



*New South Wales*

# **STATE WATER INTERIM OPERATING LICENCE**

**UNDER THE *STATE WATER  
CORPORATION ACT 2004***

**1 July 2004**



New South Wales

**STATE WATER CORPORATION ACT 2004**

**INTERIM OPERATING LICENCE ISSUED UNDER  
CLAUSE 12 (1) OF SCHEDULE 4 OF THE  
STATE WATER CORPORATION ACT 2004**

I, Professor Marie Bashir AC, Governor of the State of New South Wales, with the advice of the Executive Council, and in pursuance of clause 12 (1) of Schedule 4 of the *State Water Corporation Act 2004*, hereby issue the interim operating licence of State Water Corporation in the manner set out below.

**Governor of New South Wales**

Signed at Sydney, this      day of June 2004.

1.	DEFINITIONS AND INTERPRETATIONS .....	1
1.1	Definitions .....	1
1.2	Interpretations .....	2
2.	INFORMATION ABOUT THIS LICENCE .....	3
2.1	Purpose of Licence .....	3
2.2	Term of Licence .....	3
2.3	Amendment of Licence.....	3
2.4	Contravention of Licence .....	3
2.5	Cancellation of Licence .....	3
2.6	Availability of Licence .....	3
3.	FUNCTIONS AND AREA OF OPERATIONS .....	4
3.1	State Water Functions authorised by this Licence.....	4
3.2	Powers not limited .....	5
3.3	Operating Principles.....	5
3.4	Operating Guidelines .....	6
3.5	Area of Operations .....	6
3.6	Non-Exclusive Licence .....	6
4.	CUSTOMERS & COMMUNITY ENGAGEMENT .....	6
4.1	Community Consultative Committee.....	6
4.2	Valley Based Customer Service Committees.....	6
4.3	Local Reference Committees .....	7
4.4	Customer Service Charter .....	7
4.5	Code of practice and procedure on debt management.....	7
4.6	Customer Complaints .....	7
4.7	External Dispute Resolution Scheme .....	8
4.8	Complaints to other bodies .....	8
5.	ASSET MANAGEMENT .....	9
5.1	Performance Standards .....	9
5.2	Total Asset Management Strategy.....	9
5.3	Augmentation of water management works.....	10
6.	WATER DELIVERY OPERATIONS .....	10
7.	THE ENVIRONMENT .....	10
7.1	Environment Management Plan.....	10
8.	PRICING .....	10
9.	MEMORANDA OF UNDERSTANDING.....	11
10.	OPERATIONAL AUDITS .....	11
10.1	Commission of Operational Audits .....	11
10.2	What the Audit is to Report on.....	11
10.3	Reporting of Audit.....	12
10.4	Supplementary Audits .....	13
10.5	Provision of Information.....	13
11	LICENCE REVIEW.....	14

# 1. DEFINITIONS AND INTERPRETATIONS

## 1.1 Definitions

In this Licence:

**Act** means the *State Water Corporation Act 2004* and any regulations in force under it.

**Audit** means the operational audit of State Water as defined in clause 10.1.1.

*[Note: Area of Operations means the area of operations under section 15 of the Act.]*

**Authorised users** mean the holders of basic rights and access licences under the *Water Management Act 2000* and *Water Act 1912*.

**Bulk water** means water delivered to meet the needs of the environment and authorised users.

**Catchment Management Authority** means those authorities listed in Schedule 1 of the *Catchment Management Authorities Act 2003*.

**Commencement date** means the date on which these terms and conditions of licence take effect.

**Corporation** means State Water Corporation constituted under the Act.

**Customer** means any person authorised under the *Water Management Act 2000* to take and use water and to whom State Water makes available water by the operation of any of its works or to whom State Water provides a service.

**DEC** means the Department of Environment and Conservation.

**Delivery** means operation of the Corporation's works for the purpose of making water available in a timely manner to Authorised users, Customers and the environment.

**DIPNR** means the Department of Infrastructure, Planning and Natural Resources.

**Dispute Resolution Body** means a reputable person possessing qualifications and experience in dispute resolution by way of mediation or otherwise and includes a person who carries out investigative functions in the nature of an ombudsman.

