



# Hunter Water Corporation

Operating Licence

2012-2017





**Hunter Water Corporation  
Operating Licence 2012-2017**

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### **Hunter Water Corporation Operating Licence 2012-2017**

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Issued by NSW Government on 6 June 2012  
Published in NSW Government Gazette, No 60, 8 June 2012

HW2010-2072

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June 2012

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# 1 Licence and Licence authorisation

## 1.1 Objectives of this Licence

- 1.1.1 The objective of this Licence is to enable and require Hunter Water to provide the Services within its Area of Operations. Consistent with this objective, this Licence requires Hunter Water to:
- a) meet the objectives and other requirements imposed on it in the Act and other applicable law;
  - b) comply with the System Quality and Performance Standards;
  - c) recognise the rights given to Customers and Consumers; and
  - d) be subject to Operational Audits.

## 1.2 Licence authorisation

- 1.2.1 This Licence is granted to enable and require Hunter Water to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and Services for supplying water, providing sewerage Services, and disposing of Wastewater throughout the Area of Operations.

## 1.3 Provision of a drainage system

- 1.3.1 Hunter Water must provide, operate, manage and maintain a drainage service as described in section 13(1)(b) of the Act.

## 1.4 Duration of this Licence

- 1.4.1 The term of this Licence is 5 years from the Commencement Date.

*[Note: This Licence starts on 1 July 2012, which means that it will end on 30 June 2017.]*

## **1.5 Licence amendment**

- 1.5.1 Subject to the Act and clause 1.5.2, this Licence may be amended by the Governor by notice in the NSW Government Gazette. The amendment takes effect on the date the notice is published in the NSW Government Gazette, or on such other date specified in the notice.
- 1.5.2 Before any notice of an amendment to this Licence is published in the NSW Government Gazette, the Minister must give Hunter Water reasonable notice of the proposed amendment to enable it to comply with the amendment (if relevant) upon its commencement.

## **1.6 Connection of Services**

- 1.6.1 Subject to Hunter Water continuing to comply with any applicable law, Hunter Water must ensure that the Services are available on request for connection to any Property situated in the Area of Operations.
- 1.6.2 Connection to the Services is subject to any conditions Hunter Water may lawfully impose to ensure the safe, reliable and financially viable supply of the Services to Properties in the Area of Operations in accordance with this Licence.

## **1.7 Non-exclusive Licence**

- 1.7.1 This Licence does not prohibit another person from providing any Services in the Area of Operations that are the same as, or similar to, the Services, if the person is lawfully entitled to do so.

## **1.8 Availability of Licence**

- 1.8.1 Hunter Water must make this Licence available free of charge:
- a) on its website for downloading by any person; and
  - b) to the public on request.

## **1.9 Pricing**

- 1.9.1 Hunter Water must set the level of fees, charges, and other amounts payable for the Services subject to the terms of this Licence, the Act and the maximum prices and methodologies for the Services determined from time to time by IPART under the IPART Act.



## 2 | Water quality

### 2.1 Drinking Water

2.1.1 Hunter Water must maintain a Management System that is consistent with:

- a) the Australian Drinking Water Guidelines; or
- b) if NSW Health specifies any amendment or addition to the Australian Drinking Water Guidelines that applies to Hunter Water, the Australian Drinking Water Guidelines as amended or added to by NSW Health,

**(Drinking Water Quality Management System).**

*[Note: It is generally expected that Hunter Water will develop a system consistent with the Australian Drinking Water Guidelines, including the Drinking Water Quality Framework. However, where NSW Health considers it appropriate, the application of those Guidelines may be amended or added to, to take account of Hunter Water's circumstances and/or Drinking Water Quality policy and practices within New South Wales.]*

2.1.2 Hunter Water must ensure that the Drinking Water Quality Management System is fully implemented and that all relevant activities are carried out in accordance with the system, including to the satisfaction of NSW Health.

2.1.3 Hunter Water must notify IPART and NSW Health of any significant changes that it proposes to make to the Drinking Water Quality Management System in accordance with the Reporting Manual.

2.1.4 Hunter Water must obtain NSW Health's approval for any significant changes proposed to be made to the Drinking Water Quality Management System before implementing or carrying out its activities in accordance with them.

## 2.2 Recycled Water

- 2.2.1 Hunter Water must maintain a Management System that is consistent with:
- a) the Australian Guidelines for Water Recycling; or
  - b) if NSW Health specifies any amendment or addition to the Australian Guidelines for Water Recycling that applies to Hunter Water, the Australian Guidelines for Water Recycling as amended or added to by NSW Health,

**(Recycled Water Quality Management System).**

*[Note: It is generally expected that Hunter Water will develop a system consistent with the Australian Guidelines for Water Recycling, including the Recycled Water Quality Framework. However, where NSW Health considers it appropriate, the application of those Guidelines may be amended or added to, to take account of Hunter Water's circumstances and/ or Recycled Water Quality policy and practices within New South Wales.]*

- 2.2.2 Hunter Water must ensure that the Recycled Water Quality Management System is fully implemented and that all relevant activities are carried out in accordance with the system, including to the satisfaction of NSW Health.
- 2.2.3 Hunter Water must notify IPART and NSW Health of any significant changes that it proposes to make to the Recycled Water Quality Management System in accordance with the Reporting Manual.
- 2.2.4 Hunter Water must obtain NSW Health's approval for any significant changes proposed to be made to the Recycled Water Quality Management System before implementing or carrying out its activities in accordance with them.

