



Water NSW operating licence review

# Final report

May 2022

Water >>

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## **Tribunal Members**

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## **The Independent Pricing and Regulatory Tribunal (IPART)**

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

## **Acknowledgment of Country**

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

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

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## Executive summary

We have completed our review of WaterNSW's 2017–2022 Operating Licence (Licence). This review is in line with our statutory function to making recommendations to the Minister around the granting of, and the conditions imposed by, WaterNSW's operating licence.<sup>a</sup> The current operating licence is due to expire on 30 June 2022.

We recommend a short-term operating licence with a 2-year term. We would normally undertake a comprehensive end of term licence review ahead of the Licence expiry. However, we recognise the extensive water sector policy work being undertaken by the NSW Government. At the time of commencing our review, we considered that the outcomes of these reviews were likely to impact WaterNSW's functions, during or shortly after the scheduled review ended.<sup>a</sup> Therefore, we postponed the comprehensive licence review to avoid regulatory duplication and minimise the potential for unnecessary regulatory burden.

Our review focused on clarifying existing obligations and removing errors and inconsistencies in the Licence. We did not seek to alter the original intent of the revised obligations. We did not make changes to the Licence, where stakeholders identified issues or suggested changes which were more extensive or outside the scope of our review. We will address these issues as part of our comprehensive licence review.

We propose a short-term operating licence and will commence a comprehensive licence review, early next year, with a view to recommending a new licence in 2024.<sup>b</sup>

## Recommendations



### That the Minister for Lands and Water:

1. Notes our Report containing our recommendations for the proposed 2022–2024 licence and supporting reasons (Attachment A).
2. Endorses the proposed 2022–2024 licence (Appendix A to the Report).
3. Recommends the Governor grant the recommended short-term operating licence for a period of 2 years from 1 July 2022 to 30 June 2024.
4. Considers any additional licence condition amendments that may be required to assure WaterNSW powers to enter premises to read meters.

<sup>a</sup> We note that the relevant NSW Government reviews are yet to be finalised.

<sup>b</sup> Under clause 1.6.1 of the proposed licence, the end of term review is set to commence in the first quarter of 2023.

# 1 Our approach to the review

## 1.1 Why are we undertaking the review?

WaterNSW may only exercise its functions under the authority of, and in accordance with, one or more operating licences.<sup>2</sup> The Licence was issued in 2017 for a period of 5 years, expiring on 30 June 2022. This is the maximum term permitted under the *Water NSW Act 2014* (Act).<sup>3</sup> Therefore, a new operating licence must be issued by 1 July 2022, to permit WaterNSW to exercise its functions under the Act.

## 1.2 Why have we deferred the comprehensive licence review?

When we were due to start our comprehensive review, the NSW Government was undertaking extensive policy work which could impact WaterNSW's functions, during or shortly after the scheduled review. We consider that the NSW Government was, and still is, actively planning for the future of the NSW water sector. A number of NSW Government reviews were ongoing at the commencement of this licence review,<sup>a</sup> and at the time of writing this report, are yet to be finalised. These reviews may change WaterNSW's functions and result in a revised operating licence. To avoid regulatory duplication and minimise regulatory burden, we decided to wait until the relevant changes were established, prior to undertaking a comprehensive licence review.

Our limited scope review focused on clarifying existing Licence obligations, amending or deleting lapsed obligations, and removing errors or inconsistencies in the Licence. We have made these changes, in the recommended operating licence (Attachment A), without altering the original intent of the obligations. We have recommended a short-term operating licence, with largely similar terms and conditions to the current Licence.<sup>b</sup>

We expect to undertake a comprehensive end of term licence review before the proposed 2022–2024 Water NSW operating licence expires.

## 1.3 What principles did we consider in undertaking our review?

In developing the short-term operating licence, we applied the following key principles in our consideration of changes to the Licence conditions and Reporting Manual. We only made changes to the Licence and Reporting Manual if the proposed changes:

- addressed existing/known issues with the Licence conditions
- did not alter the intended objective of the Licence conditions
- did not directly impose any additional cost to WaterNSW.<sup>c</sup>

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<sup>a</sup> Examples include the NSW Water Strategy (NWS), which was published in August 2021; and the Greater Sydney Water Strategy (GSWS) which is yet to be finalised at the time of writing this report. The NWS is a high-level strategy and framework focused on maintaining NSW's water services and resources over the next 20–years. The GSWS will replace the existing Metropolitan Water Plan (MWP).

<sup>b</sup> Table B-1 in Appendix B summaries our proposed changes to the Licence.

<sup>c</sup> We did not undertake a cost-benefit analysis as part of the short-term operating licence review.

## 2 Context of the review

### 2.1 What is Water NSW's role?

WaterNSW is a State Owned Corporation, wholly owned by the NSW Government and governed by an independent Board of Directors. WaterNSW operates under the Act and the *State Owned Corporations Act 1989*. WaterNSW manages dams and water infrastructure across NSW. It provides water supply and delivery services to a range of customers.

### 2.2 What are the operating licence and reporting manual?

We discuss the Licence and reporting manual in the sections below.

#### 2.2.1 WaterNSW's Licence

WaterNSW's Licence is a regulatory instrument that authorises WaterNSW to undertake its functions within a defined area of operations.<sup>4</sup> The Licence also sets out the terms and conditions that determine how WaterNSW should operate to enable the protection of public health, consumers, and the environment, and meet other policy objectives of the NSW Government.

#### 2.2.2 WaterNSW's reporting manual

The Licence includes reporting obligations that WaterNSW must comply with and provides an obligation on WaterNSW to comply with reporting obligations set out in its reporting manual. The *Water NSW Reporting Manual 2017–2022 – July 2018* (Reporting Manual) sets out the reporting requirements under the Licence and identifies:

- what matters WaterNSW must report on
- when WaterNSW must report by
- who WaterNSW must report to
- how WaterNSW must submit these reports.

The Reporting Manual does not duplicate Licence obligations. It is intended to support and clarify WaterNSW's reporting obligations. Where we have proposed changes to the Licence conditions with a reporting requirement, we have made corresponding changes to the Reporting Manual.

## 3 Our approach to consulting on the review

We sought formal feedback from stakeholders at 2 key stages of the review.

### 3.1 We sought feedback on our proposed approach to the review

On 22 September 2021, we published a fact sheet informing the public of our intention to defer the scheduled end of term Licence review due to the "extensive ongoing policy work in the NSW water sector which could impact WaterNSW during or shortly after the review."<sup>5</sup> We informed stakeholders that we intended to issue a short-term operating licence (2-year duration) on the same or similar terms and conditions to the existing Licence. Further, we noted that we intended to commence the comprehensive review in 2023, with the new operating licence to commence in 2024. We sought feedback on the proposed timing and suggested changes for consideration in the short-term operating licence.

We received 4 submissions in response to our call for submissions – from WaterNSW, the Natural Resources Access Regulator (NRAR), the Environment Protection Authority (EPA) and Sydney Water.<sup>a</sup> Stakeholders did not express any concerns with the deferral and proposed 2-year licence term.<sup>b</sup>

Where stakeholders proposed changes to the terms and conditions of the current Licence, we considered these changes in our preparation of the draft licence for targeted consultation.<sup>c</sup>

### 3.2 We sought feedback on the proposed draft licence conditions

On 31 March 2022, we sought targeted stakeholder feedback on the proposed changes to the Licence.<sup>d</sup> We received responses and comments on the proposed changes from all stakeholders except NSW Irrigators' Council (NSWIC).<sup>e</sup> NSWIC confirmed that it did not intend to make a submission on the proposed licence conditions.<sup>6</sup> We summarise key issues identified by stakeholders, and our response to these issues, in Table C-1 (Appendix C). We also discuss stakeholder feedback in chapter 4 of this report, where the feedback is relevant to the revised clauses.

<sup>a</sup> We publish stakeholder responses to our request for submissions on our [website](#).

<sup>b</sup> NRAR did not express an opinion on the deferral of the licence review, or the period of the short-term licence. NRAR's submission focused on requested Licence changes, which have been considered as part of our review. While EPA noted that it had no concerns with deferring the comprehensive review, it did not express an opinion on the proposed 2-year licence period.

<sup>c</sup> We note that proposals seeking changes which introduced new obligations (i.e. burden) on WaterNSW, did not meet the principals of our review (discussed in section 1.3 of this report). We will consider those proposed changes as part of our comprehensive end of term licence review next year.

<sup>d</sup> We consulted with WaterNSW, The Department of Planning and Environment (DPE), NRAR, EPA, Sydney Water and NSWIC.

<sup>e</sup> We publish stakeholder responses to our request for feedback, on the proposed draft licence, on our [website](#).

Following our formal request for feedback, we held follow-up discussions with some stakeholders, to clarify issues identified in their submissions, their expectations and requirements.<sup>f</sup> Where these discussions are relevant to the revised licence conditions, we include a summary of the relevant discussions in chapter 4 and in Table B-1 in Appendix B

We provide our detailed response to stakeholder comments in Table C-1 in Appendix C.

### 3.3 Feedback that did not affect the proposed licence

During our licence review, we received feedback and suggested changes that did not meet the principles set for this review. We considered all feedback, however concluded that these suggestions would be better considered as part of the comprehensive end-of-term review proposed to begin in 2023. We provide a brief discussion of these clauses below.<sup>g</sup>

#### 3.3.1 Request to remove the requirement for WaterNSW to publish changes to the System Yield (clause 2.5.3)

In its feedback on the draft licence,<sup>7</sup> DPE noted that the requirement for WaterNSW to publish any changes to the System Yield model was no longer relevant. DPE advised that changes to the model could cause public confusion as the calculated value of yield is subject to change in response to the evolving policy settings. DPE raised concerns that these changes could easily be misinterpreted as a fundamental change in our level of water security. We do not agree with the rationale for removing the obligation from the licence. We consider that changes to the System Yield may be used by or impact stakeholders that we have not consulted with. We propose to keep this requirement until we can fully consider how its removal would affect parties other than Water NSW and DPE.

#### 3.3.2 Requests to amend clauses which support NRAR's functions

NRAR was established in 2018, as an independent, regulator responsible for the enforcement of water management legislation in NSW. The Governor updated the Water NSW Licence conditions in 2020, with the changes taking effect on 1 July 2020. The changes primarily required WaterNSW to share documents and data with NRAR. During our review, NRAR expressed that the obligations in WaterNSW's Licence, which were intended to support NRAR's functions, do not sufficiently allow NRAR to undertake its role in an effective or efficient manner.

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<sup>f</sup> Our discussions primarily centred around the new proposed licence term (i.e. 3 years vs the 2 years we had originally proposed); the agreements between WaterNSW, DPE and NRAR, and the Duly Qualified Persons portal.

<sup>g</sup> We respond to all stakeholder comments in Table C-1 Appendix C.



NRAR requested several changes to relevant clauses in the Water NSW Licence (e.g. the addition of a note to clarify other uses for the data collected under proposed clause 6.3.1). We have proposed changes to obligations, where the changes aligned with the principals of our limited-scope review and do not add a regulatory burden.<sup>h</sup> We consider that the remainder of the changes requested by NRAR to support their regulatory functions would add significant additional burden (cost, resources and time) to WaterNSW or did not fit the intended reasons for existing obligations.

We note that the exclusion of NRAR's proposed changes are not intended to discourage WaterNSW to meet NRAR's needs and expectations. We propose to explore NRAR's concerns prior to commencing our comprehensive licence review, due to start in early 2023, with a view to addressing any potential shortcomings of the licence during that review.

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<sup>h</sup> We discuss the principles in section 1.3 of this report.

## 4 Summary of changes to Water NSW's Licence

This section summarises our proposed changes to the Licence conditions and includes reasons for the changes.<sup>a</sup> We also provide an exception-based summary of stakeholder submissions and feedback, where stakeholders identified potential issues or alternative wording as relevant to the proposed changes.<sup>b</sup>

Our proposed changes to the Licence can broadly be summarised as:

- added 4 additional clauses to clarify or amend existing obligations (section 4.1)
- amended 9 Licence clauses to clarify the intent of the obligation (section 4.2)
- updated 1 Licence clause to reflect changed metrics for performance measures (section 4.3)
- changed 11 requirements for WaterNSW to deliver documents under the current Licence, to maintain them (section 4.4),
- changed 2 dates to deliver reviews (section 4.5)
- removed 8 completed obligations (section 4.6) and 4 duplicative obligations (section 4.7)
- editorial changes (section 4.8).

Where we proposed changes to conditions with a reporting obligation, we have made corresponding changes to the Reporting Manual.

### 4.1 We added 4 clauses to clarify existing obligations

We have not proposed any new obligations as part of our review. However, we have proposed 4 additional clauses to focus or clarify the original intent of existing obligations, as discussed below.<sup>c</sup>

#### 4.1.1 Clause 1.1.2 (purpose of the Licence)

The Licence includes a note which sets out the purpose of the Licence.<sup>d</sup> We consider that the description provided in the existing note includes important information, relevant to the purpose of the Licence. Therefore, we have elevated most of the content in the note to a new clause 1.1.2.

<sup>a</sup> We provide more detail regarding reasons for the proposed changes in Table B-1 (Attachment B).

<sup>b</sup> We do not discuss stakeholder feedback in the following sections where stakeholders did not express an opinion on the proposed change or explicitly supported the proposed changes.

<sup>c</sup> Unless otherwise stated, the clauses in this section 4.1 refer to the proposed (i.e. new) licence clause numbers.

<sup>d</sup> The note is part of Licence clause 1.1.1.

#### 4.1.2 Clause 2.8.2 (reviewing the long-term capital and operational plan)

Under its current Licence,<sup>8</sup> WaterNSW is required to develop a long-term capital and operational plan. DPE provided feedback, noting that WaterNSW should review the plan every 5 years (or at a period, or by a date otherwise specified by the Minister). We consider that the next review of the long-term capital and operational plan would fall outside the short-term operating licence period. We have included a requirement for WaterNSW to jointly review and update the plan with Sydney Water by a date specified by the Minister.<sup>e</sup> We have also added a note to clarify the intention of an ongoing 5-yearly review of the plan.

We discuss other relevant changes to the plan in section 4.5.2 below.

#### 4.1.3 Clause 4.3.4 (performance standards)

Under the current Licence,<sup>9</sup> WaterNSW must deliver 99% of Water Orders<sup>10</sup> within one day of scheduled delivery. In its submission on the deferred licence review,<sup>11</sup> WaterNSW identified that if it is directed to reduce flows to assist emergency services (e.g. to search for missing persons), WaterNSW may fail to comply with this obligation, at no fault of its own.<sup>12</sup>

We have added a new clause (clause 4.3.4) to the proposed licence to clarify that the obligation under clause 4.3.3 does not apply where Water Orders are deferred due to WaterNSW complying with a direction or order given under any law. In addition to the new clause, we have amended the note to clarify those directions that may lead to the deferral of Water Orders.

#### 4.1.4 Clause 6.19.4 (Data Sharing Agreement requirements with DPE and NRAR)

WaterNSW developed Data Sharing Agreements with DPE and NRAR during the current Licence period.<sup>13</sup> From our conversations with stakeholders, we understand that while the agreements are generally working, there is benefit in defining what is required under the agreements to provide clarity around the obligation intent and requirements.

We have added a clause to the proposed licence for WaterNSW to review its Data Sharing Agreements under clauses 6.19.1(a) and 6.19.2(a) by 1 September 2023. The review should ensure the agreements between WaterNSW and DPE/NRAR meet the originally intended expectations regarding:

- access to systems and data
- the standards and metrics of the data
- the frequency for the review of the agreements
- terms for reviewing or amending the agreement.

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<sup>e</sup> The long-term capital and operational plan is a joint WaterNSW/Sydney Water plan.

In its submission to us NRAR, requested a minor amendment to the proposed drafting of this clause to include in the agreement, expectations in regards to the 'standards and metrics of data'.<sup>14</sup> We agree that this suggested change provides all parties involved with additional clarity around minimum requirements of the data sharing agreements. Therefore, we have made this change.

NRAR also identified that the current MOU (clause 6.17 of the Licence) does not meet its needs and suggested the inclusion of minimum requirements for the MOU.<sup>15</sup> However, following discussions with both WaterNSW and NRAR, we consider that NRAR's concerns are better addressed in the Data Sharing Agreement with NRAR. We consider that the proposed minimum requirements in the data sharing agreements address NRAR's concerns with the MOU.

WaterNSW's submission noted that it considered the inclusion of this clause redundant and expressed that, in its opinion, the existing data sharing agreements already cater for reviews and updates to the agreements by defining review periods.<sup>16</sup> However, we consider this only covers one part of the requirements proposed in this 4-part clause. We note that the agreement between WaterNSW and NRAR is currently under review, and the requirement to maintain the agreements already exists under the Licence. The addition of this clause clarifies the obligation for WaterNSW to maintain agreements with DPE and NRAR and we do not consider it adds burden to WaterNSW beyond what was originally intended by these conditions.

## 4.2 We amended 9 clauses to clarify the intent of the obligations

We reworded 9 Licence clauses, to provide WaterNSW, auditors, and other relevant stakeholders clarity around the intention of the clauses.<sup>f</sup>

### 4.2.1 Clause 1.7.1 (how WaterNSW must submit reports to IPART)

The Licence requires WaterNSW to provide communications (e.g. submit reports) to us in writing (hard copy).<sup>17</sup> We have updated the obligation to require WaterNSW to provide communications to us, in writing, either electronic and/or posted by mail, per the Reporting Manual. We have also removed our contact details from the licence as they are available in the Reporting Manual.<sup>g</sup> We consider that limiting the contact details to the Reporting Manual allows us to update the details as required, to ensure they stay current.

### 4.2.2 Clauses 5.1.1 and 5.2.1 (organisational management systems)

The Licence requires WaterNSW to maintain and implement 2 organisational management systems:

- Asset Management System (AMS)<sup>18</sup>
- Environmental Management System (EMS).<sup>19</sup>

<sup>f</sup> We also revised references to some sections and functions to clarify which functions are conferred onto WaterNSW under Schedules A.1, A.2 and A.9 of the Licence. We summarise these changes in Table B-1 in Appendix B.

<sup>g</sup> We have always made contact details available in the Reporting Manual.

These organisational management systems provide benefits to WaterNSW and its customers. We have amended the relevant Licence clauses to both specify and clarify what the management systems referred to are for. The Licence clause currently states that the AMS and EMS were to be maintained for carrying out WaterNSW's functions, authorised under the Licence. We have updated these clauses to specifically refer to WaterNSW's assets, and environmental responsibilities and impacts. The change does not materially affect the intention of the clauses.

#### 4.2.3 Clause 6.5.1 (Customer Advisory Group)

WaterNSW must establish and maintain a Customer Advisory Group (consisting of customers from different 'areas') under its current Licence.<sup>20</sup> The current clause lacks clarity around what 'areas' the groups must have representatives from. We consider that 'region' provides WaterNSW clearer guidance related to where its customers that form the customer advisory group should be from (i.e. an area, zone, or land divided by definable characteristics). We have reworded this clause to clarify the areas which the obligation refers to, thereby clarifying the need for representation across a broad cross-section of customers from each region.

#### 4.2.4 Clause 6.17.1 (online portal to lodge certificates, reports and other relevant data/information)

The Licence currently requires WaterNSW to develop, operate and maintain an online duly qualified persons (DQP) portal which accepts electronic lodgement of certificates and reports provided under specified parts of the *Water Management (General) Regulation 2018*.

DPE and NRAR identified additional relevant functionality that WaterNSW currently provides with respect to the portal.<sup>21</sup> In particular, the revised obligation reflects the ability for portal users to lodge certificates provided under clause 237(3) of the *Water Management (General) Regulation 2018*. The inclusion of this subclause clarifies what the portal must accept. We consider that there is no additional burden on WaterNSW, given the functionality is already built into the portal.

We note that the purpose of the portal, in part, is to allow for data and information exchange between WaterNSW, DPE and NRAR. In particular, NRAR relies on the data lodged into the portal to undertake its regulatory functions. Therefore, we have included a note to this clause specifying the need for WaterNSW to consider functionality requests made by NRAR to clarify the intention of the clause.

#### 4.2.5 Clauses 6.17.2, 6.17.3 (online portal) and 6.18.3 (downloading relevant data)

The Licence currently only requires WaterNSW to retain certificates and reports lodged in the DQP portal.<sup>22</sup> We consider that this does not meet the original intent of the obligation. The Licence also provides that all data in its portal must be retained in WaterNSW's data systems.<sup>23</sup> However, the Licence fails to clarify what data WaterNSW must retain and how it must retain it.



We identified issues in WaterNSW's data retention practices relevant to the DQP portal at the 2021 operational audit. As a result of the audit, WaterNSW is developing a data retention protocol to meet the deficiencies identified at the audit. We consider that WaterNSW should develop this protocol in conjunction with DQP portal users (NRAR and DPE) under clause 6.17.2. We also updated clause 6.18.3 to clarify that WaterNSW must retain all relevant data in accordance with its the data retention protocol.

In its submission,<sup>24</sup> WaterNSW suggested that the obligation to ensure data is retained should be removed from the Licence. WaterNSW considers that it must retain data under the *State Records Act 1998* (State Records Act) and noted that it has started addressing the data retention issues identified at the 2021 operational audit.<sup>25</sup> Given the 2021 operational audit identified significant issues around WaterNSW's existing retention processes, we consider this obligation continues to be relevant. We note that we would not take action against WaterNSW for a breach of this clause, if it has already been served enforcement action against the State Records Act, in line with our Compliance and Enforcement Policy.<sup>26</sup>

DPE identified a consequential gap in our draft licence.<sup>27</sup> The proposed obligation did not cover the period between when the new licence is granted to the date that the data retention protocol comes into effect. For this reason, we have added another condition (clause 6.17.3) which requires WaterNSW to retain all data, certificates, reports and other documents, consistent with the periods required by the State Records Act or applicable law, until the protocol is implemented. We do not consider this a new obligation, as the Licence currently requires WaterNSW to retain all data in the portal. Our proposed drafting separates the obligation into 2 parts – i.e. before and after the data retention protocol is effective.

We do not consider that these obligations add extra burden on WaterNSW, given it has already started developing the relevant data retention protocol.

#### 4.2.6 Clause 6.17.4 (access to the online portal)

The Licence currently requires WaterNSW to give NRAR and DPE access to all its data and related systems in its DQP portal and database.<sup>28</sup>

Some systems linked to the DQP portal do not include data or information relevant to NRAR's or DPE's functions (e.g. SharePoint). We consider that some of these systems may include personal and sensitive information and therefore, WaterNSW has not been able to comply with this obligation in the past. We consider that compliance with the obligation could compromise WaterNSW's compliance with other legal and regulatory obligations (e.g. privacy laws).

We understand that this clause was introduced to require WaterNSW to provide NRAR and DPE with access to data relevant to its regulatory functions. We have drafted the new clause to reflect this intention and have amended clause 6.17.4 to limit the data that NRAR and DPE have access to, as relevant to their functions.

DPE identified the potential for unintended consequences related to the restriction of access to data in the licence.<sup>29</sup> In particular, DPE has a broad range of functions for which it requires access to the portal, data in the portal and systems related to the portal. DPE's response identified that it would prefer unrestricted access to the portal, all data and documents in the portal, and any systems related to the portal (i.e. the current Licence clause). However, after further discussions with DPE, WaterNSW and NRAR, DPE noted that the revised drafting of this obligation would not adversely affect its ability to access the data and systems it requires to undertake its functions.

WaterNSW provided alternative drafting of this obligation in its submission on the draft licence.<sup>30</sup> It proposed linking access requirements to the data sharing agreements required under clauses 6.19.1 and 6.19.2. We consider this would add unnecessary complexity around how and what data can be accessed. In addition, any changes to access requirements would result in updates to the data sharing agreements.<sup>h</sup>

We consider the proposed drafting of this clause appropriately limits access to the portal, data in the portal, and any systems related to the portal, based on DPE and NRAR's functions. We also consider it clarifies the obligation without increasing regulatory or administrative burden on WaterNSW.

## 4.3 We changed the performance measure metric for one clause

### 4.3.1 Clause 4.3.2 (Capture, Supply, Release Water Delivery Performance Standard A)

The Licence requires that WaterNSW contacts 99% of customers who placed a non-complying Water Order within 1 working day after WaterNSW receives that order, to rectify the order. We understand that during the 2020–21 period, WaterNSW moved to an online system for receiving Water Orders and that this new system is used by most accounts. Under the new system, non-complying Water Orders are less likely to occur as the online system has barriers to prevent non-complying Water Orders from being submitted.

We consider that a percentage is no longer an appropriate performance measure, as it is possible that with the small number of non-complying orders, only one customer not being contacted could make up the 1%. We consider that limiting this standard to 5 will drive WaterNSW to continue to process the non-complying Water Orders as efficiently as possible, without making it impossible to achieve. We propose to review the appropriateness of this performance measure as part of the comprehensive licence review. We consider that, by this time, we will have more data on how many non-complying water orders WaterNSW receives over the short-term licence period.

<sup>h</sup> For example, in follow up meetings, DPE noted that its existing Data Sharing Agreement does not adequately cover everything it requires with respect to portal access.

## 4.4 We changed 11 clauses to require WaterNSW maintain documents delivered under the current Licence

WaterNSW has delivered certain plans, protocols and memoranda of understanding (MOUs) during the current Licence term. Where this has occurred and the due date has passed, we have revised the requirement from WaterNSW must develop the documents to maintain them<sup>i</sup>. Where appropriate, we have also required WaterNSW to comply with, review and submit revised documents.

### 4.4.1 Clauses 2.6.1, 2.6.2 and 2.6.3 (Water Conservation Strategy and Water Conservation Work Program)

The Licence required WaterNSW to submit a Water Conservation Strategy by 1 September 2018.<sup>31</sup> The Licence set out the minimum requirements for the strategy.<sup>32</sup> In addition, the Licence required WaterNSW to develop a water conservation work program, in line with the process set out in its Water Conservation Strategy, by 1 September 2019.<sup>33</sup>

WaterNSW submitted a complying Water Conservation Strategy to us in 2018 and the related Water Conservation Work Program in 2020, thereby meeting the obligations. We consider that the strategy and program form a basis for which WaterNSW can exercise its functions related to water management. Therefore, we have revised the requirement for WaterNSW to maintain the Water Conservation Strategy. In addition, we also require WaterNSW to maintain and implement the Water Conservation Work Program. Finally, we have revised the requirement for WaterNSW to review, update and report on the Water Conservation Work Program.

### 4.4.2 Clauses 2.8.4 and 2.8.5 (Greater Sydney Drought Response Plan)

The Licence requires WaterNSW to develop an emergency drought response plan by 1 December 2021.<sup>34</sup> WaterNSW worked with Sydney Water to develop and submit the emergency drought response plan as required under the current Licence. We have replaced the requirement to develop the plan with a requirement to work with Sydney Water to maintain and annually review the plan, to ensure it remains current.

We have separated this requirement from the long-term capital and operational plan in the current Licence. Given the nature of the 2 plans, we consider that separating the requirement into discreet clauses provides WaterNSW with clarity around the requirements to manage the separate plans.

In response to our targeted stakeholder consultation, DPE informed us that the emergency drought response plan was renamed to the Greater Sydney Drought Response Plan. DPE also noted that all references to the Metropolitan Water Plan should be amended to reflect the Greater Sydney Water Strategy (GSWS). We have reflected this change throughout the proposed licence.

<sup>i</sup> We expect that Water NSW would meet the requirement to maintain the relevant documents by following the requirements set out in its Document Management System.

Sydney Water noted that the Greater Sydney drought response plan

"is a joint Sydney Water/WaterNSW response plan. As a result, it is imperative that the requirements within both the Sydney Water and WaterNSW Operating Licences align."<sup>35</sup>

We agree that the equivalent obligation(s) in Sydney Water's operating licence should reflect the change(s) to Water NSW's Licence condition(s). We have been informed that DPE intends to recommend similar changes to the equivalent obligations in Sydney Water's licence, ensuring a consistent approach across licences.

#### 4.4.3 Clause 2.8.8 (GSWS Data Sharing Agreement with DPE)

The current Licence requires WaterNSW to enter into a data sharing agreement for the purposes of the review of the Metropolitan Water Plan.<sup>36</sup> We consider that WaterNSW completed the obligation within 60 days of the requirement coming into effect.

This obligation is captured under clause 2.8.8. Part (a) of the proposed clause which requires WaterNSW to use its best endeavours to maintain a data sharing agreement with DPE to assist in the development and review of the Greater Sydney Water Strategy.<sup>j</sup> Part (b) of the clause also requires WaterNSW to comply with the agreement in part (a).

#### 4.4.4 Clause 6.15.2 (roles and responsibilities protocol with DPE)

The Licence requires that WaterNSW agree on the roles and responsibilities regarding the conduct of conferred functions with DPE (formerly known as the Department of Industry).<sup>37</sup> The Licence also requires that WaterNSW publish the statement setting out the roles and responsibilities on its website by 30 June 2018.<sup>38</sup> WaterNSW made the statement available on its website during the Licence period. We have revised the requirement to require WaterNSW to keep the statement on its website to maintain transparency and visibility of the roles and responsibilities set out in the protocol.

#### 4.4.5 Clause 6.18.4 (maintain protocols for metering data requests)

The Licence required WaterNSW to agree on protocols for data requests related to the protocol with DPE and NRAR prior to 1 December 2021.<sup>39</sup> The required protocols were developed under the current Licence. We have revised the obligation such that WaterNSW is required to use its best endeavours to maintain the relevant protocols developed under the current Licence.

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<sup>j</sup> The GSWS Data Sharing Agreement replaces the MWP Data Sharing Agreement.

