

Summary
Annual
Report
2014–15

About Sydney Water

At Sydney Water, we're lucky enough to look after some of the best water in the world.

We're Australia's largest water and wastewater service provider and we're owned by you. Every day, we proudly protect the health of our community by providing safe and refreshing drinking water, removing wastewater and preserving our rivers and beaches.

We're proud to play a key role in Sydneysiders' continuing health and enjoyment of this great city, reassuring them about the water they use to bathe their kids and giving them confidence to enjoy our city's iconic outdoor way of life.

Our vision and mission

We are a statutory State Owned Corporation, wholly owned by the New South Wales Government. Our performance targets and service standards for operation and customer service are set out in our *Operating Licence*, which is governed by the Independent Pricing and Regulatory Tribunal. We operate under the *Sydney Water Act 1994*, which assigns our principal objectives.

Our mission is to be world class, delivering essential water services that our customers love, in our great city. There are three strategic objectives that form our corporate strategy, designed to help us achieve our vision – to be the lifestream of Sydney for generations to come.

Our principal objectives are to:

- protect public health
- protect the environment
- be a successful business.

Our three strategic objectives are:

High performance culture

The foundations of Sydney Water's culture are our values and our signature behaviours. Our culture and capabilities initiative focuses on implementing our 'Safe and well together' initiative, leadership development, the diversity and inclusion program, performance management process improvement, improvements to safety, a recruitment and retention strategy and a clear ethics framework.

Customer at the heart

We are focusing our whole organisation – people, systems, processes and capabilities – on delivering the best possible customer experience. Customers' insights inform our decision-making, so we are consistent in how we communicate and interact with our customers.

World class performance

We introduced a number of initiatives to help us be world class. Our new product and servicing framework will shift the focus in our planning from an engineering perspective to that of the customer. We are benchmarking our performance against the private sector and other utilities to meet and exceed customer expectations.

Figure 1: Our corporate strategy 2015–20

Our vision is to be the lifestream of Sydney for generations to come
Our mission is to be world class, delivering essential water that our customers love, in our great city

High performance culture

Our customers will see us:

- as role models for Sydney Water
- living our values
- taking ownership and following up

Customer at the heart

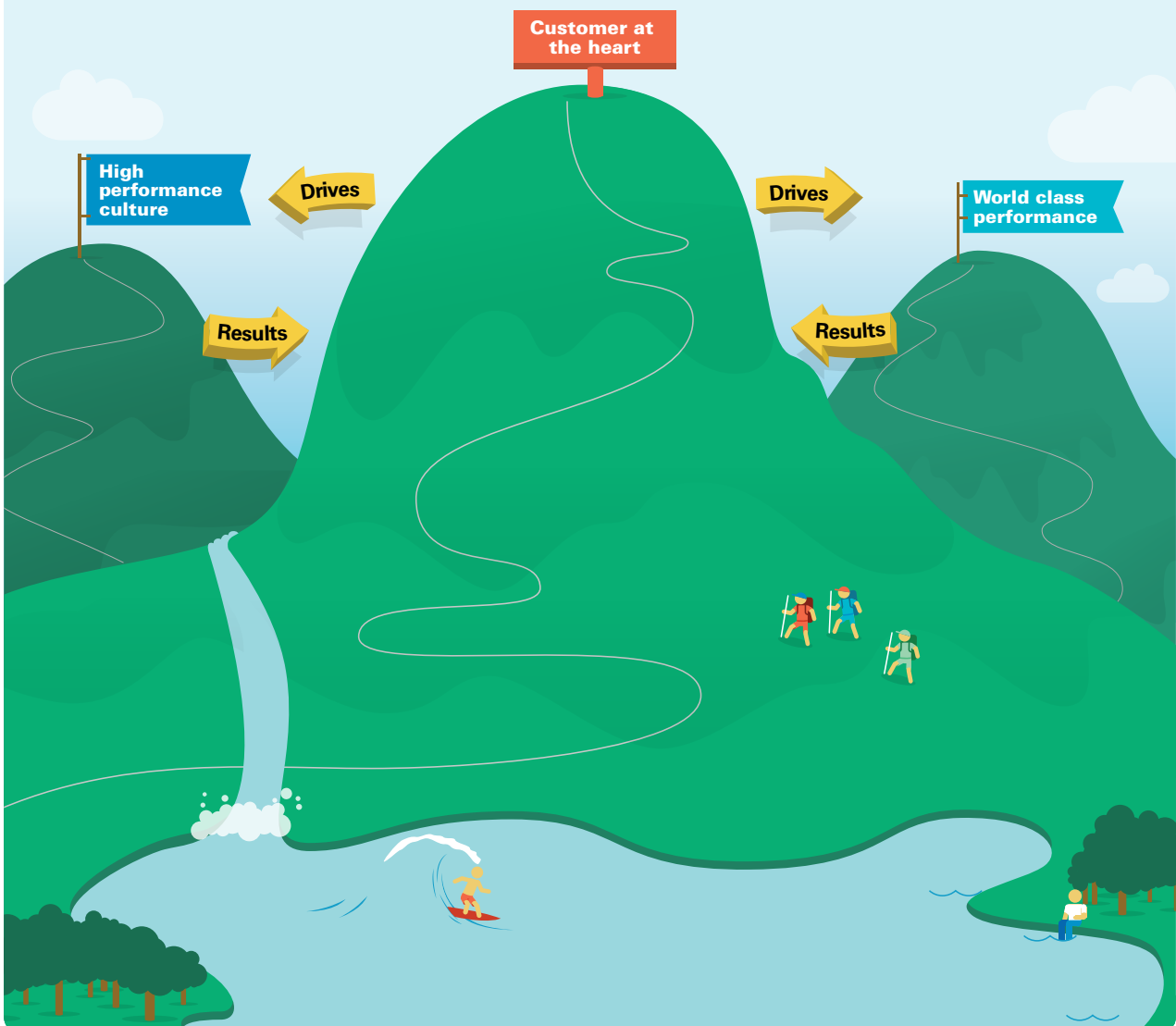
Our customers will:

