

Overview of key issues – Sydney Water Operating Licence Review 2023-24

7 July 2023

The Issues Paper identifies and discusses emerging issues

We are undertaking an end-of-term review of the current 2019-2023 Sydney Water Operating Licence (Review). The conclusions of the Review will inform our recommendations to the Minister for Water for a new operating licence, expected to commence on 1 July 2024.

We have published an Issues Paper on our website discussing our preliminary positions on how the current operating licence could be improved. We seek your feedback to develop these preliminary positions into draft recommendations.

We have summarised our preliminary positions for key areas of the operating licence below. Please refer to the Issues Paper for our full analysis and our focus questions to inform your submission.

We also seek your feedback on our proposed approach to the Cost-Benefit Analysis (CBA) which informs our recommendations for the operating licence. We have published a CBA Approach Paper on our website explaining the approach.

Climate risk readiness (Chapter 3 of the Issues Paper)

We seek to understand what climate-related risk management obligations should be imposed on Sydney Water.

Our preliminary view is that the operating licence would not need new obligations to regulate how Sydney Water reduces its carbon footprint (abatement) or develops climate change resilience and adaptation strategies. However, there could be benefit in requiring Sydney Water to establish a management program that addresses climate-related risks specifically, consistent with the NSW Climate Risk Ready Guide.

Tenancy protections (section 4.1.3)

We seek to determine if Sydney Water should be required to provide greater protections for tenants who are responsible for paying their water usage bills to their landlord, when living at a separately metered property. Currently, landlords pay all water-related charges but may seek payment from their tenants in certain circumstances.

Our preliminary view is that there could be benefits to tenants, particularly those vulnerable to payment difficulties.

Water conservation & planning (Chapter 2)

Our preliminary view is that Sydney Water should be required to undertake water conservation consistent with the NSW Water Strategy, Greater Sydney Water Strategy and the NSW Water Efficiency Framework (Framework). The Framework emphasises the importance of undertaking an economic approach to water conservation (which Sydney Water already does) and it will guide further water conservation progress.

We seek to determine appropriate requirements for Sydney Water to support water supply augmentation.

Quality and performance standards (Chapter 1)

Our preliminary view is that the operating licence requirements for Sydney Water to maintain and implement water quality management systems, consistent with the Australian Drinking Water Guidelines and Australian Guidelines for Water Recycling, continue to remain appropriate for protecting customers.

We seek to review the current system performance standards for water continuity, water pressure and dry weather wastewater overflows to determine the minimum service levels necessary to ensure that Sydney Water provides adequate quality products and services to meet customers' needs

Fire and Rescue matters (section 6.1)

We seek to determine if Sydney Water should be required to comply with enforceable requirements in the operating licence for information sharing with Fire and Rescue NSW.

How you can submit feedback

We look forward to receiving your submission on the Issues Paper. You are welcome to include your response to the CBA Approach Paper together with your submission on the Issues Paper.

Please see [here](#) for more information on how to make a submission and our submission policy.

Your input is valuable to our review process.

[Make a submission »](#)

You can be involved by making a submission in response to this Issues Paper.