.2 Notice of disconnection or restriction of supply of water

If you fail to pay your account by the due date we will send you a reminder notice. The reminder notice will:

- state that payment is immediately due;
- state that you should contact us if you are having difficulty making payment; and
- provide you with an explanation of alternative payment options.

If you fail to comply with the reminder notice, we will send you an 'outstanding debt' notice advising you that:

- your account is significantly overdue;
- you must pay the account within seven days otherwise we may take action to restrict or disconnect the supply of water to your property or legal action to recover the amount outstanding; and
- you may incur additional costs relating to us taking legal action to recover the amount outstanding.

If you fail to pay or make alternative arrangements to pay within the required seven days of receiving our 'outstanding debt' notice, we will send you a final notice which states that:

- you must pay your account within 48 hours; and
- the supply of water to your property may be restricted or disconnected without further notice.

We may restrict or disconnect the supply of water to you if:

- at least 48 hours have elapsed since we issued the final notice; and
- we have attempted to make further contact with you about the non-payment by means of a telephone call, mail, or visit.

The notices referred to in this clause will be sent to you in the same manner in which accounts are sent to you under clause 4.4.3.

6.3 Disconnection or restriction for other reasons

We may also disconnect or restrict the supply of water to your property in the following circumstances:

- if private works for the supply of water or sewerage to your property have not been authorised or do not comply with applicable laws;
- you have breached this contract, the Act, the Operating Licence or other agreement with us, concerning the use or taking of water;
- you discharge trade wastewater into our sewer system without a trade waste agreement with us;
- if a serious health or environmental risk is posed by the discharge of chemicals into our sewer system;
- if you have not installed a backflow prevention device prior to being connected to our water system;
- you use your recycled water in a manner inconsistent with its intended purpose or in a manner contrary to the information we provide on its safe use;
- where we are entitled or required to restrict or to discontinue supply by direction of the Minister or under an applicable law.

6.4 Minimum flow rate during restriction

If we restrict the supply of water to you, we will provide a flow sufficient for health and hygiene purposes. If you believe that the restriction will cause a health hazard you should contact us and we will consider increasing the flow.

6.5 Limitations on disconnection or restriction

Under no circumstances will we restrict or disconnect the supply of water to your property:

- without giving you the notices under clause 6.2;
- if you registered with us in accordance with clause 3.1.5 that you need water for a life support machine or for other special health needs;
- if there is an unresolved dispute as to the amount owing;
- if you are experiencing financial hardship and have entered into a payment assistance arrangement with us and you are complying with those arrangements;
- you have notified us that you have sought assistance from a welfare agency and that assistance is imminent;
- on a Friday, weekend, public holiday or after 3pm on a weekday.

We will not disconnect a residential property for non-payment and will not restrict the supply of water without first making a reasonable attempt to:

- provide reasonable notice to the occupier of the property that we intend to restrict the supply;
- provide the occupier with information on our Code of Practice on Debt and Disconnection;
- advise the occupier that in some circumstances the Act permits a tenant to pay outstanding charges and deduct them from rents otherwise payable;
- provide the occupier reasonable opportunity to pay the account.

6.6 Disconnection by a customer

You may disconnect your property from our sewer system or our water system provided that:

- you have complied with all applicable health, environmental and local council regulatory requirements;
- you have given us information we may reasonably require;
- you have given us 10 days written notice; and
- the disconnection is undertaken by a licensed plumber or drainer and conducted in accordance with plumbing, drainage or other regulations or standards that may apply.

On disconnecting your property, we may continue to charge you a service availability charge. You may apply to us to be exempted from this charge.

6.7 Restoration of supply after restriction or disconnection

When the reason for the disconnection or restriction of the supply of water no longer exists or if there is mutual agreement to restore supply, we will restore your supply:

- on the same day, if you pay or we agree to other arrangements before 3pm on any business day;
- on the next business day if you pay or we agree to other arrangements after 3pm.

When the conditions for restoration are met after 3pm, we may restore supply on the same day but you may be asked to pay an after hours reconnection fee.

7 Redress

7.1 Notification

If you notify us of a failure by us to comply with this contract or our activities result in inconvenience, damage or loss to you or your property we will promptly advise you of:

- your right to a rebate under clauses 7.2 or 7.3;
- redress options available under clause 7.4;
- how we may rectify your problem; and
- how to seek compensation from us under clause 7.5.

If your property is in an area that experiences recurring sewerage service overflows or interruptions due to a lack of capacity in our sewer system we will provide you with written information on redress at least annually.