- find us easy to deal with
- experience us as transparent
- continue to trust us, now and into the future

World class performance

Our customers will see us:

- as thought leaders
- providing great value for the quality they expect
- co-creating a sustainable future



About our business

Table 1: Principal statistics 2014–15

| Indicators | 2014–15 | Unit |
|---|-----------|---------------------------------|
| Water | | |
| Estimated population serviced by drinking water ¹ | 4,832,770 | people |
| Quantity of drinking water we produced | 515,834 | million litres |
| Amount of drinking water we sourced from desalination | 0 | million litres |
| Length of drinking water mains we own and operate | 21,635 | kilometres |
| Number of drinking water reservoirs in service | 242 | drinking water reservoirs |
| Number of drinking water pumping stations in service | 150 | drinking water pumping stations |
| Properties with drinking water service available | 1,876,084 | properties |
| Wastewater | | |
| Estimated population serviced by wastewater services | 4,721,970 | people |
| Wastewater we collected (includes discharge, bypass, overflows and other) | 562,476 | million litres |
| Length of wastewater mains we own and operate | 25,085 | kilometres |
| Number of wastewater treatment plants ² | 16 | wastewater treatment plants |
| Number of wastewater systems ³ | 25 | wastewater systems |
| Number of wastewater pumping stations in service | 675 | wastewater pumping stations |
| Properties with wastewater service available | 1,827,402 | properties |
| Recycled water | | |
| Estimated population serviced by recycled water ⁴ | 80,920 | people |
| Quantity of recycled water we supplied | 43,075 | million litres |
| Length of recycled water mains we own and operate | 658 | kilometres |
| Number of water recycling plants ² | 14 | water recycling plants |
| Number of recycled water reservoirs in service | 9 | recycled water reservoirs |
| Number of recycled water pumping stations in service | 10 | recycled water pumping stations |
| Stormwater | | |
| Length of stormwater channels we control | 447 | kilometres |
| Properties with stormwater drainage available | 582,360 | properties |
| Other | | |
| Area of operations (approximate) | 12,700 | square kilometres |

1 Population serviced is a projection based on actual dwellings at June 2014 plus forecast growth.

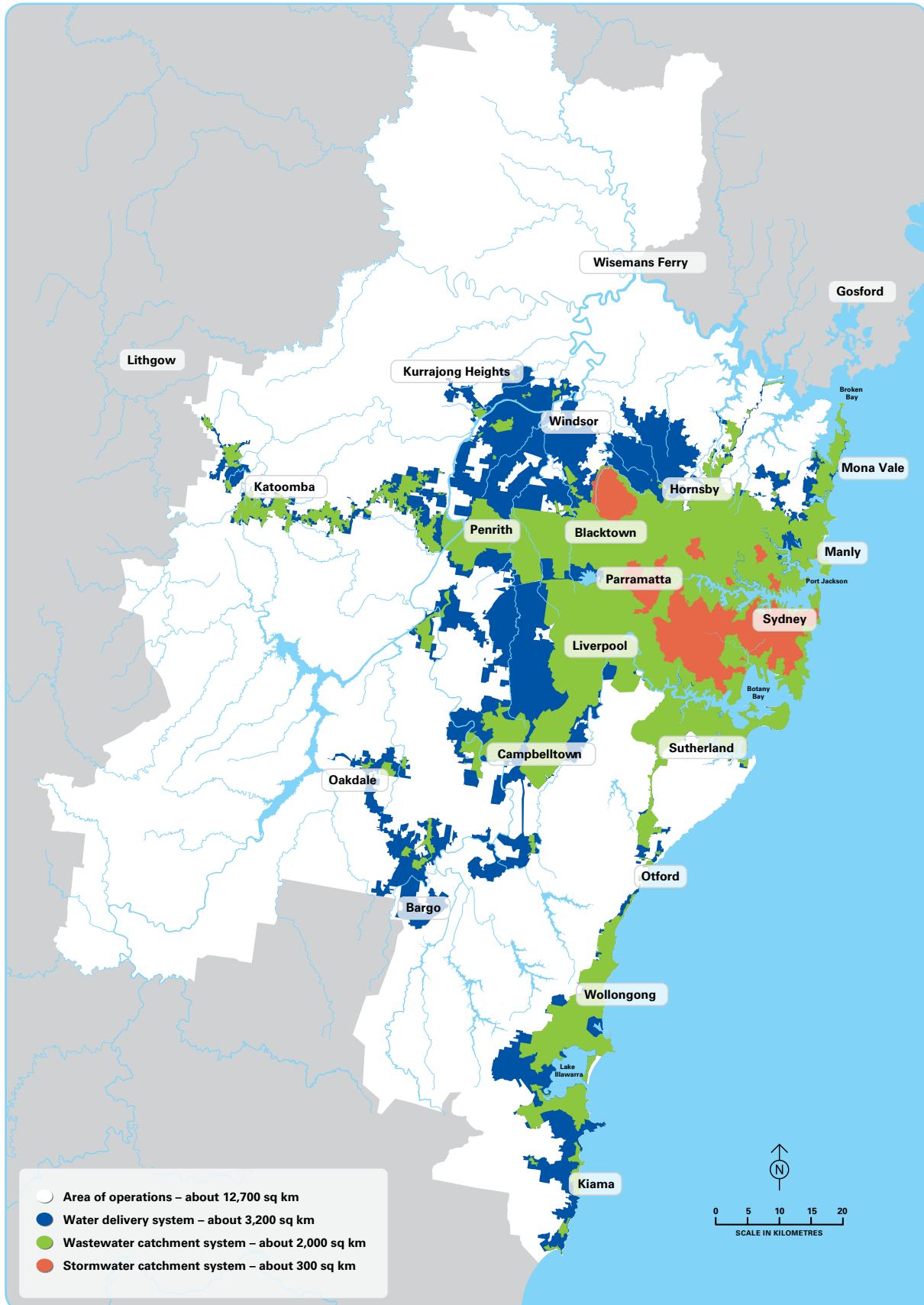
2 The number of wastewater treatment and water recycling plants is based on Sydney Water's classification.

