PART Independent Pricing and Regulatory Tribunal INSW

Network Operator's Licence

Water Industry Competition Act 2006

Licensee: CPE Barangaroo Recycled Water Pty Ltd

ACN: 158 168 686

Licence #: 15_029

This licence was issued to Lend Lease Recycled Water (Barangaroo South) Pty Ltd in 2015. Lend Lease Recycled Water (Barangaroo South) Pty Ltd was sold to CPE Barangaroo Recycled Water Pty Ltd in 2023. References in the licence to Lend Lease Recycled Water (Barangaroo South) Pty Ltd should be read as references to CPE Barangaroo Recycled Water Pty Ltd.

Issued by: The Minister administering the *Water Industry Competition Act 2006*

Issued on: 28 February 2015

Varied on: 11 March 2021



New South Wales

Water Industry Competition Act 2006 (NSW) Section 15

Notice of Decision

Variation of Network Operator's Licence No. 15_029

I, the Hon. Melinda Pavey, MP, Minister for Water, Property and Housing, have decided to amend Lendlease Recycled Water (Barangaroo South) Pty Ltd's (ACN 158 168 686) licence number 15_029 (Licence) under section 15 of the *Water Industry Competition Act 2006* (NSW) (Act). The reasons for my decision are set out below.

I have considered and accepted the Independent Pricing and Regulatory Tribunal (IPART)'s advice and recommendations in its report to me on the 5-year review of the licence. I attach IPART's report (Attachment A).

I have also had regard to the licensing principles set out in section 7 of the Act in considering whether or not to amend the licence conditions and what conditions should be imposed on the Licence.

I attach the Licence, as varied (Attachment B).

The Hon. Melinda Pavey, MP Minister for Water, Property and Housing

Dated this

day of Herch 2021



NEW SOUTH WALES GOVERNMENT

Water Industry Competition Act 2006 (NSW)

Network operator's licence

Licence no. 15_029

Lendlease Recycled Water (Barangaroo South) Pty Ltd

(ACN 158 168 686)

Page 1 of 23



PRELIMINARY

1. Summary

- 1.1. This Licence is granted under section 10(1) of the Act.
- 1.2. The Act prohibits a person from constructing, maintaining or operating any water industry infrastructure otherwise than under the authority of a licence. This Licence authorises the Licensee and other Authorised Persons to carry out such activities that would otherwise be prohibited under the Act.

2. Outline

2.1. This Licence is divided into the following sections and schedules:

Section 1 authorises the construction, maintenance and operation of water infrastructure for non-potable water (if applicable).

Section 2 authorises the construction, maintenance and operation of water infrastructure for drinking water (if applicable).

Section 3 authorises the construction, maintenance and operation of sewerage infrastructure (if applicable).

Schedule A sets out special Ministerially-imposed licence conditions that are specific to this Licence.

Schedule B sets out Ministerially-imposed licence conditions that generally apply to network operator's licences granted under the Act.

Schedule C sets out definitions and interpretation provisions.

Schedule D sets out the area of operations for the activities authorised under Section 1.

Schedule E sets out the area of operations for the activities authorised under Section 2.

Schedule F sets out the area of operations for the activities authorised under Section 3.

Schedule G provides indicative maps for reference only.

- 2.2. In addition to the conditions in Schedules A and B to this Licence, the Act and Regulation also contain conditions that apply to this Licence. Nothing in Schedules A or B modifies or affects the conditions imposed on this Licence by the Act or Regulation.
- 2.3. Where there is an inconsistency between Schedule G on the one hand and any of Schedules D, E and F on the other hand, Schedules D, E and F are to prevail over Schedule G to the extent of the inconsistency.

SECTION 1 – ACTIVITIES AUTHORISED: NON-POTABLE WATER

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in:

- a) Table 1.1A to construct, maintain and operate the water industry infrastructure specified in Table 1.2A:
 - for one or more of the purposes for water industry infrastructure specified in Table 1.2A; and
 - ii) within the area of operations specified in Table 1.3.

The non-potable water supplied by means of the water industry infrastructure specified in Table 1.2A may only be used for the authorised purposes for non-potable water specified in Table 1.4.

- b) Table 1.1B to construct, maintain and operate the water industry infrastructure specified in Table 1.2B:
 - i) for one or more of the purposes for water industry infrastructure specified in Table 1.2B; and
 - ii) within the area of operations specified in Table 1.3.

