

Review of the Hunter Water Corporation operating licence



Issues Paper

31 May 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.

We have released an Issues Paper, as the first stage of this review, and are seeking your input.



WHY

The purposes of the end of term review are to investigate whether the operating licence is fulfilling its objectives, and any issues which have arisen during the term of this operating licence, which may affect the effectiveness of this operating licence.



WHO

Hunter Water is a major water utility providing water and wastewater 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 stakeholders such as relevant government agencies and other water utilities.



HOW

The Issues Paper provides information on how the licence review will be undertaken and provides relevant background information on the regulatory framework in which Hunter Water operates. It also provides an initial list of issues and seeks comment on them.

We are seeking comments, supporting information and views on all aspects of the operating licence.

This is the first stage of public consultation in the operating licence review process. There will be further opportunities to contribute to the review.

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



WHEN

A submission from Hunter Water is due by **15 July 2016**. All other stakeholder submissions are due by **29 July 2016**.



WHAT NEXT

The Issues Paper along with information regarding the lodgement process is available on the IPART website: www.ipart.nsw.gov.au

Submissions may comment on any or all of the questions raised, and on any other issues stakeholders consider relevant to the review of the operating licence.

There will be subsequent stages for consultation over the next 12 months.

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Issues Paper

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.

The current operating licence requires that we engage in public consultation and report to the Minister on the findings of the review and any recommendations for amendment to the operating licence. The Minister may accept or reject our recommendations before endorsing a new operating licence for approval by the Governor and subsequent gazettal.

The first stage in public consultation is the release of an Issues Paper to request stakeholder input to the new operating licence. We will release the draft operating licence package in December 2016 and will give stakeholders eight weeks to make submissions. During this time, we will hold a public workshop at Newcastle in February 2017 to facilitate discussions with stakeholders. We intend to submit final recommendations to the Minister in April 2017.

Issues we seek comment on

In the Issues Paper, we have identified issues for stakeholders consideration in line with the existing licence structure, such as water quality, water quantity, assets and infrastructure, customers and consumers, environment, quality, performance monitoring and memoranda of understanding with other entities. Emerging issues such as competition in the water market, and synergies between the operating licence and price regulation are also included in the Issues Paper for discussion.

Stakeholders are also welcome to raise and comment on any other issues they consider relevant to this review.

Key Dates

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

Title	Title
Release Issues Paper	31 May 2016
Hunter Water's submission due	15 July 2016
Other stakeholder submissions due	29 July 2016
Release draft operating licence package, including the operating licence, reporting manual and cost benefit analysis	December 2016
Public workshop to discuss the draft operating licence package	February 2017
Release final recommendations to the Minister	April 2017

What Next?

We invite all interested parties, including Hunter Water, community and environmental interest groups, individuals and NSW Government departments or agencies to make a written submission to the review. A submission from Hunter Water is due by **15 July 2016** and all other submissions are due by **29 July 2016**. Submissions may comment on any or all of the questions raised, and on any other issues stakeholders consider relevant to the review of the Operating Licence.

The Issues Paper along with information regarding the lodgement process is available on the IPART website: http://www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Licensing_-_Hunter_Water_Corporation

The Hunter Water operating licence can be viewed on Hunter Water's website: <http://www.hunterwater.com.au/Resources/Documents/Legislation-and-Governance/Operating-Licence.pdf>.

We would prefer to receive submissions electronically via our online submission form http://www.ipart.nsw.gov.au/Home/For_Consumers/Having_your_say/Lodge_a_submission

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.