

25 June 2018

WHAT

IPART is conducting an end of term review (this review) of the Sydney Water Corporation (Sydney Water) Operating Licence 2015-2020 (the existing licence).

The existing licence expires on 30 June 2020. We are conducting this review one year early at Sydney Water's request, to avoid it coinciding with our Sydney Water price review. We expect the amended licence to apply from 1 July 2019.

We have released an Issues Paper as the first stage of stakeholder consultation, and we are seeking your input.



WHY

The purposes of this review are to determine whether the existing licence is fulfilling its objectives, and to investigate any issues which have arisen during the term that may affect its effectiveness going forward.



WHO

Sydney Water is a major public water utility providing water and sewerage services across Sydney, the Blue Mountains and the Illawarra.

IPART is undertaking this review and is seeking input from stakeholders including Sydney Water, its customers and consumers, licensees under the WIC Act,¹ relevant government regulators and

¹ *Water Industry Competition Act 2006*

agencies, local councils and community, industry and environment groups.



HOW

The Issues Paper summarises our approach to this review, the issues that we have identified, our preliminary positions on those issues and a list of questions for stakeholders to consider.

We are seeking stakeholder views and supporting information on all aspects of the existing licence. We will continue to consult as this review progresses. We will consider all stakeholder feedback and undertake our own analysis.

We will provide a report to the Minister on the findings of this review in April 2019 and any recommendations for amendment to the existing licence.



WHEN

A submission from Sydney Water is due by **6 August 2018** and will be published on our website. All other stakeholder submissions are due by **20 August 2018**.



WHAT NEXT

We invite submissions on the Issues Paper. We prefer submissions via our online form.

Submissions may include comments on any or all of the questions raised, and on any other issues stakeholders consider relevant to this review.

There will be further consultation over the next eight months, including opportunities to comment on a draft licence package.

Licence review process

The existing licence requires that we engage in public consultation and report to the Minister on the findings of this review and any recommendations for amendment to the licence. The Minister may accept or reject our recommendations. The Minister may endorse the amended licence for approval by the Governor and subsequent gazettal.

The first stage of stakeholder consultation is the release of an Issues Paper to request stakeholder input to the licence review. We intend to publish Sydney Water's submission on the Issues Paper on our website to allow other stakeholders the opportunity to consider Sydney Water's submission in preparing their own submissions, which are due two weeks afterwards.

After considering all stakeholder submissions on the Issues Paper, we will release the draft licence package in December 2018 and will give stakeholders about two months to make submissions. During this time, we will hold a Public Workshop in Sydney CBD in early February 2019 to facilitate discussions with stakeholders.

Submissions on the draft licence package will close in mid-February 2019. We intend to submit final recommendations to the Minister in April 2019.

We anticipate the amended licence will be effective on 1 July 2019.

Issues we seek comment on

In the Issues Paper, we have identified issues in areas of licence objectives, licence structure, water conservation, supply services and performance standards, organisational systems management, customer and stakeholder relations, and performance monitoring and reporting.

Some of the issues we particularly need stakeholder input on relate to:

- ▼ providing services and information to WIC Act licensees
- ▼ system performance standards that reflect customers' preferences and willingness to pay, and
- ▼ customer engagement and focus.

Stakeholders are welcome to raise and comment on any other issues they consider relevant to the existing licence and the associated Customer Contract and Reporting Manual.

Key Dates

Date	Major milestones
25 June 2018	IPART releases Issues Paper inviting submissions
6 August 2018	Sydney Water's submission on Issues Paper due
20 August 2018	Stakeholders' submissions on Issues Paper due
December 2018	IPART releases the draft licence package for stakeholder consultation
Early Feb 2019	Public workshop
Mid-Feb 2019	All stakeholders' submissions on draft licence package due
April 2019	IPART provides the Minister with final recommendations and licence
1 July 2019	Target licence commencement date. Publish licence and reporting manual.

What Next?

We invite all stakeholders, including Sydney Water, its customers and consumers, community groups, relevant government agencies and other water utilities to make a written submission to this review. A submission from Sydney Water is due by 6 August 2018 and all other submissions are due by 20 August 2018.

The Issues Paper along with information regarding the lodgement process is available on the IPART website: <https://www.ipart.nsw.gov.au/Home>

You can find the existing Sydney Water Operating Licence 2015-2020 on Sydney Water's website: <https://www.sydneywater.com.au/SW/about-us/our-organisation/what-we-do/operating-licence/index.htm>

We would prefer to receive submissions electronically via our online submission form http://www.ipart.nsw.gov.au/Home/For_Consumers/Having_your_say/Lodge_a_submission

You can also send comments by mail to:

Review of the Sydney Water operating licence

Independent Pricing and Regulatory Tribunal

PO Box K35

Haymarket Post Shop NSW 1240

Our normal practice is to make submissions publicly available on our website as soon as possible after the closing date for submissions. Please indicate clearly if you wish your submission to remain confidential.

IPART's contact officer for this review is Jamie Luke, Principal Analyst, contactable on Jamie.Luke@ipart.nsw.gov.au or (02) 9290 8460.