**End of term review** means the end of term review of the Initial Licence under clause 11.1.

**Fisheries** means NSW Fisheries as part of the Department of Primary Industries.

**Functions** include a power, authority or duty.

**Infrastructure** means those assets of State Water, including dams, regulators, locks weirs, diversion structures, banks, channels, cuttings, pipes and other structures, plant and equipment devoted to the supply, regulation and distribution of regulated bulk water resources and structures on unregulated water resources.

**IPART** means the Independent Pricing and Regulatory Tribunal of NSW established under the *Independent Pricing and Regulatory Tribunal Act 1992*.

**Licence** means this interim operating licence granted under the Act to State Water or any amendment of it, and as in force for the time being.

**Initial Licence** means the operating licence to be granted under the Act to State Water following public consultation and within one year of the date of assent to the Act.

**Licence Review Body** means IPART or, if the Minister administering the *IPART Act 1992* directs IPART not to undertake the end of term review, a person (other than IPART, State Water or its Subsidiaries) who in the opinion of the Minister administering the *IPART Act 1992* has suitable qualifications and experience for undertaking the review.

**Minister** means the Minister responsible for administering those provisions of the Act relating to this Licence.

**SOC Act** means the *State Owned Corporations Act 1989*.

**State Water** means the State Water Corporation constituted as a corporation by the Act.

## 1.2 Interpretations

The following rules apply in interpreting this Licence, except where the content makes it clear a rule is not intended to apply.

- (a) Terms defined in the *State Water Corporation Act 2004*, *Water Act 1912* and *Water Management Act 2000* have the same meaning in this Licence, unless a contrary definition is specified in this Licence.
- (b) Whenever this Licence requires State Water to make something "available to the public", State Water must:
  - (i) publish the document on its Internet website and make it available to download free of charge;
  - (ii) make the document available at its offices for viewing by any person, free of charge; and
  - (iii) make the document available at its offices for collection by any person, for which State Water may charge a reasonable cost.

Explanatory Notes included in this Licence are marked in italics and do not form part of this Licence.

## **2. INFORMATION ABOUT THIS LICENCE**

### **2.1 Purpose of Licence**

*[Note: This Licence has been issued for a maximum period of one year from the date of assent to the Act to allow sufficient time to develop and consult on the Initial Licence. Parts 10 and 11 of this Licence will not take effect until State Water's Initial Licence is issued by the Governor.]*

2.1.1 *The purpose of this Licence is to set out the terms and conditions under which State Water is to:*

- (a) meet the objectives and other requirements imposed on it in the Act;*
- (b) provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services for capturing, storing and releasing water;*
- (c) recognise the rights given to Customers by this Licence;*
- (d) be subject to Audits of compliance with its Initial Licence;*
- (e) undertake any of the Functions and powers of the Minister for Natural Resources under the Water Management Act 2000 or the Water Act 1912 set out in this Licence.*

*[Note: This Licence is granted pursuant to clause 12 (1) of Schedule 4 of the Act.]*

### **2.2 Term of Licence**

2.2.1 This Licence commences on 1 July 2004 and will cease to have effect on the granting of an Initial Licence under section 11 of the Act or one year after the date of assent to the Act.

### **2.3 Amendment of Licence**

2.3.1 This Licence may be amended by the Governor in accordance with the Act.

### **2.4 Contravention of Licence**

*[Note: Section 16 of the Act provides that, where the Minister is of the opinion that State Water contravenes this Licence, the Minister may take action against State Water. Section 17 of the Act provides that where State Water knowingly contravenes this Licence, IPART may take action against State Water.]*

### **2.5 Cancellation of Licence**

2.5.1 This Licence may be cancelled by the Governor in the circumstances described in the Act.

*[Note: Section 19 of the Act sets out the circumstances in which this Licence may be cancelled by the Governor.]*

### **2.6 Availability of Licence**

2.6.1 State Water must make this Licence available to the public.

### **3. FUNCTIONS AND AREA OF OPERATIONS**

#### **3.1 State Water Functions authorised by this Licence**

3.1.1 The Act sets out the principal functions of the Corporation.

*[Note: Section 6 of the Act specifies the principal functions of the Corporation as follows:*

