

Review of the Hunter Water Corporation operating licence



Draft operating licence package

13 December 2016



WHAT

IPART is conducting an end of term review of the Hunter Water Corporation (Hunter Water) operating licence. The current operating licence expires on 30 June 2017 and the new one will start on 1 July 2017.

We have released the draft operating licence package, as the next stage of this review, and are seeking your input.

The draft operating licence package includes the draft operating licence (including the customer contract), draft report, draft cost-benefit analysis and draft reporting manual.



WHY

The purpose of the end of term review is to investigate whether the operating licence is fulfilling its objectives, and whether any issues have arisen during the current term that may impact on its effectiveness.



WHO

Hunter Water is a major public water utility providing water and sewerage services to over half a million people in the lower Hunter Region.

IPART is undertaking the review, through consultation with Hunter Water, interested members of the public and other stakeholders such as relevant government agencies and other water utilities.



HOW

This is the final stage of public consultation in the operating licence review process. There will be no further opportunities to contribute to the review.

We will provide a report to the Minister for Lands and Water on the findings of the review and any recommendations for amendment to the operating licence.



WHEN

A public workshop is scheduled for **21 February 2017** in Newcastle.

All stakeholder submissions are due by **3 March 2017**.



WHAT NEXT

The [draft operating licence package](#) along with information regarding the [submission](#) lodgement process is available on the IPART website: <www.ipart.nsw.gov.au>

You can [register](#) your interest in attending the public workshop. Please contact us via [email](#) by **23 January 2017** if you would like to make a presentation at the public workshop.

Submissions may comment on any or all of the proposed changes and non-changes, and on any other issues stakeholders consider relevant to the review of the operating licence.

Following final submissions, IPART will prepare and submit its final recommendations to the Minister by May 2017.

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Licence review process

The Independent Pricing and Regulatory Tribunal (IPART) is conducting an end of term review of the current Hunter Water Corporation (Hunter Water) operating licence (licence).

As part of our review, we engage in public consultation and report to the Minister for Lands and Water on the findings of the review, and may recommend amendments to the licence. The Minister may accept or reject our recommendations before endorsing a new licence for approval by the Governor and subsequent gazettal.

The final opportunity for public consultation commences with the release of the draft licence package, on 13 December 2016. The package contains a draft operating licence including the draft customer contract, draft report, draft cost-benefit analysis and draft reporting manual.

A public workshop is scheduled for 21 February 2017, to be held in Newcastle, to allow stakeholders to discuss the proposed changes and any other issues in a public forum. Stakeholders are welcome to raise and comment on any issues they consider relevant to this review.

Final submissions will be due by 3 March 2017. IPART will complete its review following the end of the consultation period and submit its recommendations to the Minister in May 2017.

Draft licence package

The draft licence package consists of four separate documents:

- ▼ The draft licence contains the proposed changes detailed in the draft report, as well as improvements in style and structure. The draft customer contract is included in Schedule B of the licence. The draft customer contract has been restructured to provide a simple, easier to understand document, as well as incorporating changes identified in the draft report and licence.
- ▼ The draft report details our proposed licence changes and non-changes, and the supporting reasons for our decisions.
- ▼ The draft cost-benefit analysis provides quantitative and qualitative analysis, where available, to support the investigations into each of the proposed changes and non-changes.
- ▼ The draft reporting manual has been amended to incorporate any changes in reporting that are proposed in the draft report and draft operating licence.

The draft licence has been modified in structure to better resemble the general water supply chain of 'catchment to tap' and the functional responsibilities of Hunter Water. We consider that this proposed structure will provide stakeholders with a more straightforward way of identifying which part of the business is the subject of their interest, and to locate the relevant licence clauses.

Key Dates

Key dates of the Hunter Water operating licence review are provided below.

Title	Title
Release draft operating licence package, including the draft operating licence, report, cost benefit analysis and reporting manual	13 December 2016
Public workshop to discuss the draft operating licence package	21 February 2017
Provide final recommendations to the Minister	May 2017

What Next?

We invite all interested parties, including Hunter Water, community and environmental interest groups, individuals and NSW Government departments or agencies to attend the public workshop and make a written submission to the review. Submissions may comment on any issues stakeholders consider relevant to the review of the licence.

The [draft licence package](#) along with information regarding the [submission](#) lodgement process and the [registration](#) of attendance to the public workshop is available on the IPART website. Please contact us via [email](#) by 23 January 2017 if you would like to make a presentation at the public workshop.

The current [Hunter Water operating licence](#) can be viewed on Hunter Water's website.

You can also send comments by mail to:

Review of the Hunter Water operating licence
 Independent Pricing and Regulatory Tribunal
 PO Box K35
 Haymarket Post Shop NSW 1240

Our normal practice is to make submissions publicly available on our website as soon as possible after the closing date for submissions. Please indicate clearly if you wish your submission to remain confidential.