3 24 licensed systems with the EPA plus one system (Wilton) serviced by WICA scheme (Bingara Gorge).

4 Population serviced by recycled water refers to Rouse Hill only.

Our operations

Map 1: Area of operations



The year in review

A message from our Chairman and our Managing Director

Going from good to great

It's been a great year for Sydney Water and our customers. We've kept bills low compared to other household utility bills. We've also become more efficient, while maintaining high levels of customer service and business performance.

Importantly, we've changed our mindset. We're thinking differently about our relationship with customers, taking an 'outside-in' approach to decision-making. To have customers at the heart of everything we do, we know we must understand what our customers value.

We are responding with new ways of approaching our communication, customer service and operations. We're also enabling our staff to make the changes we need to be a more modern and agile business. And customers are noticing this new way of working – rating our performance, value for money and corporate reputation higher than ever.

Enhancing our relationship with customers

Staff from all parts of our business – from the frontline to those who plan for the future – are getting to know the customer better to help our decision-making.

We've changed how we respond to emergencies, focusing more on the customer impact. A great example was when we had to make emergency repairs to the outlet pipe from Macarthur Water Filtration Plant in October 2014. We planned the fix around our customers, and got the job done without any properties losing water supply.

As a result of customer feedback, we've also changed how we bill new multi-level buildings. Owners of new apartments will be able to make more informed choices about their water use. Under a new initiative, we will bill individual units for water use instead of the whole block.

We believe customers should benefit when we receive savings. In 2014, the Federal Government repealed the carbon tax, reimbursing Sydney Water for payments made since 1 July 2014. We passed these savings on to customers.

While our business undergoes positive change, we're still delivering world class services to customers. Once again, our drinking water quality was rated as fully compliant by the Independent Pricing and Regulatory Tribunal (IPART) in its 2014 *Operating Licence* audit.

While we think we've had a good year, it's nice to hear that customers think the same. Our customer sentiment monitoring shows customers rate our value for money at 7 out of 10, our overall quality of service at 7.7 out of 10, and our corporate reputation 6.4 out of 10 – all at record high levels.

Caring for the community and the environment

In most cases, our environmental performance for the year was good, but we were prosecuted by the Environment Protection Authority (EPA) for a wastewater leak at our Malabar Wastewater Treatment Plant in 2013–14. We've comprehensively reviewed this incident to ensure this type of leak doesn't happen again at any of our wastewater treatment plants. We're also investing over \$100 million to improve the Malabar plant's reliability.

We're working with the EPA to improve the regulatory framework for wet weather overflows so we achieve environmental and community outcomes more cost-effectively, helping to keep bills low. To inform our approach, we held workshops across our area of operations to learn more about community expectations on the issue.

To deliver better services to customers and the community, we've formed closer ties with the 44 local councils in our area of operations. We held over 35 face-to-face meetings with general managers of councils, and two workshops that attracted over 200 attendees. We've also appointed dedicated relationship managers for each council to offer personalised support on Sydney Water activities. This enhanced engagement helped our negotiations with councils to sign an agreement on road restoration. This means we can now make road restorations quicker, safer and more efficient.

Wet wipes cause havoc in our wastewater system and impact the environment. To educate people on what shouldn't be flushed, we've worked with the Water Services Association of Australia (WSAA) and utility partners to raise awareness of the issue nationally. This year, our keep wipes out of the pipes campaign has reached over 400,000 people through social media and many thousands of others through Sydney Water's existing community events and sponsorship program.

This year, we saw a 24% increase in applications for Section 73 Compliance Certificates, which is a requirement for a development. With growth set to continue between 2014 and 2019, we'll spend about \$856 million to service around 138,000 new homes. Almost 90% of this investment is for priority greenfield sites in the North West and South West Growth Centres, western Sydney and the Illawarra.

Investing in people and processes to be the best we can be

Staff are co-creating Sydney Water's future. Our people have important insights through the work they do, and we're tapping into this knowledge to work together more cohesively. Over 300 staff attended our Lifestream summits to contribute to our new corporate strategy. Staff developed our signature behaviours, turning our strategic direction into real, tangible ways of working.

Safety will always be a top priority at Sydney Water. We were disappointed with our safety performance during this year. We still have too many people injured in Sydney Water and this must improve. To increase our understanding of safety issues, we've paid particular attention to the data we collect to ensure that we have an accurate picture. We can now better allocate resources where they're needed to keep our people safe. As part of our commitment to safety, we launched a web-application for staff to use on their smart phones, to report incidents and unsafe conditions or behaviour, instantly and easily wherever they are.

For our 'Safe and well together' strategy, we produced a number of video interviews with staff who have experienced life-changing accidents, raising awareness of safety within the workplace and at home. We also championed the Mates-in-Construction initiative throughout the business. This program on suicide prevention and mental health gives participants practical tools and training to improve their health and wellbeing at work.

We have successfully negotiated a new enterprise bargaining agreement. Sydney Water staff overwhelmingly voted in favour, with over 95% of respondents answering 'yes'. The agreement was ratified through Fair Work Australia. This great result comes after a positive series of meetings between Sydney Water, the Australian Services Union and Professionals Australia.

Raising the bar in performance

In 2012, IPART set allowances for how much we spend on operating and capital costs up to 2016. We expect to save over \$400 million compared to IPART's allowance – which we hope will contribute to lower customer bills in the future.

Because of our excellent financial performance in 2013–14, we contributed \$252 million to the NSW Government last year to support investment in crucial state services such as health and education, along with rebates on pensioners' water bills and other social programs.