#### 4.4.6 Clauses 6.19.1 and 6.19.2 (Data Sharing Agreements with DPE and NRAR)

Under the Licence,<sup>40</sup> WaterNSW must use its best endeavours to develop and enter into a 'Metering Data Sharing and Services Agreement' with DPE and NRAR. As it is currently written, the clause implies that WaterNSW must have one, tripartite agreement with DPE and NRAR.

WaterNSW holds 2 separate, bilateral agreements (one with DPE and one with NRAR) that, while similar, have been tailored to fit the requirements of each agency. We have revised the clause to reflect the existing arrangements and separated the obligation from one clause into 2 clauses. WaterNSW advised that the agreements are based on the same framework. We consider that decoupling this requirement and allowing WaterNSW to maintain 2 separate agreements permits WaterNSW to more efficiently tailor relevant sections of the agreements to meet the individual data access needs of DPE and NRAR.

We have also added the clause (6.19.4) to require WaterNSW to update the agreements by 1 September 2023, as discussed in section 4.1.4 above.

#### 4.4.7 Clause 6.16.1 (memorandum of understanding with NRAR)

The Licence requires that WaterNSW use its best endeavours to establish, maintain and comply with a MOU with NRAR.<sup>41</sup> WaterNSW and NRAR developed the MOU under the current Licence. We have revised the requirement such that WaterNSW must use its best endeavours to maintain and comply with the MOU.

NRAR identified that the current MOU does not meet its needs and suggested the inclusion of minimum requirements for the MOU.<sup>42</sup>

WaterNSW's submission identified the maturing relationship between WaterNSW and NRAR has triggered a revision of the MOU, resulting in more strategic approach to the MOU and the requirement to review the MOU by 2023 redundant.

Following discussions with both WaterNSW and NRAR, we consider that NRAR's concerns would be better addressed in the Data Sharing Agreement with NRAR. We discuss this in section 4.1.4 above.

### 4.5 We amended 2 dates in the licence

Where the current Licence required a plan, program or strategy to be reviewed during the licence term, that we would expect to be reviewed during the short-term licence period we have updated the condition with a new due date. We also updated statutory dates related to the licence term and end of term review.

#### 4.5.1 Clause 1.3.1 (licence term)

We propose a short-term licence with a 2-year term (i.e. 2022-2024). Short-term licence takes into consideration the ongoing reviews and reforms in the water sector, which could significantly impact WaterNSW's functions.



Our initial proposal (consulted on in September 2021) proposed a short-term licence (2-year term) to allow for the completion of the water sector government reviews and policy changes. Many of these reviews are still ongoing, and at the time of consulting on the draft licence, we considered the key risk of major policy and functional changes occurring part-way through our comprehensive review had not been mitigated. Should that risk be realised, it is likely that the term of the 2022–2024 licence would need to continue for another 12 months. Therefore, we considered a 3-year licence would allow us sufficient flexibility to develop an appropriate licence regardless of the shifting landscape.

However, WaterNSW, DPE and Sydney Water identified potential issues with the 3-year Licence term.<sup>43</sup> All stakeholders identified a potential clash with the 2024–25 pricing determinations.

To avoid issues with the potential clash with the Greater Sydney, WAMC and Rural Valleys price reviews, we now propose commencing the comprehensive licence review in early 2023 (clause 1.6.1 of the new licence) and reverting to a 2-year licence term. We consider this provides both stakeholders and consumers with more visibility around the proposed approach to the comprehensive review.

Nonetheless, we note that the risk related to the 2-year term (i.e. potential major functional changes occurring part-way through the comprehensive review) still exists. Therefore, we note that there is a provision for the Governor to "renew an operating licence" under section 14(2) of the WaterNSW Act, on the recommendation of the portfolio Minister. Should there be any significant changes to WaterNSW's functions part way through our comprehensive review, the 2022–2024 licence could be renewed *on the same terms* for another 12 months. This would allow us to ensure that the comprehensive review considered any new issues arising from the relevant functional changes, resulting in a recommended licence that is fit for purpose.

#### 4.5.2 Clauses 2.8.1 and 2.8.3 (long-term capital and operational plan)

The current Licence requires WaterNSW to develop and submit a long-term capital and operational plan by 1 December 2021.<sup>44</sup> We have revised this obligation to require WaterNSW to develop and submit to the Minister a long-term capital and operational plan by 1 June 2023.<sup>k</sup>

The plan is a joint WaterNSW/Sydney Water document. Therefore, we have revised the requirement to reflect that the plan is to be developed in collaboration with Sydney Water.

Finally, as discussed in section 4.4.2, we have separated the requirement for WaterNSW to develop and maintain its long-term capital and operational plan from the Greater Sydney Drought Response Plan.

<sup>k</sup> The Minister granted WaterNSW an extension on 29 November 2021.

## 4.6 We removed 8 completed obligations

The current Licence imposes obligations on WaterNSW which were met, or expired, during the current Licence term. We consider that these obligations do not require an ongoing obligation in the short-term licence. The Licence also includes 3 obligations which have historically only been undertaken once per licence term (i.e. once every 5 years). These obligations were fulfilled in the final years of the current Licence. Therefore, we consider they are not relevant to the short-term licence.<sup>1</sup>

The clauses referenced in this section 4.6 refer to existing Licence clauses.

### 4.6.1 Clauses 2.6.1, 2.6.2, 2.6.3 (review of the system yield model)

The current Licence requires WaterNSW to engage a suitably qualified expert to review its System Yield model and consult with stakeholders on the review by 30 June 2021.<sup>45</sup> WaterNSW completed its most recent independent review of the model in 2021. Historically, WaterNSW has been required to review its System Yield model once every licence term (i.e. approximately every 5 years). The most recent review was undertaken in 2021. WaterNSW would not be required to undertake its next system yield model review until after the short-term licence expires.

WaterNSW and DPE noted a potential risk of omitting this clause in the next licence review if deleted from the short-term licence. WaterNSW noted that, in its view, inclusion of the clause would allow:

- continuity of WaterNSW's business planning
- public confidence in the continuation of the independent review process
- sustained transparency around our intention to explore this obligation as part of the comprehensive review.

Sydney Water did not comment on the proposed removal of these clauses. However, Sydney Water requested "that it is consulted with regarding any changes to system yield and the methodology and/or method of calculation."<sup>46</sup>

While we understand stakeholder views, we consider it best practice to only include those obligations which will be given effect to, during the licence term.

We will consider the inclusion of this clause as part of the comprehensive end of term review. We propose that WaterNSW should anticipate a clause of a similar nature may be included in the next licence, should a future licence review consider it necessary.

We have also removed relevant section 2.2.9 from the Reporting Manual. We will consider if the inclusion of an equivalent reporting requirement is required as part of the comprehensive review.

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<sup>1</sup> We will explore the suitability of reintroducing these obligations as part of the comprehensive end of term review.

#### 4.6.2 Clauses 3.4.6 and 3.4.7 (review and report on the water quality monitoring of water released to LWUs)

Clauses 3.4.6 and 3.4.7 of the Licence required WaterNSW to review the water quality monitoring of water released to Local Water Utilities (LWUs). WaterNSW completed the required review and submitted its report to us on 28 June 2019.

We do not recommend a new licence obligation related to the outcomes of the review. However, we propose to consider the opportunities identified in the report at the comprehensive end of term licence review.

#### 4.6.3 Clause 6.18.2 (date that online portal must be operational)

Clause 6.18.2 of the Licence required the DQP portal to be operational by 1 December 2020. The DQP portal is now operational. We propose to delete this clause. The requirement to maintain the portal is included under new clause 6.17.1.

#### 4.6.4 Clause 6.19.6 (date related to the downloading of data from certain metering equipment)

Clause 6.19.6 of the Licence required WaterNSW to comply with clauses 6.19.1–6.19.4 by 1 December 2021.<sup>m</sup> These obligations were added to the Licence on 1 July 2020. We consider that the relevant date has passed and all conditions under this section now apply. Therefore, we have removed the clause.

#### 4.6.5 Clause 6.20.4 (date that Data Sharing Agreement applies)

Clause 6.20.4 of the Licence required WaterNSW to provide access to data and services under the data sharing agreement entered into with DPE and NRAR, if the agreement was entered into by 1 July 2020.<sup>n</sup> The clause was effective in the current Licence period, however we consider this clause no longer applies as WaterNSW is required to provide access to the relevant data through new clause 6.19.4.

### 4.7 We removed 4 duplicative obligations

Where a clause duplicates an obligation, we propose to remove the duplicate condition.

We note that the clause numbers referenced in this section 4.7 refer to clauses in the current Licence.

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<sup>m</sup> We note that there are 2 instances of 6.19.4 in the existing Licence.

<sup>n</sup> Previously referred to as the Metering Data Sharing and Services Agreement.

#### 4.7.1 Clause 2.1.1 (water quality management system)

Clause 2.1.1 of the Licence requires WaterNSW to maintain a Water Quality Management System under clauses 2.1.1–2.1.5 of the Licence. The inclusion of clause 2.1.1 does not impose additional obligations on WaterNSW or clarify the intent of the clauses in part 2.1 of the Licence.

Clause 2.1.1 seemingly duplicated the requirements for WaterNSW to maintain its Water Quality Management System required under clauses 2.1.2–2.1.5. This makes the obligation difficult to administer. Should WaterNSW be non-compliant with any of the clauses in 2.1.2–2.1.5 it will also be non-compliant against clause 2.1.1. Removing clause 2.1.1 will streamline compliance actions related to the Water Quality Management System.

WaterNSW agreed with the removal of this clause.

#### 4.7.2 Clauses 6.15.1 (memorandum of understanding with the Department of Planning and Environment) and 6.15.1 (purpose of the memorandum of understanding)

Clause 6.15 of the Licence relates to the MOU between WaterNSW and the former Department of Planning and Environment – Metropolitan Water Unit (a function which has since transferred to the current DPE). We consider that the aim of this obligation was to ensure a strong working relationship between WaterNSW and DPE, to inform the review and implementation of the Metropolitan Water Plan.

Clause 6.15.2 of the Licence goes on to define the purpose of the MOU between the parties (i.e. to form a basis for a cooperative relationship between the parties). We consider that new clauses 2.8.9 and 2.8.10 address the intention of the deleted obligation as discussed in section 4.4.3 above

#### 4.7.3 Clause 6.20.3 (access to data and systems under the data sharing agreements and complying with cure plans)

Clause 6.20.3(a) of the Licence required WaterNSW to provide access to data and services under the data sharing agreement with DPE and NRAR.<sup>o</sup> WaterNSW is now required to comply with the data sharing agreements under clauses 6.19.1 and 6.19.2. In addition, the requirements in new clause 6.19.4 set out how WaterNSW will provide access to relevant data and services. Therefore, we consider this clause 6.20.3(a) duplicates the requirements under the revised clauses and have removed it from the proposed licence.

We have moved the requirement for WaterNSW to comply with any cure plans to clauses 6.19.1 and 6.19.2 (as discussed in section 4.7.3 of this report).

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<sup>o</sup> Previously referred to as the Metering Data Sharing and Services Agreement.

## 4.8 We made minor editorial changes

We updated some clauses to address the following editorial changes as outlined below:

- where there was ambiguity about the intention of an obligation, we added or amended corresponding notes, to provide clarity
- updated the licence term and end of term review date
- updated clause numbers as a result of adding/deleting clauses
- corrected cross-references to ensure that new licence clauses reference relevant clauses (due to changes to clause numbers throughout the licence)
- amended errors, out of date references (e.g. references to the Department of Industries Water and Metropolitan Water Plan), punctuation and capitalisation.



# Appendices



## A Proposed licence



Water NSW

# Water NSW operating licence 2022–2024

May 2022

Water >>

This licence is granted under section 11 of the *Water NSW Act 2014*

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# 1 Licence context and authorisations

## 1.1 Objective of this Licence

### 1.1.1 This Licence aims to:

- a. provide transparent, auditable terms and conditions for Water NSW to lawfully undertake its activities in accordance with industry good practice;
- b. recognise the interests of stakeholders within its Area of Operations; and
- c. impose the minimum regulatory burden on Water NSW by avoiding duplication or conflict with other regulatory instruments.

### 1.1.2 Consistent with the Act, the purpose of this Licence is to:

- a. specify the listed functions and other functions conferred upon Water NSW to which this Licence relates;
- b. authorise Water NSW to carry out the listed functions specified in this Licence and Conferred Functions;
- c. specify the areas and circumstances in which Water NSW is authorised to carry out the specified Listed Functions and Conferred Functions;
- d. set out the terms and conditions which apply to the conduct of the functions authorised by this Licence;
- e. make provision for the preparation of Operational Audits;
- f. include terms and conditions under which Water NSW is required to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services to capture, store, release or supply water;
- g. include terms and conditions under which Water NSW is required to ensure that the systems and services meet the Performance Standards specified in this Licence in relation to water delivery, water quality, service interruptions or any other matters set out in this Licence;
- h. with respect to a Declared Catchment Area – include terms and conditions under which Water NSW is required to compile indicators of the direct impact of Water NSW's activities (including, but not limited to, the impact of energy used and waste generated) on the environment so as to provide information about its performance and enable reports to be prepared; and
- i. specify other requirements as required and allowed for under the Act.

*[Note: In addition to sections 11 and 12 of the Act which specify matters that must be included in this Licence, sections 7, 15, 16, 21, 25, 31 and 60 of the Act provide for other terms and conditions to be included in the Licence.]*

*This Licence does not reproduce Water NSW's statutory obligations in full. Water NSW's licence obligations may be subject to other laws including the Water Management Act and the Water Act.]*

## 1.2 Licence authorisations

- 1.2.1 Subject to any terms and conditions, areas and circumstances specified in this Licence, this Licence authorises Water NSW to undertake the following listed functions within its Area of Operations:
- a. to capture and store water and to release water:
    - i to persons entitled to take the water, including release to regional towns; and
    - ii for any other lawful purpose, including the release of environmental water;
  - b. to supply water to Sydney Water;
  - c. to supply water to water supply authorities and to local councils or county councils prescribed by the Regulation;
  - d. to supply water to persons referred to in section 7(1)(d) of the Act;
  - e. to supply water to other persons and bodies, but under terms and conditions that prevent the person or body concerned from supplying the water for consumption by others within the State unless the person or body is authorised to do so by or under an Act;
  - f. to construct, maintain and operate Water Management Works (including providing or constructing systems or services for supplying water);
  - g. to protect and enhance the quality and quantity of water in Declared Catchment Areas;
  - h. to manage and protect Declared Catchment Areas and Water Management Works vested in or under the control of Water NSW that are used within or for the purposes of such areas;
  - i. to undertake research on catchments generally, and in particular on the health of Declared Catchment Areas;
  - j. to undertake an educative role within the community; and
  - k. to undertake flood mitigation and management in all areas of New South Wales, except for the Sydney catchment area as defined by the Act.
- 1.2.2 Subject to any terms and conditions, areas and circumstances specified in this Licence, this Licence authorises Water NSW, within its Area of Operations to:
- a. provide facilities or services that are necessary, ancillary or incidental to its Listed Functions; and
  - b. conduct any business or activity (whether or not related to its Listed Functions) that it considers will further its objectives.
- 1.2.3 Subject to any terms and conditions, areas and circumstances specified in this Licence, this Licence authorises Water NSW, within its Area of Operations, to undertake the Conferred Functions specified in Schedule A.
- 1.2.4 Subject to any terms and conditions, areas and circumstances specified in this Licence and to the maximum extent permissible by law, this Licence authorises Water NSW pursuant to section 15(4)(b) of the Act to exercise any function of a type referred to in section 15(2) of the Act, but only with the agreement of the Relevant Body.

- 1.2.5 Subject to any terms and conditions, areas and circumstances specified in this Licence, and to the maximum extent permissible by law, this Licence authorises Water NSW pursuant to section 31(1) of the Act, to exercise the functions set out in section 31(1) within its Area of Operations.
- 1.2.6 Despite anything in this clause 1.2, but subject to any terms and conditions, areas and circumstances specified elsewhere in this Licence, and to the maximum extent permissible by law, this Licence authorises Water NSW, pursuant to section 15(4)(a) of the Act, to carry out any of its functions outside of the State.
- 1.2.7 For the avoidance of any doubt, where this clause 1.2 authorises a function of Water NSW, that authorisation is intended to apply in respect of the Fish River Water Supply Scheme, to the maximum extent permissible by law.

*[Note: The intention behind clause 1.2.7 is that clauses 2.1.2-2.1.3, 3.1.1, 3.2, 4.2.1, 5.1, 5.2, 6.1, 6.3, 6.5.1, 6.6, 6.8, 6.9 and 6.10 apply in respect of the Fish River Water Supply Scheme, to the maximum extent permissible by law. See section 293(2) of the Water Management Act.]*

### 1.3 Term of this Licence

- 1.3.1 The term of this Licence is 2 years from the Commencement Date.

### 1.4 Non-exclusive Licence

- 1.4.1 This Licence does not prohibit another person from providing services in the Area of Operations that are the same as, or similar to, the services provided by Water NSW, if the person is lawfully entitled to do so.

### 1.5 Making copies of this Licence available

- 1.5.1 Water NSW must make this Licence available free of charge on its website.

### 1.6 End of Term Review

- 1.6.1 It is anticipated that a review of this Licence will commence in the first quarter of 2023 to investigate:
- a. whether this Licence is fulfilling its objectives; and
  - b. any issues which have arisen during the term of this Licence, which may reduce the effectiveness of this Licence,

#### **(End of Term Review).**

- 1.6.2 Water NSW must provide to the person undertaking the End of Term Review such information as is reasonably required to enable the person to complete the End of Term Review. Water NSW must provide that person with such information within a reasonable time period of receiving a request for that information from that person.

## 1.7 Notices

1.7.1 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 one of the addresses (electronic and/or postal) specified in the Reporting Manual.

## 2 Water Source protection and conservation

### 2.1 Water Quality Management System

2.1.1 With respect to Declared Catchment Areas, Water NSW must maintain a Water Quality Management System that is consistent with either:

- a. the Australian Drinking Water Guidelines; or
- b. if NSW Health were to specify any amendment or addition to the Australian Drinking Water Guidelines that applies to Water NSW, the Australian Drinking Water Guidelines as amended or added to by NSW Health; or
- c. any other requirements specified or approved by NSW Health or IPART.

*[Note: It is generally expected that for the Declared Catchment Areas Water NSW will develop a Water Quality Management System consistent with the Australian Drinking Water Guidelines. However, where NSW Health considers appropriate, the application of those Guidelines may be amended or added to, to take account of Water NSW's circumstances and/or policy and practices within New South Wales regarding Drinking Water quality.]*

*It is generally expected that Water NSW will manage the Declared Catchment Areas and the associated Catchment Infrastructure Works in light of its knowledge of the whole system for the Supply of Drinking Water (including Water NSW's catchments and infrastructure for providing Bulk Water to Customers associated with Declared Catchment Areas together with each system for treating, storing and supplying Drinking Water of each Customer to whom Water NSW Supplies water which is sourced from Declared Catchment Areas). That is, Water NSW should have adequate systems and processes in place to manage Bulk Water quality to its water Supply Customers, taking into account the implementation of planning and risk management across the whole Drinking Water Supply system.]*

2.1.2 With respect to Non-Declared Catchment Areas from which Water NSW Supplies water, Water NSW must maintain Water Quality Management Systems that are consistent with:

- a. in the case of water with the final end use as Drinking Water:
  - i a relevant quality assurance program under section 25 of the *Public Health Act 2010* (NSW);
  - ii the Australian Drinking Water Guidelines; or
  - iii any other requirements as specified or approved by NSW Health or IPART,

- b. in the case of water that does not have a final end use as Drinking Water and that is not to be managed according to a Water Quality Management System that satisfies clause 2.1.2(a):
  - i the Australian Guidelines for Water Recycling; or
  - ii any other requirements as specified or approved by NSW Health or IPART.

*[Note: It is generally expected that Water NSW will manage the water under its control in light of its knowledge of the downstream water supply system, including that of its Customers. Therefore, the Water Quality Management System should be developed in consultation with the relevant Customers to whom it Supplies water.]*

- 2.1.3 Water NSW must ensure that the relevant Water Quality Management Systems are fully implemented and that all relevant activities are carried out in accordance with the relevant Water Quality Management System and to the satisfaction of NSW Health.
- 2.1.4 Water NSW must notify IPART and NSW Health, in accordance with the Reporting Manual, of any significant changes that it proposes to make to a Water Quality Management System.

## 2.2 Catchment management

- 2.2.1 Water NSW must manage and protect the Declared Catchment Areas in a manner that is consistent with its objectives and functions under the Act, the Water Quality Management System required under clause 2.1 of this Licence, the Asset Management System required under clause 5.1 of this Licence, and the Environmental Management System required under clause 5.2 of this Licence.

## 2.3 Information on the Declared Catchment Areas

- 2.3.1 Water NSW must:
  - a. reasonably cooperate with the Appointed Auditor;
  - b. publish information collected by Water NSW on water quality relevant to Declared Catchment Areas in accordance with the Reporting Manual;

*[Note: For the avoidance of doubt, the above reference to information collected in accordance with the Reporting Manual is a reference to Water NSW's obligations in respect of the IPART water quality H1 and H2 indicators and water quality monitoring reports in the Reporting Manual]*

  - c. provide data in relation to the Catchment Health Indicators to the Appointed Auditor, in accordance with the Reporting Manual;
  - d. monitor, record and compile data on the Environment Indicators relevant to Declared Catchment Areas; and
  - e. report on the Environment Indicators in accordance with the Reporting Manual.



## 2.4 Catchment Infrastructure Works management

- 2.4.1 Water NSW must ensure that, in Declared Catchment Areas, the Catchment Infrastructure Works are operated and managed consistently with the Design Criteria and the Asset Management System referred to in clause 5.1.
- 2.4.2 Water NSW must, in accordance with the Reporting Manual make the Design Criteria referred to in clause 2.4.1 available to the public free of charge on its website.

## 2.5 Calculating System Yield

- 2.5.1 Water NSW must recalculate the System Yield in respect of a Declared Catchment Area on the occurrence of any one or more of the following events:
  - a. the conclusion of any drought event affecting the Declared Catchment Area;
  - b. the commencement of any modification or augmentation to the Catchment Infrastructure Works or Customers' infrastructure, that will have a significant impact on Water NSW's Supply of water in respect of the Declared Catchment Area;
  - c. any material change to the operating rules of the Catchment Infrastructure Works in respect of the Declared Catchment Area; or
  - d. any material change to the Design Criteria in respect of the Declared Catchment Area.
- 2.5.2 In accordance with the Reporting Manual, Water NSW must advise the Minister:
  - a. of any changes to the System Yield relative to the previous System Yield (including reasons for change) following a re-calculation under clause 2.5.1; or
  - b. if Water NSW considers that future demand for Bulk Water may exceed the System Yield and when this exceedance might occur.
- 2.5.3 As soon as practicable after advising the Minister of any changes to the System Yield under clause 2.5.2, Water NSW must, in accordance with the Reporting Manual, make details of those changes and the reasons for those changes available free of charge on its website.

## 2.6 Water conservation

- 2.6.1 Water NSW must maintain its Water Conservation Strategy.
- 2.6.2 Water NSW must maintain and implement its Water Conservation Work Program in relation to its operations under this Licence
- 2.6.3 Water NSW must review, update and report on its Water Conservation Work Program referred to in clause 2.6.2.

*[Note. The annual water conservation work program report should include a rolling 5-year plan as described in the Reporting Manual.]*

## 2.7 Research on catchments

- 2.7.1 Water NSW must maintain a program of research for each Declared Catchment Area which:
- a. relates to catchments within that Declared Catchment Area generally and in particular their health;
  - b. is consistent with its objectives under section 6 of the Act; and
  - c. assists Water NSW to discharge its functions under sections 7(1)(g) and 7(1)(h) of the Act.
- 2.7.2 Water NSW must report on its research programs referred to in clause 2.7.1 in accordance with the Reporting Manual.

## 2.8 Water planning

### *Long-term capital and operational plan*

- 2.8.1 By 1 June 2023 (or another date approved by the Minister in writing), Water NSW must develop a long-term capital and operational plan jointly with Sydney Water and submit the plan to the Minister.
- 2.8.2 If the Minister specifies in writing a date by which the long-term capital and operational plan must be reviewed and updated, Water NSW must, jointly with Sydney Water, review and update the plan by the date so specified.

*[Note: It is intended that Water NSW and Sydney Water will be required to review or update the long-term capital and operational plan every 5 years unless the Minister specifies another date in writing.]*

- 2.8.3 The long-term capital and operational plan referred to in clause 2.8.1 must address any written guidance that the Minister provides to Water NSW.

### *Greater Sydney Drought Response Plan*

- 2.8.4 Water NSW must maintain jointly with Sydney Water, and deliver on actions specified in, the Greater Sydney Drought Response Plan.
- 2.8.5 Water NSW must jointly with Sydney Water review and update the Greater Sydney Drought Response Plan annually by 31 December each year, or another date approved by the Minister in writing.

### *Greater Sydney Water Strategy*

- 2.8.6 Water NSW must implement any action that:
- a. Water NSW is responsible for implementing under the Greater Sydney Water Strategy; or
  - b. the Minister directs, in writing, Water NSW to implement.
- 2.8.7 Water NSW must participate in any review of the Greater Sydney Water Strategy and use its best endeavours to do so in cooperation with all parties.

### *Data Sharing*

2.8.8 Water NSW must:

- a. use its best endeavours to maintain a data sharing agreement with DPE to assist in the development and review of the Greater Sydney Water Strategy (**GSWS Data Sharing Agreement**); and
- b. comply with the GSWS Data Sharing Agreement referred to in clause 2.8.8(a).

2.8.9 In addition to any other matters agreed by Water NSW and DPE, the GSWS Data Sharing Agreement must:

- a. set out the roles and responsibilities of Water NSW and DPE under the GSWS Data Sharing Agreement;
- b. set out the types of data that are covered by the GSWS Data Sharing Agreement;
- c. set out the purposes for the sharing of data and information;
- d. set out the requirements that shared data and information must meet;
- e. identify agreed timelines and the format for sharing data and information; and
- f. identify procedures for resolving matters of conflict in providing data and information.

*[Note: Water NSW may maintain the GSWS Data Sharing Agreement referred to in clauses 2.8.8 and 2.8.9 and the Data Sharing Agreement with DPE referred to in clause 6.19.1, as a single data sharing agreement or as separate agreements.]*

2.8.10 Water NSW must provide any data or information requested by the Minister in writing:

- a. by the date specified by the Minister; and
- b. to the Minister or, if the Minister so directs, to DPE.

## 3 Bulk Water storage and transmission

### 3.1 Construct, maintain and operate Water Management Works

- 3.1.1 Water NSW must construct, maintain and operate its Water Management Works in accordance with its Asset Management System referred to in clause 5.1.

### 3.2 Water Supply

- 3.2.1 Water NSW must ensure that any water Supplied to Customers is Supplied in accordance with a relevant Water Quality Management System, any relevant Customer Supply Agreement, and any relevant arrangements with Sydney Water established under section 25 of the Act.

### 3.3 CSR Water

- 3.3.1 For CSR Water, Water NSW must take all reasonable steps to:
- a. process all Water Orders promptly and efficiently; and
  - b. manage Water Orders to ensure water is Delivered to its Customers in a timely manner.

### 3.4 Bulk Water released to Local Water Utilities for Drinking Water purposes

- 3.4.1 Water NSW must maintain a register of all Local Water Utilities:
- a. for which Water NSW maintains a Water Allocation Account; and
  - b. to which Water NSW releases water that will be used for the purposes of Drinking Water (**Local Water Utility Customers**),
- (**LWU Register**).
- 3.4.2 The LWU Register must include contact details for each Local Water Utility Customer, and the Water Source and approximate location from which the Local Water Utility Customer Extracts water.
- 3.4.3 Water NSW must maintain and implement a procedure for providing information to Local Water Utilities (**LWU Information Request Procedure**). Water NSW must follow the LWU Information Request Procedure when any Local Water Utility requests information to inform that utility's Drinking Water quality assurance program. Water NSW must maintain the LWU Information Request Procedure during the term of this Licence.

- 3.4.4 Water NSW's LWU Information Request Procedure must:
- a. describe how a Local Water Utility is to request information;
  - b. describe how Water NSW will respond to the request in a timely manner; and
  - c. define any fees and charges that may be charged by Water NSW to recover reasonable costs incurred for responding to an information request, how these will be calculated, and how they are to be paid.
- 3.4.5 Water NSW must make details of the LWU Information Request Procedure referred to in clause 3.4.3 available free of charge on its website.

*[Note: The purpose of clause 3.4 is to ensure that there are mechanisms in place for Water NSW to share information which it currently has, or is best placed to collect with interested Local Water Utilities, where that information could usefully inform a Local Water Utility's Drinking Water quality assurance program.]*

## 4 Performance Standards

### 4.1 Requirement to meet Performance Standards

- 4.1.1 Water NSW is required to ensure that its systems and services meet the Performance Standards specified in this chapter.

### 4.2 Water Supplied Performance Standards

- 4.2.1 The Performance Standards set out in paragraphs 4.2.2 and 4.2.3 apply in respect of the Supply of water by Water NSW.

- 4.2.2 Water NSW must manage the quality of water Supplied to its Customers in accordance with the relevant Water Quality Management System required under clause 2.1.1 or 2.1.2 (**Supply Water Quality Performance Standard**).

- 4.2.3 Water NSW must manage service interruptions in accordance with the Asset Management System required under clause 5.1.1 (**Supply Service Interruption Performance Standard**).

### 4.3 CSR Water Performance Standards

- 4.3.1 The Performance Standards set out in clause 4.3.2–4.3.8 apply to Water NSW with respect to CSR Water.

