



IPART Independent
Pricing and Regulatory
Tribunal | NSW

Sydney Water

Draft Operating Licence

2024-2028

Water >>

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair

Jonathan Coppel

Further information on IPART can be obtained from [IPART's website](#).

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Part 1 Licence context

1 Objective of this Licence

- (1) The objectives of this Licence are to:
 - (a) authorise and require Sydney Water, within its Area of Operations, to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and Services for:
 - (i) storing and supplying water that is fit for purpose,
 - (ii) providing Wastewater services,
 - (iii) providing Stormwater Drainage Systems, and
 - (iv) disposing of Wastewater and supporting the treatment and reuse of Wastewater,
 - (b) require Sydney Water to conduct these activities in a manner that:
 - (i) is resilient, reliable and sustainable,
 - (ii) supports the long-term interests of Customers, Consumers and the community,
 - (iii) considers the impacts of climate change, and
 - (iv) considers equity within and between generations, and
 - (c) set efficient and effective terms and conditions, including quality and performance standards, that Sydney Water must meet when supplying or providing Services in a way that:
 - (i) supports its principal objectives under the *Sydney Water Act 1994* (NSW) (**Act**) and the *State Owned Corporations Act 1989* (NSW), and
 - (ii) does not prevent or hinder competition.
- (2) Sydney Water must consider the objectives in clause 1(1) when doing anything authorised or required by this Licence.

2 Area of Operations

- (1) This Licence applies to the Area of Operations specified in Schedule A.
- (2) Sydney Water must maintain a map of its Area of Operations on its website at all times.
- (3) Sydney Water must update the map within 10 business days of any change to its Area of Operations.

3 Term of this Licence

The term of this Licence is 4 years from 1 July 2024.

4 Licence amendment or substitution

- (1) The Governor may, after following the procedural requirements in section 16(2) of the Act, amend or substitute this Licence by notice in the Gazette.
- (2) The amendment or substitution will take effect on the date the notice is published in the Gazette, or on such later date specified in the notice.

Note: The Customer Contract may be varied by Sydney Water in accordance with section 59 of the Act and clause 2.6 of the Customer Contract. Such a variation is not an amendment to this Licence for the purpose of section 16 of the Act.

5 Non-exclusive Licence

This Licence does not prohibit any other 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.

6 Availability of Licence

Sydney Water must make a copy of this Licence Publicly Available.

7 Pricing

- (1) Sydney Water must fix, and impose, fees and charges payable for its Services in accordance with:
 - (a) the terms of this Licence,
 - (b) the Act, and
 - (c) maximum prices or methodologies for fixing maximum prices determined for its Services under the IPART Act.
- (2) Sydney Water may fix, and impose, fees and charges for its Services that are lower than the maximum prices determined under the IPART Act:
 - (a) with the approval of the Treasurer under section 18 of the IPART Act; or
 - (b) in accordance with concessions provided for by the Customer Contract.

8 End of term review

- (1) IPART intends to review this Licence in its final year to investigate:
 - (a) whether this Licence is fulfilling its objectives, and
 - (b) any issues that have arisen during the term of this Licence that may impact its effectiveness.
- (2) Sydney Water must provide IPART with information reasonably requested by IPART as part of the review by the date specified by IPART in writing.

9 Notices

- (1) Any notice or other communication given under this Licence must be:
 - (a) in writing addressed to the intended recipient, and
 - (b) delivered or sent to the address (electronic or postal) last notified by the recipient or otherwise specified for the intended recipient in the Reporting Manual.
- (2) Any nomination by Sydney Water for an alternative date or standard under this Licence must be made by Sydney Water's Managing Director.

Part 2 Licence authorisation

10 Licence authorisation

- (1) This Licence authorises and requires Sydney Water to provide, construct, operate, manage and maintain in the Area of Operations:
 - (a) efficient, co-ordinated and commercially viable systems and services for:
 - (i) storing and supplying water,
 - (ii) providing Wastewater services, and
 - (iii) disposing of Wastewater,
 - (b) a Stormwater Drainage System as described in section 14(1)(b) of the Act, except to the extent that the Minister is satisfied under sections 14(4) and 14(5) of the Act that satisfactory arrangements have been made for the applicable Service to be provided by another appropriate body.
- (2) This Licence authorises (but does not require) Sydney Water to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable Stormwater Drainage Systems in excess of the Stormwater Drainage System referred to in clause 10(1)(b). For the avoidance of doubt, this clause authorises (but does not require) Sydney Water to:
 - (a) enhance, expand and add capacity to the Stormwater Drainage System described in section 14(1)(b) of the Act,
 - (b) engage in stormwater quality management as necessary to manage impacts of stormwater on waterway health, and
 - (c) engage in stormwater catchment management, including co-ordination with Councils and other parties responsible for stormwater management in the Area of Operations.
- (3) This Licence authorises Sydney Water to provide facilities or Services that are necessary, ancillary or incidental to the matters referred to in clauses 10(1) and 10(2).

11 Obligation to make Services available

- (1) Sydney Water must provide Services for the supply of Drinking Water on request to:
 - (a) each Property in the Area of Operations for which a connection is available to Sydney Water's water supply system, and
 - (b) WIC Act Licensees that operate water industry infrastructure connected to, or for which a connection is available to, Sydney Water's water supply system.
- (2) Sydney Water must provide Services for the disposal of Wastewater on request to:
 - (a) each Property in the Area of Operations for which a connection is available to Sydney Water's Wastewater system, and

- (b) WIC Act Licensees that operate water industry infrastructure connected to, or for which a connection is available to, Sydney Water's Wastewater system.
- (3) In complying with the obligations under clause 11(1) and clause 11(2), Sydney Water may impose reasonable conditions to ensure the safe, reliable and commercially viable supply of water and disposal of Wastewater.

Part 3 Water conservation and planning

12 Water conservation

12.1 Water conservation plan

- (1) Sydney Water must maintain a 5-year water conservation plan that:
 - (a) covers a range of options for water conservation including, but not limited to, water efficiency (including Consumer behaviour programs), leakage reduction and Recycled Water,
 - (b) is consistent with the NSW Water Efficiency Framework (published by the NSW Government in August 2022 and the Greater Sydney Water Strategy,
 - (c) demonstrates how Sydney Water contributes to the water conservation goals set in the NSW Water Efficiency Framework and Greater Sydney Water Strategy,
 - (d) demonstrates how Sydney Water contributes to any subsequent monitoring, evaluation, reporting or annual reviews of the Greater Sydney Water Strategy,
 - (e) includes details, including timeframes, of proposed programs and projects over the life of the water conservation plan,
 - (f) assesses the proposed programs and projects against the Current Economic Method,
 - (g) furthers the objectives set out in clause 1(1)(b), and
 - (h) considers any written guidance that the Minister provides to Sydney Water.
- (2) Sydney Water must implement the current water conservation plan.
- (3) Sydney Water must, by 30 November each year (or by another date nominated by Sydney Water and approved by IPART in writing):
 - (a) review and update the water conservation plan to:
 - (i) identify activities carried out under the plan over the immediately preceding financial year,
 - (ii) assess its progress towards meeting the overall objectives of the plan, and
 - (iii) ensure the plan is meeting its objectives, and the requirements of clause 12.1(1),
 - (b) submit to the Department and IPART:
 - (i) the updated plan, and
 - (ii) a report outlining the reasons for any changes to the plan and the outcomes of the annual review, and
 - (c) make the updated plan and report following the annual review Publicly Available.