We saved \$27.5 million in 2014–15 through our robust and collaborative procurement framework – focusing on getting the best value for money throughout the entire life cycle of our contracts with the private sector.

Over the past three years, the Civil Maintenance team has reduced costs by 18.3% through the 'meet and beat the market' efficiency program. This is while improving customer satisfaction from a high base of 8.3 out of 10 in 2012 to the current level of 8.9.

In late April, the Sydney region experienced some of its heaviest rainfall in 17 years. We closely supported the work of the emergency services and had extra staff on the ground through the night to ensure the reliability of water and wastewater services to customers during severe power outages without any safety incidents. Our wastewater system was resilient during this extreme weather event.


The year ahead

Next year, IPART will set new prices for our services, starting on 1 July 2016. We've proposed to IPART that we will lower customer bills each year to 2020. We want customers to benefit from our improved performance and the reduced costs from the current economic climate, such as lower interest rates. Before we made our proposal, we asked customers whether they preferred a fixed bill, or one that's variable based on use. We used their feedback as the basis for pricing in our proposal.

To future-proof our business, we're investing in a solution to rebuild all of our management software into one integrated system that will make it easier to deliver value to customers. We'll also be preparing to replace our customer billing system with one that streamlines billing and payment functions, making transactions faster and easier for customers.

We'll be strengthening our relationships with customers and the community in the year to come. We look forward to having open and honest conversations on how we deliver our services to customers and enhance liveability.

With our new strategy guiding the way, it's exciting to think about where we'll be in a year's time. Thank you to our staff and Board for another great year. Let's keep up the momentum.



Bruce Morgan
Chairman



Kevin Young
Managing Director

Our performance

This year's highlights

Customer at the heart of everything we do

We're making the most of technology to make things easier for customers. We recently launched the water service radar – a web-based application that delivers updates at 10 minute intervals. Customers can check our website to see if we're working near their home or on a road they plan to travel on. This helps our customers plan around the disruption. We've also improved our website so it's easier to use on mobile devices.

Our engagement with customers and other stakeholders through social media continues to grow. Over the last 12 months, we've reached over one million people.

We're mindful of the impact our infrastructure has on the aesthetics of the urban and natural environment. Last year, we worked with a number of artists to give our pumping stations and other buildings a facelift, while reducing the impact of graffiti. Fifteen sites across our network are now sporting new murals painted by local talent. We continue to perform strongly against our *Operating Licence* requirements, demonstrating high to full compliance for all audited clauses for 2013–14. We also participated, along with customers and the community, in IPART's consultation process in developing our new *Operating Licence 2015–2020*.

In 2014–15, we continued to educate community and youth through our education initiatives. We connected with over 24,000 people through our community engagement activities and workshops. We educated over 3,700 people at our sites.

Our education initiatives help the community understand who we are and what we do. All participants from our education activities reported an increased understanding of Sydney Water and rated their satisfaction level greater than 8 out of 10.

World class performance

We have one of Australia's largest dedicated water, wastewater and environmental sampling and testing facilities. In the past year, our National Association of Testing Authorities accredited lab performed more than 410,000 tests to ensure our quality control systems across our entire network are working as they should.

We sold 13 properties that we no longer need to run our business. These sales increased land supply in the housing market and allowed us to share the benefits of the sales with our customer base.

Our Civil Delivery and Networks staff worked together to introduce a new overflow containment system. The Watergate system reduces the need for sandbagging and other labour intensive methods of containing wastewater overflows in creeks and stormwater drains. The result is quicker deployment, reduced environmental impact, a safer workplace and significant cost savings.

We have mobilised a team of customer service and information technology specialists who'll ensure we get the right solutions for our business needs. Over the next eight years, we'll consolidate and simplify major applications and introduce a new billing system that will enhance customer interactions.

We're working with Transport for NSW in coordinating major transport projects, such as WestConnex and the Sydney Light Rail. We signed an agreement in January 2015 to formalise the relationship with these stakeholders so projects are delivered efficiently and effectively.

Despite a considerable increase in development applications, we've improved our turnaround time to issue a Section 73 Compliance Certificate by 7.4% from the last financial year. In 2014–15, we issued over 4,500 Section 73 Compliance Certificates, which is 24% more than last year.

Based on our performance and increased transparency in the regulatory environment, Moody's Investors Services upgraded our credit rating from Baa2 to Baa1. This is our first upgrade since our initial rating over 20 years ago.

High performance culture

As part of our transformation, we've put our culture under the microscope. Staff from all areas have participated in workshops that have challenged beliefs and behaviours to help create cultural change.

The Civil Delivery team introduced a behavioural-based safety (BBS) system to encourage staff to proactively engage with safety, rather than have the traditional compliance mindset. The system is based on a peer-on-peer safety observation that encourages safety conversations on the job site. Almost 6,000 safety observations and conversations have been recorded since the program's introduction.

Civil Delivery implemented a Management Operating System (MOS) within its Civil Maintenance team from August 2014 to February 2015. This was designed to improve communication between frontline staff and all levels of management. The program has successfully focused all staff to deliver work efficiently, providing a mechanism for staff to quickly raise and address issues and delays that could impact customers. The MOS has increased productivity by four per cent since its introduction.

We rolled out an e-learning program about our environmental responsibilities, raising staff awareness of the pivotal role we play in enhancing the liveability of our great city.

We're refreshing our Work Health and Safety Management System (WHSMS), along with our 80 safety standards and procedures that will help improve safety at work.

We welcomed 21 new graduates to the business. Over 1,600 people applied for a position in the graduate program, which shows we are one of Australia's best employers.

Over 350 staff came to our Annual Aqua Awards in November, which we held at our heritage-listed West Ryde Boiler House. These awards recognise staff who've gone above and beyond their normal responsibilities – we're proud to showcase their achievements through this program.