7.2 Rebates

We will provide a rebate to you, for an occurrence of the following:

- **Planned interruption**

Where your water and/or sewerage services are interrupted for a period of longer than five hours and we have provided you the notice required under clause 3.4.3, you are entitled to an automatic rebate of 10 per cent of your quarterly water and/or sewerage service charge, subject to a minimum payment of \$10. You will be eligible for this rebate for each and every event that you experience.

- **Unplanned interruption**

Where your water and/or sewerage services are interrupted for a period of longer than one hour and we have not provided you the notice required under clause 3.4.3, you are entitled to an automatic rebate of 10 per cent of your quarterly water and/or sewerage service charge subject to a minimum payment of \$10. You will be eligible for this rebate for each and every event that you experience.

- **Low water pressure**

Where your water pressure is below 15 metres head at a main tap for a continuous period of 15 minutes, you will be eligible for a rebate of 10 per cent of your quarterly water service charge, subject to a minimum payment of \$10. This rebate will be payable for one event each quarter. A rebate will be granted automatically when you are identified through our monitoring.

- **Sewage overflow**

If you experience a sewage overflow on your property due to a failure of our sewerage system, you are entitled to a rebate of 10 per cent of your quarterly sewerage service charge, subject to a minimum payment of \$20. If you experience more than one event in a six month period the rebate outlined in clause 7.3 will apply.

- **Dirty Water**

If you are not provided with clean water suitable for normal domestic purposes, you may be entitled to a rebate of \$10 or twice the value of the average maximum daily consumption of your property, whichever is greater.

If the cause of the problem is identified in your water system the rebate will not apply.

- **Boil Water Alert**

If NSW Health issues a 'boil water alert' due to contamination of drinking water caused by us, you are entitled to a rebate of \$15.

We will pay the rebate in your next account where possible.

7.3 Rebates for recurring sewerage service disruption or internal overflows

If you experience more than one sewerage service disruption or internal sewage overflow on your property in any six month period due to capacity constraints in our system, you will be entitled to a rebate after the second event equal to the whole sewerage service charge for the next four quarters.

We may enter into an agreement with you to rebate part of your sewerage service charge where the sewerage service discontinuity or recurring internal sewerage overflow is due to faults in both our sewer system and your sewer system.

7.4 Redress

In addition to our obligation to pay a rebate under clauses 7.2 and 7.3, we may provide one of the following forms of redress:

- reinstatement;
- repair;
- rectification;
- construction of works;
- providing alternative supplies of water;
- emergency accommodation;
- payment for damages as set out in clause 7.5.

If you are unsatisfied with the form of redress we provide you, you may request additional redress from us. We will consider your request in accordance with the timeframes in clause 12.1 as if your request were a complaint.

7.5 Claim for damages

In the event of loss or damage to you or your property as a result of our activities or our failure to comply with this contract, the Operating Licence or Act, we may compensate you for any loss suffered.

A claim for damages must be in writing and must specify the nature of the problem and the type of compensation sought.

We will advise you within five working days of receiving your claim of:

- how we or our insurers will investigate the claim;
- a proposed response time for a representative of us or our insurers to visit your property (if required) and to make a decision;
- the name and contact details of the representative of our insurers or us who is able to advise you of the progress of your claim.

You will be provided with an assessment of your claim, in writing, within the time indicated. The written assessment will outline the reasons for the decision and the type of compensation to be provided, if any.

If you are not satisfied with our decision, you have the right to seek review of your claim under clause 12.2 or you may seek an external review under clause 12.4.

7.6 Limitation of liability

The only promises we make about the goods and services we provide under this contract, and the only conditions and warranties included in this contract are:

- those set out in this document; and
- those that the law (for example, the *Trade Practices Act 1974*) say are included.

However, where we are liable to you because of a breach of a condition or warranty that the law says is included in this contract, our liability is to the extent permitted by law, limited to:

- replacing the goods and services to which the breach relates; or
- at our option, paying you the cost of replacing those goods, or having the services supplied again.

The limitation of our liability does not affect rights you have under a law that applies to us that says we cannot exclude or limit our liability.

8 Responsibilities for maintenance

8.1 Water pipes

If you are a property owner, you own and are responsible for maintaining all of the pipes and fittings between our water system and the buildings and/or taps on your property. This is referred to as your water system.

As a property owner, you are responsible for any damage caused by a failure of your water system.

