

Deferral of end-of-term WaterNSW operating licence review

22 September 2021

The *Water NSW Operating Licence 2017–2022* (Licence) is due to expire on 30 June 2022. The Tribunal has decided to defer the scheduled end-of-term review of the Licence. This is due to extensive ongoing policy work in the NSW water sector which could impact WaterNSW during or shortly after the review.

Our preliminary position is to recommend that the Minister:

- issue a short-term licence (2-year duration) to WaterNSW,
- include the same or similar terms and conditions to the existing Licence.

The full end-of-term review would then commence in 2023, with a new operating licence to commence in 2024. We seek stakeholder input on the proposed timing of, and any changes to be made under, this short-term licence.

The NSW water sector (regulatory environment) is changing

The NSW Government is actively planning for the future of the NSW water sector. A number of reviews and policy processes are ongoing, including development of the:

- NSW Water Strategy (NWS)^a
- Greater Sydney Water Strategy (GSWS)^b.

These processes could lead to changes for WaterNSW. It therefore makes sense to wait until any changes are settled before reviewing the Licence.

^a The NWS is a high-level strategy and framework document focused on maintaining the state's water services and resources. The NWS is intended to work in tandem with 12 regional water strategies and 2 metropolitan water strategies. The draft NWS is available at www.industry.nsw.gov.au/water/plans-programs/strategy/about.

^b The GSWS will replace the Metropolitan Water Plan. It will establish a future vision for water in the Greater Sydney Region and demonstrate how we will manage water to deliver a sustainable, productive and liveable city.

We note the deferred end-of-term Licence review would not clash with the next scheduled WaterNSW Rural Water, Water Administration Ministerial Corporation or Broken Hill pipeline price reviews.

We seek your feedback

We seek feedback from stakeholders (including interested WaterNSW customers, consumers of WaterNSW's services, the Department of Planning, Industry and Environment, water utilities, regulators and other interested parties) on:

- whether our proposed 2-year timeframe for the WaterNSW operating licence is appropriate, or whether a different timeframe would be preferable, and
- any additions, changes or deletions which should be made to the Licence before we recommend the terms of the interim operating licence to the Minister.

Any submissions on the interim licence are due by **22 November 2021**. WaterNSW's submission is due earlier, by **8 November 2021**, to allow other stakeholders to consider WaterNSW's response when preparing their submissions.

We may request or allow WaterNSW or other stakeholders to provide further information after these dates if required.

While we will consider all submissions prior to making our recommendations to the Minister, some matters may be better addressed during the end-of-term Licence review in 2023–24. We will seek submissions again at that time.