

Network Operator and Retail Supplier Licence Application Form

Water Industry Competition Act 2006 (NSW)

Application Form
June 2013

flow systems

FLOW SYSTEMS PTY LTD

Bellbird  Water

APPLICATION TO VARY
RETAIL SUPPLIER'S LICENCE
PUBLIC APPLICATION
July 2015

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PUBLIC

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www.ipart.nsw.gov.au

Contents

1	Instructions	1
1.1	Who should complete this form?	1
1.2	Information on filling out and submitting this form	1
1.3	If you require further information	4
1.4	Where to from here?	5
2	Contact Information	7
2.1	Contact Details	7
3	General Information	2
3.1	Applicant Details	2
3.2	Activities for which a licence is sought	4
3.3	Insurance Details	6
3.4	Third parties undertaking activities	8
3.5	Other regulatory approvals	9
3.6	Monopoly supply	9
3.7	Licensing principles	9
4	Network Operator	12
4.1	Water infrastructure – drinking water	13
4.2	Water infrastructure – non-potable water	18
4.3	Sewerage infrastructure	23
5	Retail Supplier	27
5.1	Supply of water	27
5.2	Provision of sewerage services	33
6	Applicant experience and systems	37
6.1	Network operator	37
6.2	Retail supplier	39
7	Financial capacity	43
7.1	How will the applicant corporation finance the proposed activity?	43
7.2	Are there any events that could affect the applicant corporation's future financial capacity?	44
7.3	What is the projected financial performance of the proposed activities?	44
7.4	What is the applicant corporation's financial history?	44
7.5	Contacts	46
7.6	Internal accounting records	46
8	Statutory declaration and acknowledgement	47
8.1	Statutory declaration	47
8.2	Acknowledgement	50
	Attachment A: Summary of appendices	52

1 Instructions

The *Water Industry Competition Act 2006* (NSW) (the WIC Act or Act) came into operation on 8 August 2008 and, among other things, provides for the licensing of private sector water utilities.

Under the WIC Act, the Minister for Finance and Services (the Minister) is responsible for granting the following licences:

- ▼ **Network Operator's Licence** for constructing, maintaining and operating water industry infrastructure.
- ▼ **Retail Supplier's Licence** to supply water or provide sewerage services, by means of water industry infrastructure.

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for receiving and assessing licence applications and for the ongoing administration and enforcement of licences.

1.1 Who should complete this form?

This form is for corporations that wish to become licensees under the WIC Act. Under section 8(1) of the WIC Act, an application for a licence can only be made by or on behalf of a corporation.

A copy of the WIC Act is available on the NSW Government's legislation website at www.legislation.nsw.gov.au.

1.2 Information on filling out and submitting this form

1.2.1 General instructions to applicants

The questions asked in the application form are designed to allow you to establish your capacity and expertise to carry out the proposed activities in compliance with your licence (if granted), the WIC Act and the *Water Industry Competition (General) Regulation 2008* (NSW) (the General Regulation).

Your response should include sufficient information to demonstrate an extensive understanding of the activities you are proposing to undertake, the issues or impacts associated with these activities, and the processes required to address or manage these issues or impacts. The information provided in your application should reflect the type, size, complexity and level of risk associated with the activities to be licensed.¹

¹ For example, a recycled water scheme involving a single source, basic treatment, and single pipeline to one commercial customer will be less complex and therefore require less supporting information than a multi-source scheme, with complex treatment and a pipe network ultimately supplying a mix of commercial and residential customers.

Following each question in the application form is an explanation (in italics) as to why we have requested the information and how it will be assessed in relation to the requirements of the WIC Act and the General Regulation. These explanations are provided as a general guide to help applicants understand the main ways in which the information sought is likely to be relevant for the assessment of their application. However, we may use the information provided for any other relevant purpose when we assess your application.

We will also have regard to the following licensing principles, in accordance with section 7 of the WIC Act:

- ▼ the protection of public health, the environment, public safety and consumers generally
- ▼ the encouragement of competition in the supply of water and the provision of sewerage services
- ▼ the ensuring of sustainability of water resources
- ▼ the promotion of production and use of recycled water
- ▼ the promotion of policies set out in any prescribed water policy document
- ▼ the potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence, and
- ▼ the promotion of the equitable sharing among participants in the drinking water market of the costs of water industry infrastructure that significantly contributes to water security.

Where more extensive information is required in response to a question (ie, example plans), the information is requested to be included as an appendix to the question. Unless indicated otherwise the appendices must be attached to the application to ensure there is sufficient information for IPART to make an assessment in accordance with the relevant legislation. An application that does not attach the necessary appendices may be considered to be an incomplete application resulting in a delay in processing. All appendices should be labelled as per the instructions.

1.2.2 Confidential information

IPART uses open public processes to consider applications and must invite submissions on applications from the public. Unless they are confidential, we treat your applications and appendices as public documents. We publish these documents on our website and distribute them to interested parties as appropriate.

Subject to our disclosure obligations (referred to below), we will treat as confidential the financial information that we request for the purposes of your application. We may share that information with our consultants, but will do so on a confidential basis.

You should let us know if you consider other aspects of your application to be confidential so that we can discuss your confidentiality concerns with you.

You should provide separate confidential and public copies of your application. In particular, you should provide:

- ▼ **a confidential application**, which is clearly marked “confidential” and clearly identifies the confidential information that should not be publicly released, and
- ▼ **a public application**, which does not contain the confidential information, for publication and distribution by IPART.

If we agree with all your confidentiality concerns, we will only publish the public application on our website. However we will furnish a copy of the confidential application to the Ministers specified by the WIC Act and General Regulation, as we are required to do under section 9(1)(b) of the WIC Act.

Please note that third parties may apply under the *Government Information (Public Access) Act 2009* for access to applications, including applications that contain confidential information. If we receive such an application, we will determine disclosure in accordance with that Act.

Where an application includes personal information, IPART will deal with that information in accordance with the information protection principles set out in the *Privacy and Personal Information Protection Act 1998*.

1.2.3 Is there an application fee?

The application fee for a network operator’s licence is \$2,500. The application fee for a retail supplier’s licence is \$2,500. If you are applying for both a network operator’s licence and retail supplier’s licence, the fee is \$5,000.

The appropriate licence application fee should be paid either by cheque made payable to the Independent Pricing and Regulatory Tribunal of NSW or by electronic transfer to:

Westpac Banking Corporation
BSB: 032-001
Account No: 205717
Reference: WICA app

If payment is made electronically, please provide a copy of the electronic transfer receipt with your licence application.

Please note that once an application has been submitted, the application fee(s) will not be refunded if the application is rejected or withdrawn.

1.2.4 How do you submit the application?

You must submit one hard copy and one electronic copy of each of the versions (public and confidential) of the completed application form and appendices. You may wish to password protect your electronic confidential version. If so, we will contact you to request the password following submission of your application.

The electronic copy should consist of separate files for the application and the appendices for each of the sections. Where there is more than one appendix in a section, they should be combined into a single electronic file. For example, section 3 will have appendices 3.2.1 and 3.6.1 – these appendices should be combined into one electronic file. A summary of the appendices is included in attachment A to this form.

When you have completed your application, you should mark it to the attention of the Water Licensing team, and submit it to IPART in person, via email or via post:

In person	Via email	Via post
Attention: Water Licensing Independent Pricing and Regulatory Tribunal Level 8 1 Market Street Sydney NSW 2000	Attention: Water Licensing Independent Pricing and Regulatory Tribunal compliance@ipart.nsw.gov.au	Attention: Water Licensing Independent Pricing and Regulatory Tribunal PO Box Q290 QVB Post Office Sydney NSW 1230

1.3 If you require further information

If you have further questions about your application, you can contact the Water Licensing team in IPART by:

- ▼ emailing: compliance@ipart.nsw.gov.au, or
- ▼ telephoning: (02) 9290-8400 (general number).

We encourage you to discuss your licence application form and obtain assistance from the Water Licensing team *prior* to formally submitting your application. Once we receive your application, we will assign you a contact officer, who will manage your application and remain in contact with you throughout the process.

1.4 Where to from here?

1.4.1 What will happen next?

IPART will check that your application form is complete and that you have supplied all the necessary information and supporting documentation.

If your application is complete, we will undertake consultation and a detailed assessment before preparing a recommendation to the Minister to either grant or refuse the licence(s).

If the application is incomplete, it will not be processed and you will be asked in writing to supply the outstanding information. This is likely to delay the detailed assessment of your application. We may also request additional information in response to submission or our detailed assessment of your application.

If you wish you can withdraw your application at any stage during the process.

IPART uses our best endeavors to process applications quickly. Complete applications are generally processed between 6 to 8 months depending on the complexity of the project.

1.4.2 Audits and ongoing compliance obligations

Licensing obligations are set out in the *Water Industry Competition Act 2006* (NSW) and *Water Industry Competition (General) Regulation 2008* (NSW), which also sets out standard licence conditions.

IPART has also prepared a series of fact sheets explaining the audit and compliance obligations following the grant of a WIC Act licence.

It is particularly important to note that the granting of a network licence does not allow the licensee to bring any *new* water or sewerage infrastructure into immediate commercial operation. **A licensee must also obtain approval from the Minister before commencing commercial operation of new water or sewerage infrastructure.**

For further information, please refer to the following fact sheets or contact the Water Licensing team at IPART on the details provided above.

Fact sheets:

- ▼ *Summary of Audit Framework*
- ▼ *Commercial operation of new infrastructure*
- ▼ *Register of licences and other publicly available information*
- ▼ *Potable water services - public health requirements*
- ▼ *Water recycling - public health requirement.*

These documents can be downloaded from the IPART website, at <http://www.ipart.nsw.gov.au/water/private-sector-licensing/private-sector-licensing.asp>.

2 Contact Information

To be completed by all applicants

2.1 Contact Details

You need to nominate a primary contact person for all communication and correspondence between the corporation applying for a licence and IPART. This person must be a senior officer of the applicant corporation and not an external consultant. Ideally, this person's role within the corporation will be related to the project/activity to be licensed, and they must have the authority to speak on behalf of the applicant.

PRIMARY CONTACT

Full name

Laura Dixon

Position title

Risk and Compliance Manager

Email address

Business telephone number

Mobile telephone number

Postal address for correspondence

ADDRESS

PO Box R455, Royal Exchange, Sydney

STATE

NSW

POST CODE

1225

SECONDARY CONTACT

☒ Please check if the secondary contact should be copied into all correspondence.