Our awards and recognition



International Water Association Awards (IWA) 2014

The Sewer Corrosion and Odour Research (SCORE) program won the Global Grand Award at the International Water Association's 2014 Project Innovation Awards. The award was presented in Lisbon, Portugal in September 2014. The program also won the IWA's Asia-Pacific Regional Project Innovation Award during the Singapore International Water Week.

This program is the largest worldwide research project focused on sewer corrosion and odour. It was delivered with five research partners and 11 industry partners. Implementing the research findings is expected to save the wastewater industry hundreds of millions of dollars globally.



Australian Water Association (AWA) Awards

Our staff were honoured at the 2015 NSW Australian Water Association Awards, winning four categories – the NSW Program Innovation Award, the NSW Research Innovation Award, the AWA Undergraduate of the Year Award and the Kamal Fernando Mentoring Award.

Four of our teams were also selected as award finalists.



2014 Treasury Managed Funds (TMF) Award

Our Injury Management team won the TMF Award for Excellence. This was for achieving a 65% decrease in work-related injuries over the past two years and a 50% decrease in non work-related injuries since June 2013.



2014 Sydney Engineering Excellence Award

In partnership with Oxyzone Pty Ltd, we won the prestigious 2014 Sydney Engineering Excellence Awards in the category of Products, Manufacturing Facilities and Processes. This was for the design and construction of our mobile ozone trailer, to improve the efficiency and effectiveness of new water main disinfection.

The three ozone trailers that we use in our operations provide significant environmental and safety benefits, plus annual savings of over \$1.4 million.



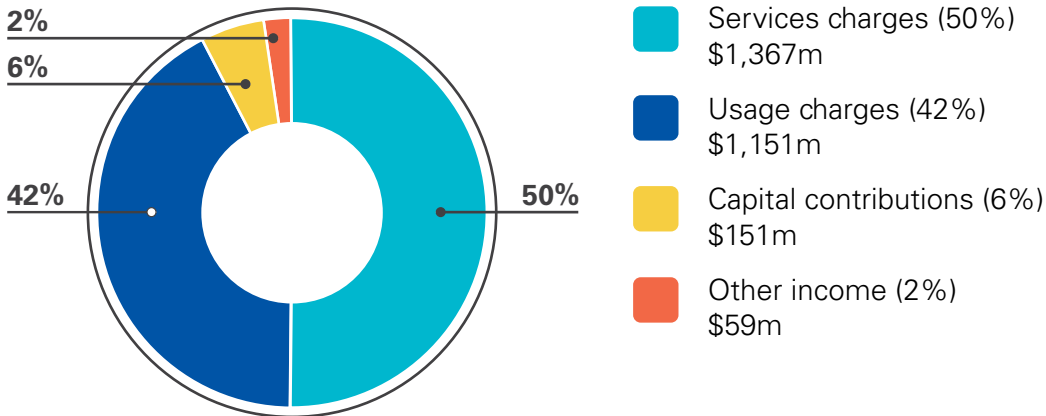
2015 National Trust of Australia (NSW) Heritage Awards

We won the National Trust of Australia (NSW) Heritage Award for our work in saving and restoring a building adjacent to the Potts Hill Reservoir. This was in the category of Conservation Built Heritage for Government/Corporations. The building we restored used to house the CSIRO's radio astronomy facility in the 1950s and was the first facility to observe the black hole of our galaxy.

