

## HUNTER WATER CORPORATION OPERATING LICENCE UNDER REVIEW

**31 May 2016**

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing the Hunter Water operating licence and is therefore seeking feedback on the terms and conditions of the licence.

Hunter Water's operating licence governs its obligations in relation to public health, environmental protection, customer service and business operations. This includes the construction, operation and maintenance of systems for water, wastewater, recycled water and drainage services. IPART audits and reports annually on Hunter Water's performance against its licence conditions.

The operating licence sets the terms under which Hunter Water must provide water and sewerage services for the region. The current Hunter Water operating licence expires on 30 June 2017.

IPART Chairman Dr Peter Boxall said "the licence review will consider areas such as water quality, water quantity, assets and infrastructure, customers and consumers, environmental management and performance monitoring."

"Through this review we are looking at ways to improve our regulation of Hunter Water and their operational effectiveness." Dr Boxall said.

"We are seeking stakeholder input about the right level of regulation to ensure that health, environmental, customer and business objectives are met without inappropriately increasing the burden and cost of regulation."

IPART is inviting written submissions from Hunter Water, its customers, advocacy groups and NSW Government agencies on an issues paper released today. Hunter Water's submission is due early, by 15 July 2016, to allow other stakeholders to consider Hunter Water's views when preparing their own submissions, which are due by 29 July 2016.

IPART will consider stakeholder submissions, and use cost-benefit analysis to assess potential licence changes. IPART will then prepare a draft operating licence package, which will be released for consultation in December 2016, and hold a public forum in Newcastle in February 2017. IPART's final recommendations regarding the licence will be submitted to the Minister for Lands and Water by the end of April 2017.

The issues paper is available at IPART's website <<http://www.ipart.nsw.gov.au>>.

The operating licence review is separate to the setting of the maximum prices that Hunter Water can charge, though licence requirements are a key input into Hunter Water's costs. IPART's final decisions on Hunter Water's retail prices will be released in mid-June.

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