## 3 | Water quantity

### 3.1 Water Conservation Target

- 3.1.1 Hunter Water must ensure that the 5 year rolling average for annual residential water consumption calculated for each financial year during the term of this Licence is equal to or less than 215 kilolitres per year for each Property used for residential purposes (**Water Conservation Target**).
- 3.1.2 Hunter Water must report its compliance with the Water Conservation Target to IPART in accordance with the Reporting Manual.

### 3.2 Economic Level of Leakage

- 3.2.1 By 31 January 2014, Hunter Water must:
  - a) complete a review to determine the Economic Level of Leakage from its Drinking Water Network; and
  - b) submit a report on this review to IPART in accordance with the Reporting Manual.
- 3.2.2 Hunter Water must provide to IPART, for its approval, the proposed methodology for determining the Economic Level of Leakage in accordance with the Reporting Manual.
- 3.2.3 When determining the Economic Level of Leakage from the Drinking Water Network for the purposes of clause 3.2.1, Hunter Water must use the methodology approved by IPART under clause 3.2.2.

### 3.3 Roles and responsibilities protocol

- 3.3.1 Hunter Water must use its best endeavours to:
  - a) develop and agree a Roles and Responsibilities Protocol with the Metropolitan Water Directorate for the development of the Lower Hunter Water Plan; and
  - b) maintain and comply with any Roles and Responsibilities Protocol that has been agreed and developed under clause 3.3.1(a).

#### 4.1 Asset Management System

- 4.1.1 Hunter Water must maintain a Management System that is consistent with:
- a) the *BSI PAS 55:2008 (PAS 55) Asset Management standard*; or
  - b) the Water Services Association of Australia's Aquamark benchmarking tool; or
  - c) another asset management standard agreed to by IPART, **(Asset Management System)**.
- 4.1.2 Hunter Water must ensure that the Asset Management System is fully implemented and that all relevant activities are carried out in accordance with the system.
- 4.1.3 Hunter Water must notify IPART of any significant changes that it proposes to make to the Asset Management System in accordance with the Reporting Manual.

#### 4.2 Water pressure, water continuity and Wastewater Overflow Standards

- 4.2.1 Interpretation of standards
- a) For the purposes of the Water Pressure Standard and Water Continuity Standard, each separately billed or separately occupied part of a Multiple Occupancy Property is considered to be 1 Property.  
*[Note: for example, a block of 5 townhouses or apartments is counted as 5 Properties, and a block of land on which there is a house and a granny flat is counted as 2 Properties.]*
  - b) For the purposes of the Wastewater Overflow Standard, a Multiple Occupancy Property is considered to be 1 Property.  
*[Note: for example, a block of 5 townhouses or apartments is counted as 1 Property, and a block of land on which there is a house and a granny flat is counted as 1 Property.]*
  - c) In the case of any ambiguity in the interpretation or application of any of the standards set out in this clause 4.2, IPART's interpretation of the relevant standard or assessment of its application will prevail.

#### 4.2.2 Water Pressure Standard

- a) Hunter Water must ensure that no more than 4,800 Properties experience a Water Pressure Failure in a financial year (**Water Pressure Standard**).
- b) A Property is taken to have experienced a Water Pressure Failure at each of the following times:
  - i) when a person notifies Hunter Water that the Property has experienced a Water Pressure Failure and that Water Pressure Failure is confirmed by Hunter Water; or
  - ii) when Hunter Water's systems identify that the Property has experienced a Water Pressure Failure.
- c) Despite clause 4.2.2(b), a Property will not be taken to have experienced a Water Pressure Failure if that Water Pressure Failure occurred only because of:
  - i) a Planned Water Interruption or Unplanned Water Interruption;
  - ii) water usage by authorised fire authorities in the case of a fire; or
  - iii) a short term or temporary operational problem (such as a main break) which is remedied within 4 days of its occurrence.

#### 4.2.3 Water Continuity Standard

- a) Hunter Water must ensure that in a financial year:
  - i) no more than 10,000 Properties experience an Unplanned Water Interruption that lasts more than 5 continuous hours; and
  - ii) no more than 5,000 Properties experience 3 or more Unplanned Water Interruptions that each lasts more than 1 hour,

**(Water Continuity Standard).**
- b) For the purposes of clause 4.2.3(a), Hunter Water must use the best available data (taking account of water pressure data where that data is available) to determine:
  - i) whether a Property has experienced an Unplanned Water Interruption; and
  - ii) the duration of the Unplanned Water Interruption.
- c) If a Property experiences an Unplanned Water Interruption that was caused by a third party, that Property is taken not to have experienced an Unplanned Water Interruption for the purposes of clause 4.2.3(a).