- (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 the purposes of flood management, and*
  - (iii) for any other lawful purpose, including the release of environmental water,*
- (b) to construct, maintain and operate water management works,*
- (c) any other functions conferred or imposed on it by the operating licence or by or under this or any other Act or law.]*

3.1.2 State Water is to seek water delivery efficiency through operational and Infrastructure improvements.

3.1.3 Subject to arrangements being entered into between the Minister for Energy and Utilities and the Minister for Natural Resources, State Water may exercise additional Functions under the *Water Management Act 2000*. These Functions include but are not limited to:

- lodging caveats on access licences under section 71E;
- granting consents to temporary water transfers under section 71M (4);
- debiting and crediting of water accounts under sections 76, 85 and 85A;
- suspending access licences under section 78 and suspending approvals under section 109;
- imposing a civil penalty under section 85B;
- imposing and recovering fees and charges under section 114;
- directing temporary water restrictions under section 323;
- issuing directions concerning the production of information under section 324, waste of water under section 325, and unusable water management works under section 330;
- issuing directions to protect water sources under section 326 and stop work where unlawful activity is occurring under section 327;
- issuing directions to holders of basic landholder rights under section 328;
- issuing directions for temporary stop work orders under section 329;
- ordering landholders to take specified measures to prevent damage to water management works by straying stock under section 331;
- taking remedial measures when a person fails to comply with directions from this Part under section 334;
- applying to the Land and Environment Court for an injunction under section 335;
- issuing certificates under section 362B;
- recovering fees, charges and civil penalties under sections 362A and 362C; and

- rights to the control, use and flow of all water in rivers and lakes under section 392 (1) (a). This power would be exercised only in regards to regulated rivers where a water sharing plan has been developed.

3.1.4 Subject to arrangements being entered into between the Minister for Energy and Utilities and the Minister for Natural Resources, State Water may exercise any Functions under Parts 2, 5 and 9 of the *Water Act 1912* including but not limited to:

- receiving water orders under section 20AF;
- imposing and recovering charges in respect of any entitlement under the provisions of sections 22C, 117B or 194;
- suspending any licence or authority under sections 22C (9) or 117B (8);
- waiving or remitting charges under 22C (10) or 117B;
- reading any meters required to be installed or maintained by any entitlement holder under the provisions of Part 2 (or any entitlement), Part 5 or Part 9. For this purpose employees, agents and contractors of State Water are authorised to exercise the powers of the Ministerial Corporation under sections 22 and 124 of the *Water Act 1912* and the powers of the Minister for Natural Resources under section 337 of the *Water Management Act 2000*;
- approving or refusing temporary transfers under Division 4C of Part 2, including taking action under section 20XA.

3.1.5 State Water must operate its water management works consistent with any licences or approvals granted by the Minister for Natural Resources and must only release water from those works consistent with any relevant water management plan.

3.1.6 State Water must exercise any Functions and powers of the Minister for Natural Resources under the *Water Management Act 2000*, consistently with any relevant water management plan.

### **3.2 Powers not limited**

3.2.1 This Licence does not restrict State Water's power to carry out any Functions conferred or imposed under any applicable law.

### **3.3 Operating Principles**

3.3.1 In performing its Functions and providing its services State Water must:

- (a) manage the water resource in a sustainable manner;
- (b) operate as efficiently as possible consistent with sound commercial practice;
- (c) maximise economic, environmental and social benefits;
- (d) minimise the adverse impacts of its activities on the environment;
- (e) manage risk to ensure public safety, quality and security of supply;
- (f) undertake continuous review, innovation and improvement;
- (g) collaborate with agencies to take account of regional needs; and
- (h) maximise conservation of water.



### **3.4 Operating Guidelines**

- 3.4.1 State Water must take into account any policies or guidelines made and issued by the Government as required for the purposes of meeting its obligations under this Licence.