The non-potable water supplied by means of the water industry infrastructure specified in Table 1.2B may only be used for the authorised purposes for non-potable water specified in Table 1.4.

Table 1.1A Authorised Persons

Lendlease Building Pty Ltd (ACN 000 098 162) Veolia Energy Solutions Pty Ltd (ACN 129 471 558) Veolia Water Operations Pty Ltd (ACN 061 161 297)

Table 1.1B Authorised Persons

WJP Solutions Pty Ltd (ACN 131 915 369)

Table 1.2A Water industry infrastructure and purposes for water industry infrastructure

Infrastructure used for the production, filtration, treatment, storage and conveyance or reticulation of non-potable water.

Page 5 of 23

Table 1.2B Water industry infrastructure and purposes for water industry infrastructure

Infrastructure used for the production, filtration, treatment or storage of non-potable water.

Table 1.3 Area of operations

Refer to Schedule D.

Table 1.4 Authorised purposes for non-potable water

- 1) Dual reticulation
- 2) Toilet flushing
- 3) Irrigation (uncontrolled access)
- 4) Washing machines (cold tap only)
- 5) Car washing
- 6) Process water at the recycled water plant
- 7) Fire test
- 8) Cooling towers.

SECTION 2 – ACTIVITIES AUTHORISED: DRINKING WATER

[Not applicable]

Page 7 of 23

SECTION 3 – ACTIVITIES AUTHORISED: SEWERAGE SERVICES

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in:

- a) Table 3.1A to construct, maintain and operate the water industry infrastructure specified in Table 3.2A:
 - i) for the authorised purposes specified in Table 3.2A; and
 - ii) within the area of operations specified in Table 3.3.
- b) Table 3.1B to construct, maintain and operate the water industry infrastructure specified in Table 3.2B:
 - i) for the authorised purposes specified in Table 3.2B; and
 - ii) within the area of operations specified in Table 3.3

Table 3.1AAuthorised Persons

Lend Lease Building Pty Ltd (ACN 000 098 162) Veolia Energy Solutions Pty Ltd (ACN 129 471 558) Veolia Water Operations Pty Ltd (ACN 061 161 297)

Table 3.1B Authorised Persons

WJP Solutions Pty Ltd (ACN 131 915 369)

Table 3.2A Water industry infrastructure and purposes for water industry infrastructure

1) Water industry infrastructure:

Infrastructure for the treatment, storage, conveyance or reticulation of sewage.

Authorised purposes:

Sewage collection, transport and treatment Effluent disposal to sewer and effluent transfer to non-potable water system
 Table 3.2B
 Water industry infrastructure and purposes for water industry infrastructure

1) Water industry infrastructure:

Infrastructure for the treatment and storage of sewage.

2) Authorised purposes:

Sewage collection, transport and treatment Effluent disposal to sewer and effluent transfer to non-potable water system

Table 3.3 Area of operations

Refer to Schedule F.

SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS

1. Notification of changes to Agreement

- 1.1. If a party to an Agreement proposes to:
 - a) terminate the Agreement;
 - b) novate the Agreement;
 - c) assign or transfer any of its rights or obligations under the Agreement to any other person; or
 - alter the Agreement in any way that materially reduces the Licensee's technical, financial or organisational capacity to carry out the activities authorised by this Licence,

the Licensee must provide IPART with written notice of that fact as soon as practicable, but no later than 14 days after the change is made. The written notice must include details of how the Licensee will continue to provide services previously provided under the Agreement subsequent to the proposed termination, novation, assignment, transfer or alteration.

- 1.2. The Licensee will also provide IPART with written notice as soon as practicable but no later than 3 months prior to reaching the Sunset Date, as defined in the Deed of Undertaking between Lend Lease Development Pty Ltd and Lend Lease Recycled Water (Barangaroo South) Pty Limited.
- 1.3. Before commencing to operate the Specified Water Industry Infrastructure under this Licence, the Licensee must demonstrate to the satisfaction of the Minister that it has made and will continue to maintain appropriate arrangements with respect to insurance. (Note that this requirement relates to physical rather than commercial operation of the Specified Water Industry Infrastructure.)



SCHEDULE B – GENERAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS

1. Ongoing capacity to operate

1.1. The Licensee must have the technical, financial and organisational capacity to carry out the activities authorised by this Licence. If the Licensee ceases to have this capacity, it must report this to IPART in accordance with the Reporting Manual.