12.2 Current Economic Method

- (1) Sydney Water must make the following Publicly Available:

- (a) a copy of the Current Economic Method, and
 - (b) a plain English summary of the Current Economic Method.
- (2) Sydney Water must:
- (a) update the economic level of water conservation using the Current Economic Method for the purposes of clause 12.1(1) annually by 30 September of each year,
 - (b) review and update the Current Economic Method if requested to do so by the Minister in writing, and
 - (c) in reviewing the Current Economic Method, consider any matters specified by the Minister in writing.
- (3) Sydney Water may review and update the Current Economic Method at any time with the Minister's written approval.
- (4) Sydney Water must update the information referred to in clause 12.2(1) to reflect any changes to the Current Economic Method and the plain English summary within 10 business days of the changes taking effect

13 Water planning

13.1 Greater Sydney Water Strategy

- (1) Sydney Water must engage in water strategy planning for Greater Sydney that is consistent with the priorities in the Greater Sydney Water Strategy.
- (2) Sydney Water must cooperate with the Department in any review of the Greater Sydney Water Strategy.

13.2 Greater Sydney drought response plan

- (1) Sydney Water must:
 - (a) cooperate with Water NSW to jointly review the Greater Sydney drought response plan each calendar year,
 - (b) submit to the Minister an updated Greater Sydney drought response plan and a report explaining the outcome of the review and any changes, by:
 - (i) 30 November each year, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing, and
 - (c) make the updated plan Publicly Available within 10 business days of submitting it to the Minister.
- (2) Sydney Water must:
 - (a) use its best endeavours to agree on an updated plan with Water NSW and to jointly submit the updated plan to the Minister under clause 13.2(1)(b), and
 - (b) if Sydney Water and Water NSW do not agree on an updated plan, identify any points of disagreement in its report to the Minister under clause 13.2(1)(b)).

- (3) In the event Sydney Water and Water NSW do not agree on an updated plan, Sydney Water is to submit separate updated plan to the Minister.
- (4) Sydney Water must:
 - (a) submit a draft updated plan to the Department for comment at least 30 business days before submitting it to the Minister under clause 13.2(1)(b), and
 - (b) consider any comments the Department provides within 20 business days of the date the draft updated plan was submitted to the Department under clause 13.2(4)(a), before finalising the plan and submitting it to the Minister under clause 13.2(1)(b).
- (5) Sydney Water must:
 - (a) implement all actions in the plan that are assigned to it by the date specified in the plan, and
 - (b) cooperate with Water NSW to implement all actions in the plan that are jointly assigned to it and Water NSW, and use its best endeavours to do so by the time specified in the plan.

13.3 Water supply augmentation planning

- (1) Sydney Water must engage in ongoing water supply augmentation planning for Greater Sydney that includes:
 - (a) assessment of the need for water supply augmentation,
 - (b) identification of water supply augmentation options, including capital and non-capital options,
 - (c) whole-of-system assessment of water supply augmentation options and prioritisation to support strategic business cases,
 - (d) concept development and feasibility studies for preferred water supply augmentation options to support strategic business cases, and
 - (e) costings of preferred water supply augmentation options to support a strategic business case.
- (2) Sydney Water must use its best endeavours to:
 - (a) maintain a memorandum of understanding with Water NSW about water supply augmentation planning for Greater Sydney, and
 - (b) comply with that memorandum of understanding.
- (3) The memorandum of understanding referred to in clause 13.3(2) must include processes for:
 - (a) Water NSW to assist Sydney Water with water supply augmentation planning by providing Sydney Water with:
 - (i) data, information and knowledge, and
 - (ii) resourcing support, including access to Water NSW subject-matter experts,
 - (b) Water NSW to consult with Sydney Water on system yield calculations,

- (c) Sydney Water to consult with Water NSW on:
 - (i) projects that may impact system yield, and
 - (ii) water supply augmentation options that may have implications for Water NSW,
- (d) Sydney Water and Water NSW must obtain board approval for water supply augmentation options that may have implications for Water NSW.

13.4 Annual Production Requests to Sydney Desalination Plant

Sydney Water must make Annual Production Requests consistently with the with the Decision Framework.

13.5 Climate-related planning and risk management

- (1) Sydney Water must engage in an ongoing climate risk assessment and management process that:
 - (a) is consistent with the NSW Government's Climate Risk Ready Guide (published March 2021) and addresses climate-related risks specifically, including priority risks, mitigation actions and adaptation actions,
 - (b) furthers the objectives set out in clause 1(1)(b) of this Licence, and
 - (c) considers, where appropriate:
 - (i) principles of the NSW Government's Climate Change Adaptation Strategy (published June 2022), and
 - (ii) updated or replacement guidance material on climate risk assessment and management as it is released by the NSW Government and other bodies Sydney Water identifies as relevant.
- (2) Sydney Water must, on the enterprise scale, meet an embedded level of climate risk management maturity, as defined in the NSW Government's Climate Risk Ready Guide, by:
 - (a) 30 June 2027, or
 - (b) another date nominated by Sydney Water and approved by IPART in writing.
- (3) Sydney Water must, on the enterprise scale, make reasonable progress towards meeting an advanced level of climate risk management maturity, as defined in the NSW Government's Climate Risk Ready Guide, by:
 - (a) 30 June 2028, or
 - (b) another date nominated by Sydney Water and approved by IPART in writing.