Full name

Candice Sutor

Position title

Executive Manager, Retail

Email address

Business telephone number

Mobile telephone number

Postal address for correspondence

ADDRESS

PO Box R455, Royal Exchange, Sydney

STATE

NSW

POST CODE

1225

3 General Information

To be completed by all applicants

3.1 Applicant Details	
3.1.1	Please provide the following information for the corporation applying for the licence. Please note an application may only be made by or on behalf of a corporation (s8(1)).
<p><i>Your response to this question is used in ASIC, ITSA and CATSI searches* conducted as part of our assessment of your application. The information will also be used to specify the corporation that holds the licence (Act s.6(1)(a)), if a licence is granted.</i></p> <p><i>* These are searches of databases kept by the Australian Securities and Investments Commission (ASIC), Insolvency and Trustee Service Australia (ITSA), and Office of the Registrar of Indigenous Corporations (for corporations registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI))</i></p>	
Corporation name	
Flow Systems Pty Ltd ('Flow Systems')	
ABN/ARBN	ACN
28 136 272 298	136 272 298
Corporation's registered office	
ADDRESS	
Level 22, 135 King Street	
Sydney	
STATE	POST CODE
NSW	2000
Corporation's principal place of business	
ADDRESS	
Level 2, 1 Alfred Street	
Sydney	
STATE	POST CODE
NSW	2000
3.1.2	Please provide the following information for the Chief Executive Officer and ALL Directors of the applicant corporation
<p><i>Your response to this question is used in ASIC, ITSA and CATSI searches to determine that the named individual(s) are not disqualified individual(s) and that the applicant corporation is not a disqualified corporation (Act, s10(3)). The information will also be used to assess, among other things, the applicant corporation's organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
PERSON ONE	
Full name	Terence Leckie
Position title	Managing Director / Chief Executive Officer
Date of birth	
Residential Address	

STATE		POST CODE	
PERSON TWO			
Full name	Jeffrey Wayne Kendrew		
Position title	Director		
Date of birth			
Residential address			
ADDRESS			
STATE		POST CODE	
PERSON THREE			
Full name	Adriaan Victor van Jaarsveldt		
Position title	Director		
Date of birth			
Residential address			
ADDRESS			
STATE		POST CODE	
PERSON FOUR			
Full name	Ron Langley		
Position title	Director		
Date of birth			
Residential address			
ADDRESS			
STATE		POST CODE	
PERSON FIVE			
Full name	Michael Tebbutt		
Position title	Director		
Date of birth			
Residential address			
ADDRESS			
STATE		POST CODE	

3.2 Activities for which a licence is sought

Please check ALL the applicable boxes for which you are seeking a licence

Your response to this question will be used to specify the activities that the applicant corporation will be authorised to undertake (Act s.6(1) and s.11(1)), if a licence is granted. The response to this question is a requirement for any network operator's licence application (Reg cl.6(1)(a) and 6(2)(a)) and for any retail supplier's licence application (Reg cl.10(1)(a) and 10(2)(a)).

3.2.1 **NETWORK OPERATOR** (to construct, maintain and operate water industry infrastructure)

☐ Water infrastructure - drinking water

☐ Water infrastructure – non potable water (including recycled water)

☐ Sewerage infrastructure

3.2.2 **RETAIL SUPPLIERS** (to supply water or provide sewerage services)

☒ Supply of drinking water

☒ Supply of non-potable water

☒ Provision of sewerage services

3.2.3 Have you commenced any of the activities for which you are seeking a licence?

For example, you may have commenced construction, commercial operation and/or supply of services to customers.

☐ Yes please go to 3.2.4

☒ No please go to 3.2.5

3.2.4 Please briefly describe the activities that you have commenced including the date(s) on which they commenced.

Your response to the following question will be used to determine whether transitional arrangements apply to the project.

Not applicable.

Please note that as this is a requested variation to the existing retailer supplier's licence held by Flow Systems (Licence No. 13_001R issued on 17th April 2013 ('RSL')), Flow Systems already undertakes retail supply services to small retail customers across several other residential/mixed residential and commercial communities: Pitt Town, Central Park and Discovery Point.

3.2.5 Please outline the approximate date you anticipate commencing the activities for which you are seeking a licence, if they have not yet commenced. For example, construction of the network infrastructure July 2014, construction of the water treatment plant December 2014, operation of the water treatment plant June 2015, supply to small retail customers August 2015.

Your response to the following question will be used as background information for the project.

The intended commencement date for the retail supply services subject to this variation application is 1st July 2016.

As background, Flow Systems wholly-owned subsidiary, Flow Systems Operations Pty Ltd (**'FSO'**) has been appointed to establish and operate a private water utility scheme (the **'Scheme'**) for the residential development known as 'Bellbird North' in the Hunter Valley, NSW (the **'Development'**). The Scheme comprises:

1. the construction, operation and maintenance of drinking water, sewerage and recycled water infrastructure within the Development
2. the delivery of resulting sewerage and drinking water and recycled water supply services to end user customers

In relation to 1, Flow Systems has established FSO. A Network Operator's Licence (**'NOL'**) application under the Water Industry Competition Act 2006 (**'WICA'**) for the construction, operation and maintenance of the water and sewerage infrastructure has been submitted by FSO to accompany this application.

In relation to 2, Flow Systems holds the RSL and applies herein for its variation to extend the provision of sewerage and drinking water and recycled water services to end user customers in the Development.

Flow Systems will rely on FSO to ensure access to services delivered through FSO in order to provide sewerage and drinking water and recycled water services to end user customers, together with all related customer services including billing, customer enquiries, complaints handling, debt collection, and tariff setting.

RELEVANT APPENDICES

- Appendix 3.2.5(a) Flow Systems' RSL

3.3 Insurance Details

3.3.1 What types of insurance do you have or intend to obtain particularly in relation to the activities for which you are seeking a licence? Provide details of the level (i.e. amount) of insurance you are covered or intend to be covered by for each type. Include a summary of itemised inclusions and exclusions for each type of insurance you hold. **Attach copies of all relevant insurance certificates in Appendix 3.3.1.**

Types of insurance may include but are not limited to professional indemnity insurance, public liability insurance, workers' compensation and product liability insurance.

Your response to this question will be used to ascertain whether the applicant corporation has made appropriate arrangements with respect to insurance (Act s10(4)(c)).

Flow Systems' insurance is summarised by type, provider and coverage amount below.

Type	Amount
Workers Compensation	Full amount of the employer's liability under the <i>Workers Compensation Act 1987</i>
Public & Products Liability Financial Loss ()	\$50,000,000
Professional Indemnity	\$10,000,000
Steadfast Contract Works and Legal Liability <ul style="list-style-type: none"> Liability Contract Limit 	\$20,000,000 \$4,000,000
Plant and Equipment <ul style="list-style-type: none"> Material Damage 	 \$6.630,000

3.3.2 Explain why the level of cover provided or proposed by your insurer is sufficient for the size and nature of your proposed activities

For existing (brownfield) schemes, you must provide us with a report from an independent insurance broker which holds an Australian financial services licence under Part 7.6 of the *Corporations Act 2001 (Cth)* for the provision of insurance broking services ("Insurance Expert"), that:

- identifies the key risks of undertaking the activities to be authorised under the licence (if granted)
- sets out the types and levels of insurance obtained by you in relation to the activities being undertaken
- certifies whether, in the Insurance Expert's opinion, the type and level of insurance obtained by you is appropriate for the size and nature of the activities to be authorised under the licence
- provides reasons as to why the types and levels of insurance are appropriate for the size and nature of the activities being undertaken, and
- if any risks arising from undertaking the activities remain uninsured, provides reasons as to why.

Your response to this question will be used to ascertain whether the applicant corporation has made appropriate arrangements with respect to insurance (Act s.10(4)(c)).

The Protectors Insurance Brokers Pty Ltd has reviewed all insurances required by the Flow Systems group in connection with its business and has arranged the above insurance cover to match the business requirements. Flow Systems reviews its insurances annually with The Protectors Insurance Brokers Pty Ltd to ensure that its insurance arrangements are adequate for its requirements.

Also, a comprehensive whole-of-business and project-specific insurance risk assessment for the Scheme will be conducted in satisfaction of IPART's standard licensing condition, prior to the Minister's approval for commercial operation for FSO to operate the Scheme.

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3.4 Third parties undertaking activities

3.4.1 If you intend on using third parties to undertake any **significant** activities for which you are seeking a licence (eg, construction of the reticulation network, management of the billing system) please provide their details below. If there are multiple third parties please provide the details for each party as well as an explanation of the activities it will be undertaking.

Third parties undertaking minor sub-contracting works on behalf of the applicant corporation such as electrical or plumbing contractors do not need to be named in the application. If you are unsure of whether the works are significant or otherwise please include the details or contact IPART.

Your response to this question will be used to determine whether any other persons should be specified on the licence (Act s.6(1)(a)), if a licence is granted. Where applicable, information from those third parties named may also be used to assess the applicant corporation's technical, organisational and financial capacity to undertake the activities for which it is seeking a licence.

Corporation name

Not applicable. Flow Systems does not intend to use third parties in connection with the provision of retail services to end user customers as a retail supplier under this RSL.

ABN/ARBN

ACN

Corporation's registered office

ADDRESS

STATE

POST CODE

3.4.2 Please provide a detailed description of the activities that the third party, named above, will undertake on the applicant corporation's behalf.

Not applicable.

3.4.3 Please provide details of the contractual arrangements the applicant corporation has in place with the third party, named above, to ensure the third party undertakes the activities in accordance with the licence (if granted).

Not applicable.

3.5 Other regulatory approvals

- 3.5.1 Please list any other regulatory approvals that have been obtained (or are being sought) for any of the activities for which the applicant corporation is seeking a licence. Include any regulatory approvals also related to the activities or the project. Such approvals may include development consents for a housing development under the *Environmental Planning and Assessment Act 1979*, section 68 approval under the *Local Government Act 1993*, an Environment Protection Licence under the *Protection of the Environment Operations Act 1997*. **Provide a copy of any other regulatory approvals and/or licences in Appendix 3.5.1.**

Your response to this question will be used to determine whether IPART needs to co-ordinate this approvals process with other regulatory authorities. Information required in other approval processes may also be requested and used by us in determining this licence application.

Flow Systems holds the RSL in relation to provision of retail services to end user customers at each of the following developments:

- Pitt Town
- Central Park
- Discovery Point
- Wyee
- Cooranbong

Further, as per section 3.2.5 above, an application for an NOL for the construction and operation of relevant water and sewerage infrastructure in the Development has been submitted by FSO to IPART. This contains references to regulatory approvals relevant to the drinking water, recycled water and sewerage network infrastructure to be constructed and operated by FSO.

RELEVANT APPENDICES

- Appendix 3.2.5(a) Flow Systems' RSL.

3.6 Monopoly supply

- 3.6.1 In your opinion, will the supply of water and/ or sewage services to customers be a monopoly service? If yes, please specify whether the monopoly service is in relation to:
- ▼ a specified water supply or sewerage service
 - ▼ a specified area, and
 - ▼ a specified class of customers.

Your response to this question will be used to determine whether the Minister should consider declaring the licensee a monopoly supplier in accordance with section 51 of the WIC Act.

No. The supply of drinking water, recycled water and sewerage services by Flow Systems is not a monopoly service. The licence area proposed by FSO is already within Hunter Water's area of operations for drinking water and sewerage. All customer classes have the ability to choose who will provide their drinking water and sewerage services.