### **3.5 Area of Operations**

- 3.5.1 State Water's Area of Operations may be varied in accordance with the Act, or to pursue any obligations under a contract.

*[Note: From 1 January 2005 State Water will also operate the Fish River Water Supply Scheme within the meaning of Part 2 of Chapter 6 of the Water Management Act 2000.]*

### **3.6 Non-Exclusive Licence**

- 3.6.1 This Licence does not prohibit a person from supplying water (whether Bulk water or otherwise) to a person (including a person that is a Customer) in the Area of Operations, if it is lawful to do so.

## **4. CUSTOMERS & COMMUNITY ENGAGEMENT**

### **4.1 Community Consultative Committee**

- 4.1.1 State Water must establish and regularly consult with a statewide Community Consultative Committee (CCC) to enable community involvement in issues relevant to the performance of State Water's obligations under this Licence.

- 4.1.2 State Water must appoint the members of the CCC consistent with this Licence. The membership of the CCC must include a representative from at least each of the following:

- (a) Customers;
- (b) environment groups;
- (c) basic water right holders;
- (d) regional business and consumer groups;
- (e) Catchment Management Authorities; and
- (f) local government.

- 4.1.3 The term of a member of the CCC will expire two years after his or her appointment. A member will be eligible for re-appointment for one further consecutive term.

- 4.1.4 State Water must provide the CCC with information within its possession or under its control necessary to enable it to discharge the tasks assigned to it, other than information or documents over which State Water or another person claims confidentiality or privilege.

### **4.2 Valley Based Customer Service Committees**

- 4.2.1 State Water must establish and regularly consult with valley based Customer Service Committees (CSCs) to enable Customer involvement in issues relevant to the performance of State Water's obligations to Customers under this Licence. The membership of the CSCs must also include representatives

from unregulated water Customers, groundwater Customers and the relevant Catchment Management Authority.

### **4.3 Local Reference Committees**

When undertaking major upgrade projects, State Water may establish local reference committees to enable consultation specific to the project.

### **4.4 Customer Service Charter**

4.4.1 Within six months of the Commencement date, in consultation with its CSCs, State Water must develop a Customer Service Charter. The Charter should detail the levels of service and mutual obligations of State Water and its Customers.

4.4.2 The Charter will set out Customer service standards and performance indicators. Indicators will include timely delivery of water to licensed Customers with allocations in response to orders placed with reasonable notice. The Charter will also include benchmarks consistent with the rights and obligations conferred under the *Water Management Act 2000* and any other law.

4.4.3 The Customer Service Charter must be made available to the public.

### **4.5 Code of practice and procedure on debt management**

4.5.1 Within six months of the Commencement date, State Water must develop a code of practice and procedure on debt management (the 'Code').

4.5.2 The Code must:

- (a) provide for deferred payment or payment by instalment options; and
- (b) provide that the payment options referred to in (a) are to be advised in bills.

4.5.3 State Water must make the Code available to the public.

### **4.6 Customer Complaints**

4.6.1 State Water must establish internal complaints handling procedures for receiving, responding to and resolving complaints it receives from Customers and the community, relating to any of its Functions.

4.6.2 The internal complaints handling procedures of State Water must be based on the Australian Standard *AS4269-1995 Complaint Handling*.

4.6.3 State Water must make these procedures available to the public.

4.6.4 State Water is to retain records on how complaints were resolved or why complaints were not resolved, as the case may be including any problems of a systemic nature arising from the complaints. State Water is to prepare annual reports on the following complaints categories:

- asset management including effects of unplanned outages;
- water delivery operations including effects of unplanned deficits and surpluses;

- billing including any qualifications on the accuracy of any bill;
- the performance of staff regarding the discharge of their duties; and
- lack of notification of allocations and access to supplementary water.

#### **4.7 External Dispute Resolution Scheme**

4.7.1 Within six months of the Commencement date, State Water must establish a Dispute Resolution Scheme (the Scheme) for a Dispute Resolution Body to resolve disputes between State Water and its Customers.

4.7.2 The Scheme established by State Water is subject to the Minister's approval.

4.7.3 The Dispute Resolution Body is to hear disputes and complaints made by Customers in relation to:

- (a) reliability of water supply;
- (b) customer accounts; and
- (c) communication of water availability and access notifications.