#### *CSR Water Delivery Performance Standard A*

- 4.3.2 Water NSW must ensure that in each financial year no more than 5 Customers who place a Non-Complying Water Order are contacted more than one working day after Water NSW receives that order to rectify that order.

#### *CSR Water Delivery Performance Standard B*

- 4.3.3 Water NSW must ensure that in each financial year:
- a. 99% of Water Orders are Delivered within one day of the scheduled day of Delivery; and
  - b. this is calculated as a percentage of all complying Water Orders placed in the financial year.

- 4.3.4 The Performance Standard referred to in clause 4.3.3 does not apply where Water NSW is subject to a direction or order given under any law that requires Water NSW to reduce or cease the Supply of water in a manner that prevents Water NSW from Delivering a Water Order within the timeframe required by clause 4.2.3

*[Note: The scheduled day of Delivery takes into account the period of required notice specified in Water Management Work approvals, licences, or entitlements. This is measured by Complaints and/or if Water NSW identifies a Delivery delay, e.g. through its staff, systems or otherwise identifies or becomes aware of a Delivery delay. This clause does not apply to the deferral of Water Orders due to Water NSW complying with a direction or order under any law.]*

*CSR Water Service Interruptions Performance Standard*

- 4.3.5 Water NSW must ensure that:
- a. 100% of Water Orders rescheduled, are rescheduled in consultation with an affected Customer within one working day of an expected water shortage, or other delivery delay; and
  - b. this is calculated as a percentage of all Water Orders rescheduled in the financial year due to an expected shortage or Delivery delay.

*CSR Water Account Processing Performance Standard A*

- 4.3.6 Water NSW must ensure that no less than 90% of complying Temporary Trades within the State in the financial year are processed within five working days of Water NSW's receipt of a correct application and fee.

*CSR Water Account Processing Performance Standard B*

- 4.3.7 Water NSW must ensure that no less than 90% of Interstate Temporary Trades (except to South Australia) in the financial year are processed within 10 working days of Water NSW's receipt of a correct application and fee.

*CSR Water Account Processing Performance Standard C*

- 4.3.8 Water NSW must ensure that no less than 90% of Interstate Temporary Trades to South Australia in the financial year are processed within 20 working days of Water NSW's receipt of a correct application and fee.



## 5 Organisational management systems

### 5.1 Asset Management System

- 5.1.1 Water NSW must at all times maintain a Management System in relation to Water NSW's assets that is consistent with the Australian Standard *AS ISO 55001:2014 Asset Management – Management systems – Requirements* or other standard approved by IPART on request by Water NSW (**Asset Management System**).
- 5.1.2 Water NSW must fully implement the Asset Management System and carry out all relevant activities in accordance with the Asset Management System.

### 5.2 Environmental Management System

- 5.2.1 Water NSW must at all times maintain a Management System for managing its environmental responsibilities and the environmental impacts of its services and activities that is consistent with the Australian/New Zealand Standard *AS/NZS ISO 14001:2016: Environmental management systems – Requirements with guidance for use* or other standard approved by IPART, on request by Water NSW (**Environmental Management System**).
- 5.2.2 Water NSW must fully implement the Environmental Management System and carry out all relevant activities in accordance with the Environmental Management System.

## 6 Customer and stakeholder relations

### 6.1 Customer Supply Agreements – Customers other than Sydney Water

- 6.1.1 Water NSW must establish and maintain agreements with each of its Customers to whom it Supplies water (except Sydney Water) that set out the terms and conditions for the Supply of water (**Customer Supply Agreements**).

*[Note: Under section 25 of the Act, Water NSW is required to enter into arrangements with Sydney Water regarding the Supply of water by Water NSW to Sydney Water. Therefore, this Licence does not regulate the Supply arrangements with Sydney Water under section 25 of the Act.]*

- 6.1.2 Water NSW must only Supply water to these Customers in accordance with the terms and conditions of these Customer Supply Agreements.

- 6.1.3 The terms and conditions of the Customer Supply Agreements must, at a minimum, include provisions addressing:
- a. the standard of water quality Supplied by Water NSW;
  - b. the continuity of the water Supplied by Water NSW (that is, provisions relating to interruptions, disconnections and reconnections to Supply);
  - c. any metering arrangements;
  - d. the fees and charges to be paid by the Customers for the Supply of water to them;
  - e. dispute resolution and Complaints handling procedures; and
  - f. in the case of a Customer Supply Agreement with a Customer referred to in clause 1.2.1(e), terms and conditions preventing the Customer concerned from supplying the water for consumption by others within the State unless the Customer is authorised to do so by or under an Act.

### 6.2 Accounting for water

- 6.2.1 Water NSW must maintain a Water Allocation Account for each Customer that holds a Water Licence.

### 6.3 Water metering and monitoring

- 6.3.1 Water NSW must determine the volume of water Extracted by, or Supplied to, each of its Customers, at least annually, for the purpose of accurate account management, billing and reporting.

*[Note: The purpose of the determination in clause 6.3.1 is to support Water NSW's commercial business activities, and provide customers with usage, billing and amounts outstanding]*

- 6.3.2 Prior to Water NSW operating, replacing, repairing, maintaining, removing, connecting, disconnecting or otherwise modifying Metering Equipment it does not own, it must obtain the agreement of the owner of that equipment.

*[Note: In accordance with section 31(1) of the Act and clause 1.2.5 of this Licence, Water NSW is authorised to operate, replace, repair, maintain, remove, connect, disconnect or modify Metering Equipment that Water NSW does not own. Water NSW must only exercise this authority in accordance with this condition.]*

## 6.4 Advance notification of changes to flow release patterns

- 6.4.1 Water NSW must maintain an effective system to provide advance notification of any significant changes to flow release patterns from its Water Management Works to Customers and other stakeholders that have registered to be notified of such changes.

## 6.5 Customer advisory groups

- 6.5.1 Water NSW must establish and maintain advisory groups for Customers in different regions of its Area of Operations that include representation from a broad cross-section of its Customers for each region (**Customer Advisory Groups**). Water NSW has discretion to determine those regions, provided collectively the regions encompass all of its Area of Operations.
- 6.5.2 Water NSW must regularly consult with the region-based Customer Advisory Groups to enable Customer involvement in issues relevant to the performance of Water NSW's obligations to Customers under this Licence or the Customer Service Charter, obtain advice on the interests of Water NSW's Customers and such other key issues relating to Water NSW's planning and operations as Water NSW may determine consistent with the Customer Advisory Group Charter(s).
- 6.5.3 For each Customer Advisory Group, Water NSW must ensure that, at all times, the membership of the Customer Advisory Group is appointed and determined by Water NSW in accordance with the Customer Advisory Group Charter.
- 6.5.4 For each Customer Advisory Group, Water NSW must use its best endeavours to ensure that membership is representative of the Customers in that region and include at least one Customer representing each of the following categories (where there are Customers in this category for the region associated with the Customer Advisory Group):
- a. stock and domestic water users;
  - b. Regulated River water users;
  - c. Unregulated River water users;
  - d. groundwater users;
  - e. environmental water users;
  - f. industrial and commercial water users;
  - g. Local Water Utilities;
  - h. Major Utilities;
  - i. small water users based on their Water Licence volume;
  - j. medium water users based on their Water Licence volume;
  - k. large water users based on their Water Licence volume; and
  - l. Aboriginal cultural heritage water users.

- 6.5.5 Water NSW must provide the Customer Advisory Groups with adequate information within its possession or under its control necessary to enable the Customer Advisory Groups to discharge the tasks assigned to them other than information or documents that are confidential.

## 6.6 Customer Advisory Group Charter

- 6.6.1 Water NSW, in consultation with Customers representing all of the categories in clause 6.5.4, must for the term of this Licence, establish and maintain a Customer advisory group charter in accordance with this clause 6.6 (**Customer Advisory Group Charter**). Water NSW may have one or more Customer Advisory Group Charters, for different Customer Advisory Groups, as it deems appropriate.
- 6.6.2 The Customer Advisory Group Charter must address all of the following issues:
- a. the role of the Customer Advisory Group;
  - b. how members and the chair of the Customer Advisory Group will be appointed;
  - c. the term for which members are appointed;
  - d. information on how the Customer Advisory Group will operate;
  - e. a description of the type of matters that will be referred to the Customer Advisory Group and how those matters will be referred;
  - f. procedures for communicating the outcomes of the Customer Advisory Groups' work to the public;
  - g. procedures for monitoring issues raised at meetings of the Customer Advisory Groups and ensuring appropriate follow-up of those issues;
  - h. procedures for amending the charter; and
  - i. funding and resourcing of the Customer Advisory Groups by Water NSW.
- 6.6.3 Water NSW or any member of the Customer Advisory Groups may propose any amendments to the Customer Advisory Group Charter(s). However, such amendments will not be effective until they have been approved by the relevant Customer Advisory Group.
- 6.6.4 Water NSW must make all Customer Advisory Group Charters referred to in clause 6.6.1 available free of charge on its website.

## 6.7 Customer Service Charter

- 6.7.1 Water NSW must, in consultation with relevant Customers and/or Customer Advisory Groups, establish and maintain a Customer service charter (**Customer Service Charter**) in accordance with this clause 6.7. Water NSW may have one or more Customer Service Charters, for different categories of Customers, as it deems appropriate. Where Water NSW has established a Customer Supply Agreement with a Customer (or category of Customers), or where Water NSW has entered into an arrangement with Sydney Water under section 25 of the Act, a Customer Service Charter covering that Customer or category of Customers is not required.
- 6.7.2 The Customer Service Charter(s) must set out the mutual responsibilities of Water NSW and its Customers consistently with this Licence, the Act, the Water Management Act, the Water Act and any other applicable law.

- 6.7.3 Water NSW must make all Customer Service Charters referred to in clause 6.7.1 available free of charge on its website.

## 6.8 Code of Practice on Payment Difficulties

- 6.8.1 Water NSW must maintain and fully implement a code of practice that assists Customers experiencing financial hardship to better manage their current and future Bills (**Code of Practice on Payment Difficulties**) in accordance with this clause 6.8.

- 6.8.2 The Code of Practice on Payment Difficulties must:

- a. provide for a payment plan for Customers who are responsible for paying their Bills and who are, in Water NSW's reasonable opinion, experiencing financial hardship;
- b. include procedures for identifying the circumstances under which Water NSW may restrict the provision of services to a customer (including in respect of CSR Water and Supply water);
- c. include procedures for identifying the circumstances under which Water NSW may suspend water access licences when a Customer has not paid its Bill and an overview of the process that must be followed prior to suspension; and
- d. include procedures for self-identification, identification by community welfare organisations and identification by Water NSW of Customers experiencing financial hardship.

- 6.8.3 Water NSW must set out details of the Code of Practice on Payment Difficulties in the Customer Service Charter, or, where a Customer Supply Agreement is established in respect of a Customer, in that Customer Supply Agreement.

*[Note: This requirement does not apply to any arrangements with Sydney Water under section 25 of the Act.]*

- 6.8.4 Water NSW must provide, free of charge, information on the Code of Practice on Payment Difficulties:

- a. to Customers, except Sydney Water, at least once annually with their Bills; and
- b. to Customers whom Water NSW identifies as experiencing financial hardship on the date that Water NSW first identifies that the Customer is experiencing financial hardship; and
- c. on its website.

## 6.9 Internal Complaints Handling Procedure

- 6.9.1 Water NSW must maintain a procedure for receiving, responding to and resolving Complaints, which is consistent with the Australian Standard AS/NZS 10002:2014 *Guidelines for complaints management in organizations* or other standard approved by IPART (**Internal Complaints Handling Procedure**).

- 6.9.2 Water NSW must ensure that the Internal Complaints Handling Procedure is fully implemented and that all relevant activities are carried out in accordance with the Internal Complaints Handling Procedure.

- 6.9.3 Water NSW must provide to Customers, at least annually with their Bills, information concerning internal Complaints handling, which explains how to make a Complaint and how Water NSW will receive, respond to and resolve Complaints.
- 6.9.4 Water NSW must make the information concerning internal Complaints handling referred to in clause 6.9.3 available free of charge on its website.

## 6.10 External dispute resolution scheme

- 6.10.1 Water NSW must be a member of the Energy and Water Ombudsman of NSW to facilitate the resolution, by a dispute resolution body, of disputes between Water NSW and its Customers.
- 6.10.2 Water NSW must:
- a. prepare information that explains the dispute resolution service provided by the Energy and Water Ombudsman of NSW, including any right to have a Complaint or dispute referred to the Energy and Water Ombudsman of NSW and how such a Complaint or dispute can be assessed;
  - b. provide the information prepared under clause 6.10.2(a), free of charge to Customers at least once a year with their Bills; and
  - c. make the information prepared under clause 6.10.2(a) available free of charge on its website.

## 6.11 Educative role

- 6.11.1 Water NSW must undertake an educative role in the community on its activities and functions in Declared Catchment Areas consistent with its objectives under section 6(1)(c) of the Act, and report on its educative activities in accordance with the Reporting Manual.

## 6.12 Code of Conduct with WIC Act Licensees

- 6.12.1 Water NSW must use reasonable endeavours to cooperate with any WIC Act Licensee that seeks to establish with Water NSW a code of conduct required under a licence under the WIC Act.
- 6.12.2 Where the Minister administering the WIC Act has established a code of conduct under clause 46 of the WIC Regulation, Water NSW will be taken to have satisfied its obligation under clause 6.12.1 by applying the water industry code of conduct established by the Minister to the relevant WIC Act Licensee.

## 6.13 Memorandum of understanding with NSW Health

### 6.13.1 Water NSW must:

- a. maintain a memorandum of understanding with the Secretary of the Ministry of Health entered into under section 21(1) of the Act; and
- b. comply with the memorandum of understanding maintained under clause 6.13.1(a).

*[Note: Clause 6.13.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]*

### 6.13.2 The purpose of the memorandum of understanding referred to in clause 6.13.1 is to form the basis for cooperative relationships between the parties to the memorandum of understanding and particularly to recognise the role of NSW Health in providing advice to the NSW Government in relation to water quality standards and public health, with respect to CSR Water and the Supply of water by Water NSW.

### 6.13.3 The memorandum of understanding referred to in clause 6.13.1 must include arrangements for Water NSW to report to NSW Health information on any events, in relation to Water NSW's systems or service that might impact on public health.

*[Note: Clauses 6.13.2 and 6.13.3 do not limit the matters which may be included in the memorandum of understanding with NSW Health.]*

### 6.13.4 Water NSW must publish on its website, the memorandum of understanding maintained with NSW Health under clause 6.13.1(a).

## 6.14 Memorandum of understanding with Environment Protection Authority

### 6.14.1 Water NSW must:

- a. maintain the memorandum of understanding with the Environment Protection Authority entered into under section 21(1) of the Act; and
- b. comply with the memorandum of understanding maintained under clause 6.14.1(a).

*[Note: Clause 6.14.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]*

### 6.14.2 The purpose of the memorandum of understanding referred to in clause 6.14.1(a) is to form the basis for cooperative relationships between the parties to the memorandum of understanding and particularly to recognise the role of the Environment Protection Authority as the environment regulator of New South Wales.

*[Note: Clause 6.14.2 does not limit the matters which may be included in the memorandum of understanding with the Environmental Protection Agency.]*

### 6.14.3 Water NSW must publish on its website, the memorandum of understanding maintained with the Environment Protection Authority under clause 6.14.1(a).



## 6.15 Roles and responsibilities with Department of Planning and Environment

### 6.15.1 Water NSW must:

- a. agree in writing with DPE the roles and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of this Licence; and
- b. comply with the agreement established under clause 6.15.1(a).

*[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into an agreement or the matters which may be contained in the agreement.]*

*[Clause 6.15.1(b) applies only to those parts of the agreement that relate to the conduct of Conferred Functions specified in Schedule A of this Licence]*

### 6.15.2 Water NSW must publish a statement setting out the roles and responsibilities required under clause 6.15.1(a) on its website .

*[Note: The statement may also include roles and responsibilities agreed with the Ministerial Corporation or any other relevant Government departments or agencies.]*

## 6.16 Memorandum of understanding with Natural Resources Access Regulator

### 6.16.1 Water NSW must:

- a. use its best endeavours to maintain a memorandum of understanding with the NRAR; and
- b. comply with the memorandum of understanding maintained under clause 6.16.1(a).

*[Note: Clause 6.16.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]*

### 6.16.2 The purpose of the memorandum of understanding referred to in clause 6.16.1 is to form the basis for an ongoing cooperative relationship between the parties to the memorandum to assist in meeting their joint responsibilities and principal objectives of water supply and compliance and enforcement.

*[Note: Clause 6.16.2 does not limit the matters which may be included in the memorandum of understanding with the NRAR.]*

## 6.17 Online portal for lodgement of documents relating to metering equipment

6.17.1 Water NSW must operate and maintain an online portal to allow for the electronic lodgement of the following:

- a. a certificate provided under clause 237(1) or (2) of the Water Management Regulation, as required by clause 238(2) of that regulation,
- b. a certificate provided under clause 237(3) of the Water Management Regulation,
- c. a report by a person who intends to rely on clause 8 of Schedule 8 of the Water Management Regulation setting out the steps taken in relation to the metering equipment, as required by clause 8(3) of Schedule 8 of that regulation,
- d. written certification as to the matter set out in clause 9(2)(b) of Schedule 8 of the Water Management Regulation,
- e. a report from a person who intends to rely on clause 9 of Schedule 8 of the Water Management Regulation, setting out the steps taken in relation to the metering equipment, as required by clause 9(5) of Schedule 8 of that regulation.

*[Note: In maintaining the portal, Water NSW should reasonably consider requests made by the NRAR to provide functionality that is fit for the NRAR's compliance functions.]*

6.17.2 By 31 August 2023, Water NSW must:

- a. develop, in consultation with NRAR and DPE, and maintain a data retention protocol to ensure that data, certificates, reports and other documents lodged in the portal are retained for the period required by the *State Records Act 1998* (NSW) and any other applicable law; and
- b. implement and comply with the data retention protocol maintained under clause 6.17.2(a).

6.17.3 Until the data retention protocol developed under clause 6.17.2(a) is implemented, Water NSW must ensure that all data, certificates, reports and other documents lodged in the portal are retained for the period required by the *State Records Act 1998* (NSW) and any other applicable law.

6.17.4 Water NSW must ensure that all holders of a current authority and all duly qualified persons have access to the portal. In this subclause, "authority" has the same meaning as in Part 10 of the Water Management Regulation and "duly qualified person" has the same meaning as in the Water Management Act.

6.17.5 Water NSW must provide DPE and NRAR with access to the portal and data and systems within the portal that are relevant to DPE and the NRAR's functions.

## 6.18 Downloading of data from certain metering equipment

- 6.18.1 This clause applies to any metering equipment used in connection with the works described in clause 6(2) of Schedule 8 of the Water Management Regulation.
- 6.18.2 Water NSW must, at least once a year, download all data from the metering equipment to which this clause 6.18 applies.
- 6.18.3 All such data must be entered into Water NSW's data systems and retained in accordance with the data retention protocol maintained under clause 6.17.2(a).
- 6.18.4 Water NSW must use its best endeavours to maintain protocols with DPE and NRAR for requests for data to which this clause 6.18 applies.
- 6.18.5 All such data must be made available to DPE and NRAR on request, provided such requests are made in accordance with the protocols agreed between Water NSW, DPE and NRAR.

## 6.19 Data Sharing Agreements with DPE and NRAR – NSW non-urban water metering framework

- 6.19.1 Water NSW must:
  - a. use its best endeavours to maintain a data sharing agreement with DPE (**Data Sharing Agreement with DPE**);
  - b. comply with:
    - i the Data Sharing Agreement with DPE maintained under clause 6.19.1(a); and
    - ii any cure plan that applies to Water NSW under the Data Sharing Agreement with DPE.

*[Note: Water NSW may maintain the Data Sharing Agreement with DPE referred to in clause 6.19.1 and the GSWS Data Sharing Agreement referred to in clauses 2.8.8 and 2.8.9, as a single data sharing agreement or as separate agreements.]*

- 6.19.2 Water NSW must:
  - a. use its best endeavours to maintain a data sharing agreement with the NRAR (**Data Sharing Agreement with NRAR**);
  - b. comply with:
    - i the Data Sharing Agreement with NRAR maintained under clause 6.19.1(a); and
    - ii any cure plan that applies to Water NSW under that the Data Sharing Agreement with the NRAR.
- 6.19.3 The Data Sharing Agreement with NRAR and Data Sharing Agreement with DPE (**Data Sharing Agreements**) are to record the terms and conditions on which Water NSW will provide access to the data and services relating to the NSW non-urban water metering framework to DPE and to the NRAR.

- 6.19.4 By 1 September 2023, Water NSW must use its best endeavours to agree with DPE and the NRAR amendments to the Data Sharing Agreements maintained under clause 6.19.1(a) and 6.19.2(a) to specify:
- a. standards and metrics for data accuracy, quality, continuity and timeliness of data provision;
  - b. information technology and system access, where this is not already addressed under other arrangements between the parties;
  - c. frequency of performance reviews of the Data Sharing Agreements; and
  - d. terms for initiating review of, or amendment to, the Data Sharing Agreements.

## 7 Performance monitoring and reporting

### 7.1 Operational Audits

7.1.1 IPART may annually, or from time to time as occasion requires, undertake, or may appoint an Auditor to undertake, an audit on Water NSW's compliance with:

- a. this Licence;
- b. the Reporting Manual; or
- c. any other matters required by the Minister.

**(Operational Audit).**

7.1.2 Water NSW must provide to IPART or the Auditor all information in Water NSW's possession, or under Water NSW's custody or control, which is necessary or convenient for the conduct of the Operational Audit.

7.1.3 Without limiting clause 7.1.2, Water NSW must provide to IPART or the Auditor any information necessary or convenient for the conduct of the Operational Audit which IPART or the Auditor requests in writing, within any reasonable period of time specified by IPART or the Auditor in writing.

7.1.4 For the purpose of any Operational Audit or verifying a report on an Operational Audit, Water NSW must, within a reasonable period of time from receiving a request from IPART or the Auditor, permit IPART or the Auditor to:

- a. access any Works, premises or offices occupied by Water NSW;
- b. carry out inspections, measurements and tests on, or in relation to, any such Works, premises or offices;
- c. take on to any such premises, Works or offices any person or equipment necessary for the purpose of performing the Operational Audit or verifying any report on the Operational Audit;
- d. inspect and make copies of, and take extracts from, any books and records of Water NSW that are maintained in relation to the performance of Water NSW's obligations under this Licence (including the Reporting Manual); and
- e. discuss matters relevant to the Operational Audit or any report on the Operational Audit with Water NSW, including Water NSW's officers and employees.

*[Note: Water NSW is required under section 60 of the Act to pay to the Treasurer the cost (as certified by IPART) involved in and in connection with carrying out the Operational Audit of Water NSW.]*

## 7.2 Reporting in accordance with this Licence and the Reporting Manual

- 7.2.1 Water NSW must comply with its reporting obligations set out in this Licence and in the Reporting Manual, including in relation to:
- a. water source protection and conservation;
  - b. Bulk Water storage and transmission;
  - c. Performance Standards;
  - d. organisational systems management;
  - e. Customer and stakeholder relations; and
  - f. performance monitoring and reporting including:
    - i IPART performance indicators; and
    - ii the National Performance Report Indicators.
- 7.2.2 Water NSW must maintain sufficient record systems that enable it to report accurately in accordance with clause 7.2.1.
- 7.2.3 In the case of any ambiguity in the interpretation or application of any requirements in the Reporting Manual, IPART's interpretation or assessment will prevail.

*[Note: The Reporting Manual identifies the details of when, what, to whom and how Water NSW must report to IPART and NSW Health. The Reporting Manual also specifies what and how reports and other information must be made publicly available.]*

## 7.3 Provision of information to IPART and Auditor

- 7.3.1 Water NSW must provide IPART or an Auditor with information relating to the performance of any of Water NSW's obligations under clause 7.2 (including providing IPART with physical and electronic access to the records required to be kept under clause 7.2) within a reasonable period of time from Water NSW receiving a request from IPART for that information.
- 7.3.2 Water NSW must provide IPART or an Auditor with such information as is reasonably required to enable IPART or an Auditor to conduct any review or investigation of Water NSW's obligations under this Licence within a reasonable period of time from Water NSW receiving a request from IPART for that information.
- 7.3.3 If Water NSW contracts out any of its activities to any person (including a subsidiary), it must take all reasonable steps to ensure that, if required by IPART, or any Auditor, any such persons provide information and do the things specified in this clause 7.3 as if that person were Water NSW.



7.3.4 Where this Licence requires Water NSW to provide information to IPART or an Auditor that is information to which:

- a. section 24FF of the IPART Act applies; or
- b. section 24FF of the IPART Act does not apply but IPART or the Auditor has agreed to treat the information as though section 24FF of the IPART Act applies to that information,

Water NSW must, to the maximum extent permitted by the law, provide that information even if it is confidential.

## 8 Definitions and interpretation

### 8.1 Definitions

In this licence, where the terms below appear in title case, they have the corresponding meaning set out below, unless context dictates otherwise.

**2017-2022 Licence** means the operating licence granted to Water NSW under section 11 of the Act that commenced on 1 July 2017 and expired on 30 June 2022.

**Act** means the *Water NSW Act 2014* (NSW).

**Another Australian Jurisdiction** means each of the states of Queensland, South Australia, Tasmania, Victoria, Western Australia and the Australian Capital Territory and Northern Territory, and their respective government departments and agencies.

**Appointed Auditor** means the person appointed by the Minister under section 42 of the Act to carry out functions under that section.

**Area of Operations** has the meaning given in section 15 of the Act.

**Asset Management System** has the meaning given in clause 5.1.1.

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

**Australian Drinking Water Guidelines** means the document entitled *Australian Drinking Water Guidelines 2011*, including the Framework for Management of Drinking Water Quality, published by the National Health and Medical Research Council and the Natural Resource Management Ministerial Council (as amended or updated from time to time).

**Australian Guidelines for Water Recycling** means the document entitled *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 Australian Health Ministers' Conference in November 2006 (as amended or updated from time to time).

**Bill** means an invoice sent by Water NSW to a Customer for the provision of services supplied by Water NSW.

**Border Rivers** means "Carrier Rivers" as defined in *New South Wales – Queensland Border Rivers Act 1947* (NSW).

**Bulk Water** means either water which has not been treated in any way or water that has been treated to improve quality, whether by chemical treatment or otherwise, but not treated, or attempted to be treated, to Drinking Water quality.

**Catchment Health Indicators** means the catchment health indicators which are set out in Appendix D of the Reporting Manual

*[Note: At the Commencement Date of this Licence, these are a subset of those indicators developed, approved, and published in the NSW Government Gazette Number 158 dated 19 December 2008.]*

**Catchment Infrastructure Works** has the meaning given to it by the Act.

**Code of Practice on Payment Difficulties** has the meaning given in clause 6.8.1.

**Commencement Date** is the date on which this Licence commences, being either 1 July 2022 or, if a different date is specified by the Governor in a notice published in the NSW Government Gazette, that different date.

**Commonwealth** means:

- a. a non-corporate Commonwealth entity;
- b. a corporate Commonwealth entity; and
- c. a Commonwealth company,

as those terms are defined in the *Public Governance, Performance and Accountability Act 2013* (Cth).

**Complaint** means an expression of dissatisfaction made to Water NSW or to the Minister, IPART or the Energy and Water Ombudsman of NSW about Water NSW that is brought to Water NSW's attention, related to Water NSW's products, services, staff or the handling of a complaint, where a response or resolution is reasonably (explicitly or implicitly) expected or legally required.

**Conferred Function** means a function conferred on Water NSW under section 12(4) of the Act.

*[Note: The functions specified in Schedule A are Conferred Functions.]*

**Council** has the meaning given to that term in the *Local Government Act 1993* (NSW).

**County Council** has the meaning given to that term in the *Local Government Act 1993* (NSW).

**CSR Water** means capture, store and release (but not Supply) of water by Water NSW:

- a. to persons entitled to take water; and
- b. for any other lawful purpose, including the release of environmental water,
- c. by means of Water Management Works owned and/or controlled by Water NSW.

*[Note: Water NSW may undertake such functions by using active or passive management or operating actions to enable passage of CSR Water into a river or channel system.*

*Downstream customers have their own access licences to take the CSR Water in the river or channel system.]*

**Customer** means any person:

- a. authorised under the Water Management Act or the Water Act to take and use Bulk Water and to whom Water NSW makes water deliveries;
- b. to whom Water NSW provides a service and includes Fish River Water Supply Scheme Customers and environmental water agencies; or
- c. a person who is Supplied Bulk Water by Water NSW.

**Customer Advisory Group Charter** has the meaning given to it in clause 6.6.1.

**Customer Advisory Groups** has the meaning given to it in clause 6.5.1.

**Customer Service Charter** has the meaning given to it in clause 6.7.1.

**Customer Supply Agreements** are agreements established between Water NSW and its Customers for water Supply under clause 6.1.1 of this Licence. They do not include the arrangements with Sydney Water established under section 25 of the Act.

**Data Sharing Agreement with DPE** has the meaning given in clause 6.19.1.

**Data Sharing agreement with NRAR** has the meaning given in clause 6.19.2

**Declared Catchment Area** has the meaning given to it by the Act.

**Deliver** means to make water available for Extraction or in-stream use, in response to a Water Order from a Customer and as a result of active or passive management or operating actions using Water Management Works owned and/or controlled by Water NSW infrastructure.

**Design Criteria** means the levels of service for security, robustness and reliability of water available for Supply to Customers (other than Small Customers) in or from Declared Catchment Areas, as published by Water NSW on its website from time to time.

**Drinking Water** means water intended primarily for human consumption but which has other personal, domestic or household uses such as bathing and showering.