Our financial highlights

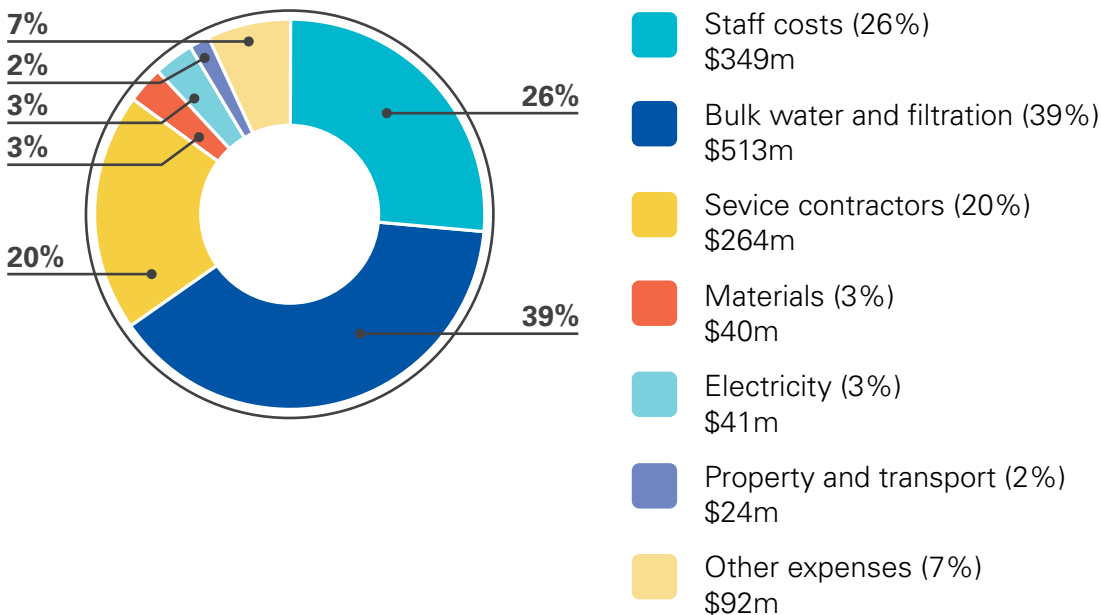
Where our revenue comes from

Figure 2: Our total income \$2,728 million



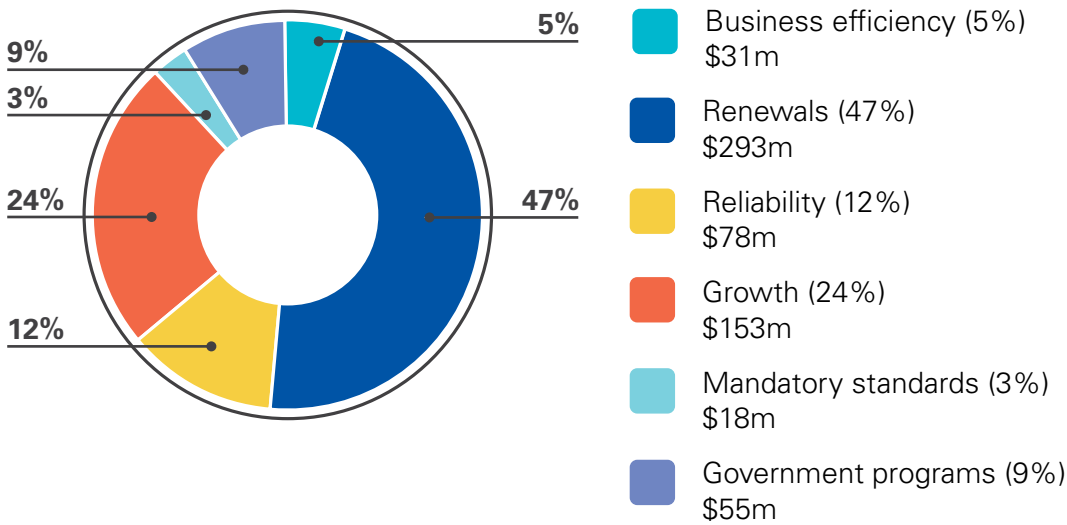
Our total income for 2014–15 was \$2.7 billion. We received higher income from IPART determined price rises for service and usage charges in 2014–15 and higher receipts of free assets from developers.

Figure 3: Our total operating expenditure \$1,324 million



Our total operating expenditure for 2014–15 was \$1.3 billion. This was \$23 million higher than in 2013–14, with wages and other cost escalations partly offset by ongoing efficiencies.

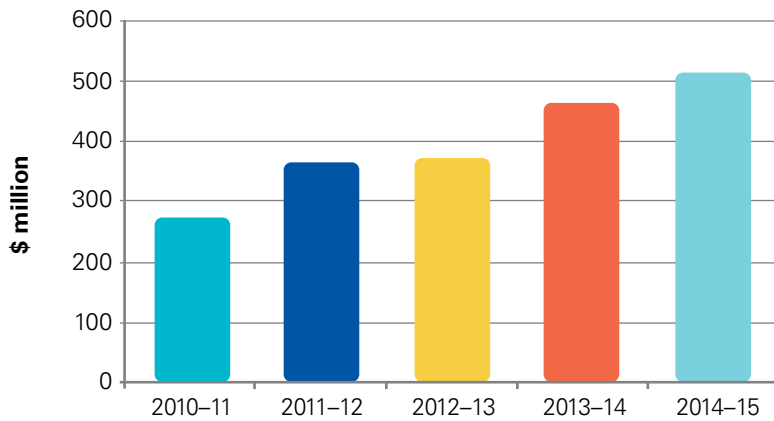
Figure 4: Our total asset investment \$627 million



We invested in:

- replacing or rehabilitating water and wastewater pipelines
- renewing water and wastewater treatment plants
- providing reticulated wastewater services to priority areas
- programs to provide for growth in existing areas and the north west and south west of Sydney.

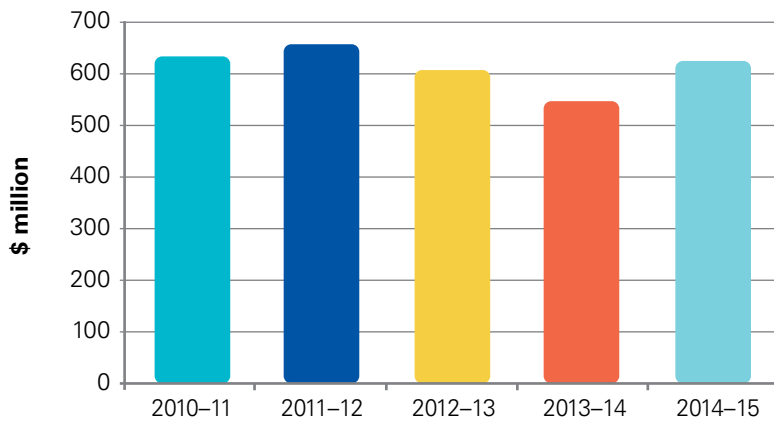
Figure 5: Our profit after tax



Our profit after tax for 2014-15 was \$513 million, \$49 million higher than in 2013-14.

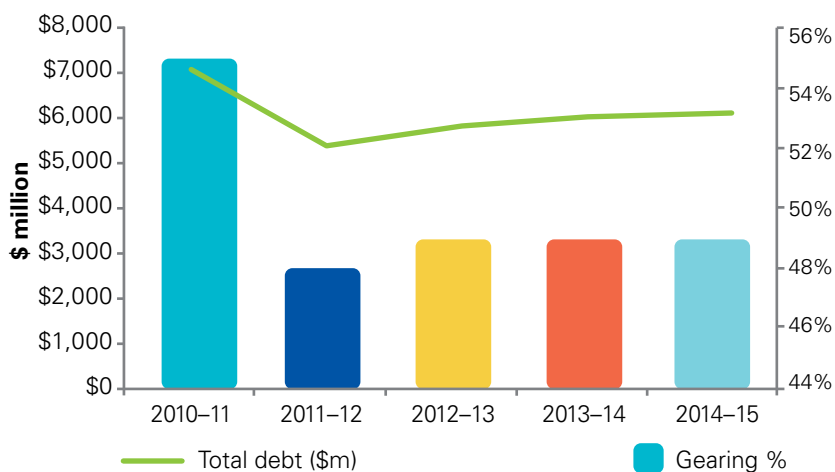
This was due to the higher income we made from water sales and service charges and free assets from developers (\$113 million higher than in 2013-14), but partly offset by the increased income tax expense (\$41 million higher than in 2013-14).