3.7 Licensing principles

- 3.7.1 How does your proposed activity address the following principles (if applicable):
- ▼ The protection of public health, the environment, public safety and consumers generally

	<ul style="list-style-type: none"> ▼ The encouragement of competition in the supply of water and the provision of sewerage services ▼ The ensuring of sustainability of water resources ▼ The promotion of production and use of recycled water ▼ The promotion of policies set out in any prescribed water policy document ▼ The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence, and ▼ The promotion of the equitable sharing among participants in the drinking water market of the costs of water industry infrastructure that significantly contributes to water security?
<p><i>Your response to this question will be used in consideration of the licensing principles, in accordance with section 7 of the WIC Act</i></p>	
<p>The protection of public health, the environment, public safety and consumers</p> <p>Public health, the environment, public safety and consumers will be protected through the following:</p> <ul style="list-style-type: none"> • FSO will ensure that its infrastructure operations and maintenance arrangements are structured where relevant so that public health, the environment, public safety and consumers are protected (including incident/emergency response plans, business continuity and disaster recovery plans). Flow Systems has already proven its expertise in delivering drinking water, recycled water and sewage management plans in full compliance with relevant laws and regulations, as confirmed by IPART audit, in relation to various other private water utility schemes operated by the Flow Systems group (i.e., Pitt Town Water, Central Park Water, Discovery Point Water) • FSO has prepared reviews of environmental factors with relation to the environmental protection principles of WICA and the Water Industry Competition (General) Regulation 2008. These assessments show that the proposal will not harm the environment. • FSO will ensure that all infrastructure is constructed in accordance with all relevant laws and regulations (eg. Water Supply Code of Australia) • FSO will only supply recycled water that is treated in full compliance with all relevant Australian standards and guidelines • Signage will be posted advising of the use of recycled water in public open space areas in accordance with the relevant guidelines and industry best practice • The appropriate disclosure to and education of end user customers regarding the use of recycled water <p>The encouragement of competition</p> <p>Currently each incumbent public water utility provider has a monopoly in its respective catchment areas on water services in NSW. The licence will enable the private sector to compete in the provision of requisite infrastructure and delivery of resulting services to owners of properties within the Scheme area.</p> <p>Hence, competition is promoted within the incumbent's area of operation.</p> <p>The sustainability of water resources</p> <p>The licensed activities will reduce unnecessary usage of drinking water for non-potable uses (eg. toilet flushing, clothes washing machines, irrigation of lawns and gardens) by providing a reliable and sustainable supply of non-potable water. Further, traditional sewage treatment systems would otherwise contribute to diffuse source pollution of local waterways.</p>	

The promotion of production and use of recycled water

The licence will enable FSO to provide sustainable recycled water within the Scheme area. This will facilitate delivery of Government policy and further cements recycled water as an integral part of the water cycle.

The promotion of policies set out in any prescribed water policy document

Flow Systems' communication program includes comprehensive information online. Not only does the company use this avenue to report on the progress of its licensed operations but it makes the case for the use of recycled water and sustainable water solutions. Our promotion of sustainable water solutions includes marketing and communication activities as well as community education, where appropriate. The company participates in public debate and government consultation about the development of water policies, including where it results in policy documents. Additionally, it contributes its skill and expertise in the water industry to further develop options and possibilities for improvement and further development of sustainable water policies being developed by government.

The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence

As Flow Systems has a price parity policy with the local incumbent water authority there is no potential for adverse financial implications for small retail customers.

That means water and wastewater charges are in line with the local water authority. Customers benefit because our recycled water is cheaper than the incumbent's drinking water price.

Because of this policy, changes to the incumbent's water and wastewater charges impact on Flow Systems fees and charges and prices are reviewed annually and matched to the incumbent. The only pricing that is varied from the incumbent are the one off charges such as administration fees or connection fees where our business model differs.

Flow Systems also matches the incumbent water authority's concessions and medical dependency rebates even though Flow Systems has no access to government rebates for these social programs. In this way, no customers are disadvantaged by being part of our communities.

The promotion of the equitable sharing among participants in the drinking water market of the costs of water industry infrastructure that significantly contributes to water security.

FSO will provide drinking water to all participants/customers in the licence area at rates according to its price parity policy. As recycled water is also provided at a reduced rate to these participants/ customers for end uses such as toilet flushing, clothes washing, and irrigation, this results in a reduction of drinking water of at least 50%. These savings will significantly contribute to water security in the region, and allows currently available drinking water stocks to be utilised by a greater amount of participants.

4 Network Operator

You need to complete the following section of this form if the applicant corporation is seeking a network operator's licence. Please note the sections are divided into the types of infrastructure as follows:

- ▼ 4.1 Water infrastructure - drinking water
- ▼ 4.2 Water infrastructure - non potable water (including recycled water and stormwater reuse)
- ▼ 4.3 Sewerage infrastructure.

Please complete only those sections that relate to your response in question 3.2.1 above.

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4.1 Water infrastructure – drinking water

Only provide a response to the questions in the following section if the applicant corporation is seeking a licence for the construction, maintenance and operation of water infrastructure for the supply of drinking water.

4.1.1	Describe the proposed drinking water infrastructure from the source of the drinking water through to the end use (i.e. catchment to tap). Please include in your description all of the infrastructure for which the applicant corporation is seeking a licence. This will include any infrastructure that is to be used for the production, treatment, filtration, storage, conveyance or reticulation of the drinking water. Please list all sources and end uses in the description. Identify the infrastructure for which the applicant corporation is seeking a licence. Provide a detailed process flow diagram of the proposed infrastructure from source to end use in Appendix 4.1.1.
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You must attach a process flow diagram in response to this question. The process flow diagram should only include the drinking water infrastructure where the scheme includes more than one type of infrastructure and must cover the process from source to end use. You may also include a piping and instrumentation diagram for additional information.

The response to this question will be used to draft a proposed licence. The licence will specify the type of water industry infrastructure, if a licence is granted (Act s.6(1)(a)). The response will also be used to ensure you have applied for the correct licence(s) and as a context for our assessment of the applicant corporation's technical, organisational and financial capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Not applicable. See FSO's separate application for a network operator's licence.

4.1.2	Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.1.1.
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The response to this question will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).

Not applicable. See FSO's separate application for a network operator's licence.

4.1.3	Describe the <u>location</u> of the proposed infrastructure. For example include: <ul style="list-style-type: none"> ▼ the identification of specific lot descriptors (e.g. lot and DP numbers) for the production, treatment, filtration and/or storage infrastructure. ▼ the location of infrastructure for the conveyance and/or reticulation of drinking water by street name, local government area or other description as appropriate to the size of the scheme. Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.1.3.
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The map may include all water industry infrastructure (ie, drinking water, non-potable water and/or sewerage) where the scheme includes more than one type of infrastructure.

The response to this question is a requirement for any network operator's licence (Reg cl.6(1)(a)). The response to this question will be used to specify the authorised area of operations (Act s.11(1)), if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).

Not applicable. See FSO's separate application for a network operator's licence.	
4.1.4	Describe any interconnections between the proposed drinking water infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all interconnections with other infrastructure on the process flow diagram in Appendix 4.1.1 and the map in Appendix 4.1.3.
<i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the inter-connected systems and responsibilities for risks.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.5	Where applicable, describe the connection point to customers or end users (e.g. the customer connection point may be a water meter). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all customer and/or end user connections on the process flow diagram in Appendix 4.1.1 and the map in Appendix 4.1.3.
<i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.6	What volume of water is available from the proposed source? Where applicable, please provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, please provide the requested information for each of the sources. Where relevant, provide a copy of any agreements and/or licences to access the source water in Appendix 4.1.6.
<i>The response will also be used as a context for the assessment of the technical, organisational and financial capacity of the applicant corporation (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.7	What volume of water will be treated by the scheme? Please provide the average and peak daily flow rates <u>treated by</u> the scheme.
<i>This information will be used to determine the fee category for the scheme, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.8	What volume of drinking water will be produced by the scheme? Please provide the average and peak daily volume supplied to end users or retail suppliers.
<i>This information will be used to assess the retail supplier's obligation not to over commit, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</i>	

Not applicable. See FSO's separate application for a network operator's licence.	
4.1.9	<p>Provide your preliminary risk assessment for the scheme from source to end use in Appendix 4.1.9. It is important that your preliminary risk assessment accurately identifies any hazards present in the source water or likely to result from the proposed treatment process. The risk assessment will also address the intended, inadvertent and unauthorised end uses (and therefore routes of exposure) to the water. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure.</p> <p>The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p>
The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines), which is consistent with the approach outlined in the Australian Drinking Water Guidelines (element 2).	
<i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(b) and cl.6(1)(c)(ii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.10	<p>Describe how the 12 elements of the framework for the management of drinking water quality, as detailed in the Australian Drinking Water Guidelines (ADWG), have been addressed and will be implemented and maintained. Provide evidence of the applicant corporation's capacity to implement the 12 elements of the framework in the ADWG in Appendix 4.1.10.</p>
The evidence should be in the form of management plans for either the proposed scheme or other similar schemes undertaken by the applicant corporation, or in a comprehensive statement detailing the process by which the management plan will be developed. For existing (brownfield) schemes you should provide the actual water quality plan for the site.	
<i>The response to this question is a requirement for any network operator licence for water infrastructure (Reg cl.6(1)(d)(i)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	

4.1.11	How will the continuity of supply of the drinking water be ensured? What contingency plans are in place in the case of failure of the infrastructure? What alternative supplies of drinking water will be used when the infrastructure is inoperable?
<p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.12	Describe the systems and processes that the applicant corporation will have in place to manage the water infrastructure. Provide evidence of the applicant corporation's capacity to develop and implement an infrastructure operating plan in Appendix 4.1.12.
<p>The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The processes and/or procedures should demonstrate good operational practice including life cycle planning, system redundancy, contingency planning, condition monitoring, management maintenance processes and processes of supporting skills needs. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual water quality plan for the site.</p>	
<p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response will be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.13	Describe the studies that have been completed to investigate any environmental impacts (including but not limited to water quality, quantity, air, odour, noise, sea level rise, biodiversity and Aboriginal cultural heritage) from the construction and operation of the infrastructure? Have the studies identified any significant environmental impacts from the scheme? If so, how are the environmental impacts proposed to be managed? Provide a copy of any environmental study and/or risk assessment in Appendix 4.1.13.
<p>As a minimum, an application must be accompanied by a statement of environmental effects (SEE) (unless the development is designated development, Part 5 development or a major project, in which case either an environmental impact statement (EIS) or comprehensive environmental assessment is required). The SEE may be prepared by the applicant corporation or by a consultant acting on behalf of the applicant. The SEE must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce the harm. Where the study is in the form of a comprehensive environmental assessment or EIS, please include only the executive summary.</p>	
<p><i>The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response to this question may be used to draft a proposed licence, if a licence is granted.</i></p>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.1.14	If a treatment process forms part of the infrastructure for which the applicant corporation is seeking a licence, what waste streams will be generated by the proposed treatment plant and how will the waste be disposed of or handled?

The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response will also be used as a context for our assessment of the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Not applicable. See FSO's separate application for a network operator's licence.

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4.2 Water infrastructure – non-potable water

Only provide a response to the questions in the following section if the applicant corporation is seeking a licence for the construction, maintenance and operation of water infrastructure for the supply of non-potable water.

4.2.1 Describe the proposed non-potable water infrastructure from the source of the water through to the end use (ie, catchment to tap). Please include in your description all of the infrastructure for which the applicant corporation is seeking a licence. This will include any infrastructure that is to be used for the production, treatment, filtration, storage, conveyance or reticulation of the non-potable water. Please list all sources and end uses in the description. Identify the infrastructure for which the applicant corporation is seeking a licence. **Provide a detailed process flow diagram of the proposed infrastructure from source to end use in Appendix 4.2.1.**

You must attach a process flow diagram in response to this question. The process flow diagram should only include the non-potable water infrastructure where the scheme includes more than one type of infrastructure and must cover the process from source to end use. You may also include a piping and instrumentation diagram for additional information.

The response to this question will be used to draft a proposed licence. The licence will specify the type of water industry infrastructure, if a licence is granted (Act s.6(1)(a)). The response will also be used to ensure you have applied for the correct licence(s) and as a context for our assessment of the applicant corporation's technical, organisational and financial capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Not applicable. See FSO's separate application for a network operator's licence.

4.2.2 Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed **identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.2.1.**

The response to this question will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).

Not applicable. See FSO's separate application for a network operator's licence.