4.2.4 Wastewater Overflow Standard

- a) Hunter Water must ensure that in a financial year:
  - i) no more than 5,000 Properties (other than Public Properties) experience an Uncontrolled Wastewater Overflow in dry weather; and
  - ii) no more than 45 Properties (other than Public Properties) experience 3 or more Uncontrolled Wastewater Overflows in dry weather,

**(Wastewater Overflow Standard).**

## 5 Customers and Consumers

### 5.1 Customer Contract

- 5.1.1 Hunter Water must publish a copy of the Customer Contract and any variations to it on Hunter Water's website for downloading free of charge, and must provide it to any Customer or Consumer free of charge upon request.
- 5.1.2 Hunter Water must notify IPART of any significant changes that it proposes to make to the Customer Contract in accordance with the Reporting Manual.

### 5.2 Providing information

- 5.2.1 Hunter Water must prepare a pamphlet that:
- a) briefly explains the Customer Contract;
  - b) summarises the key rights and obligations of Customers under the Customer Contract;
  - c) refers to the types of account relief available for Customers experiencing financial hardship;
  - d) outlines the Customer's obligations and rights to claim a rebate; and
  - e) contains information about how to contact Hunter Water by telephone, email, postal mail or in person.
- 5.2.2 Hunter Water must update the pamphlet prepared under clause 5.2.1 when variations are made to the Customer Contract.
- 5.2.3 Hunter Water must provide the pamphlet prepared under clause 5.2.1 and any updates made under clause 5.2.2 free of charge to:
- a) Customers at least annually with their Bills; and
  - b) any other person on request.
- 5.2.4 Hunter Water must advertise in a local newspaper at least once annually on:
- a) the types of account relief available for Customers experiencing financial hardship;

- b) the Customer's obligations and rights to claim a rebate.

### 5.3 Consumers

5.3.1 Hunter Water's obligations under the Customer Contract relating to:

- a) complaint handling and complaint resolution procedures; and
- b) the Procedure for Payment Difficulties and Actions for Non-payment,

are extended to Consumers as if Consumers were parties to the Customer Contract.

### 5.4 Procedure for financial hardship, payment difficulties, water flow restriction and disconnection

5.4.1 Hunter Water must maintain and fully implement procedures relating to financial hardship, payment difficulties, water flow restriction and disconnection (**Procedure for Payment Difficulties and Actions for Non-payment**), which must include:

- a) a financial hardship policy that helps residential Customers experiencing financial hardship better manage their current and future Bills;
- b) procedures relating to a payment plan for residential Customers who are responsible for paying their Bills and who are, in Hunter Water's opinion, experiencing financial hardship;
- c) conditions for disconnection of supply or water flow restriction; and
- d) provisions for self-identification, identification by community welfare organisations and identification by Hunter Water of residential Customers experiencing financial hardship.

5.4.2 Hunter Water must set out the Procedure for Payment Difficulties and Actions for Non-payment in the Customer Contract.

5.4.3 Hunter Water must provide an explanation of the Procedure for Payment Difficulties and Actions for Non-payment free of charge to:

- a) residential Customers, at least annually with their Bills;
- b) residential Customers whom Hunter Water identifies as experiencing financial hardship; and
- c) any other person who requests it.

5.4.4 Hunter Water must publish the Procedure for Payment Difficulties and Actions for Non-payment on its website for downloading free of charge.



## 5.5 Consultative Forum

- 5.5.1 Hunter Water must maintain and regularly consult with its Customers and Consumers through a Consultative Forum.
- 5.5.2 Hunter Water may utilise the Consultative Forum to, among other things, provide it with advice on the interests of Hunter Water's Customers and Consumers, the Customer Contract and such other key issues related to Hunter Water's planning and operations as Hunter Water may determine, consistent with the Consultative Forum Charter.
- 5.5.3 Hunter Water must:
- a) ensure that at all times the membership of the Consultative Forum is appointed and determined by Hunter Water in accordance with the Consultative Forum Charter; and
  - b) use its best endeavours to include a person representing each of the following interests as members of the Consultative Forum:
    - i) business and Consumer groups;
    - ii) organisations representing low income households;
    - iii) people living in rural and urban fringe areas;
    - iv) residential Consumers;
    - v) environmental groups;
    - vi) local government;
    - vii) older people;
    - viii) people with disabilities;
    - ix) Aboriginal people; and
    - x) people from non-English speaking backgrounds.
- 5.5.4 Hunter Water and members of the Consultative Forum must for the term of this Licence maintain a charter (**Consultative Forum Charter**) that addresses all of the following issues:
- a) the role of the Consultative Forum;
  - b) selection criteria on how members will be drawn from the community, and information on how vacancies for membership will be advertised;
  - c) the procedure for appointment of members;
  - d) the term for which members are appointed;
  - e) information on how the Consultative Forum will operate;
  - f) a description of the type of matters that will be referred to the Consultative Forum and how those matters may be referred;

- g) procedures for the conduct of Consultative Forum meetings, including the appointment of a chairperson;
- h) procedures for communicating the outcome of the Consultative Forum's work to Hunter Water;
- i) procedures for tracking issues raised and ensuring appropriate follow-up of those issues; and
- j) funding and resourcing of the Consultative Forum by Hunter Water.