Figure 6: Our capital expenditure



Our capital investment program in 2014-15 included continued major investments in core water and wastewater assets for reliability and growth. Total capital expenditure over the past four years has focused on core investment, such as renewals and providing for growth.

Figure 7: Our debt and gearing



Our debt and gearing (debt divided by debt plus equity) remained relatively stable in 2014-15. In 2011-12, we were able to repay debt with funds generated from the refinancing of the Sydney Desalination Plant. New capital investment in 2014-15 was mostly funded from internal resources.

Table 2: Summary profit and loss*

| | 2010–11 \$m | 2011–12 \$m | 2012–13 \$m | 2013–14 \$m | 2014–15 \$m |
|--|----------------|----------------|----------------|----------------|----------------|
| Total income | 2,307 | 2,671 | 2,521 | 2,615 | 2,728 |
| Operating expenses | 1,120 | 1,204 | 1,343 | 1,301 | 1,324 |
| Earnings before interest, tax, depreciation and amortisation | 1,187 | 1,467 | 1,178 | 1,314 | 1,404 |
| Depreciation, amortisation and impairments | 274 | 298 | 245 | 261 | 252 |
| Interest expense | 473 | 557 | 398 | 414 | 422 |
| Profit before tax | 440 | 612 | 536 | 640 | 730 |
| Taxation expense | 166 | 245 | 163 | 175 | 216 |
| Profit after tax | 274 | 367 | 372 | 464 | 513 |
| Dividend payable | 230 | 242 | 291 | 252 | 664 |

* All figures are rounded to whole dollars million. All figures before 2012–13 represent the Consolidated Group. All subsidiaries are now divested.

Earnings before interest, tax, depreciation and amortisation were \$1.4 billion, \$90 million higher than in 2013–14. This was due to higher income from IPART determined price rises and also higher receipts of free assets from developers.

Depreciation, amortisation and impairments were \$252 million, \$9 million lower than in 2013–14. This was due to fewer losses on asset disposals.

Interest expense was \$422 million, \$8 million higher than in 2013–14, with the impact of lower interest rates more than offset by a reduction in interest costs transferred to capital.

Tax expense for the year was \$216 million, \$41 million higher than in 2013–14. This was in line with the higher profit result.

The dividend payable of \$664 million aligns to the target in the 2014–15 *Statement of Corporate Intent* (SCI) and includes retained surpluses from 2012–13 and 2013–14.

Table 3: Summary balance sheet*

| | 2010–11 \$m | 2011–12 \$m | 2012–13 \$m | 2013–14 \$m | 2014–15 \$m |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Property, plant and equipment | 14,488 | 13,450 | 13,949 | 14,635 | 15,471 |
| Other assets | 582 | 567 | 502 | 483 | 475 |
| Total assets | 15,070 | 14,017 | 14,451 | 15,118 | 15,946 |
| Total debt | 7,114 | 5,412 | 5,866 | 6,059 | 6,160 |
| Other liabilities | 2,043 | 2,673 | 2,620 | 2,665 | 3,319 |
| Total liabilities | 9,157 | 8,085 | 8,486 | 8,724 | 9,479 |
| Net assets/equity | 5,913 | 5,932 | 5,965 | 6,394 | 6,467 |

* All figures are rounded to whole dollars million. All figures prior to 2013–14 represent the Consolidated Group. All subsidiaries are now divested.

Total assets were valued at \$15.9 billion, \$828 million higher than in 2013–14. This was driven by capital expenditure on renewing existing assets and adding new assets.

Total liabilities were \$9.5 billion, \$755 million higher than in 2013–14. This was due to higher dividends payable and higher tax and superannuation liabilities.

Table 4: Summary cash flow*

| | 2010–11 \$m | 2011–12 \$m | 2012–13 \$m | 2013–14 \$m | 2014–15 \$m |
|--|----------------|----------------|----------------|----------------|----------------|
| Sources | | | | | |
| Receipts from operations | 2,152 | 2,231 | 2,405 | 2,477 | 2,520 |
| Grants, interest, community service obligations and other operational receipts | 151 | 182 | 155 | 172 | 165 |
| Borrowings | 720 | 610 | 440 | 174 | 89 |
| Other receipts | 62 | 2,223 | 26 | 92 | 102 |
| Total sources | 3,085 | 5,246 | 3,026 | 2,915 | 2,876 |
| Uses | | | | | |
| Operational expense payments | 1,232 | 1,328 | 1,405 | 1,443 | 1,431 |
| Capital expenditure payments | 650 | 666 | 593 | 527 | 588 |
| Dividends paid | 232 | 230 | 368 | 291 | 252 |
| Income tax paid | 131 | 92 | 181 | 188 | 149 |
| Interest paid | 493 | 557 | 464 | 449 | 436 |
| Borrowing reduction and other payments | 343 | 2,413 | 17 | 17 | 18 |
| Total uses | 3,081 | 5,286 | 3,028 | 2,915 | 2,874 |
| Increase (decrease) in cash | 4 | (41) | (2) | 0 | 2 |

* All figures are rounded to whole dollars million. All figures prior to 2013–14 represent the Consolidated Group. All subsidiaries are now divested. Note: Interest paid includes the government guarantee fee and capital expenditure payments include payments for intangibles.

Cash receipts from operations in 2014–15 were \$2.5 billion (\$43 million higher than in 2013–14). This increased because of IPART determined price increases. Total cash inflows were \$2.9 billion, \$39 million less than in 2013–14.

Cash used for operational purposes in 2014–15 was \$1.4 billion (\$12 million lower than in 2013–14), in line with cost reductions.

A total of \$588 million was used to fund the asset investment program.

Total interest paid includes both interest and the government guarantee fee on Sydney Water's borrowings. Total interest paid was \$436 million (\$13 million lower than in 2013–14) due to a lower government guarantee fee.