13.6 Long-term capital and operational plan

- (1) Sydney Water must maintain a long-term capital and operational plan that:
 - (a) considers the strategic context of the Greater Sydney Water Strategy,
 - (b) identifies and assesses water supply augmentation on a catchment to Consumer basis,

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- (c) considers the implications of the preferred water supply augmentation options on Water NSW,
 - (d) considers a range of long-term investment options that deliver the best value for Consumers,
 - (e) recommends to the Department the preferred water supply augmentation option(s) that should be taken forward to an investment decision, and
 - (f) considers any written guidance that the Minister provides to Sydney Water.
- (2) Sydney Water must review and update its long-term capital and operational plan and submit a copy of the updated plan, along with a report explaining the outcome of the review and any changes, to the Minister:
- (a) at least once between 1 July 2024 and 30 June 2028, and
 - (b) on request by the Minister with any additional review to be completed within 12 months of the Minister's request.
- (3) Sydney Water must:
- (a) consult with Water NSW in its review of its plan,
 - (b) submit a draft updated plan to the Department for comment at least 30 business days before submitting it to the Minister under clause 13.6(2),
 - (c) consider Water NSW's input and any comments the Department provides within 20 business days of the date the draft updated plan was submitted to the Department under clause 13.6(3)(b) before finalising the plan and submitting it to the Minister under clause 13.6(2), and
 - (d) obtain board approval of the plan before finalising the plan and submitting it to the Minister under clause 13.6(2).

Part 4 Performance standards for water quality

14 Water quality Management Systems

- (1) Sydney Water must maintain a water quality Management System for:
 - (a) Drinking Water (**Drinking Water Quality Management System**), and
 - (b) Recycled Water (**Recycled Water Quality Management System**).
- (2) Sydney Water must implement:
 - (a) the Drinking Water Quality Management System, and
 - (b) the Recycled Water Quality Management System.
- (3) The Drinking Water Quality Management System must be consistent with:
 - (a) the Australian Drinking Water Guidelines, and
 - (b) any health-based requirements for Drinking Water which NSW Health reasonably specifies in writing.
- (4) The Recycled Water Quality Management System must be consistent with:
 - (a) the Australian Guidelines for Water Recycling, and
 - (b) any health-based requirements for Recycled Water which NSW Health reasonably specifies in writing.
- (5) The requirements specified by NSW Health in clauses 14(3)(b) and 14(4)(b) prevail if they are inconsistent with:
 - (a) the Australian Drinking Water Guidelines, or
 - (b) the Australian Guidelines for Water Recycling.

Part 5 Performance standards for service interruptions

15 Water Continuity Standard

- (1) Sydney Water must ensure that, in each financial year, at least 98.00% of Properties that Sydney Water supplies Drinking Water to are unaffected by an Unplanned Water Interruption (the **Water Continuity Standard**).
- (2) Subject to clause 15(3), a Property is taken to have experienced an Unplanned Water Interruption for the purposes of the Water Continuity Standard if:
 - (a) the supply of Drinking Water at the first cold water tap of the Property is interrupted,
 - (b) the occupant of the Property does not receive at least one week's prior notice in writing from Sydney Water of that interruption, and
 - (c) it takes more than 5 continuous hours for supply of Drinking Water (with at least 5 metres head of pressure) to be restored to the Property.
- (3) A Property is taken not to have experienced an Unplanned Water Interruption for the purposes of the Water Continuity Standard if the interruption is caused by:
 - (a) a Third Party, or
 - (b) a power failure.
- (4) For the purpose of the Water Continuity Standard:
 - (a) each separately billed part of a Multiple Occupancy Property is to be counted as a separate Property, and
 - (b) each separate instance, in a financial year, of a single Property experiencing an Unplanned Water Interruption is to be counted as a separate Property that has experienced an Unplanned Water Interruption (but not as a separate Property to which Sydney Water supplies Drinking Water).

16 Water Pressure Standard

- (1) Sydney Water must ensure that, in each financial year, at least 99.99% of Properties that Sydney Water supplies Drinking Water to receive a Drinking Water supply service affected by fewer than 12 Water Pressure Failures (the **Water Pressure Standard**).
- (2) Subject to clause 16(3), a Property is taken to have experienced a Water Pressure Failure for the purposes of the Water Pressure Standard when it experiences pressure of less than 15 metres head of pressure (measured at the point of connection of the Property to Sydney Water's Drinking Water supply system) for a continuous period of one hour or more.
- (3) A Property will not be taken to have experienced a Water Pressure Failure for the purposes of this clause 16 if that Water Pressure Failure is caused by:
 - (a) an ongoing Planned Water Interruption or Unplanned Water Interruption,

- (b) water usage in the case of a fire or other abnormal demand), or
 - (c) a short term or temporary operational problem (such as a main break), including where caused by a Third Party, that is remedied within four days of its commencement.
- (4) For the purposes of the Water Pressure Standard:
- (a) where a Property experiences multiple Water Pressure Failures in a day, only one of those Water Pressure Failures is to count as a Water Pressure Failure experienced by the Property,
 - (b) where a Property experiences a Water Pressure Failure that affects more than one day, each day affected is to be counted as a separate Water Pressure Failure,
 - (c) each separately billed part of a Multiple Occupancy Property is to be counted as a separate Property,
 - (d) each Property that is affected by 12 or more Water Pressure Failures in a financial year is to be counted once only as a Property that has been affected by 12 or more Water Pressure Failures in that financial year, and
 - (e) a Property in a Property Cluster is not to be counted if:
 - (i) the Property was connected for the first time to Sydney Water's Drinking Water supply system on or after 1 July 2020, and
 - (ii) Sydney Water informed the owner before or at the time of connection of:
 - (A) the risk of recurring Water Pressure Failures should the Property be connected to that system, and
 - (B) options to reduce that risk.

17 Dry Weather Wastewater Overflow Standard

- (1) Sydney Water must ensure that, in each financial year, at least:
- (a) 99.28% of Properties that Sydney Water supplies a Wastewater service to (but excluding Public Properties) receive a Wastewater service unaffected by an Uncontrolled Wastewater Overflow, and
 - (b) 99.99% of Properties that Sydney Water supplies a Wastewater service to (but excluding Public Properties) receive a Wastewater service affected by fewer than three Uncontrolled Wastewater Overflows,
- (the **Dry Weather Wastewater Overflow Standard**).
- (2) For the purposes of the Dry Weather Wastewater Overflow Standard:
- (a) each Multiple Occupancy Property is to be counted as a single Property,
 - (b) for the purposes of clause 17(1)(a), each separate instance, in a financial year, of a single Property experiencing an Uncontrolled Wastewater Overflow is to be counted as a separate Property that has experienced an Uncontrolled Wastewater Overflow

(but not as a separate Property that Sydney Water supplies a Wastewater service to), and

- (c) for the purposes of clause 17(1)(b), each Property that experiences three or more Uncontrolled Wastewater Overflows in a financial year is to be counted only once as a Property that has experienced three or more Uncontrolled Wastewater Overflows.