5.5.5 Hunter Water must provide the Consultative Forum with information in its possession or under its control necessary to enable the Consultative Forum to discharge the tasks assigned to it, other than information or documents that are confidential or privileged.

5.5.6 Hunter Water must make:

- a) a copy of the Consultative Forum Charter; and
- b) minutes from proceedings of the Consultative Forum,  
available free of charge:
- c) on its website for downloading; and
- d) available at its offices for access or collection by any member of the public.

## 5.6 Internal Complaints Handling Procedure

5.6.1 Hunter Water must maintain a procedure for receiving, responding to and resolving Complaints, which is consistent with the *Australian Standard AS ISO 10002-2006: Customer satisfaction - Guidelines for complaints handling in organizations* (ISO 10002:2004, MOD) (**Internal Complaints Handling Procedure**).

5.6.2 Hunter Water must ensure that the Internal Complaints Handling Procedure is fully implemented and that all relevant activities are carried out in accordance with the procedure.

5.6.3 Hunter Water must provide to Customers at least annually with their Bills information concerning the Internal Complaints Handling Procedure which explains how to make a Complaint and how the Internal Complaints Handling Procedure works.

## 5.7 External dispute resolution scheme

5.7.1 Hunter Water must be a member of the Energy and Water Ombudsman NSW for the resolution of disputes between Hunter Water and its Customers and its Consumers.

5.7.2 Hunter Water must:

- a) prepare a pamphlet that explains the operation of the dispute resolution service provided by the Energy and Water Ombudsman NSW including any rights to have a Complaint or dispute referred to the Energy and Water Ombudsman NSW and how it can be accessed; and
- b) provide that pamphlet:
  - i) to Customers at least once a year with their Bills; and
  - ii) free of charge to the public on request.

## 6 Environment

### 4.1 Environment Management

- 6.1.1 By 30 June 2017, Hunter Water must develop a Management System which is consistent with the *Australian Standard AS/NZS ISO 14001:2004: Environmental Management Systems - Requirements with guidance for use* (**Environmental Management System**).
- 6.1.2 Hunter Water must ensure that:
- a) by 30 June 2017, the Environmental Management System is certified by an appropriately qualified third party to be consistent with the *Australian Standard AS/NZS ISO 14001:2004: Environmental Management Systems - Requirements with guidance for use*; and
  - b) once the Environmental Management System is certified under clause 6.1.2(a), the certification is maintained during the remaining term of this Licence.
- 6.1.3 Hunter Water must ensure that by 30 June 2017, the Environment Management System is fully implemented and that all relevant activities are carried out in accordance with the system.
- 6.1.4 Until the Environmental Management System has been developed and certified in accordance with clauses 6.1.1 and 6.1.2, Hunter Water must:
- a) maintain programs to manage risks to the environment from carrying out its activities; and
  - b) ensure that all its activities are carried out in accordance with those programs.
- 6.1.5 Hunter Water must notify IPART of any significant changes that it proposes to make to the Environmental Management System in accordance with the Reporting Manual.

## 7 | Quality management

### 7.1 Quality Management System

- 7.1.1 By 30 June 2017, Hunter Water must develop a Management System that is consistent with the *Australian Standard AS/NZS ISO 9001:2008: Quality Management Systems – Requirements* (**Quality Management System**).
- 7.1.2 Hunter Water must ensure that:
- a) by 30 June 2017, the Quality Management System is certified by an appropriately qualified third party to be consistent with the *Australian Standard AS/NZS ISO 9001:2008: Quality Management Systems – Requirements*; and
  - b) once the Quality Management System is certified under clause 7.1.2(a), the certification is maintained during the remaining term of this Licence.
- 7.1.3 Hunter Water must ensure that by 30 June 2017, the Quality Management System is fully implemented and that all relevant activities are carried out in accordance with the system.
- 7.1.4 Hunter Water must notify IPART of any significant changes that it proposes to make to the Quality Management System in accordance with the Reporting Manual.

## 8 Performance monitoring

### 8.1 Operational Audits

8.1.1 IPART may undertake, or may appoint an Auditor to undertake, an audit on Hunter Water's compliance with:

- a) this Licence;
- b) the Reporting Manual; and
- c) any matters required by the Minister,

**(Operational Audit).**

8.1.2 Hunter Water must provide IPART or any Auditor with all information in or under its possession, custody or control which is necessary to conduct the Operational Audit, including whatever information is reasonably requested by IPART or an Auditor.

8.1.3 Hunter Water must provide the information requested under clause 8.1.2 within a reasonable time of it being requested.

8.1.4 For the purposes of any Operational Audit or verifying a report on a Operational Audit, Hunter Water must, within a reasonable time of being required by IPART or an Auditor, permit IPART or the Auditor to:

- a) have access to any works, premises or offices occupied by Hunter Water;
- 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 purposes 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 Hunter Water that are maintained in relation to the performance of Hunter Water's obligations under this Licence; and
- e) discuss matters relevant to the Operational Audit or any report on the Operational Audit with Hunter Water, including any of Hunter Water's officers and employees.

## 8.2 Reporting

- 8.2.1 Hunter Water must comply with its reporting obligations set out in the Reporting Manual, which include:
- a) reporting to IPART and NSW Health in accordance with the Reporting Manual, and
  - b) making reports and other information publicly available,

in the manner set out in the Reporting Manual.