2. Maintaining appropriate insurance

- 2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.
- 2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.
- 2.3. Before commencing to commercially operate the Specified Water Industry Infrastructure under this Licence, the Licensee must demonstrate that the insurance held is appropriate for the size and nature of those commercial operation activities, by providing a report to IPART from an Insurance Expert that:
 - a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of those commercial operation activities; and
 - b) is in the form prescribed by the Reporting Manual.
- 2.4. [Not applicable]
 - If, in relation to the activities authorised by this Licence, there is, or is to be, a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:
 - the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or
 - the type, scope or limit on the amount of insurance held by the Licensee.
- 2.6.

2.5

From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence. [Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:

- where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;
- where there is a change in the type or extent of activities authorised by this Licence; or
- where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]
- 2.7. [Not applicable]

3. Complying with NSW Health requirements

- 3.1. The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:
 - a) IPART has agreed to; and
 - b) are notified from time to time to the Licensee by IPART in writing.

4. Complying with Audit Guidelines

4.1. The Licensee must comply with any Audit Guidelines issued by IPART.

5. Reporting in accordance with the Reporting Manual

The Licensee must prepare and submit reports in accordance with the Reporting Manual.

. Reporting information in relation to the register of licences

- 6.1. The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual, within 14 days of the change:
 - a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;

- b) the identity of each licensed retail supplier or public water utility that has access to the infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of supplying water to its customers;
- c) any other water infrastructure to which the Specified Water Industry Infrastructure is connected;
- d) in the case of non-potable water, the authorised purposes for that water;
- e) the identity of each licensed retail supplier or public water utility that has access to infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of providing sewerage services to its customers;
- f) any other sewerage infrastructure to which the Specified Water Industry Infrastructure is connected; and
- g) the arrangements for the disposal of waste from the water industr infrastructure specified in section 3, Table 3.2A and Table 3.2B

7. Monitoring

- 7.1. The Licensee must undertake any monitoring that is required for the purposes of this Licence, any Plan, the Act or the Regulation in accordance with this clause 7.
- 7.2. The Licensee must keep the following records of any samples taken for monitoring purposes specified in the Water Quality Plan:
 - a) the date on which the sample was taken;
 - b) the time at which the sample was collected;
 - c) the point or location at which the sample was taken; and
 - d) the chain of custody of the sample (if applicable).
- 7.3. The Licensee must ensure that analyses of all samples taken for the purposes of Verification Monitoring are carried out by a laboratory accredited for the specified tests by an independent body that is acceptable to NSW Health, such as the National Association of Testing Authorities or an equivalent body.

Delineating responsibilities

- 8.1. If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause 8.
- 8.2. Before the Licensee brings the Specified Water Industry Infrastructure into commercial operation or by a later date specified by IPART (if any), the Licensee's Code of Conduct must be agreed in writing between:
 - a) the Licensee; and

Page 13 of 23

- b) each licensed network operator, licensed retail supplier and/or public water utility that:
 - supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or
 - ii) constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.

8.3. [Not applicable]

- 8.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 8.3 by, at a minimum, providing for:
 - a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;
 - b) who is responsible for water quality;
 - c) who is liable in the event of the unavailability of water;
 - d) who is liable in the event of failure of any water industry infrastructure;
 - e) the fees and charges payable in respect of the use of the water industry infrastructure; and
 - f) who is responsible for handling customer complaints.
- 8.5. The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.

9. Notification of changes to end-use

9.1. If the Licensee proposes to operate the Specified Water Industry Infrastructure to supply non-potable water for an end-use which is not set out in the most recent Water Quality Plan provided to IPART, the Licensee must notify IPART in writing at least 3 months before commencing such operation.

10.

Notification of commercial operation

10.1.

Each time the Licensee has brought any new Specified Water Industry Infrastructure into commercial operation, the Licensee must:

- a) notify IPART in accordance with the Reporting Manual that it has brought the relevant Specified Water Industry Infrastructure into commercial operation; and
- b) provide such notification within 10 days after it has brought the relevant Specified Water Industry Infrastructure into commercial operation.