18 Monitoring system

- (1) Sydney Water must maintain a monitoring system to proactively identify Properties that may have experienced an Unplanned Water Interruption, a Water Pressure Failure, or an Uncontrolled Wastewater Overflow,
- (2) Sydney Water must implement the monitoring system.
- (3) The monitoring system must use the best available information, including:
 - (a) water pressure data, where available, and
 - (b) data obtained through Sydney Water's data collection systems and hydraulic analysis.
- (4) Sydney Water must promptly investigate all potential incidents notified by the community or identified by the monitoring system to determine whether a Property has experienced an Unplanned Water Interruption, a Water Pressure Failure, or an Uncontrolled Wastewater Overflow.

19 Interpretation of standards

In the case of any ambiguity in the interpretation or application of the Water Continuity Standard, the Water Pressure Standard or the Dry Weather Wastewater Overflow Standard, IPART's interpretation or assessment of the standard will prevail.

20 Asset management

- (1) Sydney Water must maintain an asset Management System for Sydney Water's Assets that is consistent with:
 - (a) the Australian Standard *AS ISO 55001:2014 Asset management – Management systems – Requirements*, or
 - (b) any other asset management standard nominated by Sydney Water and approved by IPART in writing.
- (2) Sydney Water must implement the asset Management System.

Part 6 Customers and Consumers

21 Customer Contract

- (1) The Customer Contract sets out the rights and obligations of Customers and Sydney Water in relation to the Services provided in accordance with this Licence. The Customer Contract as at 1 July 2024 is set out in Schedule B of this Licence.
- (2) Sydney Water must make a copy of the Customer Contract Publicly Available.
- (3) If the Customer Contract is varied under section 59 of the Act, Sydney Water must make a copy of the varied Customer Contract Publicly Available from the date the variation takes effect.

22 Consumers

- (1) Sydney Water must, in its dealings with Consumers, act in accordance with its obligations under the following clauses of the Customer Contract as though the Consumers were parties to the Customer Contract:
 - (a) Clause 2.2 - Who is covered by this contract?
 - (b) Clause 2.4 - When does this Customer Contract commence?
 - (c) Clause 2.5 - When does this Customer Contract end?
 - (d) Clause 2.6 - Variation of this Customer Contract
 - (e) Clause 6 - What you can do if you are unable to pay your bill
 - (f) Clause 7.2(8) and (g) - Notice of restriction or disconnection of supply of water for non-payment - when Sydney Water will not restrict or disconnect services.
 - (g) Clause 12.3 - Forms of redress
 - (h) Clause 12.4 - Claim for monetary compensation
 - (i) Clause 13 - What you can do if you are unhappy with our services provided
 - (j) Clause 14 - Who you should contact
 - (k) Clause 15 - Consultation, information and privacy.
- (2) Sydney Water must prepare a document that:
 - (a) is specifically targeted at Consumers,
 - (b) explains how Sydney Water will act in its dealings with Consumers,
 - (c) includes, at a minimum and to an equivalent level of detail, the matters dealt with by the clauses of the Customer Contract referred to in clause 22(1).

23 Providing information to Customers and Consumers

- (1) Sydney Water must prepare one or more communications that:

- (a) provide a brief explanation of:
 - (i) the Customer Contract, and
 - (ii) the document referred to in clause 22(2),
 - (b) refer to the types of relief available for Customers and Consumers experiencing payment difficulties,
 - (c) outline the rights of Customers and Consumers to claim a rebate and the conditions that apply to those rights,
 - (d) contain information about how to contact Sydney Water by telephone, email or post, including the Contact Centre, and
 - (e) explain that Customers may enter into agreements with Sydney Water separate to the Customer Contract for the provision of Services.
- (2) Sydney Water must:
- (a) make the communication(s) Publicly Available,
 - (b) update the communication(s) to reflect any variations to the Customer Contract or the document referred to in clause 22(2) within 10 business days of the variations taking effect, and
 - (c) at least once each calendar year using the method chosen by the Customer to receive their Bill, notify all residential Customers that the communication(s) is Publicly Available.

24 Payment assistance options

- (1) Sydney Water must maintain a payment assistance policy that deals with Customers and Consumers experiencing payment difficulty .
- (2) Sydney Water must implement the payment assistance policy.
- (3) The payment assistance policy must, at a minimum, provide for:
 - (a) assistance to residential Customers experiencing payment difficulty to better manage their current and future Bills,
 - (b) procedures for residential Customers to enter a payment plan where they are experiencing payment difficulties,
 - (c) procedures for identifying the circumstances under which Sydney Water may disconnect or restrict the supply of water to a Customer's Property, and
 - (d) processes for self-identification, identification by community welfare organisations and identification by Sydney Water of residential Customers experiencing payment difficulties.
- (4) Sydney Water must:
 - (a) prepare a communication that explains the payment assistance policy,
 - (b) make a copy of that communication Publicly Available,

- (c) provide a copy of that communication to each residential Customer that Sydney Water identifies is experiencing payment difficulty within one business day of the date that Sydney Water first identifies that the Customer is experiencing payment difficulty,
- (d) at least once each calendar year using the method chosen by the Customer to receive their Bill, notify all residential Customers that the communication is Publicly Available, and
- (e) update the communication to reflect any variations to the payment assistance policy within 10 business days of the variations taking effect.

25 Family violence policy

- (1) Sydney Water must maintain a family violence policy that deals with Customers and Consumers experiencing Family Violence.
- (2) Sydney Water must implement the family violence policy.
- (3) The family violence policy must, at a minimum, provide for:
 - (a) the identification of Customers and Consumers experiencing Family Violence,
 - (b) the protection of private and confidential information,
 - (c) access to payment assistance options,
 - (d) processes that minimise the reliance on individuals to disclose their Family Violence,
 - (e) processes for Customers and Consumers experiencing Family Violence to nominate their preferred method of communication and when they can be contacted, and
 - (f) processes for referrals to local specialist support services.
- (4) Sydney Water must:
 - (a) prepare a communication that explains the family violence policy,
 - (b) make a copy of that communication Publicly Available,
 - (c) at least once each calendar year using the method chosen by the Customer to receive their Bill, notify all residential Customers that the communication is Publicly Available, and
 - (d) update the communication to reflect any variations to the family violence policy within 10 business days of the variations taking effect.

26 Engaging Customers and Consumers

- (1) Sydney Water must engage with Customers, and Consumers to:
 - (a) understand Customer and Consumer preferences and willingness to pay for service levels,
 - (b) understand how its systems and processes can better support more effective, direct relationships with Consumers including residential tenants, and

- (c) in the lead up to the end of term review referred to in clause 8, hear feedback and perspectives from Customers and Consumers on this Licence, including the Customer Contract.
- (2) Sydney Water must establish and regularly consult with a Customer and Community Reference Group to support its engagement with Customers and Consumer.
- (3) Sydney Water may have more than one Customer and Community Reference Group.