- 8.2.2 Hunter Water must maintain sufficient record systems that enable it to report accurately in accordance with clause 8.2.1.

## 8.3 Provision of information

- 8.3.1 If IPART requests that Hunter Water provide information relating to the performance of its obligations under clause 8.2, Hunter Water must provide the information requested within a reasonable time of IPART's request, including providing IPART with physical and electronic access to the records required to be kept under clause 8.2.
- 8.3.2 Hunter Water must provide IPART with such information as is reasonably required to enable IPART to conduct any review or investigation of Hunter Water's obligations under this Licence.
- 8.3.3 If Hunter Water contracts out any of its activities to third parties (including a subsidiary) it must take all reasonable steps to ensure that, if required by IPART or an Auditor, any such third parties provide information and do the things specified in this clause 8 as if that third party were Hunter Water.
- 8.3.4 If IPART or an Auditor requests information under this clause 8 which is confidential, the information must be provided to IPART or the Auditor, subject to IPART or the Auditor entering into reasonable arrangements to ensure that the confidential information remains confidential.
- 8.3.5 If NSW Health requests that Hunter Water provide information relating to water quality, Hunter Water must provide the information requested in the manner and form specified by NSW Health. Hunter Water must provide the information requested within a reasonable time of NSW Health's request.

*[Note: Under section 19 of the Public Health Act 2010 (NSW), the Director General of NSW Ministry of Health may require Hunter Water to produce certain information.]*

#### **8.4 Performance indicators**

- 8.4.1
- a) Hunter Water must maintain sufficient record systems to enable it to measure accurately its performance against the performance indicators specified in the Reporting Manual.
  - b) In the case of any ambiguity in the interpretation or application of any performance indicators specified in the Reporting Manual, IPART's interpretation or assessment of the indicators will prevail.



## 9 Memorandum of Understanding

### 9.1 NSW Health

9.1.1 Hunter Water must:

- a) use its best endeavours to maintain a Memorandum of Understanding with NSW Health; and
- b) comply with any Memorandum of Understanding maintained with NSW Health under clause 9.1.1(a).

9.1.2 The purpose of a Memorandum of Understanding is to form the basis for co-operative relationships between the parties to the memorandum. In particular, the purpose of the Memorandum of Understanding with NSW Health is to recognise NSW Health's role in providing advice to the NSW Government in relation to Drinking Water quality standards and the supply of water which is safe to drink.

9.1.3 The Memorandum of Understanding with NSW Health must include a procedure for Hunter Water to report to NSW Health any information or events in relation to any of Hunter Water's systems or Services which may have risks for public health.

9.1.4 Clause 9.1.1 does not limit the persons with whom Hunter Water may have a Memorandum of Understanding.

## 10 | End of term review

### 10.1 End of Term Review

10.1.1 It is anticipated that a review of this Licence will commence in the first quarter of 2016 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 affect the effectiveness of this Licence,

**(End of Term Review).**

*[Note: In the event that IPART undertakes the end of term review, IPART intends to:*

- ▼ *commence the end of term review (including undertaking public consultation) in the first quarter of 2016;*
- ▼ *report to the Minister by 30 April 2017 on:*
  - ▼ *the findings of the end of term review,*
  - ▼ *any recommendations for conditions to be included in a new Licence, and*
  - ▼ *any recommendations for amending any law that adversely impacts on this Licence; and*
- ▼ *make the report to the Minister publicly available after the end of term review.]*

10.1.2 Hunter Water must provide to the person undertaking the End of Term Review such information as is reasonably required to enable the person to undertake the End of Term Review.

## 11 | Notices

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.

<b>Hunter Water</b>	<b>IPART</b>
The Managing Director	The Chief Executive Officer
Hunter Water Corporation	Independent Pricing and Regulatory Tribunal
36 Honeysuckle Drive	Level 8, 1 Market Street
Newcastle West NSW 2302	Sydney NSW 2000

## 12 Definitions and interpretation

### 12.1 Definitions

In this Licence:

**Act** means the *Hunter Water Act 1991* (NSW);

**Area of Operations** means the Area of Operations specified in section 16(1) of the Act, a description of which (as at the Commencement Date) is set out in Schedule B;

**Asset Management System** has the meaning given in clause 4.1.1;

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

**Australian Drinking Water Guidelines** means the document titled “Australian Drinking Water Guidelines 6 2011” published by the National Health and Medical Research Council and the Natural Resource Management Ministerial Council, as updated from time to time;

**Australian Guidelines for Water Recycling** means the document titled “Australian Guidelines For Water Recycling: Managing Health and Environmental Risks (Phase 1 and 2)” and published by the Environment Protection and Heritage Council, the Natural Resource Management Ministerial Council and the Australian Health Ministers’ Conference in November 2006, as updated from time to time;

**Bill** means a bill sent by Hunter Water to a Customer for the provision of the Services;

**Commencement Date** is the date by law on which this Licence commences;

*[Note: The date on which a Licence commences is ordinarily specified in the NSW Government Gazette when the Governor grants or renews this Licence under the Act.]*