4.7.4 The Scheme must comply with the minimum standards, so far as applicable, specified in the Guidelines to the Prevention, Handling and Resolution of Disputes AS4608.

4.7.5 The Scheme must have the following features:

- (a) the decision-making process of the Dispute Resolution Body and administration of the Scheme is to be independent from State Water;
- (b) State Water agrees to abide by the decisions of the Dispute Resolution Body in relation to disputes referred to it for resolution;
- (c) the Scheme must adopt informal proceedings which discourage a legalistic adversarial approach;
- (d) decisions of the Dispute Resolution Body should be fair and be seen to be fair, by observing the principles of procedural fairness, by making its decisions based upon the information before it, and by having specific criteria upon which its decisions are based; and
- (e) the Scheme is to operate efficiently by keeping track of disputes referred to it; ensuring complaints are dealt with by the appropriate process and by the Dispute Resolution Body regularly reviewing the operation of the Scheme.

4.7.6 State Water must make the dispute resolution process available to the public.

4.7.7 Where considered appropriate by State Water and the Dispute Resolution Body, confidentiality arrangements are to be made so as not to disclose the Customer's identity in such reports.

4.7.8 State Water must report to IPART on information available to State Water and information reasonably obtained from the Dispute Resolution Body.

#### **4.8 Complaints to other bodies**

4.8.1 When requested, State Water must report to IPART on complaints made against State Water to a court or tribunal such as the Energy and Water

Ombudsman NSW, (based on information reasonably obtained from these bodies and State Water itself as a party to the complaint).

## **5. ASSET MANAGEMENT**

Under DIPNR's Water Management Works Approval(s), State Water will be provided with the necessary conditions to use its Infrastructure to access water for storage and delivery using river channels and other natural features.

### **5.1 Performance Standards**

5.1.1 State Water's systems and services for delivering water must accord with performance standards to be developed by State Water, including but not limited to, the following areas:

- State Water must ensure its Infrastructure is constructed, maintained and operated to provide:
  - effective, efficient and commercially viable delivery of water allocated to Customers;
  - effective and efficient release of water allocated to the environment;
  - effective flood management;
  - public safety and employee safety;
  - dam safety risk as low as reasonably practicable;
  - compliance with total asset management standards.

5.1.2 Performance standards to be included in Schedule 1 of this Licence are not required to cover areas regulated by other statutory instruments.

5.1.3 Within four months of the Commencement date, State Water is to reach agreement with its Customers and other stakeholders on draft performance standards to be included in Schedule 1 of this Licence.

### **5.2 Total Asset Management Strategy**

5.2.1 State Water must develop and implement a Total Asset Management Strategy, which:

- links to a broader Strategic Management Framework under which State Water's service objectives are documented and achieved by the most efficient means;
- covers the whole of life of assets;
- manages the risks of potential failure or reduced performance of assets; and
- is consistent with the principles of the Premier's Department's Strategic Management Framework and the NSW Government's Total Asset Management Strategy.

### **5.3 Augmentation of water management works**

In considering any augmentation of water management works, State Water must consider as a priority any additional scope for cost-effective demand management strategies by Customers.

## **6. WATER DELIVERY OPERATIONS**

- 6.1 State Water must take such steps as are reasonably practicable to conserve water and to minimise losses that result from its operations.
- 6.2 State Water must endeavour to manage its water release Functions and operations to ensure the timely availability of water taking into account physical supply constraints.
- 6.3 In periods of extreme resource shortage beyond drought of record as and when gazetted by DIPNR, a Drought Management Plan for river operations must be developed by State Water in accordance with DIPNR requirements.

## **7. THE ENVIRONMENT**

State Water must conduct its operations in compliance with requirements of the *Water Management Act 2000*, the State Water Management Outcomes Plan and the Water Sharing Plans established under that Act.