4.2.3 Describe the location of the proposed infrastructure. For example include:

- ▼ The identification of specific lot descriptors (eg, lot and DP numbers) for the production, treatment, filtration and/or storage infrastructure.
- ▼ The location of infrastructure for the conveyance and/or reticulation of non-potable water by street name, local government area or other description as appropriate to the size of the scheme.

Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.2.3.

The map may include all water industry infrastructure (ie, drinking water, non-potable water and/or sewerage) where the scheme includes more than one type of infrastructure.

<p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(a)). The response to this question will be used to specify the authorised area of operations (Act s.11(1)), if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.2.4	<p>Describe any interconnections between the proposed non-potable water infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities such as sewers or water mains). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all interconnections with other infrastructure on the process flow diagram in Appendix 4.2.1 and the map in Appendix 4.2.3.</p>
<p>Examples of interconnections may include potable water top up or trade waste disposal, as well as to other network operators.</p>	
<p><i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the inter-connected systems and responsibilities for risks.</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.2.5	<p>Where applicable, describe the connection point to customers or end users (eg, the customer connection point may be a water meter). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all customer and/or end user connections on the process flow diagram in Appendix 4.2.1 and the map in Appendix 4.2.3.</p>
<p><i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme.</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.2.6	<p>What volume of water is available from the proposed source? Where applicable, please provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, please provide the requested information for each of the sources. Where relevant, provide a copy of any agreements and/or licences to access the source water in Appendix 4.2.6.</p>
<p><i>The response will also be used as a context for the assessment of the technical, organisational and financial capacity of the applicant corporation (Act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.2.7	<p>What volume of water will be treated by the scheme? Please provide the average and peak daily flow rates <u>treated by</u> the scheme.</p>
<p><i>This information will be used to determine the fee category for the scheme, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</i></p>	

Not applicable. See FSO's separate application for a network operator's licence.	
4.2.8	What volume of non-potable water will be produced by the scheme? Please provide the average and peak daily volume supplied to end users or retail suppliers.
<i>This information will be used to assess the retail supplier's obligation not to over commit, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.2.9	List all the intended end uses for the non-potable water generated by the scheme.
<i>The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg cl.8(1)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.2.10	<p>Provide your preliminary risk assessment for the scheme from source to end use in Appendix 4.2.10. It is important that your preliminary risk assessment accurately identifies any hazards present in the source water or likely to result from the proposed treatment process. The risk assessment will also address the intended, inadvertent and unauthorised end uses (and therefore routes of exposure) to the non-potable water. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure.</p> <p>The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p>
The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines), which is consistent with the approach outlined in the Australian Guidelines for Water Recycling (element 2).	
<i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(b) and cl.6(1)(c)(ii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg. cl.8(1)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	

4.2.11	Describe how the 12 elements of the framework for the management of recycled water, as detailed in the Australian Guidelines for Water Recycling (AGWR), have been addressed and will be implemented and maintained. Provide evidence of the applicant corporation's capacity to implement the 12 elements of the framework in the AGWR in Appendix 4.2.11.
The evidence should be in the form of management plans for either the proposed scheme or other similar schemes undertaken by the applicant corporation, or in a comprehensive statement detailing the process by which the management plan will be developed. For existing (brownfield) schemes you should provide the actual water quality plan for the site.	
<i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(d)(i)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg. cl.8(2)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.2.12	How will the continuity of supply of the non-potable water be ensured? What contingency plans are in place in the case of failure of the infrastructure? What alternative supplies of non-potable water will be used when the infrastructure is inoperable?
<i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.2.13	Describe the systems and processes that the applicant corporation will have in place to manage the non-potable water infrastructure. Provide evidence of the applicant corporation's capacity to develop and implement an infrastructure operating plan in Appendix 4.2.13.
The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The processes and/or procedures should demonstrate good operational practice including life cycle planning, system redundancy, contingency planning, condition monitoring, management maintenance processes and processes of supporting skills needs. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual water quality plan for the site.	
<i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	

4.2.14	Describe the studies that have been completed to investigate any environmental impacts (including but not limited to water quality, quantity, air, odour, noise, sea level rise, biodiversity and Aboriginal cultural heritage) from the construction and operation of the infrastructure? Have the studies identified any significant environmental impacts from the scheme? If so, how are the environmental impacts proposed to be managed? Provide a copy of any environmental study and/or risk assessment in Appendix 4.2.14.
<p>As a minimum an application must be accompanied by a statement of environmental effects (SEE) (unless the development is designated development, Part 5 development or a major project, in which case either an environmental impact statement (EIS) or comprehensive environmental assessment is required). The SEE may be prepared by the applicant corporation or by a consultant acting on behalf of the applicant. The SEE must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce the harm. Where the study is in the form of a comprehensive environmental assessment or EIS, please include only the executive summary.</p>	
<p><i>The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.2.15	If a treatment process forms part of the infrastructure for which the applicant corporation is seeking a licence, what waste streams will be generated by the proposed treatment plant and how will the waste be disposed of or handled?
<p><i>The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response will also be used as a context for our assessment of the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	

4.3 Sewerage infrastructure

Only provide a response to the questions in the following section if the applicant corporation is seeking a licence for the construction, maintenance and operation of sewerage infrastructure.

4.3.1	Describe the proposed sewerage infrastructure from the collection to disposal or reuse. Include in your description all of the sewerage infrastructure for which the applicant corporation is seeking a licence. This will include any infrastructure that is to be used for the collection, treatment, filtration, storage, conveyance or disposal of the sewerage or treated effluent. Provide a detailed process flow diagram of the proposed infrastructure from collection to disposal or reuse in Appendix 4.3.1.
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You must attach a process flow diagram in response to this question. The process flow diagram should only include the sewerage infrastructure where the scheme includes more than one type of infrastructure and must cover the process from source to end use. You may also include a piping and instrumentation diagram for additional information.

The response to this question will be used to draft a proposed licence. The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(d)(ii)). The licence will specify the type of water industry infrastructure, if a licence is granted (Act s.6(1)(a)). The response will also be used to ensure you have applied for the correct licence(s) and as a context for our assessment of the applicant corporation's technical, organisational and financial capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Not applicable. See FSO's separate application for a network operator's licence.

4.3.2	Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.3.1.
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The response to this question will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).

Not applicable. See FSO's separate application for a network operator's licence.

4.3.3	Describe the <u>location</u> of the proposed infrastructure. For example include: <ul style="list-style-type: none"> the identification of specific lot descriptors (eg, lot and DP numbers) for the collection, treatment, filtration and/or storage infrastructure the location of infrastructure for the conveyance and/or reticulation of sewage by street name, local government area or other description as appropriate to the size of the scheme. Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.3.3.
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The map may include all water industry infrastructure (ie, drinking water, non-potable water and/or sewerage) where the scheme includes more than one type of infrastructure.

The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(a)). The response to this question will be used to specify the authorised area of operations (Act s.11(1)), if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).

Not applicable. See FSO's separate application for a network operator's licence.	
4.3.4	Describe any interconnections between the proposed sewerage infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities such as sewers). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all interconnections with other infrastructure on the process flow diagram in Appendix 4.3.1 and the map in Appendix 4.3.3.
<i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the inter-connected systems and responsibilities for risks.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.3.5	What volume of sewage will be treated by the scheme? Please provide the average and peak daily (hydraulic and biological, where relevant) flow rates <u>treated by</u> the scheme.
<i>This information will be used to determine the fee category for the scheme, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.3.6	What volume of treated effluent will be disposed of from the scheme? Please provide the average and peak daily disposal rates <u>disposed from</u> the scheme.
<i>The response will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7). The response to this question may be used to draft a proposed licence, if a licence is granted.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.3.7	How will the treated effluent be disposed of from the scheme?
<i>The response to this question may be used to draft a proposed licence, if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
4.3.8	What wastewater and/or catchment characterisation studies have been undertaken? Provide a summary report of any wastewater characterisation or catchment studies including results in Appendix 4.3.8.
<i>This information will be used as a context to the potential health and environmental risks posed by the scheme.</i>	
Not applicable. See FSO's separate application for a network operator's licence.	

4.3.9	<p>Provide your preliminary risk assessment for the scheme from collection to disposal in Appendix 4.3.9. It is important that your preliminary risk assessment accurately identifies any hazards present in the sewage or likely to result from the proposed treatment process. The risk assessment should also address the intended method of disposal and any inadvertent releases (and therefore routes of exposure) to the treated effluent. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure.</p> <p>The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p>
<p>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines). Where relevant, the risk assessment should identify and include any environmental risks and/or management actions identified in the development approval.</p>	
<p><i>The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(b), cl.6(2)(c)(ii), cl.6(2)(d)(i)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.3.10	<p>Describe the systems and processes that the applicant corporation will have in place to manage the sewerage infrastructure. Provide evidence of the applicant corporation's capacity to develop and implement an infrastructure operating plan in Appendix 4.3.10.</p>
<p>The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The processes and/or procedures should demonstrate good operational practice including life cycle planning, system redundancy, contingency planning, condition monitoring, management maintenance processes and processes of supporting skills needs. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual water quality plan for the site.</p>	
<p><i>The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(c)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.3.11	<p>How will the continuity of the provision of sewerage services be ensured? What contingency plans are in place in the case of failure of the infrastructure?</p>

<p><i>The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(c)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.3.12	<p>Describe the studies that have been completed to investigate any environmental impacts (including but not limited to water quality, quantity, air, noise, sea level rise, biodiversity and Aboriginal cultural heritage) from the construction and operation of the infrastructure? Have the studies identified any significant environmental impacts from the scheme? If so, how are the environmental impacts proposed to be managed? Provide a copy of any environmental study and/or risk assessment in Appendix 4.3.12.</p>
<p>As a minimum an application must be accompanied by a statement of environmental effects (SEE) (unless the development is designated development, Part 5 development or a major project, in which case either an environmental impact statement (EIS) or comprehensive environmental assessment is required). The SEE may be prepared by the applicant corporation or by a consultant acting on behalf of the applicant. The SEE must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce the harm. Where the study is in the form of a comprehensive environmental assessment or EIS, please include only the executive summary.</p>	
<p><i>The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.3.13	<p>Where relevant, what land capability assessments have been undertaken on the proposed land disposal area? Provide a copy of any soil capability assessment in Appendix 4.3.13.</p>
<p><i>The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	
4.3.14	<p>If a treatment process forms part of the infrastructure for which the applicant corporation is seeking a licence, what waste streams will be generated by the proposed treatment plant (such as screenings and biosolids but not including the treated effluent) and how will the waste be disposed of or handled?</p>
<p><i>The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response will also be used as a context for our assessment of the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Not applicable. See FSO's separate application for a network operator's licence.</p>	

5 Retail Supplier

Only to be completed by applicants seeking a retail supplier's licence.

Note a retail supplier's licence may only be granted if sufficient quantities of the water supplied will have been obtained otherwise than from a public water utility (Act s.10(4)(d)).