**DPE** means the NSW Department of Planning and Environment.

**DPE Water** means the division responsible for water within DPE.

**End of Term Review** has the meaning given to it in clause 1.6.1.

**Energy and Water Ombudsman of NSW** means the NSW industry complaints scheme for the water industry of that name.

**Environment Indicators** means the environment indicators that are set out in Appendix C of the Reporting Manual.

**Environmental Management System** has the meaning given in clause 5.2.1.

**Environment Protection Authority** means the Environment Protection Authority constituted by the *Protection of the Environment Administration Act 1991* (NSW).

**EP&A Act** means the *Environmental Planning and Assessment Act 1979* (NSW).

**Extract** means the taking of water from a Water Source.

**Fish River Water Supply Scheme** has the same meaning as under the Act.

**Guidelines** means any guidelines in relation to the Conferred Functions in Tables A.8 and A.9 of Schedule A issued by DPE from time to time.

**Greater Sydney Drought Response Plan** means the drought response plan developed by Water NSW and Sydney Water under clause 2.9 of the 2017-2022 Licence and clause 3.2.1 of the *Sydney Water Operating Licence 2019–2023* respectively.

**Greater Sydney Water Strategy** means the document of that title being developed by the NSW Government which, once published, will replace the Metropolitan Water Plan.

**GSWS Data Sharing Agreement** has the meaning given in clause 2.8.8.

**Internal Complaints Handling Procedure** has the meaning given in clause 6.9.1.

**Interstate Temporary Trades** means the transfer of allocated water from a water access licence account held in one state or territory of Australia to a water access licence held in another state or territory.

**IPART** means the Independent Pricing and Regulatory Tribunal of New South Wales constituted by the IPART Act.

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

**Irrigation Corporation** means an irrigation corporation referred to in Part 1 of Chapter 4 of the Water Management Act.

**Licence** means this operating licence granted under section 11 of the Act to Water NSW and includes all Schedules included by reference (excluding Schedule B).

**Listed Function** means those functions set out in section 7(1) of the Act that are referred to in clause 1.2.1.

**Local Water Utility** has the meaning given to that term in the Water Management Act.

**Local Water Utility Customer** has the meaning given in clause 3.4.1.

**LWU Information Request Procedure** has the meaning given in clause 3.4.3.

**LWU Register** has the meaning given in clause 3.4.1.

**Major Utility** has the meaning given to that term in the Water Management Act.

**Management Plan** means a management plan made under section 41 of the Water Management Act or a Minister's plan made under section 50 of that Act.

**Management System** means a set of interrelated elements or compounds used by Water NSW to develop and implement its policies and objectives and to manage any of its activities, products, functions or services, and includes organisational structure, planning activities, responsibilities, practices, processes and resources.

**Metering Equipment** has the meaning given to it in the Act.

*[Note: As at the Commencement Date of this Licence, metering equipment is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act.]*

**Metropolitan Water Plan** means:

- a. the "2017 Metropolitan Water Plan" published by the NSW Government and comprising a plan designed to ensure a sustainable and secure water supply for greater Sydney, once published; and
- b. any other plan generally for the development of urban water policy and planning for greater Sydney that is approved by the Minister.

**Minister** means, other than where it appears in Schedule A, the Minister responsible for administering the Act, which at the Commencement Date is the Minister for Lands and Water.

**Ministerial Corporation** has the meaning given to it in the Act.

**National Performance Report Indicators** means the National Performance Report Indicators set out in the *2013-14 National Performance Framework: Urban performance reporting indicators and definitions handbook* published by the (now-abolished) National Water Commission, or any document which updates, amends or replaces it from time to time.

**National Water Initiative** means the Intergovernmental Agreement on a National Water Initiative between the Commonwealth of Australia and the Governments of New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory (as amended from time to time).

**Natural Resources Access Regulator** or **NRAR** means the Natural Resources Access Regulator constituted under the *Natural Resources Access Regulator Act 2017* (NSW).

**New South Wales Government Agency** means those agencies listed in Schedule 1 to the *Government Sector Employment Act 2013* (NSW).

**New South Wales State Owned Corporation** has the meaning given to the term 'state owned corporation' in the *State Owned Corporations Act 1989* (NSW).

**Non-Complying Water Order** means a request that would be a Water Order except that it:

- a. does not comply with the conditions of a relevant licence or entitlement; and/or
- b. contains insufficient information for Water NSW to Deliver the water requested.

**Non-Declared Catchment Areas** means all areas that are not Declared Catchment Areas.

**NSW Health** means the NSW Ministry of Health.

**Operational Audit** has the meaning given in clause 7.1.1.

**Performance Standards** means the standards defined in clause 4.

**Public School** or **Public Hospital** means a school or hospital, as the case may be, operated by a New South Wales Government Agency or Another Australian Jurisdiction.

**Regulated River** has the meaning given to that term under the Water Management Act.

**Regulation** means the *Water NSW Regulation 2020* (NSW).

**Relevant Body** has the meaning given to it under section 15(4)(b) of the Act.

**Reporting Manual** means the document entitled "Water NSW Reporting Manual" which is published by IPART (as updated from time to time).

**Small Customer** means a person who is Supplied Bulk Water by Water NSW under terms and conditions that prevent that person from supplying water for consumption by others within New South Wales without authorisation under a statute or regulatory instrument, other than:

- a. Sydney Water;
- b. a Water Supply Authority that is Supplied Bulk Water by Water NSW;
- c. a Council or County Council that is Supplied Bulk Water by Water NSW; or
- d. a WIC Act Licensee that is Supplied Bulk Water by Water NSW.

**State** means the State of New South Wales.



**State Environmental Planning Policy** has the meaning given to it in the EP&A Act.

**State Significant Development** has the meaning given to it in the EP&A Act.

**State Significant Infrastructure** has the meaning given to it in the EP&A Act.

**Supply** means the supply by Water NSW of water taken from the State's water rights under its water access licences to a Customer (in accordance with a relevant Customer Supply Agreement or an arrangement with Sydney Water under section 25 of the Act) by means of Water Management Works owned and/or controlled by Water NSW.

*[Note: Water NSW may supply water to a downstream Customer by using active or passive management or operating actions. Such downstream Customers do not have their own water access licences for that water.]*

**Sydney Water** means the Sydney Water Corporation constituted as a corporation by the *Sydney Water Act 1994* (NSW).

**System Yield** means the amount of water that Water NSW estimates (using a hydrological model) can be Supplied from the Water Sources within the Declared Catchment Areas annually over the long term, subject to:

- a. inflows to the Catchment Infrastructure Works in the Declared Catchment Areas
- b. an adopted set of operational rules; and
- c. the Design Criteria.

**Temporary Trade** means the transfer of allocated water from one water access licence granted under the Act to another and includes transfers under the Water Management Act and Water Act.

**Unregulated River** has the meaning given to that term under the Water Management Act.

**Water Act** means the *Water Act 1912* (NSW).

**Water Allocation Account** has the meaning given to it under the Water Management Act or means an account for a water access licence set up under the administrative procedures implemented under the Water Act.

**Water Conservation Strategy** means the strategy developed under clause 2.7 of the 2017-2022 Licence, and maintained in accordance with clause 2.6.1 of this Licence.

**Water Conservation Work Program** means the 5-year water conservation work program that Water NSW:

- a. developed and submitted to IPART under clause 2.7.3 of the 2017-2022 Licence; and
- b. reviews, updates and reports on in accordance with clause 2.6.3 of this Licence.

**Water Licence** means a licence issued to a Customer under the Water Management Act or the Water Act.

**Water Management Act** means the *Water Management Act 2000* (NSW).

**Water Management Regulation** means the *Water Management (General) Regulation 2018* (NSW).

**Water Management Work** has the meaning given to it in the Act.

*[Note: As at the Commencement Date of this Licence, Water Management Work is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act.]*

**Water NSW** means the corporation constituted by section 4(1) of the Act with the corporate name Water NSW.

**Water Order** means a request for water by a Customer, which contains sufficient information for Water NSW to Deliver that water, and which is made in accordance with the relevant conditions imposed on the relevant:

- a. water access licence, to take water under the Water Management Act; or
- b. entitlement, to take water under section 20AF of the Water Act.

**Water Quality Management System** means a Management System to manage risks to water quality.

**Water Source** has the meaning given to that term in the Act.

*[Note: As at the Commencement Date of this Licence, Water Source is defined in section 3(2) of the Act to have the same meaning as in the Water Management Act.]*

**Water Supply Authority** has the meaning given to that term in the Act.

*[Note: As at the Commencement Date of this Licence, Water Supply Authority is defined in section 3(2) of the Act, to have the same meaning as in the Water Management Act.]*

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

**WIC Act Licensee** means a person who is authorised under a licence or authorisation under the WIC Act to:

- a. construct, maintain and operate water infrastructure or sewerage infrastructure;
- b. provide water supply services by means of water infrastructure; or
- c. provide sewerage services by means of sewerage infrastructure.

**WIC Regulation** means the *Water Industry Competition (General) Regulation 2021* (NSW).

**Works** has the meaning given to that term in the Act.

## 8.2 Interpretation

- a. In this Licence, unless the contrary intention appears:
  - i the word person includes an individual, a body corporate, an unincorporated body or other entity and one or more of each of them;
  - ii headings are for convenience only and do not affect the interpretation of this Licence;
  - iii the map provided in Schedule B does not form part of this licence, and is provided for convenience only;
  - iv notes do not form part of this Licence but may be used to assist with interpretation if there is an ambiguity;
  - v words importing the singular include the plural and vice versa;
  - vi if a word or phrase is defined, its other grammatical forms, such as any conjugated verb form or cognate noun form, have a corresponding meaning;
  - vii a reference to a law or legislation (including the Act) includes regulations made under the law or legislation;
  - viii a reference to regulations includes ordinances, codes, licences, orders, permits and directions;
  - ix a reference to a law or regulation includes consolidations, amendments, variations, re-enactments, or replacements of any of them;
  - x a reference to a legislative provision that is re-numbered extends to the corresponding re-numbered legislative provision;
  - xi a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
  - xii a reference to a working day means a day that is not a Saturday, a Sunday or a public holiday in New South Wales;
  - xiii a reference to a year means a calendar year that ends on 31 December;
  - xiv a reference to a financial year means a period of 12 months commencing on 1 July and ending on the following 30 June;
  - xv a reference to a clause or schedule is to a clause of or schedule of this Licence; and
  - xvi a reference to a quarter is a period of 3 months beginning on 1 July, 1 October, 1 January or 1 April in a year.
- b. Terms defined in the Act, Water Act, Water Management Act and the *New South Wales – Queensland Border Rivers Act 1947* (NSW) have the same meaning in this Licence, unless an alternative definition is specified in this Licence.
- c. If any part of this Licence is prohibited, void, voidable, illegal or unenforceable, then that part is severed from this Licence but without affecting the continued operation of the remainder of this Licence.

- d. A reference in this Licence to any organisation, association, society, group or body will, in the event of it ceasing to exist or being reconstituted, renamed or replaced or if its powers or functions are transferred to any other entity, body or group, refer respectively to any such entity, body or group, established or constituted in lieu thereof or succeeding to similar powers and functions.
- e. A reference in this Licence to a document is a reference to the original document as amended or revised or, where the original document is replaced, to the replacing document, or the document that most closely approximates the original document.
- f. Except where a contrary intention appears in this Licence, where there is any ambiguity or disagreement between Water NSW and IPART as to the proper application or interpretation of any term of this Licence or the Reporting Manual, IPART's interpretation or assessment will prevail.
- g. Information provided to IPART under this Licence may be used by IPART for the purpose of an investigation or report under the IPART Act in relation to Water NSW, or in the discharge of any function lawfully conferred on IPART.

# Schedules



## A Conferral of functions

The following functions are conferred on Water NSW pursuant to section 12(4) of the Act.

### A.1 Licensing functions

The functions in the tables below under the *Water Management Act 2000* (NSW), the *Water Act 1912* (NSW), the *Water Management (General) Regulation 2018* (NSW), the *Access Licence Dealing Principles Order 2004* (NSW) and within Management Plans which relate to licensing are conferred on Water NSW, subject to the exceptions specified below:

#### Exceptions

1. Where a function is highlighted with an asterisk (\*), the conferral of that function to Water NSW is limited to not include the following:

#### Entities

All licences or licence applications held or submitted by:

- a Major Utility;
- a Water Supply Authority;
- a Council or County Council;
- an Irrigation Corporation;
- the Commonwealth;
- Another Australian Jurisdiction;
- a New South Wales Government Agency;
- a Public School or Public Hospital;
- an authority that supplies water in Another Australian Jurisdiction;
- corporations owned by Another Australian Jurisdiction; or
- a New South Wales State Owned Corporation

or

#### Licences or licence applications

A licence or licence application:

- for an Aboriginal commercial, Aboriginal community development, Aboriginal cultural or Aboriginal environmental subcategory of access licence;
- which relates to activities being carried out, or proposed to be carried out, by a person acting in their capacity as a licensed network operator under the *Water Industry Competition Act 2006* (NSW);

- which relates to activities being carried out, or proposed to be carried out, by a person acting in their capacity as the holder of, or person required to obtain, any authority, lease or licence under the *Mining Act 1992* (NSW), the *Offshore Minerals Act 1999* (NSW) or the *Petroleum (Onshore) Act 1991* (NSW) or any permit or licence under the *Petroleum (Offshore) Act 1982* (NSW);
- which relates to activities for a development which has been:
  - declared to be State Significant Development under section 89C of the EP&A Act or is declared to be State Significant Development under a State Environmental Planning Policy,
  - declared to be State Significant Infrastructure under section 115U of the EP&A Act or is declared to be State Significant Infrastructure under a State Environmental Planning Policy; or
  - approved under the now repealed Part 3A of the EP&A Act.

*[Note: While Water NSW is not conferred these functions with respect to specifically excluded licences and licence applications, Water NSW may nonetheless provide licensing functions to the licence holder or applicant for other non-excluded licences that the entity or person may hold or apply for.]*

2. Where a function is highlighted with a hash (#), the conferral of that function to Water NSW is limited as described in the table.
3. Where a function is highlighted with a caret (^), the conferral of that function is limited to exercising that function only on the ground that fees, charges, interest or rates imposed in respect of the licence have not been paid.



Table A.1 *Water Management Act 2000* (NSW)

For the purposes of this Table A.1, a reference to 'the Act' is a reference to the *Water Management Act 2000* (NSW).

Section	Function
61(1)*	Receive applications for an access licence.
61(3)*	Cause an application for an access licence to be advertised in accordance with the <i>Water Management (General) Regulation 2018</i> .
61(5)(a)*	Require additional information in relation to an application.
61(5)(b)*	Decide to delay considering an application, or refuse to consider an application until information is provided.
61(6)*	Refuse to accept an incomplete application.
61(7)*	Accept applications to amend or withdraw applications for access licences before the application is determined.
62(2)*	Notify the applicant of the grounds of any objection and allow time for a response.
62(3)(a)*	Require additional information in relation to an objection or response.
62(3)(b)*	Decide to delay considering an objection or response, or refuse to consider an objection or response until information is provided.
62(4)*	Notify the objector or application of a deficiency in an objection or response and allow time to rectify.
62(5)*	Before making a decision on an application for an access licence where an objection has been made, endeavour to resolve the issues raised by the objection with the applicant and objector, with a view to reaching agreement on the matters raised by the objection.
62(6)*	For the purpose of reaching an agreement on the matters raised by an objection, propose that matters raised by the objection be dealt with by way of mediation or neutral evaluation or involving an independent mediator or evaluator selected by agreement.
62(7)*	Dismiss an application or objection for failure to participate in mediation or neutral evaluation proceedings.
63(1)*	Determine an application for an access licence by granting or refusing to grant the licence.
63(2)*	Be satisfied of certain matters before granting an access licence.
63(7)*	Determine the form of an access licence.
64*	Notify the applicant and any objectors of the grant or refusal of a licence application under Division 2 of Chapter 3 of the Act within 7 days of determination.
66(1)*	Impose mandatory and discretionary condition(s) on an access licence.
66(2A)*	Impose condition(s) on specific purpose access licences to ensure the licence is used for the purpose for which it was granted.
67(1)*	Give written notice to an access licence holder of a proposal to impose discretionary conditions on an access licence after it has been granted, allow reasonable opportunity to make submissions and consider those submissions.
67(3)*	Impose, amend, revoke or suspend mandatory conditions of an access licence whenever it is necessary to do so in order to enable compliance with or give effect to the Act, the regulations or a relevant management plan.
67(4)*	Cause written notice of any conditions imposed, amended, revoked or suspended on an access licence after the time it is granted to be served on the holder of the access licence.
68*	Revoke discretionary conditions on an access licence whether or not on the application of the holder of the access licence.

Section	Function
68A(1)*	Amend the share or extraction component (or both) of an access licence in accordance with the Act or a relevant management plan.
68A(1A)*	Amend the share or extraction component (or both) of an access licence so as to alter the water management area or water source to which the share component of the licence relates, or the locations from which water may be taken in accordance with the extraction component of the licence.
68A(1E)*	Amend an access licence by withdrawing the nomination of a specified water supply work by means of or from which water may be taken under the licence, if the work is the subject of an approval that has expired or has been cancelled or surrendered.
68A(2)*	Cause written notice of an amendment of an access licence under section 68A to be served on the holder of the licence and any security holder in relation to the licence.
71(1)	Keep a Water Access Licence Register, but only in relation to the matters specified in section 71A(2) (the Assignment Division).
71(3) and Schedule 1A (cl 1(2) and 1(4))	Determine the form and manner for keeping information in the Access Register.
71A(2)	Record certain matters in the Assignment Division of the Access Register.
71D(1)(a), 71E, 71L(4)(a), 71X(1)(f) and Schedule 10 (cl 19)	Determine the form of applications under sections 71D(1)(a), 71E, 71L(4)(a) and 71X(1)(f), and clause 19 of Schedule 10.
71H(1), 71L(1)(a), 72(1), 73(1), 87B(3) and Schedule 1A (cl 2(1), 3(1), 3(5), 5(2))	Determine the form of applications under sections 71H(1), 71L(1)(a), 72(1), 73(1) and 87B(3), and clauses 2(1), 3(1), 3(5) and 5(2) of Schedule 1A.
71G(1)	Require the access licence certificate to be produced before recording a matter in the Access Licence Register.
71I	Correct an error, omission or defect or amend for any other reason any recording in the Access Register.
71L(4)(b)	If consent is granted, enter details of an assignment in the water allocation account for the access licence.
71M(4)	Give or refuse consent to the transfer of a category or subcategory of access licence prescribed by the regulations, or the transfer of an access licence in circumstances prescribed by the regulations.
71N(4)	Give or refuse consent to the term transfer of an access licence of a category or subcategory prescribed by the regulations, or the term transfer of an access licence in circumstances prescribed by the regulations.
71N(7)	Give or refuse consent to a reduction of the period of a term transfer without the consent of the transferee if satisfied that the transferee has failed to comply with any obligations imposed on the transferee.
71O(1)	Give or refuse consent to the cancellation of an access licence and the grant of a new licence of a different category or subcategory.
71P(1)(a)	Give or refuse consent to the subdivision of an access licence by cancelling the licence and granting two or more licences in its place.
71P(1)(b)	Give or refuse consent to, the consolidation of two or more access licences that relate to the same water management area or water sources and are of the same category or subcategory by cancelling the licences and granting a single licence in their place.
71Q(1)	Give or refuse consent to the assignment of rights between two or more access licences of the same category with respect to the same water management area or water source by reduction of the share or extraction component, or both, of one or some of the licences, and a corresponding increase in the share or extraction component, or both, of the others, on the application of the holder or holders of the licences.

Section	Function
71QA(4) & (5)	Consent to the assignment of rights between access licences with respect to individual daily extraction components, including specifying a reduction or increase to have effect for a specified period, or in specified circumstances, or both.
71R(1)	Give or refuse consent to the cancellation of an access licence and the grant of a new access licence with a share component specifying a different water source or water management area, on the application of the holder of the licence.
71S(1)	Give or refuse consent to the amendment of the extraction component of an access licence, so as to vary the times, rates or circumstances specified in the licence with respect to the taking of water under the licence, or to vary the areas or locations specified in the licence as the areas or location from which water may be taken under the licence.
71T(2)	Give or refuse consent to the assignment of water allocations between the water allocation accounts for two or more access licences, on the application of the holders of the licences.
71T(4)	Receive notice given by parties who have completed an assignment of water allocations.
71U(2)	Give or refuse consent to the grant or cancellation of an access licence to give effect to the interstate transfer of access licences and their corresponding interstate equivalents, on an application made pursuant to an agreement under section 71U(1).
71V(2)	Give or refuse consent to the crediting of water allocations to an access licence, or the debiting of water allocations from an access licence, to give effect to an interstate assignment of water allocations, on an application made pursuant to an agreement under section 71V(1).
71W(1)	Give or refuse consent to the amendment of an access licence so as: (a) to nominate a specified water supply work, or group of water supply works, as a work or group of works by means of which water allocations under the licence may be taken, or (b) to withdraw any such nomination, on the application of the holder of the licence.
71Y(6)	Deal with 2 or more related dealings at the same time and in the same application as if they comprised one dealing.
72	Record a person as the holder or co-holder of an access licence or a holding in an access licence, if satisfied that the applicant is entitled to be recorded in the Access Register as he holder or co-holder, and if nothing recorded in the Access Register prevents the registration, and require evidence of applicant's entitlement to be recorded in Access Register as a holder or co-holder.
74	Give or refuse consent to the extinguishment of the holdings of one or more co-holders of an access licence and the granting of a new access licence in accordance with Schedule 1B.
76	Give or refuse consent to an application for used water allocations to be recredited to the water allocation account for an access licence and deal with an application in accordance with the water return flow rules, subject to the condition that Water NSW provide water account information to DPE Water.
77(1)*	Receive a surrendered access licence.
77(2B)*	Refuse to accept the surrender of an access licence.
77(4)*	Cancel a surrendered access licence or record in the Access Register that the Minister (not Water NSW) is the holder of the surrendered licence, in consultation with DPE Water.
77A(1)*	Cancel a supplementary access licence when the relevant management plan ceases to make provision for the extraction of water under the access licence.
77A(2)*	Cancel a specific purpose access licence, if of the opinion that the purpose for which the licence was granted no longer exists.
77A(4)*	Cancel an access licence of a category prescribed by the regulations other than a specified purpose access licence.
77A(5)*	Cancel an access licence if the period for which the licence is to have effect was specified in an order under section 65 and the period has expired.
78(1)(c)*^	Suspend or cancel an access licence for failure to pay any fees or charges imposed in respect of that licence.
78(1)(c)#	Suspend an access licence for failure to pay any fees, charges, interest or rates imposed by Water NSW in respect of that licence. This function is limited to the entities and licences identified in paragraph A.1 clause 1 under the heading 'Exceptions'.

Section	Function
78A(1)	Given written notice to the holder of an access licence, and if there are security holders in relation to the access licence to those security holders, of proposed action under section 77A or 78, give any such person a reasonable opportunity to make submissions with respect to the proposed action and take any such submissions into consideration.
78A(1A)	Cancel or suspend an access licence without giving notice if Water NSW has taken all reasonable steps to give notice under section 78A(1) to the licence holder within the period of 28 days before taking action.
85(1)	Keep a water allocation account for each access licence.
85(2)	Credit water allocations to the water allocation account for an access licence in accordance with any relevant available water determination, subject to the condition that Water NSW provide water account information to DPE Water.
85(3)	As a result of the early release of water by Snowy Hydro Limited: - credit an amount of water to the water allocation account for an access licence; and - subsequently debit the same amount of water as is so credited in accordance with directions of the Minister, - subject to the condition that Water NSW provide water account information to DPE Water.
85(5)	Withdraw water allocations from a water allocation account as referred to in section 21(c), subject to the condition that Water NSW provide water account information to DPE Water.
85AA(2)	Cause an account to be kept, in respect of access licences, of any individual daily extraction component that is acquired under section 71QA and any individual daily extraction component that is assigned under section 71QA.
87B*	Issue a certificate in the approved form in respect of an access licence (an "access licence certificate") and all other action under section 87B.
Clause 1(2) of Schedule 1A*	Record the details of any Ministerial action (other than the grant of an access licence under section 63, 63A or 63B), in the Access Register and determine the form in which such actions may be recorded.
Clause 1(4) of Schedule 1A*	Include in the Access Register such other information about the holder of an access licence and the conditions of and other matters relating to the licence as is considered appropriate.

Table A.2 *Water Act 1912* (NSW)

Note: The following 'licensing functions' under the *Water Act 1912* (NSW) include functions relating to the issuing of permits and authorities as well as licences.

Section	Function
10*	Accept applications and prescribe a form for the application of licences.
11(1)- (2C)* and 18G*	Cause publication of applications, amended applications and notices all related to actions under sections 11(1)-(2C) (application for licence) and 18G (application for permit)
11*	Decide whether to grant or refuse an application, determine period, terms, limitations and conditions, give applicant notice of decision, apply to Civil and Administrative Tribunal for an inquiry.
11A*	Refer an application to the Planning Assessment Commission and all other action of the Ministerial Corporation under 11A.
12*	Issue a licence in the prescribed form, impose terms, limitations and conditions, reject an application for failure to pay prescribed fee, retain deposit or any part of deposit and all other action under section 12.
13AA*	Issue an amended licence to reduce area authorised to be irrigated, the capacity of the work or the quantity of water which may be taken.

Section	Function
13C*	Refuse to grant any application for a licence, renew a licence, grant an extension of time for completion of alternations, repairs or additions and all other action under section 13C.
13D*	Grant permission in writing for the holder of a licence or authority for a joint water supply scheme granted for the purpose of irrigation or water supply to take water from a river or lake by means of any work covered by the licence or authority before the whole of the works covered by the licence or authority have been constructed or provided.
13F*	Give notice of proposed cancellation to licence holder.
14*	Renew, or refuse to renew, a licence from time to time, deal with an application lodged after the licence expires, determine period, terms, limitations and conditions, notify applicant, notify any owners and occupiers of intervening lands and all other functions of the Ministerial Corporation under section 14.
14A*	Prescribe fees for issuing and renewal of licences, including issuing or renewing licences to public authority at a nominal fee.
15*	Require a separate application to be made in respect of each work, determine what works may be included as a combined work in an application for a licence or group licence and all other action under section 15.
17C*,	Where a licence is deemed to be cancelled pursuant to section 13F, notify the cancellation in the Gazette
18F*	Approve the prescribed form to apply for a permit to construct and use a work under section 18F.
18G*	Grant or refuse an application for a permit.
18H*	Grant a permit instead of imposing a licence, impose limitations and conditions and all other action under section 18H.
18I*	Issue a permit on payment of fee, require alternations be made to or in connection with a work or to plans and specifications of the work and all other action under section 18I.
18J*	Renew a permit, impose limitations and conditions and all other actions under section 18J.
18M*	Prescribe fees for issuing and renewal of permits, including issuing or renewing permits to public authority at a nominal fee.
18N*	Require a separate application to be made in respect of each work, determine what works may be included as a combined work in an application for a licence or group licence and all other action under section 18N.
18O*	Issue notices to suspend, modify or withdraw permits, or to reduce the quantity of water authorised by the permit under section 18O.
20*	Receive applications for an authority to construct and use the joint water supply scheme and to take and use the water which may be conserved or obtained via the scheme, prescribe the form of the scheme, receive the prescribed deposit.
20A(1)* and (1D)*	Publish application for authorities in Gazette and newspaper, form the opinion changes warrant advertising an amended application and advertise amended applications.
20B*	Grant an authority for a joint water supply scheme, determine the period, terms and conditions, reject an application, retain any deposit, any part of such deposit and all other action under 20B.
20BA*	Refuse to grant any application for an authority, renew an authority, determine conditions, grant an extension of time for completion of alterations, repairs or additional works and all other actions under section 20BA.
20BB*	Permit holders of an authority to take water in accordance with section 20BB, issue a written permission to that effect and all other action under section 20BB.
20BC*	Give written notice to holders of an authority of cancellation after specified period, annul or withdraw notice given before expiration or specified period and all other action under section 20BC.
20C*	Renew an authority, determine all terms and conditions and all other actions under section 20C.

Section	Function
20CB*	Renew an authority, determine period, terms, limitations and conditions and all other actions under section 20CB.
20E*	Issue an amended authority, determine terms and conditions, cause publication of notice giving particulars of application, advertise any amended application, direct the Director-General or a Magistrate to hold a public inquiry, decide whether or not to grant an application, determine terms and conditions and all other actions under section 20E.
20AF*	Temporarily vary or waive a condition of an entitlement relating to the ordering of supplies under the water allocation of the entitlement, debit the quantity of water taken and all other action under section 20AF.
20AH*	Approve the transfer of the whole or part of a water allocation, including a transfer between different schemes whether for a limited period or without limitation as to duration and all other action under section 20AH.
20AI*	Accept and consider an application for transfer of a water allocation, approve a farm water management plan, be satisfied water allocation will be used in accordance with such a plan, and all other action under section 20AI.
20AJ*	Determine an acceptable form for the particulars of a transfer, prescribe payment of the fee due and all other action under section 20AJ.
20AK*	Cancel an existing entitlement.
20AQ*	Cancellation of an entitlement where a new entitlement is granted that includes a water allocation purchased under Division 4D.
22B*	Once DPE Water has formed the view that there is a water shortage, issue, amend, alter, modify or cancel notices under section 22B to restrict or suspend the rights held under licences, group licences, authorities or permits.
107*	Refer any proposal for construction of an artesian well by the Crown to the Director-General by notification in the Gazette, declare land to be a district with which charges may be levied, carry out work and all other action under s 107.
109*	Approve a request on petition of occupiers and construct a well, channels and other works following the petitions of occupiers and all other action under s 109.
111*	By notice in the Gazette, extend the supply of water from an artesian well to the lands of occupiers, owners and mortgagees and all other functions under s 111.
113*	Cause advertisement of application, receive application and prescribe form of application, plans and descriptions.
113A*	Issue or revoke orders or notices relating to invalidation of applications for licences under section 113A and reject applications.
115*	Issue a licence to the applicant in the prescribed form, determine limitations and conditions and all other action under section 115.
116*	Grant a licence for a limited period, renew a licence on payment of the prescribed fee, limit the period of renewal, grant an extended time for sinking bores and for enlarging, deepening or altering bores and all other action under section 116.
116A*	Issue or renew a licence at a nominal fee where the applicant is a public authority.
116B*	Reject an application for non-payment of prescribed fee under section 116B.
116C*	Impose limitations and conditions on a licence, cause written notice of intention to impose, have regard to any submissions made and all other action under section 116C.
117A*	Declare, vary, revoke or amend restricted sub-surface water areas, issue orders and all other actions under section 117A.
117B*	Prescribe, vary, revoke and amend prescribed areas, fix charges in relation to prescribed areas and remit or waive the payment of any charge paid or payable.