### **7.1 Environment Management Plan**

- 7.1.1 State Water must prepare an Environment Management Plan (EMP) which sets targets and timetables for compliance by State Water with those targets over the term of the five-year EMP. The initial EMP must be prepared by 1 July 2005.
- 7.1.2 The EMP must:
  - (a) include a policy of the management of energy used by State Water for the performance of its Functions in accordance with this Licence;
  - (b) apply appropriate targets of the NSW Government Energy Management Policy for energy consumption;
  - (c) include indicators to measure the environmental impact of State Water's asset operations and maintenance.
- 7.1.3 The EMP must be made available to the public.
- 7.1.4 Amendments may only be made to the EMP following public consultation and the approval of the Minister.

## **8. PRICING**

- 8.1 State Water must apply the level of fees, charges and other amounts payable for its services subject to the terms of this Licence, the Act and the maximum prices and methodologies for State Water's supply of water determined from time to time by IPART.

- 8.2 State Water is not to impose charges under section 29 (1) of the Act, save as to charges arising from any contract entered into under the Fish River Water Supply Scheme or any contract for the provision of services in respect of which IPART does not recommend a fee or charge.
- 8.3 State Water must report to IPART and NSW Treasury on the provision of its community service obligations.

## **9. MEMORANDA OF UNDERSTANDING**

- 9.1 State Water is required to enter into and abide by agreements specified in Memorandum of Understanding (MoU) with each of the Directors-General of DEC, Fisheries and DIPNR for the term of this Licence. The MoUs are to be developed by 1 July 2005.
- 9.2 The purpose of the MoUs is to form the basis for cooperative relationships between the parties to the Memorandum.
- 9.3 The MoUs deal with issues such as how water quality and fish passage impacts of State Water operations are to be dealt with, information sharing arrangements and the making and announcement of available water determinations.

## **10. OPERATIONAL AUDITS**

*[Note: **Part 10 does not apply to this Licence**. This Part will take effect once State Water's Initial Licence is issued by the Governor.]*

### **10.1 Commission of Operational Audits**

- 10.1.1 IPART must initiate an Audit of State Water's operations as soon as practicable after State Water's Initial Licence has been in place for 12 months to cover the preceding year as required by this Part. IPART must undertake an Audit of State Water every two years thereafter.
- 10.1.2 The Audit must be conducted either by IPART or by a person IPART considers is suitably qualified to perform the Audit.
- 10.1.3 As part of the Audit, IPART must invite members of the public to make submissions. IPART may also undertake any other public consultation it considers appropriate.

### **10.2 What the Audit is to Report on**

10.2.1 IPART may select specific priority areas for each Audit, for example:

- (a) compliance by State Water with its obligations under Part 4 of this Licence. This may include:
- a. the effectiveness of its Community Consultative Committee and its valley based Customer Service Committees;

- b. the effectiveness of State Water's Customer service standards and performance indicators as set out in its Customer Service Charter under clause 4.4.2;
- (b) State Water's compliance with its code of practice and procedure on debt management under clause 4.5;
- (c) the effectiveness of State Water's internal complaint handling process under clause 4.6.1 and external dispute resolution scheme under clause 4.7.1;
- (d) complaints made against State Water to a court or tribunal under clause 4.8.1;
- (e) State Water's compliance with its Total Asset Management Strategy under clause 5.2;
- (f) compliance by State Water with its obligations under Part 7 of this Licence, including effectiveness of its environmental indicators;
- (g) State Water's performance of its obligations under Memoranda of Understanding with other agencies;
- (h) State Water's performance against standards to be specified in Schedule 1 of its Initial Licence;
- (i) the effectiveness of performance standards to be set out in Schedule 1;
- (j) any other matter required by the Minister.

10.2.2 IPART must not investigate a matter if the investigation of that matter is ordinarily within the regulatory activities of DEC, DIPNR or Fisheries and the relevant agency has undertaken or is undertaking an investigation of the matter.