5.1 Supply of water	
Please provide a response to the questions in the following section if you are seeking a licence for the supply of water by means of any water industry infrastructure. This section applies to the supply of drinking water and non-potable water.	
5.1.1	Describe the water industry infrastructure that the applicant corporation will access to supply water.
<p><i>The response to this question is a requirement for any retail supplier's licence for water industry infrastructure (Reg cl.10(1)(a). The response will also be used to ensure you have applied for the correct licence(s)).</i></p> <p>Flow Systems will be providing drinking water and recycled water services to end-user customers. End-user customers to whom Flow Systems provides drinking water and recycled water services will be those located within the prescribed Bellbird North area of operations for FSO under its NOL (as varied from time to time).</p> <p>Drinking Water Flow Systems will access the drinking water supply from FSO's network for the purposes of delivering drinking water services to its end-user customers. Flow Systems will source bulk drinking water supply from Hunter Water pursuant to a Utility Services Agreement ("USA").</p> <p>Recycled Water Flow Systems will access the recycled water supply from FSO's network for the purposes of delivering recycled water services to its end-user customers.</p> <p>FSO will construct, operate and maintain the water recycling facility, known as the local water centre (LWC) located within the Development, as well as operate and maintain the reticulation infrastructure to end-user customers.</p> <p>RELEVANT APPENDICES</p> <ul style="list-style-type: none"> Appendix 5.1.1(a) Hunter Water Letter of Support 	
5.1.2	What volume of water is available from the proposed source? Where applicable, please provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, please provide the requested information for each of the sources. Where relevant, provide a copy of any agreements and/or licences to access the source water in Appendix 5.1.2.
<p><i>The response to this question will be used to determine whether sufficient quantities of the water supplied will have been obtained otherwise than from a public water utility (Act s.10(4)(d)).</i></p> <p>The volumes of water from proposed sources are as follows:</p>	

Drinking water

The total drinking water sourced from Hunter Water will meet the Development's end-user demand, assumed using the BASIX NSW state-average benchmark for energy and water consumption collected from over 2 million NSW households, using water efficient devices and in accordance with WSA guidance for peak demands.

FSO will not treat drinking water. However, FSO will distribute and supply the drinking water to meet the Development's end-user demand.

The Development's average demand forecast is 419 kL/day for 1,597 residential lots and the small retail precinct.

Recycled water

The recycled water will be sourced from FSO's LWC based primarily on collected wastewater, stormwater and drinking water top-up where necessary.

The volume of recycled water capable of being produced by the LWC will be up to 1,425kL/day, however the volume of recycled water supplied to end users will vary with time of year due to irrigation demands and will average at approximately 418 kL/day with a maximum day of 1,209 kL/day.

In the event there is insufficient source water to produce recycled water to meet end-user demand, FSO will use stormwater or drinking water sourced from FSO's drinking water connection to its own drinking water network.

RELEVANT APPENDICES

- Appendix 5.1.2(a) Bellbird North Water Balance Report

5.1.3	What customers or classes of customers does the applicant corporation propose to supply with water?
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Classes of customers may include residential, industrial, commercial or agricultural.

The response to this question is a requirement for any retail supplier's licence (Act s.6(1)(b)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Residential and commercial customers.

5.1.4	Will you be supplying small retail customers with water (ie, less than 15ML/year)?
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A person is a small retail customer in relation to water supply if the maximum rate at which water is supplied, pursuant to one or more water supply contracts, to all premises that the person owns, leases or occupies is less than 15 megalitres per year.

The response will be used as context to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the supply of water to small retail customers.

Yes, the majority of customers will be small retail customers.

5.1.5	<p>Provide your preliminary risk assessment for the retail activities related to the scheme in Appendix 5.1.5. The risk assessment must identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p> <p>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks. We strongly recommend that the applicant corporation utilises an established risk management system such as outlined in AS/NZS 4360 (Risk Management).</p> <p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).</i></p> <p>Flow Systems undertakes a preliminary risk assessment prior to offering retail services unconditionally.</p> <p>Flow Systems manages and reviews its risk profile at strategic and operational levels. Flow Systems has developed a risk management and compliance framework that determines the process and identifies tools for realising its objectives.</p>
5.1.6	<p>How will the continuity of the supply of water to customers be ensured? What contingency plans are in place in the case of failure of the infrastructure?</p> <p>The continuity of supply may differ between customer classes. If this is the case for your project please define the different levels of service for each customer class and how the continuity of supply of water, relevant to that class of customer, will be maintained.</p> <p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)(iii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p> <p>Flow Systems will be providing water supply services to end-users under this proposed variation to its RSL on the basis that FSO will hold the NOL in relation to the relevant network infrastructure through which Flow Systems will supply services to the end-user customers.</p> <p>As FSO is a wholly-owned subsidiary of Flow Systems, it is in a position to ensure that the network has sufficient redundancy and back-up supply sources to mitigate against interruption to supply to end user customers. As such, it is Flow Systems' policy to commit to the uninterrupted supply of services to its customers to the extent practically possible in the event of any incidents in FSO's network. FSO's network is designed to ensure that in the event of any incident, the chance of interruption to the retail supply of services is minimised by virtue of redundancy and back-up / stand-by features.</p> <p>In the event of failure of FSO's recycled water supply, Flow Systems will ensure continuity of services by feeding drinking water from its drinking water connection to its own drinking water network.</p> <p>In relation to drinking water, Flow Systems will coordinate with Hunter Water to ensure that whatever contingency supply arrangements are in place and actioned by Hunter Water when there is a supply failure will be available to its end-user customers (such that end-user customers receive the same continuity of supply as if they were direct customers of Hunter Water).</p> <p>Risk Assessment</p>

Flow Systems has already undertaken a full risk assessment in relation to its retail supplier operations in connection with its RSL. Additionally, Flow Systems manages and reviews its risk profile at strategic and operational levels in accordance with its risk management and compliance framework. Continuing risk assessment in relation to its retail supplier operations is part of that framework.

These assessments are designed to identify and establish processes to mitigate any health and environmental risks and ensure that interruptions are minimised.

Interruption Due to Incidents or Operational Problems

FSO's network design includes a level of redundancy to ensure that it can operate reliably and so that loss of supply due to operating problems will be rare.

FSO's network will be monitored on a 24-hour basis, seven days per week with early warning alarms and equipment condition tested through monitoring of critical control points.

Early warning alarms will allow the operators to identify and follow any short term trend and take appropriate corrective action to rectify any recycled water quality or supply issues and avoid interruption to supply.

Maintenance regimes will be implemented to ensure that FSO's network operates continually and reliably. Planned maintenance that necessitates a partial or full shutdown of equipment will be scheduled in periods of low demand so that supply can be maintained wherever possible.

To the extent that there are interruptions due to operating problems, these issues will be temporary and corrected as specified in the infrastructure operating plans as submitted in connection with FSO's NOL.

In the event that any part of FSO's network is damaged by any party or a force majeure event, then supply may need to be interrupted while the damage is repaired. Reasonable precautions will be taken to prevent such occurrences, such as dial before you dig, condition monitoring, network surveillance and site security.

Interruptions to Sewage Supply

The following incidents have been identified as possible causes for interruption to sewage supply to the LWC: nil supply, overflow in street or house, and odour detection. The probability of each of these incidents is low. In each case systems and redundancy measures will be in place to prevent or minimise the disruption of supply. Early detection systems will include real-time telemetry data, alarms triggered through the SCADA system and notification by end user customers.

Through FSO's Incident and Emergency Response Management planning, an effluent event would trigger an emergency response call-out team. Further, FSO will be able to isolate the incident and switch to network redundancy; spare parts and/or arrange alternative supply of services via pump outs/cartage are further back-up arrangements to minimise disruption in delivery of services to end user customers.

Interruptions to Recycled Water Supply

FSO's recycled water network infrastructure is designed such that it can reliably and consistently supply recycled water to the required specification so that the probability of interruption due to supply issues is low. The following incidents have been identified as a possible cause for interruption to recycled water supply: nil supply, leakage, and water quality. The probability of each of these incidents is low.

In each case, FSO will have both systems and redundancy measures in place to prevent or minimise the disruption of supply. Early detection systems include real-time telemetry data, alarms triggered through via a SCADA system and notification by Customers. Through FSO's Incident and Emergency Response Management planning, a water event would be triggered.

Arrangements will also be in place with the relevant incumbent water utility service provider to top up supply.

Interruptions to Drinking Water Supply

FSO's drinking water network infrastructure is designed such that it can operate reliably and consistently supply water to the required specification so that the probability of interruption due to supply issues is low. The following incidents have been identified as a possible cause for interruption to drinking water supply: nil supply and water quality. The probability of each of these incidents is low.

Disruptions to Customer Centre

Flow Systems has established a utility platform for servicing customers in connection with its Pitt Town, Central Park and Discovery Point projects. The platform covers all customer-facing services, including enquiries, complaints, billing, account information, infrastructure-related property information, and the like. Refer section 5.1.7 below. This platform will be used for the purposes of providing all customer facing retail services across all projects, including this Development. In the event that there is an internet failure and customers were unable to use the Customer Centre to access their accounts, customers would be able to use the 1300 enquiries telephone number.

Explanation of Terms

Network redundancy – Sewage and water mains will have redundancy built into the master plan design for each network. Different routes can be utilised to bring wastewater to the local water centre and to deliver water to customers, should a main be affected or out of service for any reason.

Systems redundancy – Smaller systems such as pump sets, blowers, tanks, UV systems etc. will be in duplicate. If one unit becomes unavailable, then standby equipment will be available to keep the process running.

Storage of recycled water, potential sourcing of stormwater and drinking water top-up will be used should the LWC be unable to meet the recycled water demand (e.g. insufficient wastewater, or LWC shutdown). Drinking water would top up the recycled water storage tanks and would be delivered through the recycled water mains network. Should the recycled water main become unavailable, a maintenance contract will be in place to immediately repair the pipes on a 24-hour, seven day/week basis.

5.1.7	Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, complaint and debt recovery procedures. Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix 5.1.7.
The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual systems and procedures.	
<i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)(iv)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Flow Systems has created a seamless and information-rich electronic environment for its customers. It is designed to be user-friendly, and is supported by customer service staff where human intervention and response is required.	

Flow Systems has also created a comprehensive Retail Supply Management Plan for all its projects. This plan is based on Flow Systems' group-wide customer utility platform that Flow Systems implements for all of its projects across all of its subsidiaries.

Flow Systems will provide group-wide customer contact services and support for all its customers across all the Flow Systems' communities through its web-based customer platform. Customers will have online access to all relevant information relating to:

- Water usage
- Billing and general customer account information
- Diagrams and site maps relating to the customer's property

In addition, Flow Systems will offer phone, fax and email customer contact capabilities ensuring all customer enquiries and complaints are dealt with efficiently.

Customer Billing

Customers will be required to register on-line; they access all information through their community website, they receive monthly invoices electronically and can interrogate the invoice to assess water usage and the like, and are encouraged to provide feedback and otherwise lodge enquiries or complaints on-line.

Meter Reading

Customer's meter readings will be sent via a telemetry system directly into Flow Systems' operating and billing system. These readings are then used to calculate the relevant charge for the billing period.

Billing

Fixed service fee charges are payable monthly in advance, whilst usage charges are billed monthly in arrears (based on meter readings). Each month, the customer will be emailed an electronic bill advising of the previous month's bill which comprises the fixed charge component for the following month and the usage charge for the preceding month. The customer's nominated account will be direct debited 14 days after the end of each monthly billing period.

Customer Account

Flow Systems is in the process of implementing their customer portals which will allow each customer to view their account by accessing through their community website. The account will include a range of metrics relating to his/her water use over time, both historical and current. The Customer Account will also include access to any documentation relating to the property and community receiving Flow Systems services more generally.

Customer Enquiries and Complaints

Flow Systems has developed a Code of Practice for Customer Complaints which is consistent with the Australian Standard for complaints handling AS ISO 10002—2006. Flow Systems is committed to treating complaints promptly, fairly, equitably, confidentially and professionally and it is Flow Systems' intention to incorporate and implement the relevant water industry code of conduct once it is finalised.