Section	Function
117E*	Once DPE Water has formed the view that there is a water shortage, restrict or suspend rights held under licences during period of water shortage and cause publication of the necessary notice under section 117E.
117G*	Vary a licensee's water allocation and all other action under section 117G.
117J*	Determine sub-surface water basins (or part of basins), approve applications to transfer the whole or part of the water allocation licence under section 117J, refuse to approve a transfer, require information to be provided and all other actions under s 117J.
118A	Issue or cancel a drillers licence, require information to be provided, require information in relation to a construction of a bore, cancel drillers licences.

Table A.3 *Water Management (General) Regulation 2018 (NSW)*

Section	Function
9(1)(a)*	Approve the form of an application for a water access licence.
12	Be satisfied of certain circumstances prior to permitting a nomination under s 71W(1)(b), and receive notification of the making and withdrawal of certain nominations
14*	Refuse to accept the surrender of an access licence in certain circumstances.
15*	Consider various criteria when determining whether the purpose for which a special purpose access licence was granted no longer exists.
17(2)(b)(iii)	Determine priority for the debit of water allocations where nomination is not made or is incapable of being implemented.
21(4)*	Extend the date an exemption with respect to approved water for basic human water needs.
21(5)	Determine requirements for an exemption under clause 21 with respect to the taking of water for the purposes and in the circumstances specified in clause 17 of Schedule 4 (Emergency safety measures).
21(6)(c)	Approve the form and manner of the making of the record as described in clause 21(6)
21(6)(e)	Approve the form and manner of the record to be given to the Minister under clause 21(6)(e) and receive such a record
21(6)(e)(iii)	Direct that a record required by clause 21(6)(e) be given on an earlier date
230(5)(b)(i)	Approve the form and manner of the record of water taken under the exemption specified in clause 17A of Schedule 4
230(5)(b)(ii)	Receive a copy of the record required by clause 230(5)(b)
230(5)(b)(iii)	Notify that a record required by clause 230(5)(b) be given by an earlier date
231(6)(b)	Approve the form and manner of the record of water taken under the exemption specified in clause 17A of Schedule 4 and receive such a record
231(6)(b)(iii)	Notify that a record required by clause 231(6)(b) be given by an earlier date
Schedule 4 (cl 14*)	Determine whether it is satisfied that the watering proposed by the Ministerial Corporation is in the public interest and urgently required for basic human watering needs, and approve in writing a watering program that addresses the amount of water proposed to be taken and the water source from which the water will be taken.



Table A.4 Management plans/ Minister's plans

Function
Functions of the Minister under a Management Plan relating to the following:
Amending access licence share components when informed by DPE Water;
Granting access licences*;
Managing water allocation accounts; Imposing daily access rules;
Managing access to daily flows other than supplementary water;
Granting and amending water supply work approvals*;
Imposing restrictions on water supply works located within restricted distances specified in a water sharing plan*;
Managing local access rules in local impact areas declared by the Minister*;
Imposing mandatory conditions in accordance with any model conditions developed by DPE Water*.

Table A.5 Access Licence Dealing Principles Order 2004 (NSW)

Section	Function
11	Determine the conversion factor for the calculation of the share component on a new access licence. This is performed in accordance with any rules set out in the relevant management plan.
20	For water supply works dealings under 71W, determine capacity that would conserve water consistent with the share component of the access licence (s20(7)).

## A.2 Approval functions

The functions in the table below under the Water Management Act NSW 2000 (NSW) and the *Water Management (General) Regulation 2018* (NSW) which relate to approvals are conferred on Water NSW, subject to the exceptions specified below.

### **Exceptions**

1. Where the function is highlighted with an asterix (\*), the conferral of that function to Water NSW is limited to not include the following:

#### **Entities**

All approvals or approval applications held or submitted by:

- a Major Utility;
- a Water Supply Authority;
- a Council or County Council;
- an Irrigation Corporation;
- the Commonwealth;
- another Australian Jurisdiction
- a New South Wales Government Agency;
- a Public School or Public Hospital;
- an authority that supplies water in Another Australian Jurisdiction;
- corporations owned by Another Australian Jurisdiction; or
- a New South Wales State Owned Corporation.

#### **Approvals or approval applications**

A specific approval or approval application:

- for a controlled activity approval or an aquifer interference approval;
- which relates to activities where the applicant or approval holder has obtained or will obtain an Aboriginal commercial, Aboriginal community development, Aboriginal cultural or Aboriginal environmental subcategory of access licence; or
- which relates to activities being carried out, or proposed to be carried out, by a person acting in their capacity as a licensed network operator under the Water Industry Competition Act 2006 (NSW);
- which relates to activities being carried out, or proposed to be carried out, by a person acting in their capacity as a holder of, or person required to obtain, any authority, lease or licence under the Mining Act 1992 (NSW), the Offshore Minerals Act 1999 (NSW), or the Petroleum (Onshore) Act 1991 (NSW) or any permit or licence under the Petroleum (Offshore) Act 1982 (NSW); or
- which relates to activities for a development which has been:

- declared to be State Significant Development under section 89C of the EP&A Act or is declared to be State Significant Development under a State Environmental Planning Policy,
  - declared to be State Significant Infrastructure under s 115U of the EP&A Act or is declared to be State Significant Infrastructure under a State Environmental Planning Policy; or
  - approved under the now repealed Part 3A of the EP&A Act.
2. Where a function is highlighted with a hash (#), the conferral of that function is limited as described in the table.
  3. Where a function is highlighted with a caret (^), the conferral of that function is limited to exercising that function only on the ground that fees, charges, interest or rates imposed in respect of the approval have not been paid.

**Table A.6 *Water Management Act 2000* (NSW)**

For the purposes of this Table A.6, a reference to 'the Act' is a reference to the *Water Management Act 2000* (NSW).

Section	Function
92(4)*	Require a separate application to be made in relation to one or more approvals.
92(5)(a)*	Require an applicant for an approval to provide additional information within a specified time if of the opinion that additional information would be relevant to consideration of the application.
92(5)(b)*	Delay consideration of an application until additional information required under section 92(5)(a) is provided, or refuse to consider an application if the additional information is not provided within the time specified.
92(6)*	Refuse to accept an application for an approval if it appears that the application is incomplete.
92(8)	Receive notice in writing from an applicant for an approval to amend or withdraw the application.
93(2)*	Inform the applicant for an approval of the grounds of any objection to the granting of the approval and allow the applicant a specified time within which to make a written response in relation to the objection.
93(3)(a)*	Require an objector or applicant to provide additional information within a specified time if of the opinion that additional information would be relevant to consideration of the objection or response.
93(3)(b)*	Delay consideration of an objection or response until the additional information is provided, or refuse to consider the objections or response if additional information is not provided within the time specified.
93(4)*	Notify the objector or application of a deficiency in an objection or response and allow time to rectify.
93(5)*	Endeavour to resolve the issues raised by an objection through consultation with the applicant and objector, with a view to reaching agreement on the matters raised by the objection.
93(6)*	Propose that matters raised by an objection be dealt with by way of mediation or a neutral evaluation involving an independent mediator or evaluator appointed by agreement between the applicant and objector.
93(7)*	Pay costs of mediation or neutral evaluation under section 93(6) .
93(8)*	Dismiss an application or objection for failure to participate in mediation or neutral evaluation proceedings.
94(2)(a)*	Refer an application for an approval and any objection to the application to a Planning Assessment Commission, including any information furnished in relation to the application.

Section	Function
95(1)*	Grant or refuse an application for a water use approval, water management work approval. Note: An approval may not be granted in contravention of the provisions of any relevant management plan.
95(4)*	Determine the form of an approval.
96*	Take into account various matters in considering whether to grant an approval.
97*	Refuse an application for a water use approval or water management work approval.
98*	Notify the applicant of the determination of an application, and if the application relates to an approval that has been advertised pursuant to section 92, to each person who has made an objection to the Minister in connection with the application.
99A*	On application or on own motion, grant 2 or more approvals by means of a single approval document.
100*	Impose mandatory and discretionary conditions on an approval, including conditions relating to the protection of the environment.
101(2)*	Impose conditions on a water management work approval for a water management work the subject of a joint scheme, as required by the regulations or as agreed by the landholders concerned.
102(1)*	Impose or amend discretionary conditions on an approval after the approval has been granted. Give notice to the approval holder, provide opportunity to make submissions and take submissions into consideration.
102(3)*	Impose, amend, revoke or suspend mandatory conditions on an approval.
102(4)*	Cause written notice of any conditions imposed, amended, revoked or suspended under section 102 to be served on the holder of the approval concerned.
103*	Revoke any discretionary conditions to which an approval is subject, whether or not on the application of the holder of the approval.
104(4)*	Fix a date for expiration of an approval once an application for an extension has been lodged.
104(5)*	Accept or reject reasons for delay in making an application for an extension of an approval.
105*	Grant or refuse an application for an extension of the period for which an approval has effect and all related action.
107(1)*	Amendment of approvals.
107(1A)*	Take certain steps prior to taking action under 107(1)(b) or (c).
107(6)*	Have regard to any order of the Supreme Court under s74, in considering any application under s107.
108(1)*	Receive a surrendered approval.
108(1A)*	Refuse to accept the surrender of an approval in certain circumstances.
108(3)*	Cancel a surrendered approval or transfer the surrendered approval to the Minister or to another person.
109(1)(c)*^	Suspend or cancel an approval for failure to pay any fees or charges imposed in respect of that approval.
109(1)(c)#	Suspend an approval for a failure to pay any fees or charges imposed by Water NSW in respect of that approval. This function is limited to the entities and approvals identified in paragraph A.2 clause 1 under the heading 'Exceptions'.
109(1)(c1)*#	Suspend or cancel an approval, for failure to pay any fees or charges imposed in respect of an access licence, where the access licence nominates that approval under section 71W.

Section	Function
109(1)(c1)#	Suspend an approval, for failure to pay any fees or charges imposed by Water NSW in respect of an access licence, where the access licence nominates that approval under section 71W. This function is limited to the entities and approvals identified in paragraph A.2 clause 1 under the heading 'Exceptions'.
109(2A)^	Amend an approval to give effect to suspension or cancellation of part of an approval.
109(3)	Give written notice to an approval holder of proposed action under section 109, provide the approval holder a reasonable opportunity to make submissions, and take any submissions into consideration.
109(4)	Suspend, cancel or amend an approval without giving notice, if Water NSW has taken all reasonable steps to give notice under section 109(3) to the approval holder within the period of 28 days before taking the action.

Table A.7 *Water Management (General) Regulation 2018 (NSW)*

Section	Function
25(1)(a)*	Approve form for approval applications made under Part 3 of Chapter 3 of the <i>Water Management Act 2000</i> (NSW).
25(1)(b)*	Require an application under Part 3 of Chapter 3 to include or to be accompanied by an assessment of the likely impact of the water use, work or activity concerned.
25(2)*	Issue requirements for an assessment of the likely impact of water use, work or activity concerned for an application under Part 3 of Chapter 3 of the <i>Water Management Act 2000</i> (NSW).
26(2)* and (3)*	Assess whether an application for a flood work approval is a non-complying flood work and being satisfied that the work complies with the converted floodplain management plan.
26(7)*	Cause publication of notice of application for an approval.
29(1)*	Amend an approval in the prescribed circumstances.
29(2)(a)*	Amend an approval to correct any error or omission in a description in the approval of a location to which the approval relates.
30*	Refuse to accept the surrender of an approval in prescribed circumstances.
32(1)*, (2)*, (3)*, (4)* and (8)*	Impose a condition requiring a security be provided, take a security from an approval holder for the cost of the holder's obligations under the approval, determine the amount of a security, retain a security deposit and refund a security deposit.
34(4)*	Set applicable requirements on an exemption conferred under clause 34 and publish these in the Gazette or notify the person in writing.
39(1)(f)(iii)* and 39(5)*	Determine a period in writing for the removal of a water supply work and impose any applicable requirements on an exemption conferred under clause 39(1)(f).

## A.3 Compliance functions

The functions in the tables below under the *Water Management Act NSW 2000* (NSW) and the *Water Act 1912* (NSW) which relate to compliance are conferred on Water NSW to the extent that the person who the compliance activity is being taken against holds, or is required to hold, a licence or an approval which it is within the authority of Water NSW to grant under this operating licence subject to the exceptions specified below.

1. Where a function is highlighted with a caret (^), the conferral of that function is limited to exercising that function only in relation to a failure or potential failure to pay any fees, charges, interest or rates imposed in respect of a licence or approval.
2. The conferral of the function to revoke or vary a notice by a subsequent notice or notices, under section 340C(4) of the *Water Management Act 2000* (Table A.8) applies only to notices given by Water NSW.

Table A.8 *Water Management Act 2000* (NSW)

For the purposes of this Table A.8, a reference to 'the Act' is a reference to the *Water Management Act 2000* (NSW).

Section	Function
60A(8)*	Receive notification of the establishment of a defence to prosecution under section 60A(7).
324(3)	Cause a copy of an order under 324 to be published.
324(4)	Cause notice of the order to be broadcast by a television or radio station transmitting to the part or parts of the State within which the water source is situated.
332*	By order in writing, direct a landholder to take specific measures (a) to prevent stock from straying from the landholder's land into or onto a water management work that is owned by, or is under the control or management of, the Ministerial Corporation, or (b) to repair any damage caused to any such water management work as a consequence of stock having strayed from the landholder's land.
336A(2)*	Authorise the recovery, in a court of competent jurisdiction as a debt due to the Ministerial Corporation from a person on whom a direction was served, the amount of any costs and expenses incurred as a result of taking measures under 336A(1).
338A(1)*^	By notice in writing, require a person to furnish information or records (or both) under section 338A(1).
338B(2)*^	By notice in writing, require a corporation to nominate in writing, within the time specified in the notice, a director or officer of the corporation to be the corporation's representative for the purpose of answering questions.
339E(2)*^	By notice in writing, require the owner or occupier of a premises to provide such reasonable assistance and facilities as specified in the notice, within a specified time and in a specified manner.
339G*	Compensate parties for damage caused by authorised officers where the authorised officer is carrying out a function conferred on Water NSW under this or any other operating licence.
340C(4)*	Revoke or vary a notice by a subsequent notice or notices.
343(1)*	Authorise a person to take water from a water supply work owned by, or under the control and management of, the Minister or the Ministerial Corporation.
356*	Charge interest on an overdue rate. The rate of interest is not to exceed the rate of interest payable on an unpaid judgement of the Supreme Court.
362A	Co-holders of a licence are jointly and severally liable to the Minister for fees and charges related to the licence.

Section	Function
362B	Issue a certificate as to the specified amount that is payable in relation to an access licence pursuant to fees and charges imposed under the Act, or that no amount is payable.
362C	Recover unpaid fees and charges, under section 362C (including commencement of court proceedings to do so).
367(1) and (2)	Issue an evidentiary certificate which is admissible in legal proceedings as evidence of facts stated, including that instruments have been made by authorised delegates and that payments have been made under the Act.
367(5)	By order published in the NSW Government Gazette, approve a gauge of a type or design, as an approved river gauge, for the purpose of measuring the level or flow of water in a river or lake.
Schedule 1A*	All action in relation to recording matters in the access licence register and all other action under Schedule 1A excluding those already listed above

Table A.9 *Water Act 1912* (NSW)

Section	Function
20AE*	Authorise persons to enter on any land and dismantle for inspection a water meter or other measuring device that is on the land and is connected to a work constructed or used for taking water from a water source which is subject to a volumetric water allocation scheme.
22(1)*	Authorise persons to enter on any land and take levels and make surveys and marks, fix pegs and stakes and inspect any works.
120(2)*	Issue a notice to effect repairs and do other things in order to put a channel in an efficient condition, cause repairs and other such things specified in a notice to be done, if, after one week, the notice is not complied with.
122A*	Make declarations regarding the cessation of supply from an artesian well and cause publication of the necessary notice.
124(1)*	Authorise persons to enter any land and take levels and make surveys and marks, and fix pegs and stakes, and inspect any artesian well or bore and works in connection therewith, and measure and take the pressure of any artesian well or bore under section 124(1).



## A.4 Metering functions

The functions in the table below under the *Water Management Act 2000* (NSW), *Water Act 1912* (NSW) and specified clauses of the *Water Management (General) Regulation 2018* (NSW) which relate to meters are conferred on Water NSW.

Table A.10 *Water Management Act 2000* (NSW)

Section	Function
326(1)*	By order in writing, direct a landholder or person to take specified measures to install, replace or to properly maintain metering equipment for use in connection with the water supply work.
372A(1)	Install, test and remove metering equipment.
372A(2)	Metering functions provided for by the Regulations.

Table A.11 *Water Act 1912* (NSW)

Section	Function
20AC	Approve the taking of water when a work is not connected to a water meter or other measuring device or approve a water meter or other measuring device, or consent to interference with a meter or measuring device and all other action under section 20AC.
117D	Provide consent in writing for interfering with a measuring or metering device, authorise persons as agents to enter land and dismantle for inspection metering or measuring devices for the purpose of ascertaining whether an offence has been committed.

Table A.12 *Water Management (General) Regulation 2018* (NSW)

The conferral of functions under clauses 241, 242 and 243 takes effect from 1 April 2019.

Section	Function
3(1)	Approve the manner and notification of an approved manner on a publicly available website maintained by Water NSW, but the notification on a website maintained by Water NSW is only with respect to a manner approved by Water NSW under a clause listed in this table
241	Receive notice that metering equipment is faulty and approve the form and manner in which that notice is to be given.
242(2)	Direct a person, by notice in writing, to record specified information when taking water by means of a metered work while its metering equipment is faulty.
242(3)	Approve the form and manner for information to be recorded relating to the take of water when metering equipment is faulty.
242(4)	Direct a person to use an alternative specified means to determine the quantity of water taken and approve the form and manner in which that information is to be recorded.
242(5)	Receive a copy of the records required to be made under clause 242 and approved the manner in which those records are to be provided.
243(3)	Receive notification that metering equipment cannot be repaired within the prescribed period, receive applications for an extension to that period and approve the form and manner in which the notification is to be made.
243(5)	Determine whether the extension to the period for repairs should be approved or not, and give notice to the person.

Section	Function
243(7)	Receive information about repairs to faulty metering equipment and approve the form and manner in which a person is to give notice about repairs to faulty metering equipment.
244(2)(a)	Approve the form and manner of the record referred to in clause 244(2)(a)
244(2)(b)	Approve the form and manner of the record referred to in clause 244(2)(b)
244(2B)	Approve the form and manner of giving of a record under clause 244(2)(a) and receive such a record
244A(2)	Receive a report from holder of an authority as described in clause 244A(2)
244A(3)	Approve the form and manner of a report described in clause 244A(2)
250(2A)(b)	Approve the form and manner of the record made under clause 250
250(2B)	Approve the form and manner of the record made under clause 250(1)(a), (b) or (c) and receive such record from the holder of an authority
250(2C)	Approve the form and manner of the record referred to in clause 250(2C) and receive such record from the holder of an authority
258(2)	Modify metering equipment.
258(3)	Maintain, repair, modify, replace and operate metering equipment that is either metering equipment installed, modified or replaced: <ul style="list-style-type: none"> <li>a) by the Ministerial Corporation on or after 4 March 2011; or</li> <li>b) by the Ministerial Corporation before 4 March 2011 pursuant to the Funding Deed dated 15 April 2009 between the Commonwealth of Australia and the New South Wales Government in relation to the Hawkesbury Nepean River Recovery Project.</li> </ul>
Sch 8, cl 8(3)	Receive a report from a person who intends to rely on clause 8 of Schedule 8 setting out the steps taken in relation to the metering equipment
Sch 8, cl 8(4)(b)	Approve the form and manner of a report referred to in clause 8(3) of Schedule 8
Sch 8, cl 9(2)(b)	Receive written certification as to the matter set out in clause 9(2)(b)
Sch 8, cl 9(5)	Receive a report from a person who intends to rely on clause 9 of Schedule 8, setting out the steps taking in relation to the metering equipment
Sch 8, cl 9(6)(b)	Approve the form and manner of a report referred to in clause 9(5) of Schedule 8

## A.5 Border Rivers functions

The functions in the table below of the Water Administration Ministerial Corporation under the *New South Wales – Queensland Border Rivers Act 1947* (NSW) are conferred on Water NSW subject to any requirements imposed by the Minister administering the *New South Wales – Queensland Border Rivers Act 1947* (NSW) or the Border Rivers Commission.

Table A.13 New South Wales – Queensland Border Rivers Act 1947 (NSW)

Section	Function
14	Constructing, maintaining, operating and controlling relevant works in New South Wales.
20	Exercising the powers and obligations of a Controlling Authority.

## A.6 General administrative functions

The functions in the table below under the *Water Management Act 2000* (NSW) are conferred on Water NSW.

Table A.14 *Water Management Act 2000* (NSW)

Section	Function
114(1)	Impose fees and charges for the purposes of the Act consistent with any relevant determination in relation to the price of Bulk Water made by IPART or any other pricing authority vested with the power to determine prices for Water NSW.
114(2)	Waive or reduce fees or charges, in a particular case or class of cases, if of the opinion that the circumstances warrant it.
372(1)(a),(a1), (b) and (c)	Construct, maintain and operate water management works, gauging stations and other monitoring equipment, conduct research, collect information and develop technology in relation to water management and acquire rights to water whether within or beyond New South Wales.
377	Delegate to any Water NSW employee exercise of any power of the Ministerial Corporation conferred on Water NSW via this Licence, other than this function of delegation.
389(1)	Delegate to any person any functions of the Minister conferred on Water NSW via this Licence, other than this function of delegation.
390	Appoint authorised officers and authorised analysts.

## A.7 Joint private works functions

The functions in the table below under the *Water Management Act 2000* (NSW) are conferred on Water NSW.

Table A.15 Private irrigation board powers

Section	Function
156(3)	Consider any application from a private irrigation board for authority to take over any water supply work that is located on an authorised site for that work, and cause a notice containing particulars of the application to be published in the Gazette and in the authorised manner.
157(4)	Where an objection is lodged to an application from a private irrigation board to take over a water supply work, consult with the objector and make a recommendation with respect to the objection.

Table A.16 Private water trust powers

Section	Function
229(2)	Give approval or refuse to approve the cessation or supply of water or deviation of water in a water supply district.
229(4)(b)	Direct members of a private trust to reduce or discontinue the taking of water from a water source.

## A.8 Group licences functions

The functions in the table below under the *Water Act 1912* (NSW) are conferred on Water NSW.

Table A.17 Group licences functions

Section	Function
20K	Approve the prescribed form for a group access licence.
20L	Decide whether to grant a group licence. Notify the Board of any prescribed fee, the period of time for which the licence is to be issued and the terms, limitations and conditions attached to the licence. Issue a Board with a group licence and reject an application due to failure to pay a fee.
20M	Determine not to lapse pre-existing licences, group licences or authorities within the private district of the Board when a group licence is issued and set any terms, limitations and conditions (including by restrictions, modifications or variations) in relation to such pre-existing licences.
20N	Waive an amount of the prescribed group licence fee where any licence or authority lapses under s 20M.
20O	Renew group licences. Notify the Board of any prescribed fee, the period of time for which the licence is to be issued and the terms, limitations and conditions attached to the licence renewal. Issue a Board with a group licence renewal.
20Q	Approve the prescribed form for an application to amend a group licence, grant an amendment to a group licence and set a fee for an amendment to a group licence.
20S	Be satisfied that a notice may be issued, issue a notice to a Board and revoke, suspend or modify a group licence.
20T	Consent to make alternations in connection with a work covered by a group licence.
20U	Notify the revocation or cancellation of a group licence in the Gazette.

## A.9 Functions relating to legal proceedings

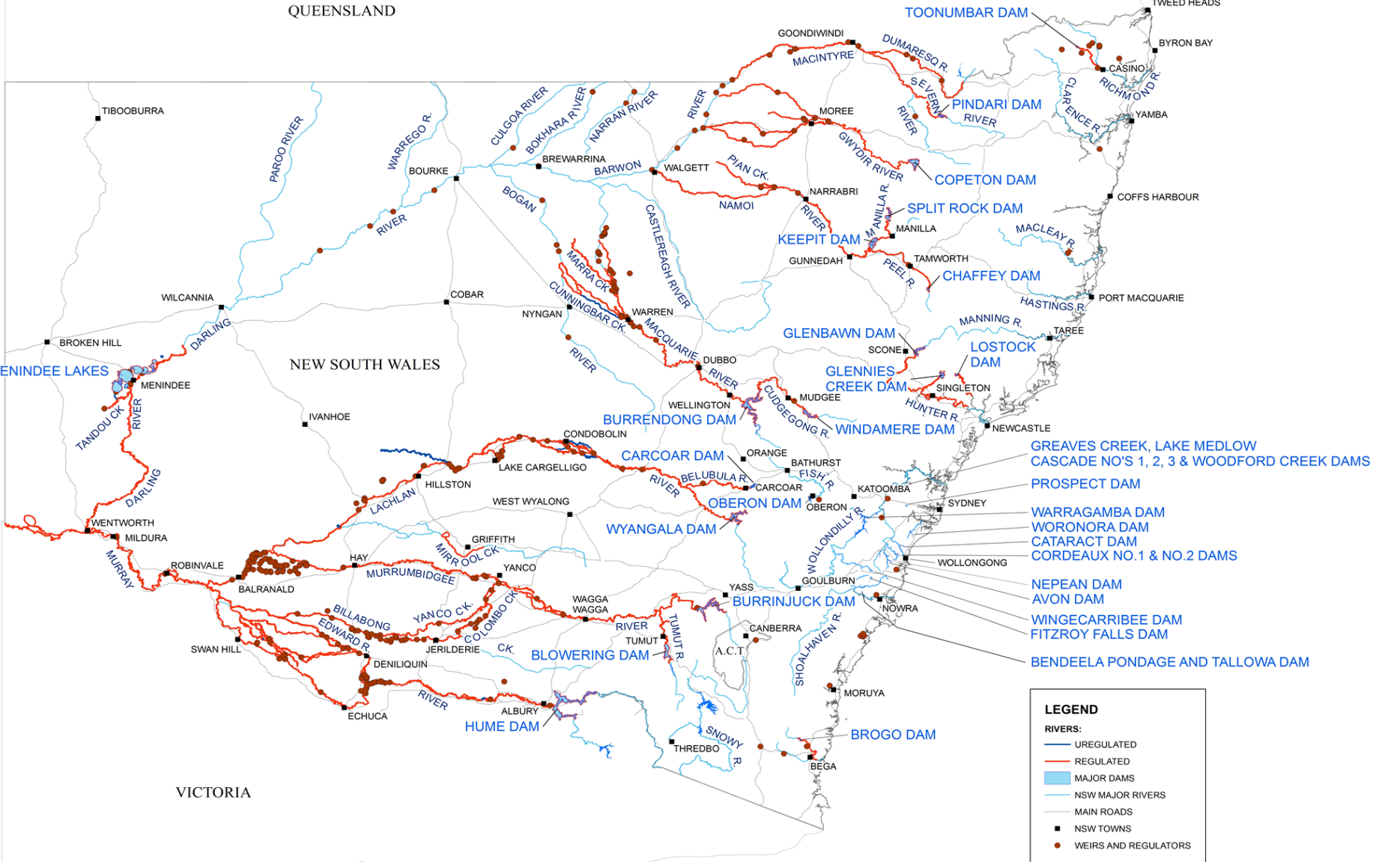
The functions in the table below under the *Water Management Act 2000* are conferred on Water NSW.

Table A.17 Functions relating to legal proceedings

Section	Function
336	All functions of the Minister as the respondent; in proceedings arising from a Conferred Function carried out by Water NSW
368	All functions of the Minister as the respondent; in an appeal arising from a determination made by Water NSW



## B Indicative map of operations



## B Summary of changes

Table B-1 summarises changes to the Licence, excluding include minor editorial changes.