**Complaint** means an expression of dissatisfaction made by Customers or Consumers to Hunter Water in relation to its Services or its complaints-handling process, where a response or resolution is explicitly or implicitly expected;

**Consultative Forum** means a meeting that facilitates and provides an opportunity for community involvement in issues relevant to the performance of Hunter Water's obligations under this Licence;

**Consultative Forum Charter** has the meaning given in clause 5.5.4;

**Consumer** means any person who consumes or uses the Services and includes, but is not limited to, a tenant or occupier of a Property;

**Controlled Wastewater Overflow** is an overflow of Wastewater that is directed by Hunter Water via a designed structure to a predetermined location, such as a stormwater system or waterway, in order to prevent overloaded or blocked sewers from discharging at sensitive locations, on private Property or within buildings;

**Customer** means any person who is taken to have entered into a Customer Contract under section 36 of the Act, or to have entered into a contract on terms relating to the imposition of charges under section 43 of the Act;

**Customer Contract** means the terms and conditions of a contract which is contained in Schedule C;

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

**Drinking Water Network** means the infrastructure owned by Hunter Water used to deliver Drinking Water to Hunter Water's Customers and Consumers.

**Drinking Water Quality Framework** means the Framework for the management of Drinking Water Quality, which is detailed in the Australian Drinking Water Guidelines;

**Drinking Water Quality Management System** has the meaning given in clause 2.1.1;

**Economic Level of Leakage** is the level of leakage at which it would cost more to reduce the leakage than to produce the water from another source;

**Energy and Water Ombudsman NSW** means the NSW industry complaints scheme for the water industry of that name and any successor to that scheme;

**Environmental Management System** has the meaning given in clause 6.1.1;

**Hunter Water** means the Hunter Water Corporation constituted as a corporation by the Act;

**Internal Complaints Handling Procedure** has the meaning given in clause 5.6.1;

**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);

**Licence** means this operating Licence granted under section 12 of the Act to Hunter Water or any renewal of it, as in force for the time being;

**Lower Hunter Water Plan** means the plan being developed by the NSW Government to ensure a sustainable and secure water supply for the lower Hunter region;

**Management System** means a set of interrelated elements or components used by Hunter Water to develop and implement its policies and to manage any of its activities, products or Services, and includes organisational structure, planning activities, responsibilities, practices, procedures, processes and resources;

**Memorandum of Understanding** means the memorandum of understanding referred to in clause 9;

**Metropolitan Water Directorate** means the Metropolitan Water Directorate of the NSW Department of Finance and Services;

**Minister** means the Minister responsible for the Act, which at the date of this Licence is the Minister for Finance and Services;

**Multiple Occupancy Property** means any land or title on which there is more than one Property;

**NSW Health** means the Hunter New England Local Health District (as defined by the NSW Ministry of Health) and the Water Unit of the NSW Ministry of Health;

**Operational Audit** has the meaning given in clause 8.1.1;

**Planned Water Interruption** means an event which:

- a) commences when the supply of Drinking Water at the first cold water tap of a Property is interrupted following receipt by the Customer or Consumer of a prior water interruption notice from Hunter Water; and
- b) ceases when a normal supply of Drinking Water is restored to the Property referred to in paragraph (a);

**Procedure for Payment Difficulties and Actions for Non-payment** has the meaning given in clause 5.4.1;

**Property** means:

- a) an individual dwelling or individual premises used for any purpose;
- b) land, whether built on or not Property which is owned by a person (whether jointly or individually), excluding Public Property; or
- c) a lot in a strata plan that is registered under the *Strata Schemes (Freehold Development) Act 1973* (NSW) or the *Strata Schemes (Leasehold Development) Act 1986* (NSW),

which is:

- d) connected to, or for which a connection is available to, the Water Supply System or the Sewerage System, or
- e) within an area of land declared by an order of the Governor to be a drainage area for the purpose of section 46 of the Act;

*[Note: For the purposes of the Water Pressure Standard, Water Continuity Standard and Wastewater Overflow Standard, a Multiple Occupancy Property may be considered a Property.]*

**Public Property** means real Property vested in or under the control of a Minister of the Crown or public authority, and excludes any part of that Property which is leased, licensed or used for private purposes;

**Quality Management System** has the meaning given in clause 7.1.1;

**Recycled Water** means water that has been treated to a standard suitable for its intended end use such as industrial, commercial and/or household applications but is not intended for use as Drinking Water;

**Recycled Water Quality Framework** means the Framework for the management of Recycled Water Quality, which is detailed in the Australian Guidelines for Water Recycling;

**Recycled Water Quality Management System** has the meaning given in clause 2.2.1;

**Reporting Manual** means the document titled “Hunter Water Corporation Reporting Manual” dated July 2012, which is prepared by IPART and is available on IPART’s website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au), as updated from time to time;

**Roles and Responsibilities Protocol** means the Roles and Responsibilities Protocol referred to in clause 3.3.1;

**Services** means the supply of water, provision of sewerage and drainage services, and disposal of Wastewater by Hunter Water;

**Sewerage System** means the sewer mains, pipes, treatment plants and other equipment provided, constructed, managed, operated and maintained by Hunter Water to provide sewerage services under this Licence including the collection, transportation, treatment and disposal of sewage;