Missed Payments and Debt Recovery

Flow Systems has developed a Code of Practice for Missed Payments and Debt Recovery. The Code specifies steps that Flow Systems will take in relation to overdue bills, unpaid bills and disputes. The Code of Practice for Missed Payments and Debt Recovery is available on the website and customers will be made aware of the Code prior to commencement of supply.

Document Control System

Flow Systems uses a Document Control System to control all documents that form part of the Flow Business Management System such as policies, procedures, management plans, work instructions and forms. All Flow Systems staff have access to this system, this is where staff will find information on the Flow position on all business related business

activities including Retail Supply Management Plan, Retail policies, how the policies will be implemented (procedures), step by step instructions (work instructions), and where to record information (forms).

RELEVANT APPENDICES

- Appendix 5.1.7(a) Flow Systems Retail Supply Management Plan (Table of Contents)
- Appendix 5.1.7(b) Flow Systems Customer Complaints Code
- Appendix 5.1.7(c) Flow Systems Missed Payments and Debt Recovery Code.

5.2 Provision of sewerage services

Please provide a response to the questions in the following section if you are seeking a licence for the provision of sewerage services by means of any water industry infrastructure.

5.2.1 Describe the water industry infrastructure that the applicant corporation will access to provide sewerage services.

The response to this question is a requirement for any retail supplier's licence for water industry infrastructure (Reg cl.10(2)(a)). The response will also be used to ensure you have applied for the correct licence(s).

Flow Systems will be providing sewerage services to end-user customers.

End-user customers will receive sewerage services from Flow Systems via its access to FSO's sewerage collection and treatment network. Each end-user is connected via FSO's mains network ultimately to a flow balance tank which regulates wastewater flow into FSO's LWC.

5.2.2 What customers or classes of customers does the applicant corporation propose to provide with sewerage services?

Classes of customers may include residential, industrial, commercial or agricultural. The licence may also specify whether the customers are small retail customers.

The response to this question is a requirement for any retail supplier's licence (Act s.6(1)(b)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Residential and commercial customers.

5.2.3 Will you be providing small retail customers with sewerage services (i.e. less than 10.5 ML/year)?

A person is a small retail customer in relation to the provision of sewerage services if the maximum rate at which sewage is discharged, pursuant to one or more sewerage service contracts, from all premises that the person owns, leases or occupies is less than 10.5 megalitres per year, as determined in accordance with guidelines issued by IPART.

The response will be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the supply of water to small retail customers.

Yes, the majority of customers will be small retail customers.	
5.2.4	<p>Provide your preliminary risk assessment for the retail activities related to the scheme in Appendix 5.2.4. The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p> <p>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks. We strongly recommend that the applicant corporation utilises an established risk management system such as outlined in AS/NZS 4360 (Risk Management).</p> <p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(2)(b)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).</i></p> <p>Flow Systems undertakes a preliminary risk assessment prior to offering retail services unconditionally.</p> <p>Flow Systems manages and reviews its risk profile at strategic and operational levels. Flow Systems has developed a risk management and compliance framework that determines the process and identifies tools for realising its objectives.</p>
5.2.5	<p>How will the continuity of the provision of sewerage services be ensured? What contingency plans are in place in the case of failure of the infrastructure?</p> <p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(2)(b)(iii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p> <p>Flow Systems will be providing sewerage services to end-users under the proposed variation to its RSL in circumstances where FSO holds the NOL for the relevant network infrastructure.</p> <p>As FSO is a wholly-owned subsidiary of Flow Systems, it is in a position to ensure that the network has sufficient redundancy and back-up supply sources to mitigate against interruption to supply to customers. As such, it is Flow Systems' policy to commit to the uninterrupted supply of services to its customers to the extent practically possible in the event of any incidents in FSO's network. FSO's network is designed to ensure that in the event of any incident, the chance of interruption to the retail supply of services by its parent, Flow Systems, is minimised by virtue of redundancy and back-up/ stand-by features.</p> <p>In the event of failure of FSO's LWC, Flow Systems will ensure continuity of retail services through the following provisions:</p> <ul style="list-style-type: none"> • Up to 48 hours storage at each lot in the pressure sewer pumping system • Flexibility in the operation of the pressure sewer network • Remote monitoring of failure alarms at each lot in the pressure sewer pumping system • Storage in the permanent flow balance tank at the local water centre • Critical equipment at the LWC will be installed in duty/standby configuration to ensure adequate redundancy • Back-up generator onsite at the LWC

	<ul style="list-style-type: none"> • Remote monitoring of failure alarms on critical infrastructure at the LWC. • FSO will develop detailed contingency plans in the event of infrastructure failure • Minimisation of sewage production through customer notifications • Rapid response to infrastructure failure • Trucking of sewage off-site via an approved waste management contractor
5.2.6	<p>Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, complaint and debt recovery procedures. Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix 5.2.6.</p>
<p>The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual systems and procedures.</p>	
<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl. 10(2)(b)(iv)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s. 10(4)(a)).</i></p>	
<p>Flow Systems has created a seamless and information-rich electronic environment for its customers. It is designed to be user-friendly, and is supported by customer service staff where human intervention and response is required.</p> <p>Flow Systems has also created a comprehensive Retail Supply Management Plan for all its projects. This plan is based on Flow Systems' group-wide customer utility platform that Flow Systems implements for all of its projects across all of its subsidiaries.</p> <p>Flow Systems will provide group-wide customer contact services and support for all its customers across all the Flow Systems' communities through its web-based customer platform. Customers will have online access to all relevant information relating to:</p> <ul style="list-style-type: none"> • Water usage • Billing and general customer account information • Diagrams and site maps relating to the customer's property <p>In addition, Flow Systems will offer phone, fax and email customer contact capabilities ensuring all customer enquiries and complaints are dealt with efficiently.</p> <p>Customer Billing</p> <p>Customers will be required to register on-line; they access all information through their community website, they receive monthly invoices electronically and can interrogate the invoice to assess water usage and the like, and are encouraged to provide feedback and otherwise lodge enquiries or complaints on-line.</p> <p>Meter Reading</p> <p>Customer's meter readings will be sent via a telemetry system directly into Flow Systems' operating and billing system. These readings are then used to calculate the relevant charge for the billing period.</p> <p>Billing</p> <p>Fixed service fee charges are payable monthly in advance, whilst usage charges are billed monthly in arrears (based on meter readings). Each month, the customer will be emailed an electronic bill advising of the previous month's bill which comprises the fixed charge component for the following month and the usage charge for the preceding month. The customer's nominated account will be direct debited 14 days after the end of each monthly billing period.</p>	

Customer Account

Flow Systems is in the process of implementing their customer portals which will allow each customer to view their account by accessing through their community website. The account will include a range of metrics relating to the water use over time, both historical and current. The Customer Account will also include access to any documentation relating to the property and community receiving Flow Systems services more generally.

Customer Enquiries and Complaints

Flow Systems has developed a Code of Practice for Customer Complaints which is consistent with the Australian Standard for complaints handling AS ISO 10002—2006. Flow Systems is committed to treating complaints promptly, fairly, equitably, confidentially and professionally and it is Flow Systems' intention to incorporate and implement the relevant water industry code of conduct once it is finalised.

Missed Payments and Debt Recovery

Flow Systems has developed a Code of Practice for Missed Payments and Debt Recovery. The Code specifies steps that Flow Systems will take in relation to overdue bills, unpaid bills and disputes. The Code of Practice for Missed Payments and Debt Recovery is available on the website and customers will be made aware of the Code prior to commencement of supply.

Document Control System

Flow Systems uses a Document Control System to control all documents that form part of the Flow Business Management System such as policies, procedures, management plans, work instructions and forms. All Flow Systems staff have access to this system, this is where staff will find information on the Flow position on all business related business activities including Retail Supply Management Plan, Retail policies, how the policies will be implemented (procedures), step by step instructions (work instructions), and where to record information (forms).

RELEVANT APPENDICES

- Appendix 5.1.7(a) Flow Systems Retail Supply Management Plan (Table of Contents)
- Appendix 5.1.7(b) Flow Systems Customer Complaints Code
- Appendix 5.1.7(c) Flow Systems Missed Payments and Debt Recovery Code.

6 Applicant experience and systems

The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

6.1 Network operator	
Only provide a response to the questions in the following section if the applicant corporation is seeking a <u>network operator's licence</u>	
6.1.1	Describe the structure of the applicant corporation. Include in the description a list of the entities that have an ownership interest in the applicant corporation, whether legal or equitable. Provide an organisational diagram in an Appendix 6.1.1. The diagram should clearly show all entities that have an ownership interest in the applicant corporation.
<i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s. 10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
6.1.2	Describe the applicant corporation's (and, where relevant, the nominated third parties) current experience in the construction, maintenance and operation of water and/or other utility infrastructure such as gas, electricity or telecommunications.
<i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s. 10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
6.1.3	List the key personnel involved in each of the significant activities (construction, maintenance and operation) and summarise their required skills, qualifications and experience. Provide a position description for each of the key personnel positions in Appendix 6.1.3.
Clearly identify whether the key personnel are employees of the applicant corporation or, where relevant, the nominated third party. It is not necessary to list all the employees. Ensure that the key personnel include the person or persons responsible for managing the applicant corporation's compliance with their legislative responsibilities.	
<i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s. 10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
6.1.4	Please provide details of any other regulatory approvals or licences the applicant corporation or nominated third party holds in relation to the infrastructure activities for which you are seeking a licence.
Include relevant approvals for similar projects interstate or overseas to demonstrate the experience of the applicant corporation. We may seek confirmation of your compliance history in relation to other regulatory approvals or licences as part of our assessment.	

<i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	
6.1.5	What business systems will the applicant corporation have in place to ensure they can comply with your regulatory requirements? Are any of the systems certified or will they be certified?
Business systems may include but not be limited to quality assurance, asset management and environmental management systems.	
<i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
Not applicable. See FSO's separate application for a network operator's licence.	

6.2 Retail supplier

Only provide a response to the questions in the following section if the applicant corporation is seeking a retail supplier's licence

6.2.1	Describe the structure of the applicant corporation. Include in the description a list of the entities that have an ownership interest in the applicant corporation, whether legal or equitable, and a list of the entities that the applicant corporation has an ownership interest in. Provide an organisational diagram in Appendix 6.2.1. The diagram should clearly show all entities that have an ownership interest in the applicant corporation.
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The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Flow Systems is a private company owned by various parties, with the majority economic ownership being held by the Brookfield Infrastructure Group.

RELEVANT APPENDICES

- Appendix 6.2.1(a) Flow Systems Operations Ownership Structure
- Appendix 6.2.1(d) Brookfield Infrastructure Group Profile
- Appendix 6.2.1(e) Flow Systems Organisation Chart

6.2.2	Describe the applicant corporation's (and, where relevant, the nominated third parties) current experience in the supply of water or the provision of sewerage services. Please also outline any previous experience in the retailing of other services such as gas, electricity or telecommunications.
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The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Flow Systems' capabilities and experience was detailed in its original application for its RSL.

Since the grant of the RSL, Flow Systems now has over 2,000 active customers at Flow Systems' Pitt Town, Central Park and Discovery Point communities. Flow Systems has continued to build its retail supplier capacities through the recruitment of two new customer services representatives with specific customer experience, as well as continuing to refine and build upon its customer services technology platform.

6.2.3	List the key personnel involved in the retail activities and summarise their required skills, qualifications and experience. Provide a position description for each of the key personnel positions in Appendix 6.2.3.
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Clearly identify whether the key personnel are employees of the applicant corporation or, where relevant, the nominated third party. Ensure that the key personnel include the person or persons responsible for managing the applicant corporation's compliance with their legislative responsibilities.