27 Internal Complaints handling

- (1) Sydney Water must maintain an internal complaints handling procedure for receiving, responding to and resolving Complaints.
- (2) Sydney Water must implement the internal complaints handling procedure.
- (3) The internal complaints handling procedure must be consistent with:
 - (a) *Australian Standard AS/NZS 10002:2022 – Guidelines for complaint management in organizations*, or
 - (b) any other complaint management standard nominated by Sydney Water and approved by IPART in writing.
- (4) Sydney Water must:
 - (a) prepare a communication that explains the internal complaint handling procedure including how to make a Complaint and how Sydney Water will receive, respond to and resolve Complaints,
 - (b) make a copy of that communication Publicly Available,
 - (c) at least once each calendar year using the method chosen by the Customer to receive their Bill, notify all residential Customers that the communication is Publicly Available, and
 - (d) update the communication to reflect any changes to the internal complaints handling procedure or the information within 10 business days of the variations taking effect.

28 External dispute resolution scheme

- (1) Sydney Water must be a member of EWON to facilitate the resolution of Complaints and dispute between Sydney Water and its Customers and Consumers.
- (2) Sydney Water must:
 - (a) prepare a communication that explains the right to have a Complaint or dispute referred to EWON, lists the dispute resolution services provided by EWON, and explains how to contact EWON,
 - (b) make a copy of that communication Publicly Available,

- (c) at least once each calendar year using the method chosen by the Customer to receive their Bill, notify all residential Customers that the communication is Publicly Available, and
- (d) update the communication to reflect any variations within 10 business days of the variations taking effect.

Part 7 Stakeholder cooperation

29 Memoranda of understanding with WAMC, NSW Health and EPA

- (1) Sydney Water must:
 - (a) maintain the memoranda of understanding entered into under section 35 of the Act with:
 - (i) the Water Administration Ministerial Corporation (WAMC),
 - (ii) the Secretary of the Ministry of Health (NSW Health), and
 - (iii) the Environment Protection Authority (EPA),
 - (b) use its best endeavours to comply with the memoranda of understanding.
- (2) The purpose of the memoranda of understanding referred to in clause 29(1) is to:
 - (a) form the basis for cooperative relationships between the parties,
 - (b) recognise the role of WAMC in regulating water access, use and management and Sydney Water's right to use water vested in WAMC,
 - (c) recognise the role of NSW Health in advising the NSW Government on Drinking Water quality standards and the supply of safe Drinking Water, and
 - (d) recognise the role of the EPA as the environment regulator of New South Wales.

30 Memorandum of understanding with FRNSW

- (1) Sydney Water must use its best endeavours to:
 - (a) maintain a memorandum of understanding with FRNSW, and
 - (b) comply with that memorandum of understanding.
- (2) The purpose of the memorandum of understanding with FRNSW is to:
 - (a) form the basis for cooperative relationships between the parties,
 - (b) set out the roles and responsibilities of the parties as they relate to each other,
 - (c) identify the needs and constraints of the parties as they relate to each other, and
 - (d) identify and develop strategies for efficient and effective provision of firefighting water consistent with the goals of each party.
- (3) The memorandum of understanding with FRNSW must establish and maintain a working group that:
 - (a) includes representatives from Sydney Water and FRNSW,
 - (b) may include representatives from other organisations such as the NSW Rural Fire Service, and
 - (c) considers, at a minimum:

- (i) information sharing arrangements between Sydney Water and FRNSW,
- (ii) agreed timelines and a format for Sydney Water to provide a report to FRNSW detailing the network performance with regard to availability of water for firefighting (taking into account the minimum available flow and pressure in localised areas of the network),
- (iii) arrangements for Sydney Water to consult with FRNSW in the design of new Assets and planning of system maintenance, where planning indicates that minimum available flow and pressure may unduly affect firefighting in the network section under consideration, and
- (iv) other matters as agreed by both Sydney Water and FRNSW.

31 Information to be provided to FRNSW

- (1) Sydney Water must, in accordance with this clause 31, provide the following information to FRNSW about fire hydrants in its water supply network:
 - (a) hydrant ID,
 - (b) model name,
 - (c) watermain size, date and type,
 - (d) water supply zone,
 - (e) land zoning,
 - (f) coordinate (easting/northing),
 - (g) Map Grid of Australia (MGA) coordinate (x, y), and
 - (h) Fire flow (litres per second) at 95 percentile / 4 m head of pressure.
- (2) Sydney Water must provide the information in clause 31(1) about:
 - (a) 40% of fire hydrants in its network by:
 - (i) 30 June 2025, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing,
 - (b) 60% of fire hydrants in its network by:
 - (i) 30 June 2026, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing,
 - (c) 80% of fire hydrants in its network by:
 - (i) 30 June 2027, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing,
 - (d) 100% of fire hydrants in its network by:
 - (i) 30 June 2028, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing.

- (3) Sydney Water must:
 - (a) use its best endeavours to agree with FRNSW on:
 - (i) a list of fire hydrants or areas that Sydney Water will prioritise when providing the information in clause 31(1), and
 - (ii) the data type and format to provide the information,
 - (b) prioritise providing the information in clause 31(1) for the fire hydrants or areas agreed with FRNSW,
 - (c) provide the information in the data type and format agreed with FRNSW, and
 - (d) review and update the information provided to FRNSW under clause 31(2)(a) and 31(2)(b) at least once before:
 - (i) 30 June 2028, or
 - (ii) another date nominated by Sydney Water and approved by IPART in writing.

32 Data sharing

- (1) Sydney Water must use its best endeavours to maintain a data sharing agreement with the Department that identifies:
 - (a) the roles and responsibilities of Sydney Water and the Department under the agreement,
 - (b) the types of data and information that are covered by the agreement,
 - (c) the purposes for the sharing of data and information,
 - (d) the technical and quality requirements that shared data and information must meet,
 - (e) agreed timelines and the format for sharing data and information,
 - (f) procedures for resolving matters of conflict in providing data and information, and
 - (g) other matters that Sydney Water and the Department agree are necessary to support effective collaboration on water planning and strategy.
- (2) Sydney Water must comply with the data sharing agreement.

Part 8 Information for competitors

33 Negotiations with WIC Act Licensees and Potential Competitors

Sydney Water must negotiate the provision of Services to WIC Act Licensees and Potential Competitors in Good Faith.