10.2.3 IPART must ensure that, subject to clause 10.2.2, the report of the Audit advises the Minister on the following matters:

- (a) any failure of State Water to meet performance standards or any other requirements imposed on State Water under the Initial Licence;
- (b) areas in which State Water's performance under the Initial Licence may be improved;
- (c) any changes to the Initial Licence that IPART considers necessary;
- (d) any penalties or remedial action required as a result of State Water's performance under the Initial Licence;
- (e) whether the Minister should recommend that State Water's Initial Licence be cancelled by the Governor under the Act for reasons identified in the Audit report; and
- (f) any other matter relating to the Audit or IPART functions it considers appropriate.

### **10.3 Reporting of Audit**

10.3.1 IPART must ensure that the Audit report is presented to the Minister within one month after its receipt by IPART, for the purpose of the Minister publicly releasing the report.

10.3.2 If the Audit report has identified areas of non-compliance with the Initial Licence, in addition to whatever other action is taken or required to be taken, State Water must comply with any requirement imposed on State Water by the Minister to do the following:

- (a) advertise publicly and notify Customers of the areas in which its performance has not complied;
- (b) provide reasons for the non-compliance; and
- (c) identify the measures that will be taken by State Water to address the non-compliance.

#### **10.4 Supplementary Audits**

10.4.1 IPART must initiate supplementary audits of State Water if required by the Minister.

10.4.2 A supplementary audit may address one or more of the matters in clause 10.2.1 or any other matter required by the Minister.

10.4.3 The provisions of this Part applying to the Audit will apply equally to supplementary audits (all necessary changes having been made), to the extent those provisions are relevant.

#### **10.5 Provision of Information**

10.5.1 State Water must provide IPART with all information within its possession or under its control necessary to the conduct of the Audit or a supplementary audit, including whatever information is requested by IPART.

10.5.2 The information sought under clause 10.5.1 must be made available within a reasonable time of it being requested.

10.5.3 For the purposes of the Audit, on being required by IPART, State Water must, within a reasonable time permit IPART or its appointee to:

- (a) have access to any works, premises or offices occupied by State Water;
- (b) carry out inspections, measurements and tests on, or in relation to, any such works, premises or offices;
- (c) take on to or into any such premises, works or offices any other persons or equipment as necessary for the purposes of performing the audit;
- (d) inspect and make copies of, and take extracts from, any books and records of State Water that are maintained in relation to the performance of State Water's obligations in accordance with this Licence; and
- (e) discuss matters relevant to the audit with State Water's employees.

10.5.4 If State Water contracts out any of its activities to third parties it must take all reasonable steps to ensure that, if required by IPART, any such third parties do things specified in this Part that extend to State Water as if that third party were State Water.



10.5.5 For the purpose of an Audit, the information to be provided by State Water or a third party under clause 10.5.1 will include information over which State Water or a third party claims confidentiality or privilege. IPART or the person appointed by IPART is required to enter into reasonable arrangements with State Water or such third party to ensure confidential information is kept confidential.

## **11 LICENCE REVIEW**

*[Note: **Part 11 does not apply to this Licence.** This Part will take effect once State Water's Initial Licence is issued by the Governor.]*

- 11.1 An End of term review for the purpose of determining the terms of renewal of the Initial Licence is to commence on or about two years after its commencement date.
- 11.2 The review is to be undertaken by IPART, unless the Minister otherwise determines. The Licence Review Body must engage in public consultation as part of the review.
- 11.3 As part of the End of term review, the Licence Review Body must evaluate and report on the effectiveness of State Water's community consultation.
- 11.4 The Licence Review Body is to report to the Minister within 12 months of commencing the End of term review on the following:
- (a) the findings of the review;
  - (b) any recommendations for amendment to this Licence, including any additional terms to be included in any renewal of this Licence; and
  - (c) any recommendations for amendment to any law that adversely impacts on this Licence.
- 11.5 IPART must make the reports publicly available.
- 11.6 The Minister may accept or reject any recommendation made by IPART.
- 11.7 If any recommendation made by IPART and accepted by the Minister requires an amendment to this Licence, the recommendation is of no force or effect unless this Licence is relevantly amended in accordance with the Act. Any recommendation made by IPART that is not accepted by the Minister has no force or effect.

**SCHEDULE 1**  
**PERFORMANCE STANDARDS**

State Water is to develop performance standards as specified in clause 5.1.2