The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Terence Leckie (Managing Director, Chief Executive Officer)

Terence Leckie has extensive experience in the delivery of water and wastewater projects in Australia and New Zealand. Terence is a thought leader in the water industry, advocating for a greater role for the private sector. Terence is primarily responsible for driving Flow Systems strategy and achieving its corporate objectives.

Stephen McKewen (Deputy Managing Director)

Stephen McKewen comes from a global investment banking, structured finance and legal background. Stephen has extensive transactional, risk management, funding, structuring, corporate finance and general commercial experience. He is primarily responsible for Flow Systems financial, risk, legal/regulatory and operational affairs, as well as commercial negotiations.

Candice Suttor (Executive Manager - Retail)

Candice has extensive experience in utility retailing in the water, energy and telecommunications sectors. Previously holding positions with some of New Zealand's largest Energy and Gas Network and Retail Companies, Candice has also worked in Ireland and across European markets in Telecommunications, and Outsource BPO's. All aspects of Customer Relationship Management strategy, Customer technology, Customer advocacy, EWON and Retail regulatory compliance is managed by Candice.

Teresa Ko (Customer Experience Leader)

Teresa is an experienced Contact Centre Manager specialising in process improvement and has over 10 years in customer service management roles within the Telecommunications and retail industries within Malaysia and Australia. Administration of Customer Services, Billing and the Customer Help Centre is provided by Teresa

Further, Flow Systems is a member of EWON and its Customer Services team has completed its induction program.

RELEVANT APPENDICES

- Appendix 6.2.3(a) Position Descriptions (Key Personnel)

6.2.4	Please provide details of any other regulatory approvals or licences the applicant corporation or nominated third party holds in relation to the retail activities for which you are seeking a licence.
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Include relevant approvals for similar projects interstate or overseas to demonstrate the experience of the applicant corporation. We may seek confirmation of your compliance history in relation to other regulatory approvals or licences as part of our assessment.

The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Flow Systems holds RSL No. 13_001R in relation to the supply of the services outlined below :

- Pitt Town Water – recycled water and sewerage services
- Central Park Water - drinking water, recycled water and sewerage services
- Discovery Point Water - drinking water, recycled water and sewerage services
- Wyee Water - drinking water, recycled water and sewerage services
- Cooranbong Water - drinking water, recycled water and sewerage services

Flow Systems has submitted applications to vary its RSL for the following schemes:

- Green Square - recycled water only.
- Huntlee - drinking water, recycled water and sewerage services

Wholly-owned subsidiaries of Flow Systems also hold the following NOLs:

- Pitt Town Water Pty Ltd: NOL No. 10_014
- Central Park Water Pty Ltd: NOL No. 12_022

- Discovery Point Water Pty Ltd: NOL No. 13_025
- Wyee Water Pty Ltd: NOL No. 14_026
- Huntlee Water Pty Ltd: NOL No. 15_030

6.2.5 What business systems will the applicant corporation have in place to ensure they can comply with your regulatory requirements? Are any of the systems certified or will they be certified?

Business systems may include but not be limited to quality assurance and environmental management systems. Retail systems such as billing and complaint management should be included in the response to this question.

The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Flow Systems has in place the following risk management systems to address regulatory requirements:

1. Compliance and Risk Management Framework

This covers all relevant laws and regulations, as well as ensuring compliance with all relevant contractual arrangements. Reporting under management plans forms part of the Flow Systems' external reporting framework. Reporting includes:

- WIC Act (licences)
- BASIX (Planning)
- General Corporate (ASIC, tax, WHS etc.)

2. Legal

Secondment arrangements with Sparke Helmore to advise of changes in legislative and regulatory environment directly impacting Flow Systems' business and licensing obligations.

3. Asset Management

Forms part of the ERP system (Netsuite) delivering one platform for Asset Management and CRM.

4. Workplace Health and Safety (WHS)

Monitoring and managing WHS performance and recording any workplace incidents to ensure application of safety processes, procedures, consultation and training of all our employees and contractors. Flow Systems is working towards ISO 18001 certification in late 2015.

5. Retail Platform

Flow Systems has implemented NetSuite CRM as its customer relationship management platform. NetSuite is a best-in-class customer service management and support tool that supports Flow Systems' group wide customer interactions. Flow Systems is in the process of implementing a new online customer portal into its website to allow customers access to their monthly invoices and water usage. Customers are encouraged to provide feedback and otherwise lodge enquiries or complaints on-line.

Flow Systems' NetSuite platform is also integrated with SecurePay which uses a 128-bit digital server certificate provided by VeriSign™ and the highest level of PSI DSS compliance required for safe storage and usage of customer's electronic payment information.

Enquiry and complaint's tracking and management is facilitated via Zendesk "Case Management" logic. Zendesk case management assigns an individual "ticket" number to each enquiry and case and tracks the response timing according to priority, status and business rules.

- a. For more information regarding NetSuite see www.netsuite.com
- b. For more information on Zendesk see www.zendesk.com
- c. For more information regarding SecurePay see www.securepay.com.au

6. **Quality Assurance and Environmental Management**

Flow Systems has developed its business using the principles of ISO 9001 and is working towards ISO 9001 and ISO 14001 certification in late 2015.

7. **Document Control System**

Flow Systems uses a Document Control System to control all documents that form part of the Flow Business Management System such as policies, procedures, management plans, work instructions and forms. All Flow Systems staff have access to this system, this is where staff will find information on the Flow position on all business related business activities including various plans, policies, how the policies will be implemented (procedures), step by step instructions (work instructions), and where to record information (forms).

8. **Incident Management Plan**

Flow Systems' has an Incident Management Plan which addresses how the organisation manages incidents from an operational and business perspective. This forms a part of Flow's:

- commitment to compliance with the *Water Industry Competition Act (WICA) 2006*
- commitment to compliance with the *Public Health Act 2010*
- overall management plan framework for the provision of drinking water, recycled water and sewage management services.

RELEVANT APPENDICES

- Appendix 6.2.5 Flow Systems Incident Management Plan (Table of Contents)

7 Financial capacity

The response to the following questions will be used to assess the applicant corporation's financial capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Provide a response to the financial questions according to the following matrix:

	Question					
	7.1	7.2	7.3	7.4	7.5	7.6
Retail supply licence only	✓	✓	✓			
Network operator licence						
For infrastructure used for self-supply	✓	✓				
For infrastructure used to supply large retail customers	✓	✓	✓			
For infrastructure used to supply small retail customers with non-essential services	✓	✓	✓	✓	✓	
For infrastructure used to supply small retail customers with essential services ^a	✓	✓	✓	✓	✓	✓

^a Applicant corporations who are providing essential services to small retail customers will be required to meet with our financial assessment team following submission of the application to discuss the information requirements for making the financial capacity assessment.

7.1 How will the applicant corporation finance the proposed activity?

7.1.1	Describe the mechanisms by which the applicant corporation's activities are financed or to be financed. Provide evidence of any financial guarantees or commitment of financial support in Appendix 7.1.1.
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Evidence of financial support may include, but is not limited to; a letter from a financial institution (being a bank, credit union or the government) confirming indicative financing of the applicant corporation's activities, including:

- ▼ the nature of finance (eg, bridging, long term, corporate debt, government funding)
- ▼ type and limit of the facility
- ▼ type and limit of any guarantee, and
- ▼ terms and conditions.

Commercial in confidence

7.2 Are there any events that could affect the applicant corporation's future financial capacity?

7.2.1	Are there any events or circumstances, that you are currently aware of, that could affect the applicant corporation's future financial capacity? If applicable, provide details of all such events relevant to the applicant corporation for the last 3 years from the date of this application.
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Events and circumstances may include but are not limited to:	
<ul style="list-style-type: none"> ▼ Government or other investigation of the applicant corporation or related entities ▼ Contract terminated ▼ Factors which might impact on the applicant corporation such as significant litigation, business commitments, contingent liabilities, collections by debt collection agencies on behalf of creditors or liquidation proceedings ▼ Any outstanding tax liabilities ▼ Any other particulars which are likely to adversely affect the applicant corporation's capacity to undertake the services under the licence (if granted). 	

Commercial in confidence

7.3 What is the projected financial performance of the proposed activities?

7.3.1	Summarise the projected cash flows (net EBITDA), including key financial modelling assumptions, such as capex, for the first 5 years of operation (at minimum). Provide the projected cash flows for a minimum of the next five (5) years of operation (including projected closing balance sheets and profit and loss statements), taking into account the licensing agreements, with details of all key financial modelling assumptions in Appendix 7.3.1 .
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If necessary, a longer period may be provided to demonstrate financial viability of the project.

- Commercial in confidence

7.3.2	Where the applicant corporation is seeking a network operator's licence, who is the owner of the infrastructure for which the applicant corporation is seeking a licence?
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Not applicable.

7.3.3	Where the applicant corporation is applying for a retail supplier's licence to supply water or provide sewerage service to residential households, provide an estimate of the cost per household per year to supply water and/or provide sewerage services (as is relevant). Who will pay the cost? What is the proposed price level and structure for the first five years of operation?
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The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).

Commercial in confidence

7.4 What is the applicant corporation's financial history?

7.4.1	Does the applicant corporation have a financial history? If not, explain why.
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Commercial in confidence

7.4.2	Where the applicant is a new corporation, supported by one or more parent entities, provide a copy of guarantee or cross deed of indemnity provided by the parent entity, and financial statements for the parent entity for the last 3 years in Appendix 7.4.2 .
Please include any parent entity with more than 20 per cent of equity in the applicant corporation.	
Not applicable.	
7.4.3	Where the applicant is a new corporation financed through alternative arrangements (eg, debt or equity), provide a letter from a financial institution (eg, bank, credit union or the government) certifying an existing or proposed line of credit or financial support, and a copy of guarantee or cross deed of indemnity provided by an entity such as a holding company or Director (provide financial statements demonstrating the financial viability of the guarantor) in Appendix 7.4.3 .
Not applicable.	
7.4.4	Where the applicant is not a new corporation, summarise the performance of the applicant corporation over the past 3 years below. Provide copies of tax returns for the corporation for the last 3 years in Appendix 7.4.4(a) . Provide financial statements for the last 3 years in Appendix 7.4.4(b) . Where the latest annual financial statements are more than 3 months old, provide the latest available management reports showing: <ul style="list-style-type: none"> ▼ a trading statement ▼ a profit and loss statement, and ▼ a trial balance.
It is preferable that these financial statements are audited. It is recognised that not all corporations are required to have their annual financial statements audited. However, where you are required to lodge audited financial statements with the Australian Securities and Investments Commission (ASIC), provide copies of these statements. (Note: consolidated accounts for the parent organisation or group to which the applicant corporation belongs would not be considered acceptable)	
Commercial in confidence	
7.4.5	If applicable, what is the applicant corporation's credit rating? Provide the applicant corporation's Credit rating memorandum (eg, Standard & Poor's, Moody's or Fitch), if available in Appendix 7.4.5 .
Not applicable.	
7.4.6	Provide details of the applicant corporation's debt/equity finance and any debt covenants on existing borrowings.
Commercial in confidence	