We paid a dividend of \$252 million to the NSW Government in 2014–15. This reflected the target in the 2014–15 *Statement of Corporate Intent* (SCI).

Balanced sustainability scorecard

In the scorecard, we assess progress against our sustainability indicators each year, and reflect this in the summary statements and ratings for a range of performance areas. We include performance data and commentary on the sustainability indicators in this report.

Sustainability indicator key




-  **Expectations met or exceeded**
Indicators show a positive long-term trend towards the goal.
-  **Areas to improve**
Mixed results, positive trends for some indicators and negative trends for others towards the goal.
-  **Action required**
Indicators show a negative long-term trend towards the goal.
- **Not applicable**
Performance not reported.

Table 5: Customer at the heart – balanced sustainability scorecard

| | Progress rating | | |
|--|-----------------|---------|---------|
| | 2012-13 | 2013-14 | 2014-15 |
| Customer at the heart – performance summary | | | |
| Customer satisfaction: Customers have a positive view of the overall quality of service we deliver. We aim to resolve customer enquiries and complaints quickly, efficiently and to the customer's satisfaction. | ▲ | ▲ | ▲ |
| Social assistance: We continued to support customers experiencing financial hardship by providing flexible payment arrangements. This indicator was introduced in 2013-14. | – | ▲ | ▲ |
| Service quality and system performance: We maintained high levels of water and wastewater system performance and met licence targets. | ▲ | ▲ | ▲ |
| Water efficiency: Our water efficiency initiatives saved more than 43 billion litres of water in 2014-15. We are continuing to implement a range of cost-effective water efficiency, leak management and recycled water programs that meet individual customer needs. | ▲ | ▲ | ▲ |
| Water drawn: Customers are still using water efficiently, maintaining a historically low level of total water use. Since drought restrictions were lifted, our customers have adopted water efficient practices as part of their everyday lives. | ▲ | ▲ | ▲ |
| Water quality: We continue to supply drinking water to customers that has a high level of compliance with NSW Health requirements and <i>Australian Drinking Water Guidelines 2011</i> . | ▲ | ▲ | ▲ |

Table 6: World class performance – balanced sustainability scorecard

| | Progress rating | | |
|--|-----------------|---------|---------|
| | 2012–13 | 2013–14 | 2014–15 |
| World class performance – performance summary | | | |
| Profitability: Profitability was above target due to higher water usage income, receiving assets free of charge and lower operating costs. This was driven mostly by lower contractor costs, and lower borrowing costs due to lower interest rates. | ▲ | ▲ | ▲ |
| Debt servicing: We managed our borrowing costs better. This was due to a combination of higher income, lower costs and lower interest charges. | ▲ | ▲ | ▲ |
| Return on assets and equity: Our return on assets and equity was marginally higher than the target. This was due to a combination of higher water usage and developer income and operating cost efficiencies. | ● | ▲ | ▲ |
| Infrastructure management: We continue to invest in programs to renew, rehabilitate and maintain our infrastructure to reliably deliver essential services. | ▲ | ▲ | ▲ |
| Wastewater treatment system discharges: We met licence requirements to help protect the local environment and public health. | ▲ | ▲ | ▲ |
| Trade waste agreements: We managed trade waste agreements to meet wastewater discharge limits and ensure biosolids met required standards. | ▲ | ▲ | ▲ |
| Environmental compliance: We received one Tier 2 prosecution and one penalty notice from the EPA during the reporting period. Our contractors received no proceedings or penalty notices during 2014–15. | ● | ■ | ■ |
| Environmental footprint: Our full supply chain carbon footprint and ecological footprint remained stable in 2013–14. Data for 2014–15 was not available in time for publication of this report. | ▲ | ▲ | – |
| Energy use and greenhouse gas emissions: We maintained our net emissions by surrendering NSW Greenhouse Gas Abatement Certificates. Our energy generation was equivalent to 17.5% of the electricity we used. That's the highest energy generation to date. | ▲ | ▲ | ▲ |
| Environmental performance monitoring: Long-term monitoring results show that water quality and ecosystem health of inland and coastal waterways are being maintained. | ▲ | ▲ | ▲ |
| Flora and fauna: We revegetated disturbed land, resulting in a net cumulative gain of 13.06 hectares of native vegetation over the last five years. | ▲ | ▲ | ▲ |
| By-products: We continued to meet our target of beneficially using 100% of biosolids. | ▲ | ▲ | ▲ |
| Waste reduction: Our overall waste recycling rate remained at 88% despite a 67% increase in total waste generated through increased construction and demolition activity. | ● | ▲ | ▲ |

Table 7: High performing culture – balanced sustainability scorecard

| High performing culture – performance summary | Progress rating | | |
|---|-----------------|---------|---------|
| | 2012–13 | 2013–14 | 2014–15 |
| Safety: The lost time injury frequency rate (LTIFR) for staff went from 6.16 to 4.71 in 2014–15. The LTIFR for contractors rose from 2.01 to 2.72. | ● | ■ | ● |
| Capability: We provide diverse training programs and professional development opportunities to help improve staff skills and knowledge. Our entry level programs continued to have high numbers of applications. | ▲ | ▲ | ▲ |
| Staff engagement: The ‘People matter’ employee survey is done every two years. The next survey is scheduled to take place in 2016. | – | ▲ | – |

Contact us

By telephone

Customer enquiries: 13 20 92 (Monday – Friday, 8.30 am – 5.30 pm)

Help with leaks and faults: 13 20 90 (24 hours every day)

Corruption hotline: Freecall 1800 500 965 (24 hours every day)

Interpreter service: 13 14 50

We offer a free teletypewriter (TTY) service for customers with hearing and speech difficulties. Call the National Relay Service on 13 36 77 and enter the phone number 13 20 90 (24 hours every day).

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For general enquiries: customerservice@sydneywater.com.au

Annual Report online

The *Annual Report 2014–15* and previous reports are on the Annual Report page of our website.