34 Publications of servicing information

- (1) Subject to clause 34(4), Sydney Water must, for each major water system and Wastewater system, make at least ten years of servicing information Publicly Available.
- (2) The servicing information must include, at a minimum:
 - (a) current and projected demand,
 - (b) current and projected capacity constraints,
 - (c) indicative costs of alleviating or deferring capacity constraints, and
 - (d) locations where further investigation is needed.
- (3) Sydney Water must review and update the servicing information at least once before:
 - (a) 30 June 2028, or
 - (b) another date nominated by Sydney Water and approved by IPART in writing.
- (4) Sydney Water is not required to comply with clauses 34(1) and 34(3) in relation to a particular major water system or Wastewater system to the extent that all servicing information provided for in clause 34(2) is included in a Development Servicing Plan.

35 Code of conduct

Sydney Water must use its best endeavours to cooperate with each WIC Act Licensee to establish a code of conduct required by a licence granted under the WIC Act where Sydney Water has received a written request from the WIC Act Licensee to establish such a code.

Part 9 Critical infrastructure security

36 Cyber security Management System

- (1) Subject to clause 39, Sydney Water must maintain a cyber security Management System.
- (2) Sydney Water must implement the cyber security Management System.
- (3) The cyber security Management System must cover:
 - (a) information technology environments, hardware and systems, and
 - (b) operational technology environments, hardware and systems.

37 Critical infrastructure compliance manager

- (1) Subject to clause 39, Sydney Water must have a manager responsible for compliance with:
 - (a) Part 9 of the Licence, and
 - (b) Sydney Water's obligations under the *Security of Critical Infrastructure Act 2018* (Cth).
- (2) The manager must be:
 - (a) an executive level employee,
 - (b) nominated by notice in writing to:
 - (i) IPART, andthe Commonwealth Representative, and

Note: The reference to an executive level employee is a reference to a Level 3 employee or above under Sydney Water's structure on the date this Licence commences.

 - (c) the contact person for the Commonwealth Representative.

38 National Security Clearances

Subject to clause 39, Sydney Water must ensure that National Security Clearances are held by the manager referred to in clause 37, two board members and the executive level employees responsible for each of the following matters:

- (1) operational technology security (including cyber security strategy, managing remote access to Assets and delivery of supervisory control and data acquisition capability),
- (2) network operations security (including operation, maintenance and physical security of Assets), and
- (3) Personnel security operations (including security of Personnel and security risks posed by Personnel).

39 Exemption from Part 9

Sydney Water is not required to comply with this Part 9 from:

- (1) 18 August 2024, or

Note: From 18 August 2024, Sydney Water will be required to implement all aspects of its critical infrastructure risk management program under the *Security of Critical Infrastructure Act 2018* (Cth) and the *Security of Critical Infrastructure (Critical infrastructure risk management program) Rules 2023* (Cth).

- (2) another date nominated by Sydney Water and approved by IPART in writing.

Part 10 Performance monitoring and reporting

40 Operational Audits

- (1) Sydney Water must cooperate with an audit undertaken by IPART or an Auditor of Sydney Water's compliance with any of the following:
 - (a) this Licence (including the Customer Contract), and
 - (b) the Reporting Manual,(the **Operational Audit**).
- (2) For the purpose of any Operational Audit or verifying a report on an Operational Audit, Sydney Water must:
 - (a) provide IPART or the Auditor with any information in Sydney Water's possession or control that is:
 - (i) necessary to conduct the Operational Audit, and
 - (ii) reasonably requested by IPART or an Auditor,
 - (b) subject to clause 40(3), permit IPART or the Auditor to:
 - (i) access any works, premises or offices occupied by Sydney Water,
 - (ii) carry out inspections, measurements and tests on, or in relation to, any such works, premises or offices,
 - (iii) take on to any such premises or offices any person or equipment necessary for the purpose of performing the Operational Audit or verifying any report on an Operational Audit,
 - (iv) 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 under this Licence (including the Customer Contract and the Reporting Manual), and
 - (v) discuss matters relevant to the Operational Audit or any report on the Operational Audit with Sydney Water's Personnel.
- (3) The activities in clause 40(2)(b) may be carried out remotely:
 - (a) with IPART's written approval, or
 - (b) where state or federal government restrictions:
 - (i) prohibit access to any works, premises or offices occupied by Sydney Water, or
 - (ii) limit the movement of IPART staff, the Auditor or Sydney Water's Personnel.

41 Reporting

- (1) Sydney Water must comply with all of its reporting obligations set out in the Reporting Manual.

- (2) Sydney Water must:
 - (a) compile environment performance indicators of the direct impact on the environment of Sydney Water's activities. The performance indicators must be consistent with the performance indicators specified in the Reporting Manual with an indicator number starting with 'E',
 - (b) monitor and compile data on the environment performance indicators, including data that allows a year-to-year comparison of the environment performance indicators,
 - (c) report on the environment performance indicators in accordance with the Reporting Manual,
 - (d) maintain sufficient record systems to enable Sydney Water to report accurately in accordance with this clause 41,
 - (e) ensure that all reports required under the Reporting Manual are approved by Sydney Water's Managing Director, and
 - (f) ensure that the annual statement of compliance required under the Reporting Manual is approved are approved by Sydney Water's Managing Director and a Board member.
- (3) In the case of any disagreement between IPART and Sydney Water regarding the interpretation or application of any requirements of the Reporting Manual, IPART's interpretation or assessment of the application of the requirements will prevail.

42 Climate-related disclosures

- (1) Subject to clause 42(3), Sydney Water must make annual climate-related disclosures for the immediately preceding financial year Publicly Available by:
 - (a) 1 October each year, or
 - (b) another date nominated by Sydney Water and approved by IPART in writing.
- (2) The climate-related disclosures referred to in clause 42(1) must be made in accordance with the requirements of:
 - (a) International Financial Reporting Standard (IFRS) S2 Climate-related Disclosures issued in 2023, or
 - (b) another climate-related disclosures standard nominated by Sydney Water and approved by IPART in writing.
- (3) Sydney Water is not required to make disclosures under clause 42(1) for:
 - (a) the financial year commencing on 1 July 2024,
 - (b) a financial year for which Sydney Water has made disclosures required by another law that are consistent with an Australian equivalent of IFRS S2, or
 - (c) a financial year for which Sydney Water has made disclosures required by another law of information about:

- (i) climate-related risks and opportunities that could reasonably be expected to affect Sydney Water's cash flows, and
- (ii) Sydney Water's access to finance or cost of capital over the short, medium or long term that are consistent with the requirements of IFRS S2 or an Australian equivalent.

