



NEW SOUTH WALES GOVERNMENT

Water Industry Competition Act 2006 (NSW)

NETWORK OPERATOR'S LICENCE Licence no. 17_040

Narara Ecovillage Co-operative Ltd
(Registration No. NSWC29882)



New South Wales

Water Industry Competition Act (NSW) 2006

Section 10

Notice of Decision -
Application for a network operator's licence
by Narara Ecovillage Co-operative Ltd

I, The Hon. Donald Harwin MLC, Minister for Energy and Utilities, have considered and accepted the advice and recommendations made by the Independent Pricing and Regulatory Tribunal (IPART) in its report to me on the application by Narara Ecovillage Co-operative Ltd (Registration No. NSWC29882) (Applicant) for a network operator's licence under the *Water Industry Competition Act 2006* (NSW) (Act). I attach IPART's report (Attachment A).

Based on my consideration and acceptance of IPART's report:

- a) I am satisfied that the Applicant is not a disqualified corporation for the purposes of section 10(3)(a) of the Act;
- b) I am satisfied that the Applicant is not a corporation that is a related entity (within the meaning of the *Corporations Act 2001* (Cth)) 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 would authorise (if granted), for the purposes of section 10(3)(b) of the Act; and
- c) I am satisfied as to each of the criteria set out in section 10(4) of the Act.

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

Under section 10(1) of the Act, for the reasons set out above, I have decided to grant a network operator's licence to the Applicant, subject to the conditions set out in the licence (licence number 17_040), the Act and the *Water Industry Competition (General) Regulation 2008* (NSW). I hereby attach the licence (Attachment B).

The Hon. Donald Harwin, MLC
Minister for Energy and Utilities

Dated this 4th day of July 2017

LICENCE SCOPE

ACTIVITIES AUTHORISED UNDER THE LICENCE AND AREA OF OPERATIONS

S1 Activities authorised - non-potable water

S1.1 This Licence authorises the Licensee and any Authorised Persons specified in Table 1.1 to construct, maintain and operate the water industry infrastructure specified in:

- a) Table 1.2A:
 - i) for one or more of the authorised purposes specified in Table 1.3A; and
 - ii) within the area of operations specified in Table 1.4, and
- b) Table 1.2B that has been granted development consent under the EP&A Act or is exempt development under the EP&A Act which may be carried out without development consent under section 76(3)(a) of the EP&A Act:
 - i) for one or more of the authorised purposes specified in Table 1.3B; and
 - ii) within the area of operations specified in Table 1.4,

subject to the conditions imposed by or under the Act, the Regulation and Schedules A and B of this Licence.

S1.2 The non-potable water referred to in this section S1 may only be used for one or more of the following authorised purposes:

- a) toilet flushing; and
- b) irrigation.

Table 1.1 Authorised Persons

Aquacell Pty Ltd (ACN 072 487 015)

Table 1.2A Water industry infrastructure

A treatment plant for non-potable water and other water infrastructure used, or to be used, in connection with the treatment plant, where components of the treatment plant or other water infrastructure may also be used for one or more of the following:

- 1) production of non-potable water;
 - 2) treatment of non-potable water;
 - 3) filtration of non-potable water;
 - 4) storage of non-potable water; and
 - 5) conveyance of non-potable water.
-

Table 1.2B Water industry infrastructure

A reticulation network for non-potable water and other water infrastructure used, or to be used, in connection with the reticulation network, where components of the reticulation network or other water infrastructure may also be used for one or more of the following:

- 1) storage of non-potable water;
 - 2) conveyance of non-potable water;
 - 3) filtration of non-potable water; and
 - 4) treatment of non-potable water.
-

Table 1.3A Authorised purposes

-
- 1) Production of non-potable water.
 - 2) Treatment of non-potable water.
 - 3) Filtration of non-potable water.
 - 4) Storage of non-potable water.
 - 5) Conveyance of non-potable water.
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Table 1.3B Authorised purposes

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- 1) Storage of non-potable water.
 - 2) Conveyance of non-potable water.
 - 3) Filtration of non-potable water.
 - 4) Treatment of non-potable water.
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Table 1.4 Area of operations

The land situated under Lot 13 in DP 1126998.