- 11. Notification of non-compliant Plumbing
- 11.1. [Not applicable]

SCHEDULE C – INTERPRETATION AND DEFINITIONS

1. Interpretation

- 1.1. In this Licence, unless the context requires otherwise:
 - a) the singular includes the plural and vice versa;
 - b) headings are used for convenience only and do not affect the interpretation of this Licence;
 - c) a reference to a document includes the document as modified from time to time and any document replacing it;
 - d) a reference to a "person" includes a natural person and any body or entity whether incorporated or not;
 - e) a reference to a clause is to a clause in this Licence;
 - f) a reference to a section is to a section in this Licence;
 - g) a reference to a schedule is to a schedule to this Licence;
 - a reference to a law or statute includes regulations, rules, codes and other instruments under it, and consolidations, amendments, re-enactments or replacements of them; and
 - i) explanatory notes do not form part of this Licence, but in the case of uncertainty may be relied on for interpretation purposes.

2. Definitions

2.1. Expressions used in this Licence that are defined in the Act or the Regulation have the meanings set out in the Act or the Regulation.

2.2. In this Licence

means the Water Industry Competition Act 2006 (NSW).

Agreement

means the Deed of Undertaking and the documents titled:

- a) "Deed of Services Barangaroo South Recycled Water" between the parties Lend Lease Recycled Water (Barangaroo South) Pty Limited and Lend Lease Development Pty Limited executed on 18 June 2015;
- b) "Project Agreement Recycled Water Plant Barangaroo South" between the parties Lend Lease Recycled Water (Barangaroo South) Pty Limited and Lend Lease (Millers Point) Pty Limited as trustee for Lend Lease (Millers Point) Trust executed on 9 July 2014;
- c) "Operation and Maintenance Agreement (NSW) Recycled Water Plant (Comprehensive Operations & Maintenance) Contract Particulars" between the parties Lend Lease Recycled Water (Barangaroo South) Pty Limited and Dalkia Solutions Pty Limited executed on 25 July 2014; and
- "Utility Services Agreement" between the parties Sydney Water Corporation" and Lend Lease Recycled Water (Barangardo South) Pty Ltd executed on 26 June 2015.

means the document titled "Audit Guideline – Water Industry Competition Act 2006", which is prepared by IPART and is available on IRART's website at www.ipart.nsw.gov.au, and any other guidelines issued by IPART in relation to audits

Authorised Person

Audit Guidelines

means each person specified in, as applicable:

under the Act.

b) c) section 1, Table 1.1; section 2, Table 2.1; and section 3, Table 3.1.



has the meaning given to that term under section 7 of the *Plumbing and Drainage Act 2011* (NSW).

Deed of Undertaking

means the document titled "*Undertaking*" between the parties Lend Lease Development Pty Ltd and Lend Lease Recycled Water (Barangaroo South) Pty Ltd executed on 17 February 2015.

Insurance Expert

means an insurance broker which holds an Australian financial services licence under Part 7.6 of the *Corporations Act 2001* (Cth) that authorises the broker to provide financial product advice for, and deal in, contracts of insurance within the meaning of Chapter 7 of that Act.

IPART

Licence

Licensee

Conduct

Minister

NSW Health

Licensee's Code of

means the Independent Pricing and Regulatory Tribunal of New South Wales established under the *Independent Pricing* and Regulatory Tribunal Act 1992 (NSW).

means this network operator's licence granted under section 10 of the Act.

means Lendlease Recycled Water (Barangaroo South) Pty Ltd (ACN 158 168 686).

has the meaning given in Schedule B, clause 8.1.

means the Minister responsible for Part 2 of the Act.

means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.

means any infrastructure operating plan, water quality plan or sewage management plan that the Licensee is required to prepare under the Regulation.

means any pipe, fitting or apparatus that is situated:

- a) downstream of the customer's connection point to a water main, where the water main is Specified Water Industry Infrastructure;
- b) upstream of a customer's connection point to a sewer main, where the sewer main is Specified Water Industry Infrastructure; or
- upstream of a customer's connection point to a stormwater drain, where the stormwater drain is Specified Water Industry Infrastructure.