7.5 Contacts	
7.5.1	Does the applicant corporation have an accountant? If yes, what are the accountant's contact details?
Charge Thoo & Co Ph: (02) 9956 6060 Fax: (02) 9956 6068	
7.5.2	Does the applicant corporation have an external auditor? If yes, what are the external auditor's contact details?
Commercial in confidence	
7.5.3	If required, may we contact the accountant and/or external auditor registered taxation agent to clarify any information provided?
Commercial in confidence	
7.6 Internal accounting records	
7.6.1	Provide bank reconciliations, aged accounts receivable reports, and aged accounts payable reports in Appendix 7.6.1 at the dates of: <ul style="list-style-type: none"> ▼ The latest management accounting reports (if applicable) and annual financial statements ▼ 30 September (most recent) ▼ 31 December (most recent) ▼ 31 March (most recent), and ▼ 30 June (most recent) for the applicant corporation.
Commercial in confidence	
7.6.2	Provide an extract of the superannuation payable ledger in Appendix 7.6.2 for: <ul style="list-style-type: none"> ▼ the 12 months ending on the date of the latest annual financial statements, and ▼ the period commencing on the date of the latest annual financial statements and ending on the date of the latest management accounting reports (if applicable) for the applicant corporation.
Commercial in confidence	
7.6.3	Provide bank statements for the 3 months to the date of the latest management accounting reports (if applicable) or annual financial statements for the applicant corporation, whichever has been submitted with the application in Appendix 7.6.3 .
Commercial in confidence	

8 Statutory declaration and acknowledgement

To be completed by all applicants

8.1 Statutory declaration

Provide a statutory declaration from:

- (a) the Chief Executive Officer and a director of the applicant corporation (each must complete a separate declaration); or
- (b) the sole director and Chief Executive Officer of the applicant corporation; or
- (c) such other person that IPART agrees may provide the statutory declaration/s;

to the effect that the information provided in the application is true and correct. For the purposes of Part 3 of this application form, the statutory declaration should also state that the applicant corporation is not a disqualified corporation and that no director or person concerned in the management of the applicant corporation is or would be a disqualified individual within the meaning of the WIC Act. The statutory declaration should also state that the applicant corporation is not, within the meaning of section 10(3)(b) of the WIC Act, a related entity of a disqualified corporation that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made) would authorise if granted.

A statutory declaration must be signed by an authorised witness.

This is a list of NSW authorised witnesses:

- ▼ a justice of the peace;
- ▼ a solicitor or barrister with a current New South Wales or interstate practising certificate;
- ▼ a commissioner of the court for taking affidavits;
- ▼ a notary public; and
- ▼ a person by law authorised to administer an oath (eg, authorised witnesses in other jurisdictions).

I, do solemnly and sincerely declare that:

1. I am the Chief Executive Officer of the applicant (named in the application form accompanying this declaration);
2. the information provided in this application is true and correct to the best of my knowledge;
3. I am aware of the requirements under the *Water Industry Competition Act 2006* (NSW) (WIC Act) for the licence being applied for;
4. the applicant corporation is not a disqualified corporation within the meaning of the WIC Act;
5. the applicant corporation is not, within the meaning of section 10(3)(b) of the WIC Act, a related entity of a disqualified corporation that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made) would authorise if granted;
6. no director or person concerned in the management of the applicant corporation is, or would be, a disqualified individual within the meaning of the WIC Act;
7. I have the authority to make this application on behalf of the applicant (named in the application form accompanying this declaration);

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1900* (NSW).

Name of person making the declaration: **Terence Leckie**

Title of person making the application: **Managing Director**

Signature of person making the declaration: 4

Declared at: **Level 2, 1 Alfred Street, Sydney, 2000**

On: 3 July 2015

In the presence of an authorised witness, who states:

I Georgina Rodd, a lawyer,

certify the following matters concerning the making of this statutory declaration by the person who made it:

1. I saw the face of the person; or.
2. ~~I have known the person for at least 12 months (cross out whichever does not apply).~~

Signature of authorised witness: g. b. Rodd

Date: 3 July 2015


I, do solemnly and sincerely declare that:

1. I am a director of the applicant (named in the application form accompanying this declaration);
2. the information provided in this application is true and correct to the best of my knowledge;
3. I am aware of the requirements under the Water Industry Competition Act 2006 (NSW) (WIC Act) for the licence being applied for;
4. the applicant corporation is not a disqualified corporation within the meaning of the WIC Act;
5. the applicant corporation is not, within the meaning of section 10(3)(b) of the WIC Act, a related entity of a disqualified corporation that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made) would authorise if granted;
6. no director or person concerned in the management of the applicant corporation is, or would be, a disqualified individual within the meaning of the WIC Act;
7. I have the authority to make this application on behalf of the applicant (named in the application form accompanying this declaration);

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Oaths Act 1900 (NSW).

Name of person making the declaration: **Michael Tebbutt**

Title of person making the application: **Director**

Signature of person making the declaration: 

Declared at: **Level 22, 135 King Street, Sydney, 2000**

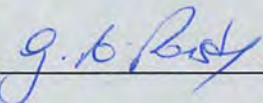
On: 3 JULY 2015

In the presence of an authorised witness, who states:

I Georgia Best, a Lawyer,

certify the following matters concerning the making of this statutory declaration by the person who made it:

1. ~~I saw the face of the person; or~~
2. I have confirmed the person's identity using an identification document and the document I relied on was a **current driver's licence** (cross out whichever does not apply).

Signature of authorised witness: 

Date: 3 July 2015

8.2 Acknowledgement

An acknowledgement should be provided by:

- (a) company secretary and a director, or
- (b) 2 directors, or
- (c) in the case of a sole director, the sole director, or
- (d) such other person that IPART agrees may provide the acknowledgement.

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The applicant (named in the application form accompanying this acknowledgement) agrees to IPART furnishing a copy of the applicant's completed application form, including any confidential information contained in that application form, to:

- the Minister administering the *Water Industry Competition Act 2006* (NSW) (except Part 3)
- the Minister administering the *Public Health Act 1991* (NSW)
- the Minister administering Chapter 2 of the *Water Management Act 2000* (NSW)
- the Minister administering the *Environmental Planning and Assessment Act 1979* (NSW), and
- the Minister administering the *Protection of the Environment Operations Act 1997* (NSW),

in accordance with section 9(1) of the *Water Industry Competition Act 2006* (NSW) and clause 17 of the *Water Industry Competition (General) Regulation 2008* (NSW).

In the interest of expediting the processing of your application, would you please indicate below whether you agree to a copy of your completed application form (including any confidential information contained in that application form) being provided on a confidential basis directly to relevant departmental staff with responsibility to advise the Ministers named above on issues relating to the provision of water and sewerage services.

- ☒ I **agree** that a copy of my completed application form (including any confidential information contained in that application form) may be provided to relevant departmental staff as outlined above.
- ☐ I **do not agree** that a copy of my completed application form (including any confidential information contained in that application form) may be provided to relevant departmental staff as outlined above.

Name of person making the acknowledgement: **Terence Leckie**

Title of person making the acknowledgement: **Managing Director**

On: 3RD JULY 2015

Signature of person making the acknowledgement: _____

Name of person making the acknowledgement: **Gordon Ogborne**

Title of person making the acknowledgement: **Company Secretary**

On: 3RD JULY 2015

Signature of person making the acknowledgement: _____

Attachment A: Summary of appendices

Applicant:	Flow Systems
Scheme name:	Bellbird
Date:	3 rd July 2015

Are the following supporting documents labelled and attached as appendices?

Item	Confirm complete
Part 3: general information	
■ Copies of relevant insurance certificates (Appendix 3.3.1)	Y
■ Other regulatory approvals/licences (Appendix 3.5.1)	
Part 4: network operator (if applicable)	
For drinking water infrastructure	
■ A process flow diagram from source to end use showing infrastructure that is existing or to be constructed, interconnections and customers and/or end users (Appendix 4.1.1)	
■ A map of the proposed infrastructure from source to end use showing interconnections and customers and/or end users (Appendix 4.1.3)	
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 4.1.6)	
■ A preliminary risk assessment for the scheme from source to end use (Appendix 4.1.9)	
■ Evidence of the applicant's capacity to implement the 12 elements of the Australian Drinking Water Guidelines Framework (Appendix 4.1.10)	
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.1.12)	
■ Any environmental study and/or risk assessment (Appendix 4.1.13)	
For non-potable water infrastructure	
■ A process flow diagram from source to end use showing infrastructure that is existing or to be constructed, interconnections and customers and/or end users (Appendix 4.2.1)	

Item	Confirm complete
■ A map of the proposed infrastructure from source to end use showing interconnections and customers and/or end users (Appendix 4.2.3)	
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 4.2.6)	
■ A preliminary risk assessment for the scheme from source to end use (Appendix 4.2.10)	
■ Evidence of the applicant's capacity to implement the 12 elements of the Australian Guidelines for Water Recycling Framework (Appendix 4.2.11)	
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.2.13)	
■ Any environmental study and/or risk assessment (Appendix 4.2.14)	
For sewerage infrastructure	
■ A process flow diagram from collection to disposal or reuse showing infrastructure that is existing or to be constructed, and interconnections (Appendix 4.3.1)	
■ A map of the proposed infrastructure from collection to disposal or reuse showing interconnections (Appendix 4.3.3)	
■ A summary report of any wastewater characterisation or catchment studies (Appendix 4.3.8)	
■ A preliminary risk assessment for the scheme from collection to disposal (Appendix 4.3.9)	
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.3.10)	
■ Any environmental study and/or risk assessment (Appendix 4.3.12)	
■ Where relevant, a copy of a soil capability assessment (Appendix 4.3.13)	
Pat 5: retail supplier (if applicable)	
For the supply of water	
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 5.1.2)	
■ A preliminary risk assessment for the retail activities related to the scheme (Appendix 5.1.5)	Y
■ Evidence of the applicant's capacity to develop and implement a retail supply management plan (Appendix 5.1.7)	Y

Item	Confirm complete
For the provision of sewerage services	
■ A preliminary risk assessment for the retail activities related to the scheme (Appendix 5.2.4)	
■ Evidence of the applicant's capacity to develop and implement a retail supply management plan (Appendix 5.2.6)	
Part 6: applicant experience and systems	
For a network operator (if applicable)	
■ An organisational diagram (Appendix 6.1.1)	
■ Position descriptions for each of the key personnel positions (Appendix 6.1.3)	
For a retail supplier (if applicable)	
■ An organisational diagram (Appendix 6.2.1)	Y
■ Position descriptions for each of the key personnel positions (Appendix 6.2.3)	Y
Part 7: financial capacity	
■ Evidence of any financial guarantees or commitment of financial support (Appendix 7.1.1)	Y
■ Where relevant, projected cash flows for minimum 5 years and key financial modelling assumptions (Appendix 7.3.1)	Y
■ Where relevant, the guarantee or cross deed of indemnity provided by the parent entity, and financial statements for the parent entity for the last 3 years (Appendix 7.4.2)	
■ Where relevant, evidence of alternative funding arrangements such as a letter, guarantee or cross deed of indemnity provided by the guarantor (Appendix 7.4.3)	
■ Where relevant, tax return for the applicant for the last 3 years (Appendix 7.4.4(a))	Y
■ Where relevant, financial statements for the applicant for the last 3 years (Appendix 7.4.4(b))	Y
■ Where relevant, the applicant's credit rating memorandum (Appendix 7.4.5)	
■ Where relevant, bank reconciliations, aged accounts receivable reports, and aged accounts payable reports (Appendix 7.6.1)	Y
■ Where relevant, extracts of the superannuation payable ledger (Appendix 7.6.2)	Y

Item	Confirm complete
<ul style="list-style-type: none"> ■ Where relevant, bank statements for the 3 months to date or annual financial statements (Appendix 7.6.3) 	Y

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