Upon notification of a failure, we will, as a service to you, repair your water system between our water system and the water meter. If the water meter lies more than one metre along the pipe inside your property, we will provide this service up to one metre inside the property boundary. If there is no water meter, we will repair your water system up to one metre within your property boundary closest to our water main. Your property includes any easement within which your meter or private service may be situated.

If you prefer that we do not repair a failure in your water system, you must have the fault repaired by a licensed plumber in accordance with the plumbing, drainage or other regulations or standards that may apply.

We are not responsible for the repair of:

- illegal services and water services installed contrary to our requirements;
- fire services;
- backflow prevention devices on non-residential properties;
- water services connecting to privately owned water mains such as in some Community Title subdivisions or shared private services;
- faults caused by your wilful or negligent damage.

We will also not meet the costs of installing new private services or modifying, upsizing or relocating existing private services.

8.2 Your sewer system

You are responsible for maintaining all sewer pipes and fittings between your property and the connection with our sewer system. This is referred to as your sewer system. The point of connection with our sewer system may be outside your property. If you do not know where the point of connection is, you should contact us.

8.3 Joint private water or sewer service

If you share a private joint water or sewer service you are responsible for the cost of its maintenance. The apportionment of costs incurred in its maintenance is a matter between you and others who share it.

8.4 Conserving water

You may install water efficient plumbing fixtures, appliances and equipment as recommended under the Water Conservation Rating and Labelling Scheme.

You may install water saving devices, for example:

- that collect and use rainwater for your own use provided that the water tanks are not directly connected to our water system. This is to avoid the risk of backflow contamination of your drinking water;
- a composting toilet that does not require connection to our water system or our sewerage system.

Health, environmental and local council requirements must be complied with when installing water saving devices and approval may be required from your local council.

On request, we will provide you information on how to conserve water.

8.5 Defective work

If we become aware of the presence of any defective or unauthorised work to your water system or your sewer system or stormwater drainage service that in our opinion is reasonably likely to significantly impact on the effective operation of our water system or sewer system, we may serve a notice on you requiring you to remedy the defective or unauthorised work within 24 hours.

If the defective or unauthorised work is unlikely to significantly impact on the effective operation of our water system or our sewer system, we will give you reasonable notice requiring you to remedy the defective or unauthorised work.

If you do not comply with the notice, we may undertake to remedy the defective or unauthorised work. You may be charged the cost incurred by us in undertaking this work.

8.6 Giving notice of system failures

You should inform us if you become aware of any failure of our water system or our sewer system. If you notify us of an interruption to your supply or a burst or leak in our system, we will ensure that the problem is attended to as soon as practicable.

8.7 Building work

You must not undertake building, landscaping or construction work which may interfere with or obstruct access to our water system or our sewer system without first obtaining our consent.

8.8 Altering and unauthorised connection or use

You must not:

- wrongfully take, use or divert any water supplied by us; or
- wrongfully interfere with the operation of a meter or prevent a meter from registering the quantity of water supplied by us; or
- wrongfully discharge any substance into a system owned by us.

You must obtain our consent before carrying out any activity that may cause destruction of, damage to, or interference with, our water system or our sewer system.

8.9 Removal of trees

If a tree on your property is obstructing or damaging our water system or our sewer system, or is reasonably likely to do so, we may require the removal of the tree at your cost.

We will give you 14 days notice in writing requiring you to remove the tree. You may with our consent and at your cost, take steps to eliminate the cause of damage or interference to our water system or our sewer system, without removing the tree.

We will reimburse you for reasonable expenses incurred in removing the tree if:

- you could not have reasonably known that the planting of the tree would result in the damage or interference; or
- an easement did not exist in favour of our system when the tree was planted.

If you fail to comply with the notice to remove the tree, by the specified date, then we may remove the tree and recover the costs of removal from you.

We cannot require a tree to be removed that is the subject of a protection or conservation order under the *Heritage Act 1977*, or the *National Parks and Wildlife Act 1974*, local council regulation or any applicable law.

9 Entry onto a customer's property for maintenance

9.1 Access to Sydney Water's system

You must ensure that we have safe access to your property, at all reasonable times during daylight hours to:

- maintain our water system and our sewer system; or
- to ensure that this Customer Contract, the Operating Licence or the Act is being complied with; or
- for other purposes set out in the Act or other applicable laws.

In case of an emergency we may require entry outside of daylight hours.

9.2 Identification

When we enter your property, our employees or contractors will carry identification that will be shown to you (or to any person present at the time of access).

9.3 Notice of access

We will give you, or the occupier of your property, two days written notice specifying the date, and approximate time of our entry onto your property, unless you agree to a shorter notice period.