Plan

Plumbing

Page 18 of 23



SCHEDULE D - AREA OF OPERATIONS - NON-POTABLE WATER

Table D.1 Vertices for area of operations for non-potable water

Vertex	Easting	Northing	Vertex	Easting	Northing
0	333755.6575	6251325.363	28	333702.8329	6252309.857
1	333753.9073	6251325.17	29	333693.3419	6252308.074
2	333754.5298	6251323.063	30	333689.3039	6252309.368
3	333676.7671	6251270.688	31	333686.6128	6252312.685
4	333608.0688	6251263.177	32	333679.9354	6252296.836
5	333571.5347	6251596.373	33	333663.8598	6252302.881
6	333556.8069	6251597.42	34	333657.8957	6252302.979
7	333487.0367	6252225.247	35	333648.0893	6252300.305
8	333498.7944	6252226.58	36	333641.6737	6252296.765
9	333499.6612	6252218.82	37	333633.4848	6252286.894
10	333505.8893	6252223.161	38	333630.7717	6252279.606
11	333510.9129	6252229.155	39	333627.3802	6252232.14
12	333514.9551	6252239.558	40	333629.11	6252232.084
13	333517.0893	6252264.174	41	333632.584	6252198.67
14	333509.6352	6252346.077	42	333648.4833	6252198.335
15	333502.0877	6252403.308	43	333645.9341	6252113.528
16	333499.9219	6252403.104	44	333675.769	6252102.541
17	333498.8582	6252420.831	45	333695.4381	6252041.794
18	333728.2589	6252440.626	46	333712.182	6252043.049
19	333729.5363	6252428.865	47	333733.661	6251765.608
20	333717.4383	6252427.854	48	333753.9116	6251578.789
21	333717.7439	6252424.041	49	333757.062	6251552.676
22	333692.8166	6252421.949	50	333782.445	6251555.963
23	333693.2467	6252373.247	51	333795.867	6251442.48
24	333691.7608	6252363.621	52	333769.7873	6251439.682
25	333692.9181	6252348.631	53	333781.6343	6251330.37
26	333731.0347	6252325.124	54	333772.6521	6251327.244
27	333713.2473	6252319.037	55	333755.6575	6251325.363

Note: Coordinate reference system is MGA 56.

SCHEDULE E - AREA OF OPERATIONS - DRINKING WATER

[Not applicable]

Page 21 of 23

SCHEDULE F – AREA OF OPERATIONS – SEWERAGE SERVICES

 Table F.1
 Vertices for area of operations for sewerage services

Vertex	Easting	Northing	Vertex	Easting	Northing
0	333755.6575	6251325.363	28	333702.8329	6252309.857
1	333753.9073	6251325.17	29	333693.3419	6252308.074
2	333754.5298	6251323.063	30	333689.3039	6252309.368
3	333676.7671	6251270.688	31	333686.6128	6252312.685
4	333608.0688	6251263.177	32	333679.9354	6252296.836
5	333571.5347	6251596.373	33	333663.8598	6252302.881
6	333556.8069	6251597.42	34	333657.8957	6252302.979
7	333487.0367	6252225.247	35	333648.0893	6252300.305
8 .	333498.7944	6252226.58	36	333641.6737	6252296.765
9	333499.6612	6252218.82	37	333633.4848	6252286.894
10	333505.8893	6252223.161	38	333630.7717	6252279.606
11	333510.9129	6252229.155	39	333627.3802	6252232.14
12	333514.9551	6252239.558	40	333629.11	6252232.084
13	333517.0893	6252264.174	41	333632.584	6252198.67
14	333509.6352	6252346.077	42	333648.4833	6252198.335
15	333502.0877	6252403.308	43	333645.9341	6252113.528
16	333499.9219	6252403.104	44	333675.769	6252102.541
17	333498.8582	6252420.831	45	333695.4381	6252041.794
18	333728.2589	6252440.626	46	333712.182	6252043.049
19	333729.5363	6252428.865	47	333733.661	6251765.608
20	333717.4383	6252427.854	48	333753.9116	6251578.789
21	333717.7439	6252424.041	49	333757.062	6251552.676
22	333692.8166	6252421.949	50	333782.445	6251555.963
23	333693.2467	6252373.247	51	333795.867	6251442.48
24	333691.7608	6252363.621	52	333769.7873	6251439.682
25	333692.9181	6252348.631	53	333781.6343	6251330.37
26	333731.0347	6252325.124	54	333772.6521	6251327.244
27	333713.2473	6252319.037	55	333755.6575	6251325.363

Note: Coordinate reference system is MGA 56.



SCHEDULE G - AREA OF OPERATIONS - MAPS

Page 23 of 23