**System Quality and Performance Standards** means the quality and performance standards specified in clauses 3 and 4 in relation to water quantity, water pressure, water continuity and Wastewater overflows;

**Uncontrolled Wastewater Overflow** means is an overflow of Wastewater that is not a Controlled Wastewater Overflow and will be taken to have commenced on the earlier of the following:

- a) when a person notifies Hunter Water that a Property has experienced a Wastewater overflow which Hunter Water confirms is an Uncontrolled Wastewater Overflow; and
- b) when Hunter Water's systems identify that a Property has experienced an Uncontrolled Wastewater Overflow;

**Unplanned Water Interruption** means an event which:

- a) commences when the supply of Drinking Water at the first cold water tap of a Property is interrupted without the Customer or Consumer having received prior notice of that interruption from Hunter Water; and
- b) ceases when a normal supply of Drinking Water is restored to the Property referred to in paragraph (a);

**Wastewater** means any discarded water of any origin, whether clean or contaminated, that is discharged into the Sewerage System;

**Wastewater Overflow Standard** has the meaning given in clause 4.2.4;

**Water Conservation Target** has the meaning given in clause 3.1.1;

**Water Continuity Standard** has the meaning given in clause 4.2.3;

**Water Pressure Failure** means a situation in which a Property experiences water pressure of less than 20 metres head for a continuous period of 30 minutes or more measured at the point of connection of the Property to the Water Supply System (usually at the point of connection known as the 'main tap'), but does not include a situation in which the Property experiences low water pressure on a day when peak day demand exceeds 370 megalitres per day;

**Water Pressure Standard** has the meaning given in clause 4.2.2; and

**Water Supply System** means the storages, water mains, pipes, treatment plants and other equipment provided, constructed, managed, operated and maintained by Hunter Water to supply water under this Licence, including the storage, treatment transfer and delivery of water;

## 12.2 Interpretation

- a) In this Licence, unless the contrary intention appears:
  - i) "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) notes do not form part of this Licence but may be used to assist with interpretation if there is an ambiguity;
  - iv) words importing the singular include the plural and vice versa;



- v) a reference to a law or legislation (including the Act) includes regulations made under the law or legislation;
  - vi) a reference to regulations includes ordinances, codes, Licences, orders, permits and directions;
  - vii) a reference to a law or regulation includes consolidations, amendments, variations, re-enactments, or replacements of any of them;
  - viii) 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;
  - ix) a reference to a year means a calendar year that ends on 31 December;
  - x) a reference to a financial year means a period of 12 months commencing on 1 July and ending on the following 30 June;
  - xi) a reference to a clause or schedule is to a clause of or schedule to this Licence; and
  - xii) a reference to a quarter is a period of three months beginning on 1 July, 1 October, 1 January or 1 April in a year.
- b) 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.
  - c) 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.
  - d) A reference in this Licence to a document (original 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.
  - e) 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 Hunter Water, or in the discharge of any function lawfully conferred on IPART.





## **Schedules**



## A Background notes

### **Purpose of this Licence**

This Licence is granted to enable and require Hunter Water to exercise its functions under the Act.

### **Hunter Water's obligations**

Hunter Water must comply with this Licence and all applicable laws. Hunter Water has functions and obligations under a number of laws including, but not limited to:

- ▼ *Hunter Water Act 1991 (NSW);*
- ▼ *State Owned Corporations Act 1989 (NSW);*
- ▼ *Protection of the Environment Operations Act 1997 (NSW);*
- ▼ *Public Health Act 2010 (NSW);*
- ▼ *Fluoridation of Public Water Supplies Act 1957 (NSW);*
- ▼ *Water Industry Competition Act 2006 (NSW);*
- ▼ *Water Act 1912 (NSW);*
- ▼ *Water Management Act 2000 (NSW);*
- ▼ *Environmental Planning and Assessment Act 1979 (NSW);*
- ▼ *Independent Pricing and Regulatory Tribunal Act 1992 (NSW);* and
- ▼ *Dams Safety Act 1978 (NSW).*

### **Lower Hunter Water Plan**

The Licence does not include any conditions on maintaining the security of supply of Drinking Water within Hunter Water's Area of Operations. This is because the planning process to secure water for the lower Hunter, through the Lower Hunter Water Plan, is currently underway.

The Metropolitan Water Directorate is leading the development of the Lower Hunter Water Plan in close consultation with Hunter Water, other government agencies and the lower Hunter community.

The Lower Hunter Water Plan is expected to be completed by the summer of 2013-14. At this time, we envisage the Minister will amend this Licence to place obligations on Hunter Water with respect to the implementation of the Lower Hunter Water Plan.