Table B-1 Summary of changes

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
1.1.1 (note)	<p><i>[Note: Consistent with the Act, the purpose of this Licence is to:</i></p> <p><i>a. specify the listed functions and other functions conferred upon Water NSW to which this Licence relates;</i></p> <p><i>b. authorise Water NSW to carry out the listed functions specified in this Licence and Conferred Functions;</i></p> <p><i>c. specify the areas and circumstances in which Water NSW is authorised to carry out the specified Listed Functions and Conferred Functions;</i></p> <p><i>d. set out the terms and conditions which apply to the conduct of the functions authorised by this Licence;</i></p> <p><i>e. make provision for the preparation of Operational Audits;</i></p> <p><i>f. include terms and conditions under which Water NSW is required to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services to capture, store, release or supply water;</i></p> <p><i>g. include terms and conditions under which Water NSW is required to ensure that the systems and services meet the Performance Standards specified in this Licence in relation to water delivery, water quality, service interruptions or any other matters set out in this Licence;</i></p>	1.1.2	<p>Consistent with the Act, the purpose of this Licence is to:</p> <p>a. specify the listed functions and other functions conferred upon Water NSW to which this Licence relates;</p> <p>b. authorise Water NSW to carry out the listed functions specified in this Licence and Conferred Functions;</p> <p>c. specify the areas and circumstances in which Water NSW is authorised to carry out the specified Listed Functions and Conferred Functions;</p> <p>d. set out the terms and conditions which apply to the conduct of the functions authorised by this Licence;</p> <p>e. make provision for the preparation of Operational Audits;</p> <p>f. include terms and conditions under which Water NSW is required to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services to capture, store, release or supply water;</p> <p>g. include terms and conditions under which Water NSW is required to ensure that the systems and services meet the Performance Standards specified in this Licence in relation to water delivery, water quality, service interruptions or any other matters set out in this Licence;</p>	<p>New condition to clarify the obligation.</p> <p>The current Licence includes a note which sets out the purpose of the Licence. We consider that the description provided in the existing note includes important information which clarifies the Licence purpose. Therefore, we have elevated the relevant content in the note to a new clause 1.1.2.</p>

<sup>a</sup> Clauses are referenced from the current licence.

<sup>b</sup> Revised clauses are referenced from the proposed licence.

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
	<p>h. with respect to a Declared Catchment Area – include terms and conditions under which Water NSW is required to compile indicators of the direct impact of Water NSW's activities (including, but not limited to, the impact of energy used and waste generated) on the environment so as to provide information about its performance and enable reports to be prepared; and</p> <p>i. specify other requirements as required and allowed for under the Act.</p> <p><i>In addition to sections 11 and 12 of the Act which specify matters that must be included in this Licence, sections 7, 15, 16, 21, 25, 31 and 60 of the Act provide for other terms and conditions to be included in the Licence.</i></p> <p><i>This Licence does not reproduce Water NSW's statutory obligations in full. Water NSW's licence obligations may be subject to other laws including the Water Management Act 2000 (NSW) and the Water Act 1912 (NSW).]</i></p>		<p>h. with respect to a Declared Catchment Area – include terms and conditions under which Water NSW is required to compile indicators of the direct impact of Water NSW's activities (including, but not limited to, the impact of energy used and waste generated) on the environment so as to provide information about its performance and enable reports to be prepared; and</p> <p>i. specify other requirements as required and allowed for under the Act.</p> <p><i>[Note: In addition to sections 11 and 12 of the Act which specify matters that must be included in this Licence, sections 7, 15, 16, 21, 25, 31 and 60 of the Act provide for other terms and conditions to be included in the Licence.</i></p> <p><i>This Licence does not reproduce Water NSW's statutory obligations in full. Water NSW's licence obligations may be subject to other laws including the Water Management Act 2000 (NSW) and the Water Act 1912 (NSW).]</i></p>	
1.3.1	The term of this Licence is 5 years from the Commencement Date.	1.3.1	The term of this Licence is 2 years from the Commencement Date.	<p>We have changed the date in this clause.</p> <p>We propose a short-term licence with a 2-year term (i.e. 2022-2024).</p> <p>We have deferred the comprehensive licence review by 2 years. A new licence will be granted at the completion of the comprehensive licence review.</p>
1.6.1	<p>It is anticipated that a review of this Licence will commence in the first quarter of 2021 to investigate:</p> <p>a. whether this Licence is fulfilling its objectives; and</p> <p>b. any issues which have arisen during the term of this Licence, which may reduce the effectiveness of this Licence, (End of Term Review).</p>	1.6.1	<p>It is anticipated that a review of this Licence will commence in the first quarter of 2023 to investigate:</p> <p>a. whether this Licence is fulfilling its objectives; and</p> <p>b. any issues which have arisen during the term of this Licence, which may reduce the effectiveness of this Licence, (End of Term Review).</p>	We have changed the date in this clause to reflect the commencement of the comprehensive end of term review.

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change				
1.7.1	<div>Any notice or other communication given under this Licence must be made in writing addressed to the intended recipient at the address shown below or the last address notified by the recipient.</div> <table><tr><th>Water NSW</th><th>IPART</th></tr><tr><td>The Chief Executive Officer Water NSW Level 14, 161-169 Macquarie St Parramatta NSW 2150</td><td>The Chief Executive Officer Independent Pricing and Regulatory Tribunal of NSW Level 15, 2-24 Rawson Place Sydney NSW 2000</td></tr></table>	Water NSW	IPART	The Chief Executive Officer Water NSW Level 14, 161-169 Macquarie St Parramatta NSW 2150	The Chief Executive Officer Independent Pricing and Regulatory Tribunal of NSW Level 15, 2-24 Rawson Place Sydney NSW 2000	1.7.1	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 one of the addresses (electronic and/or postal) specified in the Reporting Manual.	We have clarified the requirements for communicating under the Licence.
Water NSW	IPART							
The Chief Executive Officer Water NSW Level 14, 161-169 Macquarie St Parramatta NSW 2150	The Chief Executive Officer Independent Pricing and Regulatory Tribunal of NSW Level 15, 2-24 Rawson Place Sydney NSW 2000							
2.1.1	Water NSW must maintain a Water Quality Management System in accordance with this clause 2.1.	NA	Remove clause	<div>We have deleted this duplicative obligation.</div> <div>Cause 2.1.1 is only activated by the operation of clauses 2.1.2-2.1.5. We consider that there is no additional obligation under the existing clause 2.1.1.</div>				
2.6.1	<div>By the first quarter of 2021, Water NSW must engage a suitably qualified independent expert to:</div> <div>a. review its modelling and procedures for calculating the System Yield to ensure that it reflects good industry practice;</div> <div>b. test the robustness of the modelling, the key assumptions used in the modelling, and the process for calculating the System Yield, including the appropriate frequency of yield re-calculation and the appropriateness of the trigger events in clause 2.5.1; and</div> <div>c. advise Water NSW on whether it should re-calculate the System Yield based on the findings of the test conducted under clause 2.6.1(b).</div>	NA	Remove clause	<div>We have deleted this completed obligation.</div> <div>Historically, WaterNSW has been required to review its System Yield model, once every licence term (i.e. approximately every 5 years). The most recent review was undertaken in 2021. WaterNSW would not be required to undertake its next system yield model review until after the licence expires.</div>				

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
				<p>Water NSW provides advice to the NSW Government and relevant agencies related to its long-term planning. WaterNSW develops models to calculate the water supply system yield that can supply the declared catchment area without breaching the catchment infrastructure works performance criteria. Therefore, we consider that it is still appropriate for WaterNSW to undertake an independent review of the model (and the relevant assumptions) approximately 5 years after the 2021 review, to ensure it remains accurate.</p> <p>The condition will be reconsidered at the comprehensive end of term licence review.</p> <p>WaterNSW should anticipate a clause of a similar nature may be included in the next licence. The revised clause may include a review of the system yield model due in 2026, should a future licence review include it in its recommendations.</p>
2.6.2	<p>Water NSW must consult with:</p> <ul style="list-style-type: none"> <li>a. Customers who are Supplied water from the Declared Catchment Area, including Sydney Water;</li> <li>b. stakeholders and regulators as agreed with, or directed by, IPART; and</li> <li>c. any other persons that Water NSW reasonably expects to have an interest in the review of the modelling under clause 2.6.1, regarding the review of the modelling under clause 2.6.1 and provide the results of the consultation to the suitably qualified independent expert.</li> </ul>	NA	Remove clause	<p>We have deleted this completed obligation.</p> <p>Same reason for removing Licence clause 2.6.1.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
2.6.3	The review of the model for the System Yield must be completed by 30 June 2021 and reported to IPART in accordance with the Reporting Manual.	NA	Remove clause	We have deleted this completed obligation.  Same reason for removing Licence clause 2.6.1.
2.7.1	By 1 November 2018, or by a later date as approved by IPART, Water NSW must submit to IPART, a report outlining Water NSW's water conservation strategy in relation to its operations under this Licence (Water Conservation Strategy).	2.6.1	Water NSW must maintain its Water Conservation Strategy.	We now require WaterNSW to maintain a document it previously delivered during the current Licence period.  WaterNSW submitted a Water Conservation Strategy in 2018. We propose to amend the clause to require WaterNSW to maintain the Water Conservation Strategy under the new licence.
2.7.2	The Water Conservation Strategy must include: a. identification and documentation of existing water conservation activities; b. a process for identifying additional options for conserving water; c. a process for comparing these options; and d. a process for selecting options for implementation.	NA	Remove clause	We have deleted this completed obligation.  See above.
2.7.3	By 1 September 2019, or by a later date as approved by IPART, Water NSW must develop and submit to IPART a water conservation work program using the process set out in the Water Conservation Strategy.	2.6.2	Water NSW must maintain and implement its Water Conservation Work Program in relation to its operations under this Licence.	We now require WaterNSW to maintain and implement a document it previously delivered during the current Licence period. Water NSW submitted its Water Conservation Work Program 2019.  WaterNSW reports annually on its Water Conservation Work Program, in line with the Reporting Manual. The annual report includes a proposed works program for the next 5 financial years.



Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
NA (new clause)	NA	2.6.3	<p>WaterNSW must review, update and report on its Water Conservation Work Program referred to in clause 2.6.2.</p> <p><i>[Note. The annual water conservation work program report should include a rolling 5-year plan as described in the Reporting Manual.]</i></p>	<p>We have included a new requirement for WaterNSW to review, update and report on its Water Conservation Work Program This provides us with visibility around relevant projects in Water NSW's program.</p> <p>The Reporting Manual adequately specifies what the Water Conservation Program must include, i.e.:</p> <ul style="list-style-type: none"> <li>• Water NSW's strategies, programs and projects relating to Water Storage and Transmission</li> <li>• options identified for conserving water within system operating arrangements</li> <li>• comparison of these options, and options selected for implementation.</li> </ul>
2.9.1	<p><i>Long-term capital and operational plan and emergency drought response plan</i></p> <p>By 1 December 2021 (or another date approved by the Minister in writing), Water NSW must develop and submit to the Minister:</p> <p>a. a long-term capital and operational plan; and</p> <p>b. an emergency drought response plan.</p>	2.8.1	<p><i>Long-term capital and operational plan</i></p> <p>By 1 June 2023 (or another date approved by the Minister in writing), Water NSW must develop a long-term capital and operational plan jointly with Sydney Water and submit the plan to the Minister.</p>	<p>We have amended the due date for the delivery of this obligation in line with the extension granted by the Minister on 29 November 2021.</p> <p>The current Licence clause requires WaterNSW to provide a long-term capital and operation plan, and an emergency drought response plan. We have separated the 2 plans in the proposed licence. This clause 2.8.1 relates to the long-term capital and operational plan. The Minister granted an extension to deliver this plan. We have reflected the changed date in the proposed licence condition.</p> <p>We have also updated the requirement for Water NSW to develop this plan with Sydney Water as the plan is a joint Water NSW-Sydney Water plan.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
NA (new clause)	NA	2.8.2	<p>If the Minister specifies in writing a date by which the long-term capital and operational plan must be reviewed and updated, Water NSW must, jointly with Sydney Water, review and update the plan by the date so specified.</p> <p><i>[Note: It is intended that Water NSW and Sydney Water will be required to review or update the long-term capital and operational plan every 5 years unless the Minister specifies another date in writing.]</i></p>	<p>This is a new requirement.</p> <p>DPE requested that WaterNSW reviews the plan referred to in this clause every 5 years (or other date as specified by the Minister in writing). We consider that the next review of the plan will be in 2028, i.e. outside the short-term licence period and will reconsider this condition as part of the comprehensive review.</p> <p>We have added a new requirement that requires Water NSW to review and update the plan (with Sydney Water) in response to DPE's request.</p> <p>We have also included a note to clarify that the intention is to require a 5-yearly review.</p>
2.9.1	<p><i>Long-term capital and operational plan and emergency drought response plan</i></p> <p>By 1 December 2021 (or another date approved by the Minister in writing), Water NSW must develop and submit to the Minister:</p> <p>a. a long-term capital and operational plan; and</p> <p>b. an emergency drought response plan.</p>	2.8.3	The long-term capital and operational plan referred to in clause 2.8.1 must address any written guidance that the Minister provides to Water NSW.	We have added this clause to reflect the requirement for Water NSW to address written guidance from the Minister as relevant to the long-term capital and operational plan.
As above	As above	2.8.4	<p><i>Greater Sydney Drought Response Plan</i></p> <p>Water NSW must maintain jointly with Sydney Water, and deliver on actions specified in, the Greater Sydney Drought Response Plan.</p>	<p>We now require WaterNSW to maintain and deliver on actions specified in a document it previously delivered during the current Licence period.</p> <p>WaterNSW has developed and submitted its emergency drought response plan under the current Licence. We have deleted the requirement to develop the plan and replaced it with a requirement to maintain the plan and review it annually.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
				<p>We note that the plan is a joint plan between Water NSW/Sydney Water. Therefore, we have also clarified the requirement for Water NSW to maintain the document in conjunction with Sydney Water.</p> <p>WaterNSW and DPE informed us that the emergency drought response plan was renamed the Greater Sydney Drought Response Plan. We have also made this change throughout the licence.</p> <p>We have also separated this clause from the long-term capital and operational plan in the current Licence.</p>
NA (new clause)	NA	2.8.5	Water NSW must jointly with Sydney Water review and update the Greater Sydney Drought Response Plan annually by 31 December each year, or another date approved by the Minister in writing.	<p>We now require WaterNSW to annually review and update a document it previously delivered during the current Licence period.</p> <p>We note that the plan is a joint plan between Water NSW/Sydney Water. Therefore, we have also clarified the requirement for Water NSW to maintain the document in conjunction with Sydney Water.</p> <p>The requirement for WaterNSW to develop a Drought Response Plan was added to the licence on 1 July 2020. The obligation was added to the licence to give effect to the Urban Water Framework Strategy for Sydney. The draft GSWS identifies the importance of building "resilience to drought and a changing climate"<sup>47</sup> We consider that this change fits the NSW Government's objectives in the draft GSWS and will help to ensure the plan remains current.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
2.9.5	Water NSW must participate cooperatively in any review of the Metropolitan Water Plan.	2.8.7	Water NSW must participate in any review of the Greater Sydney Water Strategy and use its best endeavours to do so in cooperation with all parties.	<p>We have amended the clause to match the language of other similar clauses in the draft licence.</p> <p>We have also reflected the name change from the MWP to the GSWS as requested by DPE.</p>
2.9.6	Water NSW must, within 60 days of the commencement of this clause (or a later date approved by the Minister in writing), develop and enter into a data sharing agreement with DPIE to assist in the development and review of the Metropolitan Water Plan (the MWP Data Sharing Agreement).	2.8.8	<p>Water NSW must:</p> <p>a. use its best endeavours to maintain a data sharing agreement with DPE to assist in the development and review of the Greater Sydney Water Strategy (GSWS Data Sharing Agreement); and</p> <p>b. comply with the GSWS Data Sharing Agreement referred to in clause 2.8.8(a).</p>	<p>We now require WaterNSW to maintain a document it previously delivered during the current Licence period.</p> <p>WaterNSW was required to enter into a MWP Data Sharing Agreement with DPE, within 60 days of the commencement of the clause, under the current Licence. We consider that Water NSW entered into the relevant data sharing agreement during the current Licence period.</p> <p>We have amended the requirement, such that WaterNSW must use its best endeavours to maintain the agreement with DPE to reflect that the requirement involves cooperation with DPE.</p> <p>We have also added clause 2.8.9(b), which requires WaterNSW to comply with the agreement. This obligation was previously captured by clause 2.9.8, however we consider the revised drafting captures the obligation and matches the drafting of similar clauses.</p>
3.4.6	By 31 December 2018, Water NSW must, in consultation with NSW Health, the Local Water Utility Customers on the LWU Register and its customer advisory groups established under clause 6.5, complete a review of its water quality monitoring, of water released by Water NSW to Local Water Utilities.	NA	Remove clause	<p>We have deleted this completed obligation.</p> <p>LWUs can access information held by WaterNSW through clauses 3.4.3 and 3.4.5.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
3.4.7	By 30 June 2019, Water NSW must provide IPART with a report detailing the outcomes of the review referred to in clause 3.4.6. The report should describe measures that were identified and the timing by which they could be implemented. Any barriers to immediate implementation of identified measures, including limitations to funding, should be outlined in the report.	NA	Remove clause	<p>We have deleted this completed obligation.</p> <p>This requirement has been met. LWUs can access information held by WaterNSW through clauses 3.4.3 and 3.4.5.</p>
4.3.2	<p><i>CSR Water Delivery Performance Standard A</i></p> <p>Water NSW must ensure that:</p> <p>a. 99% of Customers who place a Non-complying Water Order are contacted within one working day to rectify that order; and</p> <p>b. this is calculated as a percentage of all Non-complying Water Orders placed in the financial year.</p>	4.3.2	Water NSW must ensure that in each financial year no more than 5 Customers who place a Non-Complying Water Order are contacted more than one working day after Water NSW receives that order to rectify that order.	<p>We have changed the performance measure metric for this clause.</p> <p>WaterNSW recently updated its system and processes for receiving Water Orders. The new (digital) system does not accept non-complying water orders, therefore only a handful of customers continue to submit water orders via the old system.</p> <p>We consider that limiting this standard to no more than 5 occurrences will drive WaterNSW to continue to efficiently process non-complying water orders. We will review this measure in the comprehensive licence review, once we have more data on how many non-complying water orders WaterNSW receives over the licence period.</p>
4.3.3 (note)	<i>[Note: The scheduled day of Delivery takes into account the period of required notice specified in Water Management Work approvals, licences, or entitlements. This is measured by Complaints and/or if Water NSW identifies a Delivery delay, e.g. through its staff, systems or otherwise identifies or becomes aware of a Delivery delay.]</i>	4.3.4	The Performance Standard referred to in clause 4.3.3 does not apply where Water NSW is subject to a direction or order given under any law that requires Water NSW to reduce or cease the Supply of water in a manner that prevents Water NSW from Delivering a Water Order within the timeframe required by clause 4.2.3	<p>We have added a new condition to clarify the obligation.</p> <p>WaterNSW advised us that there have been cases in the past where WaterNSW was not able to meet the obligation due to a direction or order to reduce or cease supply under relevant law(s). This has caused WaterNSW to technically breach this obligation.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
			<i>[Note: The scheduled day of Delivery takes into account the period of required notice specified in Water Management Work approvals, licences, or entitlements. This is measured by Complaints and/or if Water NSW identifies a Delivery delay, e.g. through its staff, systems or otherwise identifies or becomes aware of a Delivery delay. This clause does not apply to the deferral of Water Orders due to Water NSW complying with a direction or order under any law.]</i>	The new clause clarifies that the obligation in clause 4.3.3 does not apply where WaterNSW cannot comply with the requirement. We have also amended the note to reflect this.
5.1.1	Water NSW must at all times maintain a Management System for carrying out its functions authorised under this Licence that is consistent with the Australian Standard AS ISO 55001:2014 Asset management – Management systems – Requirements or other standard approved by IPART on request by Water NSW (the <b>Asset Management System</b> )	5.1.1	Water NSW must at all times maintain a Management System in relation to Water NSW's assets that is consistent with the Australian Standard AS ISO 55001:2014 Asset Management – Management systems – Requirements or other standard approved by IPART on request by Water NSW ( <b>Asset Management System</b> ).	We have amended this clause to clarify the intent of the obligation.  Amendment to make it clearer what the management system is for.
5.2.1	Water NSW must at all times maintain an Environmental Management System for carrying out the functions authorised under this Licence that is consistent with the Australian/New Zealand Standard AS/NZS ISO 14001:2016: Environmental management systems – Requirements with guidance for use or other standard approved by IPART, on request by Water NSW (the Environmental Management System).	5.2.1	Water NSW must at all times maintain a Management System for managing its environmental responsibilities and the environmental impacts of its services and activities that is consistent with the Australian/New Zealand Standard AS/NZS ISO 14001:2016: Environmental management systems – Requirements with guidance for use or other standard approved by IPART, on request by Water NSW ( <b>Environmental Management System</b> ).	We have amended this clause to clarify the intent of the obligation.  Amendment to make it clearer what the management system is for.
6.5.1	Water NSW must establish and maintain area-based advisory groups representing a broad cross-section of its Customers for those areas (Customer Advisory Group).	6.5.1	Water NSW must establish and maintain advisory groups for Customers in different regions of its Area of Operations that include representation from a broad cross-section of its Customers for each region (Customer Advisory Groups). Water NSW has discretion to determine those regions, provided collectively the regions encompass all of its Area of Operations.	We have amended this clause to clarify the intent of the obligation  The intent of this clause is to ensure customers from all regions within the WaterNSW area of operations were represented by the Customer Advisory Groups

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
6.15.1	<p><i>Memorandum of Understanding with Department of Planning and Environment</i></p> <p>Water NSW must:</p> <ul style="list-style-type: none"> <li>a. use its best endeavours to establish and maintain a memorandum of understanding with the Department of Planning and Environment; and</li> <li>b. comply with the memorandum of understanding maintained under clause 6.15.1(a).</li> </ul> <p><i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]</i></p>	NA	Remove clause	<p>We have deleted this duplicative obligation.</p> <p>The existing clause relates to the MOU between WaterNSW and the former DPE Metropolitan Water Unit (a function that has since transferred to DPE). The objective of this clause was to ensure that WaterNSW and DPE would work together for the review and implementation of the Metropolitan Water Plan (since replaced by the GSWS). We consider that this clause is adequately covered by clauses 2.8.7 and 2.8.8 which requires WaterNSW to implement any actions delivered under the Greater Sydney Water Strategy and participate cooperatively with any review of the GSWS.</p>
6.15.2	<p>The purpose of the memorandum of understanding referred to in clause 6.15.1 is to form the basis for a cooperative relationship between the parties to the memorandum regarding the role of Water NSW for the review and implementation of the Metropolitan Water Plan.</p> <p><i>[Note: Clause 6.15.2 does not limit the matters which may be included in the memorandum of understanding with the Department of Planning and Environment.]</i></p>	NA	Remove clause	<p>We have deleted this duplicative obligation.</p> <p>Same reasons as clause 6.15.1.</p>
6.16.1	<p><i>Roles and Responsibilities with Department of Industry</i></p> <p>Water NSW must:</p> <ul style="list-style-type: none"> <li>a. agree in writing with the Department of Industry the roles and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of this Licence; and</li> <li>b. comply with the agreement established under clause 6.15.1(a).</li> </ul>	6.15.1	<p><i>Roles and responsibilities with Department of Planning and Environment</i></p> <p>Water NSW must:</p> <ul style="list-style-type: none"> <li>a. agree in writing with DPE the roles and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of this Licence; and</li> <li>b. comply with the agreement established under clause 6.15.1(a).</li> </ul>	<p>We have amended this clause to clarify the obligation.</p> <p>We have added a second sentence to the note that clarifies that the clause only relates to the conduct of Conferred Functions, per Schedule A of the licence.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
	<i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into an agreement or the matters which may be contained in the agreement.]</i>		<i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into an agreement or the matters which may be contained in the agreement.</i>  <i>Clause 6.15.1(b) applies only to those parts of the agreement that relate to the conduct of Conferred Functions specified in Schedule A of this Licence]</i>	
6.16.2	By 30 June 2018, Water NSW must publish on its website, for downloading by any person, a statement setting out the roles and responsibilities required under clause 6.15.1(a).  <i>[Note: The statement may also include roles and responsibilities agreed with the Ministerial Corporation or any other relevant Government departments or agencies.]</i>	6.15.2	Water NSW must publish a statement setting out the roles and responsibilities required under clause 6.15.1(a) on its website.  <i>[Note: The statement may also include roles and responsibilities agreed with the Ministerial Corporation or any other relevant Government departments or agencies.]</i>	We now require WaterNSW to maintain a document it previously delivered during the current Licence period.  WaterNSW met the requirement to publish the document on its website by 30 June 2018, as required under the current Licence clause. We have amended this requirement to require WaterNSW to keep the statement on its website.
6.17.1	Water NSW must: a. use its best endeavours to establish and maintain a memorandum of understanding with the Natural Resources Access Regulator; and b. comply with the memorandum of understanding maintained under clause 6.17.1(a). <i>[Note: Clause 6.17.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]</i>	6.16.1	Water NSW must: a. use its best endeavours to maintain a memorandum of understanding with the NRAR; and b. comply with the memorandum of understanding maintained under clause 6.16.1(a).	We now require WaterNSW to maintain a document it previously delivered during the current Licence period.  WaterNSW established the MOU with NRAR under the current Licence. We have amended this clause to require WaterNSW to use its best endeavours to maintain the MOU and comply with it under the revised clause.
6.18.1	Water NSW must develop, operate and maintain an on-line portal to allow for the electronic lodgement of the following: a. a certificate provided under clause 237(1) or (2) of the <i>Water Management (General) Regulation 2018</i> , as required by clause 238(2) of that Regulation,	6.17.1	Water NSW must operate and maintain an online portal to allow for the electronic lodgement of the following: a. a certificate provided under clause 237(1) or (2) of the <i>Water Management Regulation</i> , as required by clause 238(2) of that regulation, b. a certificate provided under clause 237(3) of the <i>Water Management Regulation</i> ,	We have updated this clause to clarify the types of certificates, reports, documents and data which must be able to be lodged via the portal.  From our stakeholder consultation, we understand that WaterNSW already provides additional functionality beyond what is required by the current Licence.



Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
	<p>b. a report by a person who intends to rely on clause 8 of Schedule 8 of the <i>Water Management (General) Regulation 2018</i> setting out the steps taken in relation to the metering equipment, as required by clause 8(3) of that Regulation,</p> <p>c. written certification as to the matter set out in clause 9(2)(b) of Schedule 8 of the <i>Water Management (General) Regulation 2018</i>,</p> <p>d. a report from a person who intends to rely on clause 9 of Schedule 8 of the <i>Water Management (General) Regulation 2018</i>, setting out the steps taken in relation to the metering equipment, as required by clause 9(5) of that Regulation.</p>		<p>c. a report by a person who intends to rely on clause 8 of Schedule 8 of the <i>Water Management Regulation</i> setting out the steps taken in relation to the metering equipment, as required by clause 8(3) of Schedule 8 of that regulation,</p> <p>d. written certification as to the matter set out in clause 9(2)(b) of Schedule 8 of the <i>Water Management Regulation</i>,</p> <p>e. a report from a person who intends to rely on clause 9 of Schedule 8 of the <i>Water Management Regulation</i>, setting out the steps taken in relation to the metering equipment, as required by clause 9(5) of Schedule 8 of that regulation.</p> <p><i>[Note: In maintaining the portal, Water NSW should reasonably consider requests made by the NRAR to provide functionality that is fit for the NRAR's compliance functions.]</i></p>	<p>We do not consider that amending this requirement will result in additional burden on WaterNSW, given the clause reflects what WaterNSW is doing.</p> <p>We also propose to include a note to aid interpretation.</p> <p>We note that DPE also sought to include a notification that equipment has been tampered with under clause 237(4) of the <i>Water Management Regulation</i>. However, from discussions with WaterNSW, we understand that the required workflows to achieve this do not currently exist in the system. We have not included it in this licence, but will explore the suitability of including a similar obligation as part of the comprehensive review.</p>
6.18.2	The portal must be operational by 1 December 2020.	NA	Remove clause	<p>We have deleted this completed obligation.</p> <p>The date (one-off) for this clause has lapsed and the portal is operational.</p>
6.18.3	Water NSW must ensure that certificates, reports and other documents lodged in the portal are retained.	6.17.2	<p>By 31 August 2023, Water NSW must:</p> <p>a. develop, in consultation with NRAR and DPE, and maintain a data retention protocol to ensure that data, certificates, reports and other documents lodged in the portal are retained for the period required by the State Records Act 1998 (NSW) and any other applicable law; and</p> <p>b. implement and comply with the data retention protocol maintained under clause 6.17.2(a).</p>	<p>We have amended this clause to clarify the obligation.</p> <p>We consider that the current drafting of this clause lacks specificity. Therefore, we have revised this clause to provide clarity around the intention of the clause.</p> <p>We understand that WaterNSW is reviewing its data retention protocol with NRAR and DPE in response to the 2021 operational audit findings.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
NA (new clause)		6.17.3	Until the data retention protocol developed under clause 6.17.2(a) is implemented, Water NSW must ensure that all data, certificates, reports and other documents lodged in the portal are retained for the period required by the <i>State Records Act 1998</i> (NSW) and any other applicable law.	We have added this clause to ensure that data and documents lodged in the portal are retained by WaterNSW for the period between when the new licence comes into effect and the protocol required under clause 6.17.2 is operational.
6.18.5	Water NSW must provide DPIE and NRAR with access to the portal, all data held in the portal and any systems related to the portal.	6.17.5	Water NSW must provide DPE and NRAR with access to the portal and data and systems within the portal that are relevant to DPE and the NRAR's functions.	<p>We have amended this clause to clarify the obligation.</p> <p>We propose to clarify that WaterNSW must provide NRAR with access to data and systems only to the extent that they relate to DPE and NRAR's functions.</p> <p>At the 2021 operational audit, we identified that the current Licence clause does not appropriately capture the intent of the obligation (i.e. to require WaterNSW to provide DPE and NRAR with access to data relevant to their functions).</p>
6.19.3	All such data must be entered into and retained in Water NSW's data systems.	6.18.3	All such data must be entered into Water NSW's data systems and retained in accordance with the data retention protocol maintained under clause 6.17.2(a).	<p>We have amended this clause to clarify the obligation.</p> <p>We consider the current Licence clause does not adequately clarify what data WaterNSW must retain, and how it must retain it. Therefore, we have amended the clause to clarify that WaterNSW must retain all relevant data in accordance with its Data Retention Protocol.</p>
6.19.4	Prior to 1 December 2021, Water NSW, DPIE and NRAR are to agree on protocols for requests for data to which this clause applies	6.18.4	Water NSW must use its best endeavours to maintain protocols with DPE and NRAR for requests for data to which this clause 6.18 applies.	We now require WaterNSW to maintain a document it previously delivered during the current Licence period.