43 Provision of information for performance monitoring

- (1) Sydney Water must provide IPART or an Auditor any information reasonably requested by IPART or an Auditor:
 - (a) relating to the performance of any of Sydney Water's obligations under clause 41 (including physical and electronic access to the records required to be kept under clause 41(2)(d)), and
 - (b) to enable IPART or an Auditor to review or investigate Sydney Water's compliance with its obligations under this Licence.
- (2) If Sydney Water engages any person (including a subsidiary) to undertake any activities on its behalf, it must take all reasonable steps to ensure that such persons:
 - (a) provide information to IPART or an Auditor on request, and
 - (b) do the things specified in clauses 40 and 41 as if that person were Sydney Water.
- (3) If IPART or an Auditor requests information from Sydney Water that is confidential, Sydney Water must provide that information, subject to entering into reasonable confidentiality arrangements with IPART or an Auditor.
- (4) Sydney Water must provide NSW Health with information relating to water quality in the manner and form specified by NSW Health.

Note: Under section 19 of the *Public Health Act 2010* (NSW), the Secretary of NSW Health may require Sydney Water to produce certain information.

44 IPART functions

- (1) IPART has the following functions:
 - (a) to determine Sydney Water's reporting and auditing obligations in relation to operational standards and other requirements imposed on Sydney Water under this Licence and to publish those requirements in a Reporting Manual,
 - (b) to determine audit scope for each annual Operational Audit, including the clauses of this Licence to be audited and the effect of any approved audit requirement variation applications,
 - (c) to appoint Auditors to conduct Operational Audits of Sydney Water,
 - (d) to approve alternate dates and standards under this Licence and to determine to audit compliance with this Licence by reference to those approved dates and standards,

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- (e) to do any of the following (or appoint an Auditor or other person to do any of the following) for the purposes of allowing IPART to monitor Sydney Water's compliance with this Licence or in connection with an Operational Audit:
- (i) access any works, premises or offices occupied by Sydney Water,
 - (ii) carry out inspections, measurements and tests on, or in relation to, any such works, premises or offices,
 - (iii) take on to any such premises or offices any person or equipment necessary for the purpose of performing the Operational Audit or verifying any report on an Operational Audit
 - (iv) 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 under this Licence (including the Customer Contract and the Reporting Manual),
 - (v) discuss matters relevant to the Operational Audit or any report on the Operational Audit with Sydney Water's Personnel.
 - (vi) direct Sydney Water to:
 - (A) provide records or information to IPART,
 - (B) answer questions orally or in writing, and
 - (C) make relevant Personnel available to answer questions.
- (2) This clause 44 does not limit any of IPART's functions under the Act or any other legislation.

Part 11 Definitions and interpretation

45 Definitions

In this Licence, unless the contrary intention appears:

Act means the *Sydney Water Act 1994* (NSW).

Area of Operations means the area of operations to which this Licence applies set out in Schedule A.

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

Auditor means a person appointed by IPART to undertake an Operational Audit.

Australian Drinking Water Guidelines means the "*Australian Drinking Water Guidelines 2011*" published by the National Health and Medical Research Council and the Natural Resource Management Ministerial Council.

Australian Guidelines for Water Recycling means the "*Australian Guidelines for Water Recycling: Managing Health and Environmental Risks (Phases 1 and 2)*" published by the Environment Protection and Heritage Council, the Natural Resource Management Ministerial Council and the National Health and Medical Research Council or the Australian Health Ministers' Conference.

Annual Production Request has the meaning given to that term in the network operator's licence for Sydney Desalination Plant granted under section 10(1) of the WIC Act.

Bill means a bill sent by Sydney Water to a Customer or Consumer for the provision of the Services.

Commonwealth Representative means the First Assistant Secretary with responsibility for critical infrastructure security within the Commonwealth Department of Home Affairs.

Complaint means an expression of dissatisfaction made to or about Sydney Water related to its actions, products, Services, staff or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected or legally required.

Consumer means any person who consumes or uses the Services and includes a tenant or occupier.

Contact Centre means the call centre that Sydney Water's Customers and Consumers may contact for assistance.

Current Economic Method means:

- (a) the economic level of water conservation method approved by IPART on 21 December 2016 contained within the document titled "Determining Sydney Water's Economic Level of Water Conservation – Part A: The ELWC Methodology" and published by Sydney Water on its website, or
- (b) an economic method updated in accordance with the procedure in clause 12.2.

Customer means any person who:

- (a) is taken (under section 55(1) of the Act) to have entered into a Customer Contract,
- (b) is taken (under section 55(2) of the Act) to have entered into a Customer Contract with Sydney Water on terms and conditions relating to the imposition and payment of charges imposed under sections 64 or 65 of the Act,
- (c) has entered into a contract or other arrangement with Sydney Water for the provision of Services on terms and conditions specifically agreed to by the person and Sydney Water under section 57(1) of the Act, or
- (d) owns a Property within the Rouse Hill Stormwater Catchment Area.

Customer Contract means the Customer Contract as set out in Schedule B of this Licence.

Customer and Community Reference Group means a group of persons appointed by Sydney Water to a customer council referred to in section 15 of the Act.

Decision Framework has the meaning given to that term in the network operator's licence for Sydney Desalination Plant granted under section 10(1) of the WIC Act or any updated decision framework that Sydney Desalination Plant is obliged to comply with.

Department means the Department of the Public Service responsible to the Minister.

Development Servicing Plan means a development servicing plan registered by IPART under:

- (a) clause 2(e) of Schedule 4 to IPART's October 2018 determination of the maximum prices for connecting, or upgrading a connection, to a water supply, sewerage, or drainage system for Sydney Water, Hunter Water and Central Coast Council published in New South Wales, *Gazette*, No 126, 23 November 2018 or an equivalent provision in any replacement determination, or
- (b) clause 2(e) of Schedule 3 to IPART's July 2019 determination of the maximum prices for connecting to a recycled water system for Sydney Water, Hunter Water and Central Coast Council published in New South Wales, *Gazette*, No 73, 12 July 2019 or an equivalent provision in any replacement determination.

Drinking Water has the meaning given to that term under the *Public Health Act 2010* (NSW)..

Drinking Water Quality Management System means the Management System referred to in clause 14(1)(a).

Dry Weather Wastewater Overflow Standard has the meaning given in clause 17(1).

EPA means the Environment Protection Authority established under section 5 of the *Protection of the Environment Administration Act 1991* (NSW).

EWON means the Energy & Water Ombudsman NSW being the NSW industry complaints scheme for the water industry of that name and any successor to that scheme.

Family Violence has the same meaning as it has in the *Family Law Act 1975* (Cth).

FRNSW means Fire and Rescue NSW.

Gazette means the New South Wales Government Gazette.

Good Faith means acting:

- (a) honestly (including not providing false information or concealing material facts),
- (b) fairly and reasonably, having regard to the interests of the other party (but not to the extent of Sydney Water subordinating its own interests), and
- (c) consistently with the objectives of this Licence, including the objective of providing Services in a way that does not prevent or hinder competition.