We will not give you written notice in cases where:

- entry is required urgently; or
- the purpose is to read or exchange a meter; or
- giving notice would defeat the purposes of entry.

9.4 Impact on customer's property

If we enter your property we will ensure that we:

- cause as little disruption or inconvenience as possible;
- remove all rubbish and equipment we have brought on to the property;
- unless otherwise agreed, leave the property, as near as possible, in the condition which it was found.

You are entitled to compensation under the Act for damage incurred by our entering your property.

10 Water meter installation, testing and maintenance

10.1 Measuring water supplied

Unless we otherwise agree, a meter will measure the quantity of water that we supply you. You will be charged for the quantity of water measured by the water meter, unless the meter is faulty and we are required to adjust what we charge you under clause 10.3.

If a meter is stopped or damaged, an estimated consumption will be calculated on a basis which is representative of your consumption pattern.

Where no satisfactory basis exists to adjust a usage charge, we will negotiate with you a mutually agreeable adjustment of charges based on an estimated reading.

10.2 Water meter installation and maintenance

We will supply you with a meter of our choice unless otherwise agreed. A backflow prevention device of a type approved by us may be required to be fitted to the outlet of the meter. You are required to pay for the meter's installation and ensure that it is installed either by us or a licensed plumber.

The installed meter remains our property and we will maintain it.

We may charge you for the cost of repair or replacement of the meter if it is wilfully or negligently damaged by you.

We may charge you an unmetered service charge, if there is no meter or other instrument measuring the supply of water to your property.

10.3 Meter testing

If you consider that the meter is not accurately recording water passing through it, you may request that we test it. We will advise you of the meter reading results and make available a written report on your request.

You will be responsible for the costs of the test if the meter is shown to be accurate.

If the test shows that the meter is over recording, by more than three per cent of the actual quantity of water passing through it, we will:

- repair or replace the meter;
- refund any charge paid by you for the test; and
- adjust your account by calculating the measurement error on a basis which is representative of your consumption pattern.

We will endeavour to provide an actual meter reading once every 12 months, inclusive of meter readings taken by you on our behalf.

10.4 Access to the water meter

We may enter your property without notice for the purposes of reading, testing, inspection, maintenance and replacement of the meter.

You must ensure that the meter is reasonably accessible to us.

If you have not provided reasonable access to your meter, we may bill you on an estimate of your usage and may also recover the cost of the attempted meter reading.

If you have not provided reasonable access to the meter for a reading on two or more occasions, we may:

- relocate the meter;
- seek access at a time suitable to you, which may incur an additional fee; or
- make other arrangements with you.

If you cannot provide reasonable access for reading the meter on an ongoing basis and we cannot come to a mutually acceptable solution, we may treat your property as unmetered and may charge you an unmetered service charge. The charging for an unmetered service charge does not affect our right to address meter access issues at any subsequent time.

10.5 Meter replacement

We will replace the meter at no cost to you if the meter:

- is found to be defective;
- can no longer be reasonably maintained; or
- is replaced as part of a meter replacement program.

We will attempt to notify you at the time of replacement and advise you that a new meter has been installed. A mutually acceptable time will be negotiated with commercial customers for the replacement of meters.

11 Who can I speak to if I have any questions or want to make enquiries?

11.1 Telephone enquiries

If you have a telephone enquiry relating to an account, payment options, concession entitlements or other information about our services, you may contact us during hours of 8.30 am to 5.30 pm, Monday to Friday.

Our contact phone number is provided on your account, in the customer pamphlet, and in the telephone directory.

If your enquiry cannot be answered immediately, we will provide a response to your enquiry within five working days of receiving it.

11.2 Written enquiries

You can also write, or send a fax, or email us.

Written enquiries should be sent to: Sydney Water, PO Box A53, Sydney South NSW 1232.

We have an Internet site (www.sydneywater.com.au) where you may find the answer to your enquiries.

We will reply to your written enquiry within five working days of receiving it by mail, where your matter cannot be responded to sooner by telephone or face-to-face contact.

11.3 Emergency assistance

In the event of a burst water main near your property or sewer overflow or unplanned interruption to supply or water quality or water pressure problems, we provide a 24 hour emergency telephone service.

Emergency phone numbers are listed on your account, in the customer pamphlet, and in the telephone directory.

11.4 Interpreter and TTY Service

We provide an interpreter service for people from non-English speaking backgrounds and a TTY service for the hearing impaired at our cost.