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
				The protocols in this clause were developed under the current Licence. We have revised the obligation such that WaterNSW is required to use its best endeavours to maintain the protocols required under clause 6.18.
6.19.5	The obligations imposed by this clause take effect from 1 December 2021.	NA	Remove clause	<p>We have deleted this completed obligation.</p> <p>This obligation had a one-off deadline which has passed. Therefore, this clause is no longer necessary.</p>
6.20.1	Water NSW must use its best endeavours to develop and enter into a data sharing and services agreement with DPIE and NRAR as soon as practicable after 1 July 2020 or by a date approved by the Minister in writing (the Metering Data Sharing and Services Agreement). If such an agreement has been entered into before 1 July 2020, this subclause does not apply.	6.19.1	<p>Water NSW must:</p> <ul style="list-style-type: none"> <li>a. use its best endeavours to maintain a data sharing agreement with DPE (<b>Data Sharing Agreement with DPE</b>);</li> <li>b. comply with: <ul style="list-style-type: none"> <li>i the Data Sharing Agreement with DPE maintained under clause 6.19.1(a); and</li> <li>ii any cure plan that applies to Water NSW under the Data Sharing Agreement with DPE.</li> </ul> </li> </ul> <p><i>[Note: Water NSW may maintain the Data Sharing Agreement with DPE referred to in clause 6.19.1 and the GSW/S Data Sharing Agreement referred to in clauses 2.8.8 and 2.8.9, as a single data sharing agreement or as separate agreements.]</i></p>	<p>We now require WaterNSW to maintain a document it previously delivered during the current Licence period.</p> <p>WaterNSW holds 2 agreements (one with each party). We consider that the current Licence clause implies that WaterNSW must hold one agreement with the 3 parties. We have amended the requirement (i.e. split the requirement to hold data sharing agreements) into 2 clauses – 6.19.1 and 6.19.2. By maintaining 2 separate agreements WaterNSW is able to ensure the agreements appropriately capture the requirements and expectations of the separate entities that have entered into the agreements.</p> <p>The data sharing agreement with DPE commenced on 30 June 2021.</p> <p>We have revised the clause to require WaterNSW to use its best endeavours to maintain the agreement. We have also added a requirement to comply with the agreement.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
				We have moved the requirement to comply with any cure plans (currently in Licence clause 6.20.3) as the rest of that clause is no longer relevant.
6.20.1	As above	6.19.2	<p>Water NSW must:</p> <ul style="list-style-type: none"> <li>a. use its best endeavours to maintain a data sharing agreement with the NRAR (<b>Data Sharing Agreement with NRAR</b>);</li> <li>b. comply with: <ul style="list-style-type: none"> <li>i the Data Sharing Agreement with NRAR maintained under clause 6.19.1(a); and</li> <li>ii any cure plan that applies to Water NSW under that the Data Sharing Agreement with the NRAR.</li> </ul> </li> </ul>	<p>We now require WaterNSW to maintain a document it previously delivered during the current Licence period.</p> <p>WaterNSW holds 2 agreements (one with each party). We consider that the current Licence clause implies that WaterNSW must hold one agreement with the 3 parties. We have amended the requirement (i.e. split the requirement to hold data sharing agreements) into 2 clauses – 6.19.12 and 6.19.3. By maintaining 2 separate agreements WaterNSW is able to ensure the agreements appropriately capture the requirements and expectations of the separate entities that have entered into the agreements.</p> <p>The data sharing agreement with NRAR commenced on 3 December 2020.</p> <p>We have revised the clause to require WaterNSW to use its best endeavours to maintain the agreement. We have also added a requirement to comply with the agreement.</p> <p>Our discussion around splitting the requirement to hold agreements with DPE and NRAR, and the requirement to comply with any cure plans also applies to this clause 6.19.2.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
6.20.3	Once Water NSW has entered into the Metering Data Sharing and Services Agreement, Water NSW must: a. provide access to the data and services under that Agreement to DPIE and NRAR, in accordance with that Agreement, and b. comply with any cure plan that applies to Water NSW under that Agreement.		Remove clause	<p>We have deleted this duplicative obligation.</p> <p>We have deleted part a of this clause, as it is a duplication of an obligation. WaterNSW is required to comply with the data sharing agreements under clauses 6.19.1 and 6.19.2.</p> <p>The requirements in new clause 6.19.4 set out how WaterNSW will provide access to relevant data and services.</p> <p>We have moved part b of this Licence clause to clauses 6.19.1 and 6.19.2 (discussed above)</p>
6.20.4	If by 1 July 2020, Water NSW, DPIE and NRAR have entered into an agreement as required by this clause, clause 6.20.3 applies to that agreement.	NA	Remove clause	<p>We have removed this completed obligation.</p> <p>WaterNSW, DPE and NRAR have entered into the agreement(s), as required under this clause. Therefore, we consider that this clause no longer applies.</p>
NA	NA (new clause)	6.19.4	By 1 September 2023, Water NSW must use its best endeavours to agree with DPE and the NRAR amendments to the Data Sharing Agreements maintained under clause 6.19.1(a) and 6.19.2(a) to specify: a. standards and metrics for data accuracy, quality, continuity and timeliness of data provision; b. information technology and system access, where this is not already addressed under other arrangements between the parties; c. frequency of performance reviews of the Data Sharing Agreements; and d. terms for initiating review of, or amendment to, the Data Sharing Agreements.	<p>We have added this clause to clarify the obligation.</p> <p>The data sharing agreements were developed during the current Licence period. We consider WaterNSW should review the agreements considering the proposed minimum requirements set out in new clause 6.19.4. We consider there is benefit in defining what is required under the agreements to provide relevant parties with clarity around the requirements of the obligation.</p>

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change								
				We have also included a date that the review should be completed by. We understand that while the agreement with NRAR is currently under review, a review of the agreement with DPE is yet to commence. We consider that the 1 September 2023 date does not limit WaterNSW from completing the review before this date. The 1 September 2023 date affords WaterNSW 14 months to commence and complete its review of the agreement with DPE, should it require the time.								
Schedule A.1	A.1. Licensing functions  Exceptions  2. Where a function is highlighted with a hash (#), the conferral of that function to Water NSW is limited as described in the table and may only be exercised in relation to those licences and licence applications identified in exception 1 above.		A.1. Licensing functions  Exceptions  2. Where a function is highlighted with a hash (#), the conferral of that function to Water NSW is limited as described in the table.	We have amended this schedule to clarify the existing powers of WaterNSW to suspend and cancel licences and approvals.								
Schedule A.1	Table A.1 <i>Water Management Act 2000</i> (NSW) <table><tr><th>Section</th><th>Function</th></tr><tr><td>Section78(1)(c)*^</td><td>Suspend or cancel an access licence.</td></tr></table>	Section	Function	Section78(1)(c)*^	Suspend or cancel an access licence.	Sch A	Table A.1 <i>Water Management Act 2000</i> (NSW) <table><tr><th>Section</th><th>Function</th></tr><tr><td>Section78(1)(c)*^</td><td>Suspend or cancel an access licence for failure to pay any fees or charges imposed in respect of that licence.</td></tr></table>	Section	Function	Section78(1)(c)*^	Suspend or cancel an access licence for failure to pay any fees or charges imposed in respect of that licence.	We have amended this schedule to clarify the existing powers of WaterNSW to suspend and cancel licences and approvals.
Section	Function											
Section78(1)(c)*^	Suspend or cancel an access licence.											
Section	Function											
Section78(1)(c)*^	Suspend or cancel an access licence for failure to pay any fees or charges imposed in respect of that licence.											
Schedule A.1	Table A.1 <i>Water Management Act 2000</i> (NSW) <table><tr><th>Section</th><th>Function</th></tr></table>	Section	Function	Sch A	Table A.1 <i>Water Management Act 2000</i> (NSW) <table><tr><th>Section</th><th>Function</th></tr></table>	Section	Function	Clarify the existing powers of WaterNSW to suspend and cancel licences and approvals.				
Section	Function											
Section	Function											

Clause <sup>a</sup>	Requirement		Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
	Section 78(1)#	Suspend an access licence for failure to pay any fees or charges imposed by Water NSW in respect of that licence. The conferral of this function is limited to suspension only (not cancellation) and only for a failure to pay any fees or charges imposed by Water NSW.		Section 78(1)(c)# Suspend an access licence for failure to pay any fees, charges, interest or rates imposed by Water NSW in respect of that licence. This function is limited to the entities and licences identified in paragraph A.1 clause 1 under the heading 'Exceptions'.	
Schedule A.1	Table A.2 <i>Water Act 1912</i> (NSW)		Table A.2 <i>Water Act 1912</i> (NSW)		Remove restriction as currently applies to this function.
	<b>Section</b>	<b>Function</b>	<b>Section</b>	<b>Function</b>	
	118A*	Issue or cancel a drillers licence, require information to be provided, require information in relation to a construction of a bore, cancel drillers licences.	118A	Issue or cancel a drillers licence, require information to be provided, require information in relation to a construction of a bore, cancel drillers licences.	
Schedule A.2	A.2. Approval functions		A.2. Approval functions		Clarify the existing powers of WaterNSW to suspend and cancel licences and approvals.
	2. Where a function is highlighted with a hash (#), the conferral of that function is limited as described in the table and may only be exercised in relation to those approvals or approval applications identified in exception 1 above.		2. Where a function is highlighted with a hash (#), the conferral of that function is limited as described in the table.		
Schedule A.2	Table A.6 <i>Water Management Act 2000</i> (NSW)		Table A.6 <i>Water Management Act 2000</i> (NSW)		Clarify the existing powers of WaterNSW to suspend and cancel licences and approvals.
	<b>Section</b>	<b>Function</b>			

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement		Reasons for change
	109(1)#	Suspend an approval for a failure to pay any fees or charges imposed by Water NSW. The conferral of this function is limited to suspension only (not cancellation) and only for a failure to pay any fees or charges imposed by Water NSW.	<b>Section</b>	<b>Function</b>	
			109(1)(c)#	Suspend an approval for a failure to pay any fees or charges imposed by Water NSW. in respect of that approval. This function is limited to the entities and approvals identified in paragraph A.2 clause 1 under the heading 'Exceptions'.	
			109(1)(c1)*#	Suspend or cancel an approval, for failure to pay any fees or charges imposed in respect of an access licence, where the access licence nominates that approval under section 71W..	



Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change				
			109(1)(c1)#  Suspend an approval, for failure to pay any fees or charges imposed by Water NSW in respect of an access licence, where the access licence nominates that approval under section 71W. This function is limited to the entities and approvals identified in paragraph A.2 clause 1 under the heading 'Exceptions'.					
Schedule A.9	NA (new requirement)	Schedule A.9	A.9 Functions relating to legal proceedings The functions in the table below under the Water Management Act 2000 (NSW) are conferred on Water NSW.  Table A.18 Functions relating to legal proceedings <table><tr><th>Section</th><th>Function</th></tr><tr><td>336</td><td>All functions of the Minister as the respondent; in proceedings arising from a Conferred Function carried out by Water NSW</td></tr></table>	Section	Function	336	All functions of the Minister as the respondent; in proceedings arising from a Conferred Function carried out by Water NSW	Clarify WaterNSW's authority to respond to court proceedings relating to its functions.
Section	Function							
336	All functions of the Minister as the respondent; in proceedings arising from a Conferred Function carried out by Water NSW							

Clause <sup>a</sup>	Requirement	Revised clause <sup>b</sup>	Proposed revised requirement	Reasons for change
			368	All functions of the Minister as the respondent; in an appeal arising from a decision made by Water NSW.

## C Summary of stakeholder feedback on draft proposed licence

Table C-1 Summary of stakeholder feedback – consultation on proposed draft licence

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
1.	<p>1.3.1 – term of the licence</p> <p>The term of this Licence is 5 years from the Commencement Date.</p>	<p>3-year licence term.</p> <p>1.3.1 The term of this Licence is 3 years from the Commencement Date.</p>	<p><b>WaterNSW</b> requested that the short-term licence be limited to 2-years. WaterNSW considers that the proposed 3-year term may pose challenges, given the concurrent pricing reviews, commencing in 2024.</p> <p>Similarly, <b>DPE</b> also recommended that the next licence is issued prior to the Water Administration Ministerial Corporation (WAMC) price review. The next WAMC price review is due for completion in mid-2025.</p> <p><b>Sydney Water</b> noted that the revised licence term may result in a clash with the next Price Review.</p> <p><b>NRAR</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>Given pending changes to the water policy environment, we consider there is insufficient clarity around those changes that may affect WaterNSW's functions.</p> <p>However, given stakeholder feedback, we have revised our proposal for a 3-year licence and maintain our recommendation for a 2-year licence term.</p> <p>Nonetheless, we consider that should there be <b>significant changes</b> in the policy environment or WaterNSW's functions during our licence review, the Governor could renew the 2022–2024 licence (under section 14 of the Act). The renewed licence would be on the same terms for another 12 months, to allow us sufficient time to consider relevant changes in our detailed end of term review.</p>
2.	<p>1.6.1 – licence review commencement date</p> <p>It is anticipated that a review of this Licence will commence in the first quarter of 2021 to investigate:</p> <p>a. whether this Licence is fulfilling its objectives; and</p> <p>b. any issues which have arisen during the term of this Licence, which may reduce the effectiveness of this Licence, (End of Term Review).</p>	<p>Set review commencement date to first quarter of 2024.</p> <p>1.6.1 It is anticipated that a review of this Licence will commence in the first quarter of 2024 to investigate:</p> <p>a. whether this Licence is fulfilling its objectives; and</p> <p>b. any issues which have arisen during the term of this Licence, which may reduce the effectiveness of this Licence, (End of Term Review).</p>	<p><b>WaterNSW</b> and <b>DPE's</b> responses to #1 applies to this proposed change.</p> <p><b>NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We propose to amend the review commencement date to the first quarter of 2023.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
3.	<p>2.1.1 – requirement to maintain WQMS in accordance with clause 2.1</p> <p>Water NSW must maintain a Water Quality Management System in accordance with this clause 2.1.</p>	Delete.	None.	NA
4.	<p>2.6.1 – review of system yield model</p> <p>By the first quarter of 2021, Water NSW must engage a suitably qualified independent expert to:</p> <ul style="list-style-type: none"> <li>a. review its modelling and procedures for calculating the System Yield to ensure that it reflects good industry practice;</li> <li>b. test the robustness of the modelling, the key assumptions used in the modelling, and the process for calculating the System Yield, including the appropriate frequency of yield re-calculation and the appropriateness of the trigger events in clause 2.5.1; and</li> <li>c. advise Water NSW on whether it should re-calculate the System Yield based on the findings of the test conducted under clause 2.6.1(b).</li> </ul>	<p>Delete clause.</p> <p>The most recent review was conducted in the first quarter of 2021. Historically, the system yield model has been reviewed once every 5 years (i.e. once during each licence period). We consider that Water NSW is not required to review the system yield model during the short-term licence. The next review of the system yield model would likely be in 18–24 months after the next licence is finalised.</p>	<p><b>WaterNSW</b> noted the importance of maintaining transparency about our intention to reintroduce in a future operating licence. WaterNSW considers that removal of this clause could affect its ability to plan for potential future reviews.</p> <p><b>DPE</b> noted that the removal of this licence clause may lead to reduced visibility of this requirement. DPE suggested retaining this clause to clearly signal to WaterNSW that we anticipate a similar review of the system yield model in a future licence. DPE also requested that the proposed licence include a clause or note anticipating the due date for this requirement under the next licence.</p> <p><b>Sydney Water</b> had no comment regarding this change. However, requested that it is consulted with regards to any changes to system yield and the methodology and/or method of calculation.</p>	<p>Our position is that that a licence should not include obligations that are not effective during the licence term. Further, we consider that IPART cannot pre-empt what the Tribunal, Minister and Governor of the detailed end of term review will approve.</p> <p>However, we note that we will intend to explore the inclusion of a similar clause as part of the comprehensive licence review. We consider that, should the next licence include a similar obligation to this clause, the obligation would come into effect during the first 18–24 months of the licence. We consider this would provide WaterNSW with sufficient time to plan for the potential future review.</p> <p>We have also included a section in the report (section 4.6.1) that clarifies our intention to explore the inclusion of the requirement under the next licence.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
5.	<p>2.6.2 – consult on the system yield model review</p> <p>Water NSW must consult with:</p> <ul style="list-style-type: none"> <li>a. Customers who are Supplied water from the Declared Catchment Area, including Sydney Water;</li> <li>b. stakeholders and regulators as agreed with, or directed by, IPART; and</li> <li>c. any other persons that Water NSW reasonably expects to have an interest in the review of the modelling under clause 2.6.1, regarding the review of the modelling under clause 2.6.1 and provide the results of the consultation to the suitably qualified independent expert.</li> </ul>	Delete clause.	<p><b>WaterNSW's</b> and <b>DPE's</b> responses to #49 applies to this proposed change.</p> <p><b>Sydney Water</b> had no comment regarding this change. However, requested that it is consulted with regards to any changes to system yield and the methodology and/or method of calculation.</p> <p><b>NRAR</b> and <b>EPA</b> did not comment on the proposed change.</p>	See above.
6.	<p>2.6.3 – review the system yield model by 30 June 2021</p> <p>The review of the model for the System Yield must be completed by 30 June 2021 and reported to IPART in accordance with the Reporting Manual.</p>	Delete clause.	<p><b>WaterNSW</b> and <b>DPE's</b> responses to #49 applies to this proposed change.</p> <p><b>Sydney Water</b> had no comment regarding this change. However, requested that it is consulted with regards to any changes to system yield and the methodology and/or method of calculation.</p> <p><b>NRAR</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We have removed the requirement for WaterNSW to review the model from the proposed short-term licence. We consider the clause would not come into effect until after the short-term licence ends.</p> <p>We will review the inclusion of a similar clause as part of the comprehensive licence review.</p>
7.	<p>2.7.1 – submit a Water Conservation Strategy report to IPART by 1 November 2018</p> <p>By 1 November 2018, or by a later date as approved by IPART, Water NSW must submit to IPART, a report outlining Water NSW's water conservation strategy in relation to its operations under this Licence (<b>Water Conservation Strategy</b>).</p>	<p>Replace with a similar clause that requires Water NSW to maintain and implement its water conservation work program.</p> <p>2.6.1 Water NSW must maintain and implement a water conservation work program in relation to its operations under this Licence in accordance with the Water Conservation Strategy.</p>	None.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
8.	<p>2.7.2 – what the Water Conservation Strategy needs to include</p> <p>The Water Conservation Strategy must include:</p> <ul style="list-style-type: none"> <li>a. identification and documentation of existing water conservation activities;</li> <li>b. a process for identifying additional options for conserving water;</li> <li>c. a process for comparing these options; and</li> <li>d. a process for selecting options for implementation.</li> </ul>	Delete clause.	None.	NA
9.	<p>2.7.3 – develop and submit water conservation work program by 1 September 2019</p> <p>By 1 September 2019, or by a later date as approved by IPART, Water NSW must develop and submit to IPART a water conservation work program using the process set out in the Water Conservation Strategy.</p>	<p>Replace with a similar clause that requires Water NSW to submit a water conservation works program annually.</p> <p>2.6.3 By 1 September 2023, or by a later date as approved by IPART, Water NSW must submit to IPART a water conservation work program for the following year using the process set out in the Water Conservation Strategy</p>	None.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
10.	<p>2.9.1 – develop and submit a long-term capital and operational plan, and emergency drought response plan</p> <p>By 1 December 2021 (or another date approved by the Minister in writing), Water NSW must develop and submit to the Minister:</p> <p>a. a long-term capital and operational plan; and</p> <p>b. an emergency drought response plan.</p>	<p>By 1 July 2023 (or another date approved by the Minister in writing), Water NSW must develop and submit to the Minister a long-term capital and operational plan.</p> <p><i>Long-term capital and operational plan</i></p> <p>2.8.1 By 1 July 2023 (or another date approved by the Minister in writing), Water NSW must develop and submit to the Minister a long-term capital and operational plan.</p> <p>2.8.2 The plan referred to in clause 2.8.1 must address any written guidance that the Minister provides to Water NSW.</p> <p>2.8.3 Water NSW must use its best endeavours to develop the plan referred to in clause 2.8.1 in cooperation with Sydney Water.</p> <p><i>Emergency Drought Response Plan</i></p> <p>2.8.4 Water NSW must maintain, and deliver on actions specified in, its Emergency Drought Response Plan.</p> <p>2.8.5 Water NSW must review and update its Emergency Drought Response Plan:</p> <p>a. within 6 months of the publication of the Greater Sydney Water Strategy (or another date approved by the Minister in writing); and</p> <p>2.8.6 Annually thereafter by the anniversary of the date specified in paragraph a.</p> <p><i>Metropolitan Water Plan</i></p> <p>2.8.7 Water NSW must implement any action that:</p> <p>a. Water NSW is responsible for delivering under the Metropolitan Water Plan; or</p> <p>b. the Minister directs, in writing, Water NSW to implement.</p> <p>2.8.8 Water NSW must participate cooperatively in any review of the Metropolitan Water Plan.</p>	<p><b>WaterNSW</b> generally agreed with our proposed changes to separate the drought response plan and long-term capital and operating plan. WaterNSW identified that the Drought Response Plan was recently renamed the 'Greater Sydney Drought Response Plan'. WaterNSW also requested simplifying clause 2.8.5 and 2.8.6 by merging the clauses and only requiring an annual update to the plan. This would align with current expectations and provide clarity to stakeholders around updates to the plan.</p> <p><b>DPE</b> noted that the long-term capital and operational plan is to be submitted to the Minister by 1 June 2023 and define the period for review as once every 5 years. <b>DPE</b> requested that the Emergency Drought Response Plan be amended to the "Drought Response Plan" and requested the removal of references to the GSWS from this clause.<sup>a</sup> <b>DPE</b> requested that we specify an annual review date by 31 December of each year. <b>DPE</b> requested that we amend all references to the Metropolitan Water Plan to the GSWS.</p> <p><b>Sydney Water</b> provide no comment in response to this change. However, noted that the "Emergency Drought Response Plan" is a joint Sydney Water/WaterNSW plan. As a result, it is imperative that the requirements within both the Sydney Water and WaterNSW Operating Licences align."</p> <p><b>NRAR</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We agree with DPE and WaterNSW's proposed changes to this clause and have redrafted this obligation in the proposed licence.</p> <p>We agree with Sydney Water's note about aligning the equivalent obligation in Sydney Water's operating licence.</p> <p>We have been advised that DPE will consider equivalent changes to the Sydney Water licence. As this is a joint plan, the intent is to ensure the obligations in both licences align.</p>



#	Licence clause	Our proposed change	Stakeholder feedback	Our response
11.	<p>2.9.8 – enter into a data sharing agreement with DPIE</p> <p>Water NSW must, within 60 days of the commencement of this clause (or a later date approved by the Minister in writing), develop and enter into a data sharing agreement with DPIE to assist in the development and review of the Metropolitan Water Plan (the MWP Data Sharing Agreement).</p>	<p>Delete and replace with a similar clause.</p> <p>2.8.9 Water NSW must:</p> <p>a. use its best endeavours to maintain a data sharing agreement with DPE to assist in the development and review of the Metropolitan Water Plan (MWP Data Sharing Agreement); and</p> <p>b. comply with the MWP Data Sharing Agreement referred to in clause 2.8.7(a).</p>	<p><b>DPE</b> noted that references to the MWP should be replaced with the GSWS as the GSWS is set for release in mid-2022.</p>	<p>DPE confirmed that the GSWS is set for release prior to the revised WaterNSW licence. Therefore, we agree with DPE's suggested change and have replaced all references to the MWP with the GSWS.</p> <p>We have reflected this change to the GSWS throughout the licence.</p>
12.	<p>3.4.6 – review its water quality monitoring of water released to Local Water Utilities</p> <p>By 31 December 2018, Water NSW must, in consultation with NSW Health, the Local Water Utility Customers on the LWU Register and its customer advisory groups established under clause 6.5, complete a review of its water quality monitoring, of water released by Water NSW to Local Water Utilities.</p>	Delete clause.	None.	NA
13.	<p>3.4.7 – report on the outcomes of the review in clause 3.4.6</p> <p>By 30 June 2019, Water NSW must provide IPART with a report detailing the outcomes of the review referred to in clause 3.4.6. The report should describe measures that were identified and the timing by which they could be implemented. Any barriers to immediate implementation of identified measures, including limitations to funding, should be outlined in the report.</p>	Delete clause.	None.	NA

<sup>a</sup> Email from DPE Principal Policy Officer to IPART Principal Analyst and Senior Analyst, 21 April 2022.

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
14.	<p>4.3.2 – CSR Water Delivery Performance Standard A</p> <p>Water NSW must ensure that</p> <p>a. 99% of Customers who place a Non-complying Water Order are contacted within one working day to rectify that order; and</p> <p>b. this is calculated as a percentage of all Non-complying Water Orders placed in the financial year.</p>	<p>Update the clause to specify the number of non-complying Water Orders Water NSW must contact within one working day.</p> <p>4.3.2 Water NSW must ensure that in each financial year no more than 5 Customers who place a Non-Complying Water Order are contacted more than one working day after Water NSW receives that order to rectify that order.</p>	None.	NA
15.	NA (new clause)	<p>Add new clause to clarify that clause 4.2.3 does not apply where Water NSW received a direction or order, to restrict flows, under any law.</p> <p>4.3.4 The Performance Standard referred to in clause 4.2.3 does not apply where Water NSW is subject to a direction or order given under any law that requires Water NSW to reduce or cease the Supply of water in a manner that prevents Water NSW from Delivering a Water Order within the timeframe required by clause 4.2.3</p>	None.	NA
16.	<p>4.3.3 – note to clarify what is included in the scheduled day of Delivery</p> <p><i>[Note: The scheduled day of Delivery takes into account the period of required notice specified in Water Management Work approvals, licences, or entitlements. This is measured by Complaints and/or if Water NSW identifies a Delivery delay, e.g. through its staff, systems or otherwise identifies or becomes aware of a Delivery delay.]</i></p>	<p>Amend note to clarify that directions may lead to the deferral of Water Orders.</p> <p>4.3.4 (note)</p> <p><i>[Note: The scheduled day of Delivery takes into account the period of required notice specified in Water Management Work approvals, licences, or entitlements. This is measured by Complaints and/or if Water NSW identifies a Delivery delay, e.g. through its staff, systems or otherwise identifies or becomes aware of a Delivery delay. This clause does not apply to the deferral of Water Orders due to Water NSW complying with a direction or order under any law [e.g. from the Minister, DPE or NSW Police.]</i></p>	<p><b>DPE</b> suggested removing those bracketed examples of who can provide WaterNSW with a direction or order under law. DPE noted that if an example is required, this should be limited to the Minister.</p> <p><b>WaterNSW, Sydney Water, EPA</b> and <b>NRAR</b> did not comment on the proposed change.</p>	We agree with DPE's recommendation and understand that the examples provided in brackets may unintentionally seem to limit which orders are relevant under the note. Therefore, we have removed the examples from the note.