Greater Sydney Water Strategy means:

- (a) the "Greater Sydney Water Strategy" published by the Department of Planning and Environment in August 2022 and comprising a plan designed to ensure a sustainable and secure water supply for greater Sydney or any plan that supersedes it, and
- (b) any other plan generally for the development of urban water policy and planning for greater Sydney that is approved by the Minister.

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

IPART Act means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

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.

Management System means a set of interrelated elements or components used by Sydney Water to develop and implement its policies and to manage any of its activities, products or Services, and includes organisational structure, planning activities, responsibilities, practices, procedures, processes and resources.

Minister means the Minister responsible for administering part 5 of the Act.

Multiple Occupancy Property means real property comprising more than one individual dwelling or individual premises capable of being separately occupied, which may be used for any purpose.

National Security Clearance means national security clearance of not less than Negative Vetting Level 1 (or equivalent) granted by the Assistant Secretary Vetting (ASV) or their delegate on advice from the Australian Government Security Vetting Agency.

NSW Health means the NSW Ministry of Health referred to in section 4 of the *Health Administration Act 1982* (NSW).

Operational Audit has the meaning given in clause 40(1).

Personnel includes Sydney Water's board members, employees and contractors.

Planned Water Interruption means an event that, in relation to a Property:

- (a) commences when the supply of Drinking Water at the first cold water tap of the Property is interrupted following prior receipt by the Customer or Consumer of a water interruption notice from Sydney Water at least one week before the interruption, and
- (b) ceases when a supply of Drinking Water (with at least 5 metres head of pressure) is restored to the Property.

Potential Competitor means a person who informs Sydney Water that they intend to carry out activities that would require a licence or approval under the WIC Act.

Property means any real property that is:

- (a) connected to, or for which a connection is available to Sydney Water's water supply system or Wastewater system,
- (b) within an area of land declared by an order of the Governor to be a stormwater drainage area under section 65 of the Act, or
- (c) within the Rouse Hill Stormwater Catchment Area.

Note: For the purpose of the Dry Weather Wastewater Overflow Standard, a Multiple Occupancy Property may be counted as a single Property.

Property Cluster means a group of Properties in close proximity to each other that are affected by recurring Water Pressure Failures, were identified by Sydney Water as having been affected by those recurring Water Pressure Failures prior to 1 July 2020, and are located in one of the following areas:

- (a) Kurrajong,
- (b) North Richmond,
- (c) Horsley Park,
- (d) Bass Hill,
- (e) Buxton, and
- (f) Denham Court.

Publicly Available means available to any person, free of charge:

- (a) on Sydney Water's website, and
- (b) on request to the Contact Centre.

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.

Recycled Water means water that, upon appropriate treatment, is suitable for its intended re-use application.

Recycled Water Quality Management System means the Management System referred to in clause 14(1)(b).

Reporting Manual means the reporting manual published by IPART under clause 44(1)(a).

Rouse Hill Stormwater Catchment Area means the area of land located in the Rouse Hill stormwater catchment as identified in any determination made by IPART of maximum prices that may be levied by Sydney Water for stormwater services.

Services means the services authorised by clause 10.

Stormwater Drainage System includes any artificial channel by which surface water is carried off, land and natural and modified waterways for drainage, stormwater pipes, stormwater detention structures, stormwater quality improvement devices, equipment for stormwater harvesting and reuse systems, and green infrastructure assets that retain stormwater in the landscape and improve the water quality, for the provision of stormwater services.

Sydney Desalination Plant means Sydney Desalination Plant Pty Limited (ACN 125 935 177).

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

Third Party means a person who is not employed, contracted by or working on behalf of Sydney Water.

Uncontrolled Wastewater Overflow is a Wastewater Overflow occurring in dry weather that is not a sewage overflow that is directed by Sydney Water via a designed structure to a predetermined location such as a Stormwater Drainage 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).

Unplanned Water Interruption has the meaning given in clause 15.

WAMC means the Water Administration Ministerial Corporation constituted under section 371 of the *Water Management Act 2000* (NSW).

Note: WAMC's functions are performed by the Department of Planning and Environment, the Natural Resources Access Regulator and Water NSW.

Wastewater means an effluent stream comprising elements such as sewage, trade waste discharges and grey water.

Wastewater Overflow is the discharge of untreated or partially treated sewage from:

- (a) any part of Sydney Water's Wastewater system, or
- (b) any part of a Customer's Wastewater system where the cause of the discharge is a problem with Sydney Water's Wastewater system.

Water Continuity Standard has the meaning given in clause 15(1).

Water NSW means the corporation constituted under the *Water NSW Act 2014* (NSW).

Water Pressure Failure has the meaning given in clause 16.

Water Pressure Standard has the meaning given in clause 16(1).

WIC Act means the *Water Industry Competition Act 2006* (NSW).

WIC Act Licensee means a person licensed or approved to construct or operate water industry infrastructure under the WIC Act.

46 Interpretation

- (1) Subject to clause 46(2) and unless the contrary intention appears:

- (a) the *Interpretation Act 1987* (NSW), part 2 and part 5 (except section 36(2)) apply to the interpretation of this Licence, and
 - (b) words defined in the *Interpretation Act 1987* (NSW), schedule 4 have the meaning set out in that schedule.
- (2) In this Licence, unless the contrary intention appears:
- (a) words defined in the Act have the meaning set out in the Act,
 - (b) headings and notes do not form part of this Licence but may be used to assist with interpretation if there is an ambiguity,
 - (c) a reference to legislation (including the Act) includes regulations, statutory rules and instruments made under the law or legislation,
 - (d) a reference to a legislative provision that is varied or renumbered extends to the corresponding re-numbered provision,
 - (e) a reference to a clause in the Customer Contract that is varied or re-numbered extends to the corresponding varied or re-numbered clause,
 - (f) a reference to a financial year means a period of 12 months commencing on 1 July,
 - (g) the word 'include' is not used as a word of limitation.
- (3) A reference in this Licence to any person or administrative unit will, in the event of that person or administrative unit ceasing to exist or being reconstituted, renamed or replaced or if its relevant functions are transferred to another person or unit, refer instead to that person or administrative unit.
- (4) Where this Licence requires Sydney Water to take action but does not specify a period of time in which Sydney Water must act, Sydney Water must take that action within a reasonable period

A Area of Operations

This Licence applies to Sydney Water's entire area of operations under section 10 of the Act, as may be varied by any order by the Governor in accordance with section 10 of the Act.

Note: If the Governor makes an order expanding or reducing Sydney Water's Area of Operations under section 10 of the Act during the term of this Licence, this Licence will apply to Sydney Water's Area of Operations as varied.

B Customer Contract