12 If I am unhappy with the service provided by Sydney Water what can I do?

12.1 Customer complaints

If you have a complaint about our service or our compliance with this contract, the Act or Operating Licence, you should first contact us, either by telephone, in person or by writing to us.

We will address your complaint promptly by providing:

- a face-to-face or telephone response within two working days where you have made a face-to-face or telephone contact and the matter cannot be dealt with immediately; or
- a written response within five working days where you have made a written complaint and the matter cannot be responded to sooner by telephone or face-to-face contact.

Our response will provide reasons for our decision and the name of the contact person for follow up enquiries if you are not satisfied.

If your complaint cannot be resolved within these timeframes, our response will advise you of our strategy of action and/or identify when the action will be taken and the name of the contact person if you are not satisfied.

12.2 Complaints review

If you are not satisfied with the solution offered or action taken by us, you may have the complaint reviewed by a Manager.

The Manager will:

- clarify your complaint and the outcome sought;
- ensure that the matter has been properly investigated;
- advise you of the estimated timeframe for our proposed action;
- communicate to you our final decision;
- outline the relevant facts and regulatory requirements where appropriate;
- indicate what we will do to address the issue;
- notify you of your rights to external review, if you are still not satisfied with our decision.

12.3 Resolution of disputes

12.3.1 When a dispute is considered resolved

A dispute will be considered finalised if we provide you with a substantive response which:

- resolves the dispute to your satisfaction or indicates how the dispute will be resolved to your satisfaction;
- provides an explanation of the relevant policy and/or regulatory requirements and why no further action is proposed in relation to the dispute; or
- provides a date when the issue will be resolved if the complaint relates to future planned operational or capital work; and
- 28 working days have passed since receiving our response and you have not sought a further review by us or lodged a claim in an external dispute resolution forum.

We will extend the 28 working days by a reasonable period if:

- within those 28 days you have requested an extension; or
- after the 28 days you demonstrate that, because of special circumstances, you were unable to seek an extension within the 28 days.

Where a further communication from you or your representative is received, this shall be regarded as a new enquiry or complaint.

12.4 External dispute resolution

You have the right to seek external resolution of a dispute that has not been resolved by us to your satisfaction.

12.4.1 The Energy and Water Ombudsman

You have the right to refer a complaint or dispute arising under this contract to the Energy and Water Ombudsman (EWON).

EWON is an independent dispute resolution body that can investigate and resolve many disputes you have with us under this contract.

Disputes that may be referred to EWON include disputes about: supply of service, your account, credit or payment services, restriction or disconnection. Full details are available from EWON.

EWON's services are available to you without cost.

You may choose whether or not to accept EWON's decision. If you decide to accept it, then it will be final and binding on us.

12.4.2 The Fair Trading Tribunal

The Fair Trading Tribunal may hear and determine consumer claims relating to services supplied by us under this contract.

12.4.3 Other legal avenues

You may also have recourse to the courts.

13 Consultation, information and privacy

13.1 Involving customers in service planning

We have established Customer Councils to enable community involvement on issues relevant to our programs, services and decision-making processes.

Further information on the role and functions of Customer Councils may be obtained by contacting us.

13.2 Provision of information

We will respond in a timely and open manner to requests for information consistent with normal commercial practices and the *Freedom of Information Act 1989*.

13.3 Privacy

We will treat your personal information according to the provisions of the *NSW Privacy and Personal Information Act 1998*.

14 When does my Customer Contract with Sydney Water terminate?

14.1 Termination of this contract

This contract will terminate between us and you if you cease to be covered by this contract as described in clause 2.2.

The termination of this contract does not affect any rights or obligations of you or us that accrue prior to termination.

14.2 Variation of this contract

We may also vary this contract as permitted by the Act.

Section 59 of the Act provides that a variation of the Customer Contract must be published in a daily newspaper circulating in the Area of Operation at least six months before the variation becomes effective, or a shorter period of notice approved by the Minister. A copy of the notice must also be given to the Customer. This requirement to give notice of variations to the terms of the contract, does not apply to variations in charges and fees made in accordance with a determination of IPART.

Variations to this contract will be available on our website, on the Internet for downloading free of charge and from our offices for access or collection, also free of charge.