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
17.	<p>5.1.1 – maintain an Asset Management System</p> <p>Water NSW must at all times maintain a Management System for carrying out its functions authorised under this Licence that is consistent with the Australian Standard AS ISO 55001:2014 Asset management – Management systems – Requirements or other standard approved by IPART on request by Water NSW (the Asset Management System)</p>	<p>Update to clarify what the management system is for.</p> <p>5.1.1 Water NSW must at all times maintain a Management System in relation to Water NSW's assets that is consistent with the Australian Standard <i>AS ISO 55001:2014 Asset Management – Management systems – Requirements</i> or other standard approved by IPART on request by Water NSW (<b>Asset Management System</b>).</p>	None.	NA
18.	<p>5.2.1 – maintain an Environmental Management System</p> <p>Water NSW must at all times maintain an Environmental Management System for carrying out the functions authorised under this Licence that is consistent with the Australian/New Zealand Standard AS/NZS ISO 14001:2016: Environmental management systems – Requirements with guidance for use or other standard approved by IPART, on request by Water NSW (the Environmental Management System).</p>	<p>Update to clarify what the management system is for.</p> <p>Water NSW must at all times maintain a Management System for managing its environmental responsibilities and the environmental impacts of its services and activities that is consistent with the Australian/New Zealand Standard <i>AS/NZS ISO 14001:2016: Environmental management systems – Requirements</i> with guidance for use or other standard approved by IPART, on request by Water NSW (<b>Environmental Management System</b>).</p>	None.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
19.	<p>6.3.1 – determine volume of water Extracted by, or Supplied to, Customers</p> <p>Water NSW must determine the volume of water Extracted by, or Supplied to, each of its Customers, at least annually, for the purpose of accurate account management, billing and reporting.</p>	<p>Add note to clarify the purpose of the obligation.</p> <p>6.3.1 (note)  <i>[Note: The purpose of the determination in clause 6.3.1 is to support Water NSW's commercial business activities, and provide customers with usage, billing and amounts outstanding]</i></p>	<p><b>NRAR</b> noted that the volume of water extracted "has utility beyond billing purposes." Its submission went on to explain that the "information is essential for compliance purposes, which WaterNSW provides to NRAR at various frequencies depending on the source of data and method of abstraction." NRAR requested that we amend clause 6.3.1 to reflect the "frequency of data availability permitted by the type of licence and reporting arrangements under that licence."</p> <p><b>WaterNSW, DPE, Sydney Water</b> and <b>EPA</b> did not comment on the proposed changes.</p>	<p>We consider that the purpose of this obligation is to allow WaterNSW to bill its customers accurately (i.e. not over or undercharge them). While we understand that there is a secondary use for this data (i.e. by NRAR for its compliance purposes), we consider that the intention of the obligation did not include NRAR's compliance functions.</p> <p>We consider that the proposed note wording could lead to uncertainty and ambiguity around the purpose of the clause. Therefore, we have not proposed this change to the note in the final licence.</p> <p>We understand the importance of this data for NRAR's purposes. However, we do not propose changes to this clause since amending the clause (or note) is likely to impose a significant additional cost to WaterNSW.</p> <p>We will consider if future licences should include a clause that allows WaterNSW to help NRAR achieve its objectives in the comprehensive review of the licence.</p>
20.	<p>6.5.1 – establish and maintain a Customer Advisory Group</p> <p>Water NSW must establish and maintain area-based advisory groups representing a broad cross-section of its Customers for those areas (Customer Advisory Group).</p>	<p>Updated to clarify what 'areas' the obligation refers to.</p> <p>6.5.1 Water NSW must establish and maintain advisory groups for Customers in different regions of its Area of Operations that include representation from a broad cross-section of its Customers for each region (Customer Advisory Groups). Water NSW has discretion to determine those regions, provided collectively the regions encompass all of its Area of Operations.</p>	None.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
21.	<p>6.15 – MOU with DPE</p> <p>Memorandum of Understanding with Department of Planning and Environment</p> <p>6.15.1 Water NSW must:</p> <p>a. use its best endeavours to establish and maintain a memorandum of understanding with the Department of Planning and Environment; and</p> <p>b. comply with the memorandum of understanding maintained under clause 6.15.1(a).</p> <p><i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into a memorandum of understanding.]</i></p> <p>6.15.2 The purpose of the memorandum of understanding referred to in clause 6.15.1( is to form the basis for a cooperative relationship between the parties to the memorandum regarding the role of Water NSW for the review and implementation of the Metropolitan Water Plan.</p> <p><i>[Note: Clause 6.15.2 does not limit the matters which may be included in the memorandum of understanding with the Department of Planning and Environment.]</i></p>	Delete	<p><b>DPE</b> agreed with our proposed change.</p> <p><b>WaterNSW, Sydney Water, NRAR</b> and <b>EPA</b> did not comment on our proposed change.</p>	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
22.	<p>6.16.1 – roles and responsibilities protocol with Department of Primary Industry</p> <p>Roles and Responsibilities with Department of Industry Water NSW must:</p> <p>a. agree in writing with the Department of Industry the roles and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of this Licence; and</p> <p>b. comply with the agreement established under clause 6.15.1(a).</p> <p><i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into an agreement or the matters which may be contained in the agreement.]</i></p>	<p>We have added a second sentence to the note to clarify that the clause only relates to the conduct of Conferred Functions, per Schedule A of the licence.</p> <p>Roles and responsibilities with Department of Planning and Environment 6.15.1 Water NSW must:</p> <p>a. agree in writing with the Department of Planning and Environment the roles and responsibilities regarding the conduct of Conferred Functions specified in Schedule A of this Licence; and</p> <p>b. comply with the agreement established under clause 6.15.1(a).</p> <p><i>[Note: Clause 6.15.1 does not limit the persons with whom Water NSW may enter into an agreement or the matters which may be contained in the agreement. Clause 6.15.1(b) applies only to those parts of the agreement that relate to the conduct of Conferred Functions specified in Schedule A of this Licence]</i></p>	<p><b>DPE</b> agreed with our proposed change.</p> <p><b>WaterNSW, Sydney Water, NRAR</b> and <b>EPA</b> did not comment on our proposed change.</p>	NA
23.	<p>6.16.2 – publish statement outlining roles and responsibilities required under clause 6.15.1(a)</p> <p>By 30 June 2018, Water NSW must publish on its website, for downloading by any person, a statement setting out the roles and responsibilities required under clause 6.15.1(a).</p> <p><i>[Note: The statement may also include roles and responsibilities agreed with the Ministerial Corporation or any other relevant Government departments or agencies.]</i></p>	<p>We removed the reference to a date as the condition has been met. Changed to require Water NSW to keep the statement on its website.</p> <p>6.15.2 Water NSW must publish a statement setting out the roles and responsibilities required under clause 6.15.1(a) on its website for downloading by any person.</p> <p><i>[Note: The statement may also include roles and responsibilities agreed with the Ministerial Corporation or any other relevant Government departments or agencies.]</i></p>	<p><b>DPE</b> agreed with our proposed change.</p> <p><b>WaterNSW, Sydney Water, NRAR</b> and <b>EPA</b> did not comment on our proposed change.</p>	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
24.	NA (new clause)	<p>We propose that the MOU should be updated to include in the matters specified in the new licence condition. We note that the MOU is currently under review.</p> <p>6.16.3 By 1 September 2023, Water NSW must use its best endeavours to agree with NRAR amendments to the memorandum of understanding referred to in clause 6.16.1 to specify:</p> <ul style="list-style-type: none"> <li>a. consultation and engagement principles for engagement between the parties;</li> <li>b. information technology and system access, where this is not already addressed under other arrangements between the parties; and</li> <li>c. terms for initiating review of, or amendment to, the memorandum of understanding and documents prepared by the parties under the terms of that memorandum of understanding (if any).</li> </ul> <p><i>[Note: Clauses 6.16.2 and 6.16.3 does not limit the matters which may be included in the memorandum of understanding with the Natural Resources Access Regulator.]</i></p>	<p><b>WaterNSW</b> considers that its relationship with NRAR has matured over the past 3–years (during which time the MOU has existed). WaterNSW added that it is working with NRAR to update the MOU (which currently focusses on operational activities) towards addressing "strategic issues of common interest in within the context of the broader water sector activities."</p> <p><b>WaterNSW</b> noted that the proposed changes to this clause seem to address administrative elements of the relationship, when the parties have separately agreed to elevate the focus of the MOU. Therefore, WaterNSW suggests that removing clause 6.16.3 will not weaken the accountability of maintaining an effective MOU between the 2 parties.</p> <p><b>NRAR</b> proposed an amendment to our proposed wording: "Amend clause 6.19.3(a) to specify that WaterNSW use its best endeavours to amend the Metering Data Sharing and Services Agreement in consultation with NRAR and DPE to specify standards and metrics for data accuracy, quality, continuity and timeliness of data provision."</p> <p><b>DPE, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We consider that the MOU has helped WaterNSW develop and maintain its working relationship with NRAR. Further, we consider that WaterNSW's request to remove specificity around what the MOU (i.e. clause 6.16.3) must include is appropriate to the maturity of the businesses working relationship. Therefore, we have not included proposed clause 6.16.3 in the licence.</p> <p>We note that we have moved the minimum requirements (i.e. subclause b) to clause 6.19.2 which requires WaterNSW and NRAR to include certain things in the Data Sharing Agreement With NRAR.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
25.	<p>6.18.1 – develop, operate and maintain an online portal</p> <p>Water NSW must develop, operate and maintain an on-line portal to allow for the electronic lodgement of the following:</p> <ul style="list-style-type: none"> <li>a. a certificate provided under clause 237(1) or (2) of the Water Management (General) Regulation 2018, as required by clause 238(2) of that Regulation,</li> <li>b. a report by a person who intends to rely on clause 8 of Schedule 8 of the Water Management (General) Regulation 2018 setting out the steps taken in relation to the metering equipment, as required by clause 8(3) of that Regulation,</li> <li>c. written certification as to the matter set out in clause 9(2)(b) of Schedule 8 of the Water Management (General) Regulation 2018,</li> <li>d. a report from a person who intends to rely on clause 9 of Schedule 8 of the Water Management (General) Regulation 2018, setting out the steps taken in relation to the metering equipment, as required by clause 9(5) of that Regulation.</li> </ul>	<p>We propose to remove the requirement for Water NSW to develop the portal as it has already been developed. We also propose to add a note to aid interpretation</p> <p>6.17.1 Water NSW must operate and maintain an on-line portal to allow for the electronic lodgement of the following:</p> <ul style="list-style-type: none"> <li>a. a certificate provided under clause 237(1) or (2) of the Water Management Regulation, as required by clause 238(2) of that regulation,</li> <li>b. a report by a person who intends to rely on clause 8 of Schedule 8 of the Water Management Regulation setting out the steps taken in relation to the metering equipment, as required by clause 8(3) of Schedule 8 of that regulation,</li> <li>c. written certification as to the matter set out in clause 9(2)(b) of Schedule 8 of the Water Management Regulation,</li> <li>d. a report from a person who intends to rely on clause 9 of Schedule 8 of the Water Management Regulation, setting out the steps taken in relation to the metering equipment, as required by clause 9(5) of Schedule 8 of that regulation.</li> </ul> <p><i>[Note: In maintaining the portal, Water NSW should reasonably consider requests made by the NRAR to provide functionality that is fit for the NRAR's compliance functions.]</i></p>	<p><b>DPE</b> generally agreed with the reasons for our propose changes. DPE proposed different wording to better reflect relevant requirements under the WIC Regulation and the portal functionality with respect to the lodgement of metering information.</p> <p>In subsequent discussions with WaterNSW, NRAR, DPE and IPART, <b>DPE</b> noted that the portal includes additional functionality outside the scope of the existing and proposed clauses. DPE noted that the Licence should fully reflect portal functionality and identified that, in its opinion, the current wording does not cover the portal's existing functionality.</p> <p><b>DPE</b> also requested that we reinclude the requirement for WaterNSW to develop the portal. DPE noted that, at times, it requires WaterNSW to develop (and pays for) additional functionality in the portal.</p>	<p>We consider that DPE's suggestion to include a requirement to include for DQPs to input a notification that equipment has been tampered with under clause 237(4) of the Water Management Regulation should be included in the clause.</p> <p>However, we consider that additional portal functionality requested by DPE extends beyond the intent of the original obligation. The DPE requests relate to the functionality of the portal rather than the portal's ability to allow lodgement of documents or data.</p>
26.	<p>6.18.2 – the portal must be operational by 1 December 2020</p> <p>The portal must be operational by 1 December 2020.</p>	Delete clause.	<p><b>DPE</b> agreed with our proposed change.</p> <p><b>WaterNSW, Sydney Water, NRAR and EPA</b> did not comment on the proposed change.</p>	None



#	Licence clause	Our proposed change	Stakeholder feedback	Our response
27.	<p>6.18.3 – requirement to retain certificates, reports and other documents lodged in the portal</p> <p>Water NSW must ensure that certificates, reports and other documents lodged in the portal are retained.</p>	<p>The drafting of this clause lacks specificity. The revised clause provides further clarity around the intention of the obligation.</p> <p>We understand that Water NSW is reviewing its data retention protocol with NRAR and DPE.</p> <p>6.17.2 By 31 August 2023, Water NSW must:</p> <p>a. develop, in consultation with NRAR and DPE, and maintain a data retention protocol to ensure that data, certificates, reports and other documents lodged in the portal are retained for the period required by the State Records Act 1998 (NSW) and any other applicable law; and</p> <p>b. comply with the data retention protocol maintained under clause 16.18.2(a).</p>	<p><b>WaterNSW</b> noted that the proposed change is a result of compliance issues identified at the 2021 operational audit. WaterNSW noted that the deficiencies identified at the audit, against this clause, are already being addressed through audit actions. Further, WaterNSW noted that the requirement to retain documentation is already a statutory obligation under other relevant legislation. On this basis, WaterNSW seeks to remove this obligation from the licence</p> <p><b>DPE</b> generally agreed with our proposed change. However, DPE noted that despite the absence of protocols, WaterNSW should retain all data between the commencement of the short-term licence and 31 August 2023.</p> <p><b>NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We disagree with WaterNSW's submission to delete this clause. We understand that there is a statutory obligation for WaterNSW to retain certificates, reports and other documents lodged in the portal under the <i>State Records Act 1998</i>. However, the 2021 operational audit identified significant issues with WaterNSW's retention processes. Therefore, we consider that, for now, the short-term licence requires this specificity.</p> <p>We consider that the proposed clause does not add burden on WaterNSW, as it is already committed to developing a protocol in response to the 2021 operational audit findings. The proposed clause clarifies the need to consult with DPE and NRAR in the development of the protocol and comply with the protocol once it is in place.</p> <p>We agree with DPE's observation. The proposed licence includes a clause that requires WaterNSW to retain data in the interim.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
28.	6.18.4 – access to the portal  Water NSW must provide DPIE and NRAR with access to the portal, all data held in the portal and any systems related to the portal.	Clarify what data Water NSW must provide NRAR with access to. The extent of the access should be limited to data and systems related to DPE and NRAR's functions.  6.17.4 Water NSW must provide DPE and NRAR with access to the portal and data and systems within the portal that are relevant to DPE and the NRAR's functions.	<b>WaterNSW</b> supports the proposed change. <b>WaterNSW</b> provided suggestions to clarify the framework and mechanism for data sharing by referencing the relevant agreements with NRAR and DPE (i.e. proposed clauses 6.19.1 and 6.19.2).  <b>DPE</b> considers this clause is effective in its current form (i.e. without the proposed changes). <b>DPE</b> noted that it "is not aware of any operational issues relevant to the current drafting of the clause and does not consider the changes and the addition of the limitation of access to be necessary." <b>DPE</b> also raised concerns around the potential for unintended consequences as a result of the proposed restrictions to the clause. <b>DPE</b> noted concerns around <b>WaterNSW</b> having the authority to decide what is/is not relevant to DPE and NRAR's functions.  <b>NRAR, Sydney Water, and EPA</b> did not comment on the proposed changes.	We disagree with <b>WaterNSW</b> 's proposal. We consider that the agreements may not include all data DPE and NRAR require. Therefore, we consider that relying on the data sharing agreements with NRAR and DPE may limit the scope of what <b>WaterNSW</b> must provide those parties access to.  We disagree with <b>DPE</b> 's feedback. We consider that the obligation, in its current form, requires <b>WaterNSW</b> to provide DPE and NRAR access to all data and systems related to the portal – this includes data and information which is outside of the scope of DPE and NRAR's functions. We consider that the current obligation could see <b>WaterNSW</b> breach privacy laws.
29.	6.19.3 – retain data related to metering equipment  All such data must be entered into and retained in Water NSW's data systems.	We propose amending this licence condition to clarify that Water NSW must retain all relevant data.  6.18.3 All such data must be entered into Water NSW's data systems and retained in accordance with the data retention protocol maintained under clause 6.17.2(a).	None.	NA
30.	6.19.4 – protocols for data sharing requests related to metering equipment  Prior to 1 December 2021, Water NSW, DPE and NRAR are to agree on protocols for requests for data to which this clause applies	As the protocol has been developed and is operational, we have amended the clause so that the protocol is to be maintained.  6.18.4 Water NSW must use its best endeavours to maintain protocols with DPE and NRAR for requests for data to which this clause 6.18 applies.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water and EPA</b> did not comment on the proposed change.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
31.	6.19.6 – date obligations come into effect  The obligations imposed by this clause take effect from 1 December 2021.	Delete clause.  The agreement commenced on 3 December 2020. We propose updating the obligation to require Water NSW to maintain the agreement. Further, requirement to comply with any cure plan has been moved up from 6.20.3 as the rest of the clause is no longer required.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
32.	6.20.1 – best endeavours to enter into a data sharing and services agreement with DPIE and NRAR  Water NSW must use its best endeavours to develop and enter into a data sharing and services agreement with DPIE and NRAR as soon as practicable after 1 July 2020 or by a date approved by the Minister in writing ( <b>the Metering Data Sharing and Services Agreement</b> ). If such an agreement has been entered into before 1 July 2020, this subclause does not apply.	We propose updating this obligation to require Water NSW to maintain the agreement. We also propose to move requirement to comply with cure plans to this clause.  6.19.1 Water NSW must: a. use its best endeavours to maintain a data sharing and services agreement with DPIE and the NRAR (Metering Data Sharing and Services Agreement); b. comply with: i) the Metering Data Sharing and Services Agreement maintained under clause 6.19.1(a); and ii) any cure plan that applies to Water NSW under that Agreement.  <i>[Note: The Metering Data Sharing and Services Agreement is in addition to the MWP Data Sharing Agreement described in clause 2.8.7.]</i>	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
33.	NA (new clause)	<p>New clause to clarify what the agreement should include.</p> <p>6.19.3 By 1 September 2023, Water NSW must use its best endeavours to agree with DPE and the NRAR amendments to the Metering Data Sharing and Services Agreement maintained under clause 6.19.1(a) to specify:</p> <ul style="list-style-type: none"> <li>a. requirements and expectations for data quality, including metrics for measuring data quality;</li> <li>b. frequency of performance reviews of the Metering Data Sharing and Services Agreement; and</li> <li>c. terms for initiating review of, or amendment to, the Metering Data Sharing and Services Agreement.</li> </ul>	<p><b>WaterNSW</b> noted that it has developed 2 separate data sharing agreements (one with NRAR and the other with DPE). WaterNSW explained that while these documents are similar, they have been tailored to suit the needs of the relevant organisations.</p> <p>Further, <b>WaterNSW</b> notes that the agreement set out a review frequency to assess the performance and adequacy of the agreements. Further, WaterNSW identifies that both agreements allow any party to the agreements to trigger a review at any time. Therefore, WaterNSW considers the proposed clause is redundant.</p> <p>Finally, <b>WaterNSW</b> questioned the need for the operating licence to specify the content required in the agreements. WaterNSW notes the "absence of an apparent imbalance in negotiating power for reaching a mutually agreeable outcome."</p> <p><b>NRAR</b> noted that it anticipates that the Data Sharing Agreement could be reasonably expected to be made well before the 1 September 2023 date proposed in the licence, given the maturity of the data quality and cleansing metrics at the time of making its submission. NRAR recommended amending the date on the proposed licence to October 2022.</p> <p><b>NRAR</b> also recommended amending clause 6.19.3(a) "to specify the standards and metrics for data accuracy, quality, continuity and timeliness of data provision."</p> <p><b>DPE</b> agreed with our proposed change.</p> <p><b>Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>Given the nature of WaterNSW's agreements (i.e. 2 separate agreements with DPE and NRAR), we have split this obligation into 2 clauses to reflect this.</p> <p>We understand that the agreements, as they currently are, set out a review frequency per WaterNSW's response. Further, we acknowledge WaterNSW's questioning around the need for the licence to specify what the agreements should include. We consider that our proposed wording (and requirements) are a result of feedback from NRAR. NRAR previously identified issues in relation to this clause (in the form of comments on the 2021 operational audit scope). In its preliminary response to IPART on the proposed deferred review, NRAR reiterated these concerns and specifically identified issues with existing data and access requirements, and reviews of the agreement. Further, in its submission on the draft licence, NRAR requested that we amend part (a) of the proposed clause to clarify the requirement.</p> <p>We consider this clause is appropriate and necessary given the maturity of the relationship between WaterNSW and NRAR/DPE, specifically in relation to meeting data sharing requirements. We will consider if it is appropriate to delete this clause at the comprehensive review.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
34.	6.20.3 – provide data and services to DPIE and NRAR or comply with any cure plan  Water NSW must: a. provide access to the data and services under that Agreement to DPIE and NRAR, in accordance with that Agreement, and b. comply with any cure plan that applies to Water NSW under that Agreement.	Delete clause  We propose to delete deleted part a of this clause as Water NSW is required to comply with the data sharing agreement under clause 6.20.1 which implies Water NSW must provide access to data and services. We have moved part b of this clause to clause 6.20.1.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
35.	6.20.4 – Water NSW, DPIE and NRAR must enter into an agreement under clause 6.20.3 by 1 July 2020  If by 1 July 2020, Water NSW, DPIE and NRAR have entered into an agreement as required by this clause, clause 6.20.3 applies to that agreement.	Delete clause  Water NSW, DPE and NRAR have entered into agreements as required under this clause. Therefore, this clause no longer applies.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
36.	A1 Schedule A – changes to conferred functions.	Various changes detailed in Table B-1.	<b>DPE</b> generally agreed with our proposed changes. However, DPE noted that while it has not undertaken a detailed review of the conferred functions in Schedule A for this short-term licence, "changes to conferred functions are made from time to time as a result of operational and legislative changes. It is anticipated that changes to Schedule A would be required during the term of the interim licence". <b>DPE</b> agreed that the description of section 107(1)* in Table A.6 should be broader to better reflect what is conferred.	We have made the changes per Table B-1.
37.	Definitions – commencement date  Commencement Date is the date on which this Licence commences, being either 1 July 2017 or, if a different date is specified by the Governor in a notice published in the NSW Government Gazette, that different date.	Update Commencement Date to meet requirement of short-term licence.  Commencement Date is the date on which this Licence commences, being either 1 July 2022 or, if a different date is specified by the Governor in a notice published in the NSW Government Gazette, that different date	None.	NA

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
38.	Definitions – DPIE  DPIE means the NSW Department of Planning, Industry and Environment.	Change to reflect the department name change.  DPE means the NSW Department of Planning and Environment.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
39.	NA (new definition)	5-year Water Efficiency Plan has the meaning given in clause 2.6.4.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
40.	NA (new definition)	New defined term.  Greater Sydney Water Strategy means the document of that title being developed by the NSW Government which, once published, will replace the Metropolitan Water Plan.	<b>DPE</b> agreed with our proposed change.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	NA
41.	Metropolitan Water Plan  Metropolitan Water Plan means: a. the “2017 Metropolitan Water Plan” published by the NSW Government 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.	We propose adding the GSWS to reflect the Greater Sydney Water Strategy will replace the Metropolitan Water Plan.  Metropolitan Water Plan means: a. the “2017 Metropolitan Water Plan” published by the NSW Government and comprising a plan designed to ensure a sustainable and secure water supply for greater Sydney or any plan that supersedes it (including the Greater Sydney Water Strategy, once published); and b. b. any other plan generally for the development of urban water policy and planning for greater Sydney	<b>DPE</b> agreed that the licence should be amended to include references to the GSWS. However, DPE noted that the GSWS is due for public release in mid-2022, after which it will replace the MWP. Therefore, DPE suggested that the licence only refer to the GSWS.  <b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.	We have amended all references to the MWP to reflect the release of the GSWS.

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
42.	2.5.3 – requirement to publish changes to the System Yield model on Water NSW's website	None (DPE proposed this change in its response)	<p><b>DPE</b> proposed that we delete the requirement for WaterNSW to publish any changes to its System Yield model on its website to remove administrative burden from WaterNSW.</p> <p><b>DPE</b> noted that yield is an important element of water management and planning. However, under the GSWS, "the requirement for publishing it creates the potential for public confusion, as the calculated value of yield will change in response to evolving policy settings, but could easily be misinterpreted as a fundamental change in our level of water security (which may or may not be the case)."</p> <p><b>DPE</b> noted that the CEO both DPE and WaterNSW agree with its proposed approach.</p>	<p>We have not deleted this clause. We consider that DPE's proposal to remove this obligation from the licence may affect other stakeholders that we have not consulted with. Further, at this stage, we consider there is benefit in keeping this requirement until we can fully consider how removal will affect parties other than WaterNSW and DPE.</p>
43.	6.14 – Memorandum of understanding with EPA	None (EPA proposed this change in its submission)	<p><b>EPA</b> requested that we remove the requirement for WaterNSW and EPA to maintain a MOU between the parties. EPA noted that there is already an MOU in place between the organisations (which "works effectively for both organisations". EPA also noted that "both organisations are in regular operational contact and maintain a Strategic Liaison Group which meets at least once per year."</p> <p><b>WaterNSW, NRAR, DPE and Sydney Water</b> did not comment on the proposed change.</p>	<p>We have not removed this obligation from the licence as it is a requirement under section 21(2) of the Act.</p>

#	Licence clause	Our proposed change	Stakeholder feedback	Our response
44.	NA (new definition)	None (DPE proposed this change in its response)	<p><b>DPE</b> proposed a new defined term as a consequential change from the licence: "Water Efficiency Framework means the framework of that title being developed by the NSW Government which, once published, will outline an approach for economic assessment of water efficiency projects."</p> <p><b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We did not include this proposed defined term.</p> <p>We have removed reference to the water efficiency framework from the licence. We therefore do not need this defined term.</p>
45.	NA (new definition)	None (DPE proposed this change in its response)	<p><b>DPE</b> proposed this consequential amendment arising from the deletion of clause 2.5.3: "Design Criteria means the levels of service for security, robustness and reliability of water available for Supply to Customers (other than Small Customers) in or from Declared Catchment Areas."</p> <p><b>WaterNSW, NRAR, Sydney Water</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We did not include this proposed defined term as we have not proposed deletion of the requirement on WaterNSW to publish changes to its system yield model as proposed by DPE above.</p>
46.	NA (new clause)	None (Sydney Water proposed this change in its submission)	<p><b>Sydney Water</b> requested the Inclusion of new clause requested to ensure Sydney Water is consulted regarding any changes to system yield and the methodology and/or method of calculation.</p> <p><b>WaterNSW, DPE, NRAR</b> and <b>EPA</b> did not comment on the proposed change.</p>	<p>We did not make the proposed change to the licence as it does not align with the objective of the short-term licence. We consider this change would be a new obligation on WaterNSW and is not the same, or substantially the same as the conditions of the 2017-2022 licence.</p>



#	Licence clause	Our proposed change	Stakeholder feedback	Our response
47.	NA (new clause and definition)	None (Sydney Water proposed this change in its submission)	<p><b>Sydney Water</b> requested the inclusion of new clause to ensure Sydney Water has all necessary information to carry out the Supply Augmentation Planning Function.</p> <p>"WaterNSW must also provide Sydney Water with necessary system yield information and support to enable Sydney Water to carry out the Supply Augmentation Planning Function."</p> <p>And</p> <p>"New definition Supply Augmentation Planning Function means the water supply augmentation planning function for Greater Sydney which consists of the following: 1. assessment of the need for water supply augmentation; 2. identification of water supply augmentation options, including capital and non- capital options; 3. whole of system assessment of the water supply augmentation options and prioritisation to support strategic business cases; 4. concept development and feasibility studies for preferred water supply augmentation options to support strategic business cases; and 5. costings of preferred water supply augmentation options to support strategic business cases."</p>	<p>This change was not made to the licence. The change did not align with the objective of the short-term licence. We consider this change would be a new obligation on WaterNSW and is not the same, or substantially the same as the conditions of the 2017-2022 licence,</p>

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- 1 Section 56(2) of the *Water NSW Act 2014*.  
2 Section 7(3)(a) of the Act.  
3 Section 14(1) of the Act.  
4 Section 7 of the Act.  
5 IPART, *Fact Sheet – Deferral of end-of-term WaterNSW operating licence review*, 22 September 2021, p1.  
6 Email from NSWIC Policy Manager to IPART Senior Analyst, dated 11 April 2022.  
7 DPE response on the draft licence, April 2022. Available on our [website](#).  
8 Clause 2.9.1 of the Licence.  
9 Clause 4.3.3 of the Licence.  
10 As defined in the Licence.  
11 WaterNSW’s submission on the proposed deferred Licence review, November 2021. Available on our [website](#).  
12 DPE response on the proposed deferred Licence review, November 2021. Available on our [website](#)  
13 Clause 6.20.1 of the current Licence.  
14 NRAR submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
15 Email from NRAR Manager, Regulatory Practice to IPART Principal Analyst, dated 16 March 2022. Email from NRAR  
16 Manager, Regulatory Practice to IPART Principal Analyst, dated 29 April 2022.  
17 WaterNSW submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
18 Clause 1.7.1 of the Licence.  
19 Clause 5.1.1 of the Licence.  
20 Clause 5.2.1 of the Licence.  
21 Clause 6.5.1 of the Licence.  
22 Meeting with WaterNSW, DPE, NRAR and IPART, 27 April 2022.  
23 Clause 6.18.3 of the Licence.  
24 Clause 6.19.3 of the Licence.  
25 WaterNSW submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
26 IPART, *WaterNSW 2021 operational audit – Report to the Minister*, March 2022.  
27 IPART, *Compliance and Enforcement Policy*, December 2017.  
28 DPE submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
29 Clause 6.18.5 of the Licence.  
30 DPE submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
31 WaterNSW submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
32 Clause 2.7.1 of the Licence.  
33 Clause 2.7.2 of the Licence.  
34 Clause 2.7.3 of the Licence.  
35 Clause 2.9.1 of the Licence.  
36 Sydney Water submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
37 Clause 2.9.6 of the Licence.  
38 Clause 6.15.2 of the Licence.  
39 Clause 6.16.2 of the Licence.  
40 Clause 6.19.4 of the Licence.  
41 Clause 6.20.1 of the Licence.  
42 Clause 6.17.1 of the Licence.  
43 Email from NRAR Manager, Regulatory Practice to IPART Principal Analyst, dated 16 March 2022. Email from NRAR  
44 Manager, Regulatory Practice to IPART Principal Analyst, dated 29 April 2022.  
45 WaterNSW submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#). DPE  
46 response on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#). Sydney Water submission  
47 on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
48 Clause 2.9.1 of the Licence.  
49 Clauses 2.6.1, 2.6.2 and 2.6.3 of the Licence.  
50 Sydney Water submission on the Draft WaterNSW Operating Licence, April 2022, available on our [website](#).  
51 Department of Planning, Industry and Environment, *Draft Greater Sydney Water Strategy – Water for a resilient Sydney*,  
52 September 2021, p10.

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