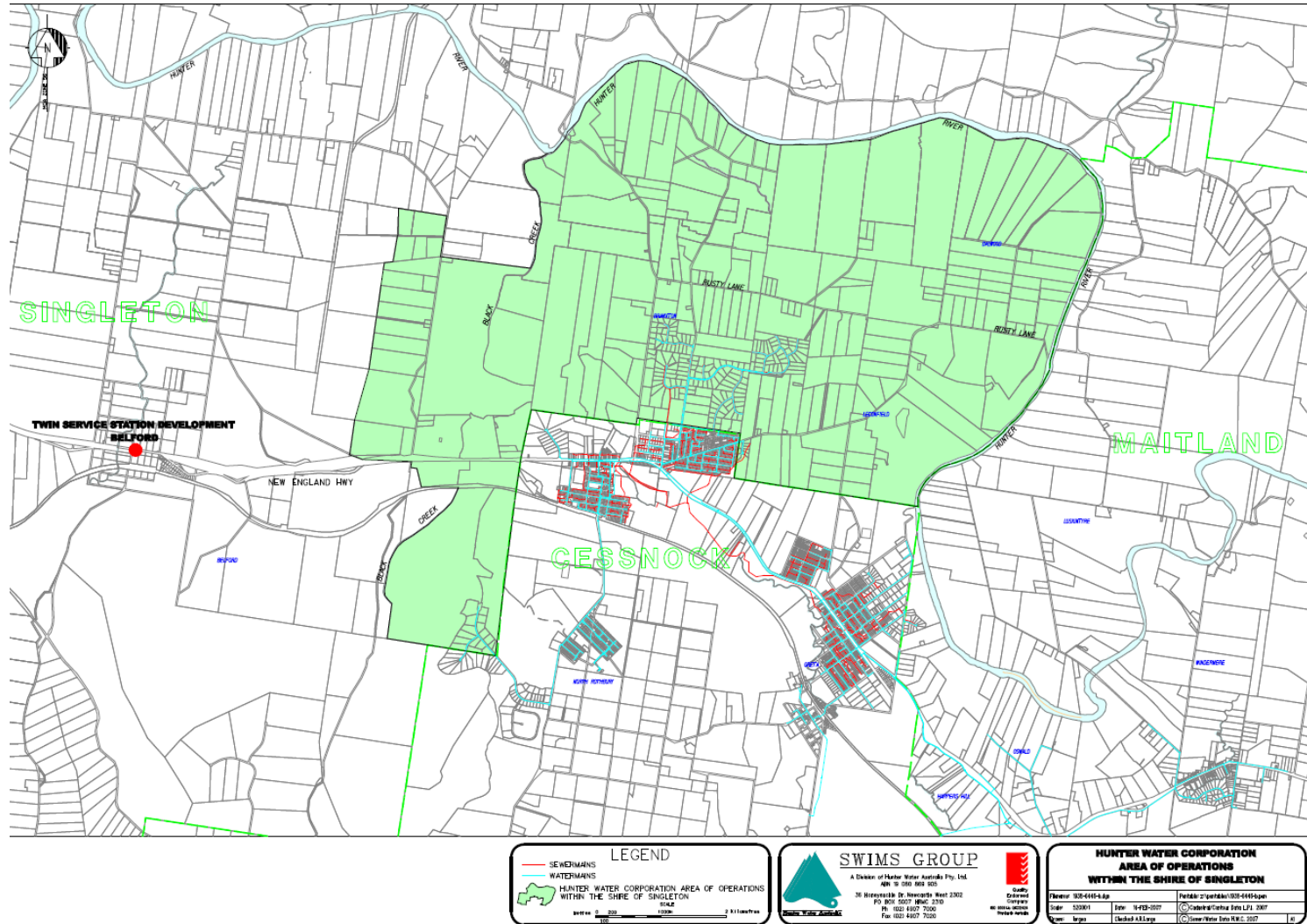
In the short term, Hunter Water is addressing water security by continuing its focus on recycling and water conservation initiatives including residential and business water efficiency and loss minimisation.

## B Area of Operations

For the purposes of section 16(1) of the Act, the Area of Operations (as at the Commencement Date) can be described as follows:

- a) those parts of the Shire of Singleton shown in the map in figure B1; and
- b) the following areas of land in or on which works owned by Hunter Water are installed or that is connected with a water main or sewer main owned by Hunter Water at the Commencement Date:
  - i) the islands in that part of the Hunter River between the confluence with the Williams River and the entrance of the Hunter River (including Newcastle Harbour);
  - ii) any land upon the waters of that part of the Hunter River between its confluence with the Williams River and the entrance of the Hunter River (including Newcastle Harbour) upon which there is erected any wharf, pier, jetty, building or other structure;
  - iii) the Cities of Newcastle, Maitland, Cessnock and Lake Macquarie;
  - iv) the Shire of Port Stephens; and
  - v) the local government area of Dungog.

Figure B.1 Area of Operations - Singleton



**LEGEND**

- SEWERMANS
- WATERMANS
- HUNTER WATER CORPORATION AREA OF OPERATIONS WITHIN THE SHIRE OF SINGLETON

Scale: 0 200 400 800 Metres

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**HUNTER WATER CORPORATION  
 AREA OF OPERATIONS  
 WITHIN THE SHIRE OF SINGLETON**

Drawn: 9/26/14-Edg	Checked: 2/26/14-101-4493-pen
Scale: 1:25000	Drawn: 16/12/10-107
Scale: large	Checked: 4/1/10
	Drawn: 1/10/14-101-4493-pen
	Checked: 1/10/14-101-4493-pen



C | Customer Contract