15 Dictionary and interpretation

15.1 Dictionary

Act	<i>Sydney Water Act 1994</i> and any regulations in force under it.
Area of operation	the areas of operations specified in section 10(1) of the Act, and described in Schedule 2 of the Operating Licence.
Availability charge	a charge for access, rather than use of our sewerage or water service, where the land concerned is reasonably available for connection, as specified in section 64 of the <i>Sydney Water Act 1994</i> .
Charging period	any period for which your account was calculated.
Commercial customer	a customer who is not a residential customer.
Customer	is defined in clause 2.2.
Customer Council	a Customer Council established by us under section 15 of the Act and clause 5.4 of the Operating Licence.
Complaint	any communication received from you, a consumer or a representative of a consumer, which expresses dissatisfaction with a product, service or disservice of Sydney Water or its representatives, that relates to our obligations as set out in this contract, the Act, or our Operating Licence.
Disconnection	the stopping (either temporarily or permanently) of our supply of services to your property.
Dispute	a disagreement between Sydney Water and a customer or consumer which is not frivolous or vexatious.
Drought	a prolonged period of low rainfall resulting in an actual or potential water shortage.
Enquiry	a written or verbal approach by a customer which can be satisfied by providing written or verbal information, advice, assistance, clarification, explanation or referral about a matter.

Financial hardship	a situation where a customer desires to pay an account, but is unable to pay all or some of the account or is unable to pay by the due date.
Main tap	is the point of connection of your water system to our main.
Maintenance	includes repairs and replacement, and where relevant testing and inspection.
Operating Licence	the licence granted to us under section 12 of the Act.
Our water service	the services we are permitted to provide by the Operating Licence and any applicable law in respect to storing and supplying water.
Our sewer service	the services we are permitted to provide by the Operating Licence and any applicable law in respect to <ul style="list-style-type: none">• providing sewerage services; and• disposing of wastewater.
Our water system	the water mains, pipes, treatment plants and other equipment which we must provide, manage, operate and maintain under the Act to supply and store water.
Our sewer system	the sewer mains, pipes and treatment plants and other equipment which we must provide, manage, operate and maintain under the Act to provide sewerage services and disposal of wastewater.
Payment assistance arrangement	means any of the types of assistance described in clause 5.2.
Personal information	any information held by us that relates to the supply of services by us, where your individual identity is apparent or can be reasonably ascertained from the information.
Planned interruption	an interruption initiated by us to allow maintenance to be undertaken of which notice has been given to you.
Private joint water service	a private joint water service exists where two or more properties share the same private water pipes. Private joint water services have one connection to the water main, then extend through each property's plumbing fixtures. Customers with a private joint

	water service share and own the service in common with each property owner, and are jointly responsible for its condition.
Property	any real property that is connected to, or for which a connection is available to, our water supply system or our sewerage system or is within a declared stormwater drainage area.
Recycled water	water that is not suitable for drinking at the time of supply by us.
Residential customer	a customer who: <ul style="list-style-type: none"> (a) owns real property which is used as a principal place of residence; or (b) owns real property used for public cemeteries, common gardens or public reserves on which the carrying on of a trade or business is prohibited.
Restriction	a direct intervention in the supply system by Sydney Water in order to reduce flow to a customer's property.
Sewage	all liquids and any substances in them, which may be produced by the use of toilets, hand basins, urinals, sinks, baths, showers, washing machines and similar items when used by persons for their personal hygiene.
Sewage overflow	a discharge of untreated or partially treated sewage from our sewer system. These overflows may occur in wet or dry weather.
Trade wastewater	any liquid, and any substances contained in it, which may be produced at the premises in an industrial or commercial activity, and any vehicle transporting wastewater, including septic effluent and wastewater from ships and boats. Trade wastewater does not include domestic wastewater from premises connected to Sydney Water's sewer. The term trade wastewater as used in this document includes run off from contaminated open areas.
Unplanned interruption	an interruption which is caused by a fault in our water system or a fault which is our maintenance responsibility and no notice has been given to you.
Your sewer system	is defined in clause 8.2.
Your water system	is defined in clause 8.1.

You or your

our customer.

We, our or us

Sydney Water Corporation, established under the Act, including its officers, employees, agents and contractors.

15.2 Interpretation

A person includes an individual, a body corporate, an unincorporated body or other entity.

The law includes legislation, regulations, licences, orders, mandatory codes, permits and directions.

A working day is a day other than a Saturday, Sunday or public holiday in New South Wales.

The singular includes the plural and vice versa.

If there is any inconsistency between this contract and any law, the law will prevail to the extent of the inconsistency.

The reference to document, instrument or law includes any amendments, revisions, renewals or reprints from time to time.

Where a word is defined, any other grammatical form of that word has a corresponding meaning.