

1 September 2022

Liz Livingstone  
Chief Executive Officer  
Independent Pricing & Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop NSW 1240

### **Extension of the Sydney Water Operating Licence 2019-2023**

Dear Ms. Livingstone

Thank you for the opportunity to provide comment on IPART's Fact Sheet of September 2022, outlining IPART's proposal to extend the current term of the *Sydney Water Operating Licence 2019-2023* from 29 November 2023 to 30 June 2024.

We support IPART's proposed approach to extend the term of the Licence with no other material changes and to defer starting the end-of-term review of our Licence until early 2023. An extension used appropriately could benefit customers, stakeholders, IPART and Sydney Water.

As IPART notes, an extension to the term of our Licence could achieve better alignment between our licence and price reviews, allowing matters considered in the licence review to inform the subsequent price review. However, consistent with our submissions throughout IPART's review of the regulatory framework, we consider this is best achieved if the licence review is conducted on a 'by exception' basis. It may also require the licence review phase to start before June 2023.

Consistent with the draft new regulatory framework, we consider that operating licences should reflect minimum performance standards to protect consumers, with performance above those standards agreed with customers through engagement embedded in the price review. A more targeted approach to future licence reviews allows all parties to focus on areas of greatest value for customers, stakeholders and IPART, as well as making the best use of available resources.

We would welcome the opportunity to work closely with IPART over the next few months on ways to achieve greater strategic alignment in the content and scope of both reviews.

If you would like to discuss this response further, please do not hesitate to contact me at

Yours sincerely

Philip Davies  
Head of Economics & Regulation