S2 Activities authorised – drinking water

S2.1 This Licence authorises the Licensee and any Authorised Persons specified in Table 2.1 to construct, maintain and operate the water industry infrastructure specified in:

- a) Table 2.2A:
 - i) for one or more of the authorised purposes specified in Table 2.3A;
 - ii) within the area of operations specified in Table 2.4, and
- b) Table 2.2B:
 - i) for one or more of the authorised purposes specified in Table 2.3B;
 - ii) within the area of operations specified in Table 2.4, and
- c) Table 2.2C:
 - i) For one or more of the authorised purposes specified in Table 2.3C;
 - ii) within the area of operations specified in Table 2.4,

subject to the conditions imposed by or under the Act, the Regulation and Schedules A and B of this Licence.

Table 2.1 Authorised Persons

Aquacell Pty Ltd (ACN 072 487 015)

Table 2.2A Water industry infrastructure

A treatment plant for drinking water and other water infrastructure used, or to be used, in connection with the treatment plant, where components of the treatment plant or other water infrastructure may also be used for one or more of the following:

- 1) production of drinking water;
 - 2) treatment of drinking water;
 - 3) filtration of drinking water;
 - 4) storage of drinking water; and
 - 5) conveyance of drinking water.
-

Table 2.2B Water industry infrastructure

A reticulation network for drinking water and other water infrastructure used, or to be used, in connection with the reticulation network, where components of the reticulation network or other water infrastructure may also be used for one or more of the following:

- 1) storage of drinking water;
 - 2) conveyance of drinking water;
 - 3) filtration of drinking water; and
 - 4) treatment of drinking water.
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Table 2.2C Water industry infrastructure

A dam for drinking water and other water infrastructure used, or to be used, in connection with the dam, where components of the dam or other water infrastructure may also be used for one or more of the following:

- 1) storage of drinking water;
 - 2) production of drinking water; and
 - 3) treatment of drinking water.
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Table 2.3A Authorised purposes

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- 1) Production of drinking water.
 - 2) Treatment of drinking water.
 - 3) Filtration of drinking water.
 - 4) Storage of drinking water.
 - 5) Conveyance of drinking water.
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Table 2.3B Authorised purposes

-
- 1) Storage of drinking water.
 - 2) Conveyance of drinking water.
 - 3) Filtration of drinking water.
 - 4) Treatment of drinking water;
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Table 2.3C Authorised purposes

-
- 1) Storage of drinking water.
 - 2) Production of drinking water.
 - 3) Treatment of drinking water.
-

Table 2.4 Area of operations

The land situated under Lot 13 in DP 1126998.

S3 Activities authorised – sewerage services

S3.1 This Licence authorises the Licensee and any Authorised Persons specified in Table 3.1 to construct, maintain and operate the water industry infrastructure specified in:

- a) Table 3.2A:
 - i) for one or more of the authorised purposes specified in Table 3.3A; and
 - ii) within the area of operations specified in Table 3.4, and
- b) Table 3.2B that has been granted development consent under the EP&A Act or is exempt development under the EP&A Act which may be carried out without development consent under section 76(3)(a) of the EP&A Act:
 - i) for one or more of the authorised purposes specified in Table 3.3B; and
 - ii) within the area of operations specified in Table 3.4,

subject to the conditions imposed by or under the Act, the Regulation and Schedules A and B of this Licence.

Table 3.1 Authorised Persons

Aquacell Pty Ltd (ACN 072 487 015)

Table 3.2A Water industry infrastructure

A treatment plant for sewage and other sewerage infrastructure used, or to be used, in connection with the treatment plant, where components of the treatment plant or other sewerage infrastructure may also be used for one or more of the following:

- 1) production of treated non-potable water from sewage;
 - 2) treatment of sewage;
 - 3) filtration of sewage;
 - 4) storage of sewage; and
 - 5) conveyance of sewage.
-

Table 3.2B Water industry infrastructure

A reticulation network for sewage and other sewerage infrastructure used, or to be used, in connection with the reticulation network, where components of the reticulation network or other sewerage infrastructure may also be used for one or more of the following:

- 1) storage of sewage;
 - 2) conveyance of sewage;
 - 3) filtration of sewage; and
 - 4) treatment of sewage.
-

Table 3.3A Authorised purposes

-
- 1) Production of treated non-potable water from sewage.
 - 2) Treatment of sewage.
 - 3) Filtration of sewage.
 - 4) Storage of sewage.
 - 5) Conveyance of sewage.
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Table 3.3B Authorised purposes

-
- 1) Storage of sewage.
 - 2) Conveyance of sewage.
 - 3) Filtration of sewage.
 - 4) Treatment of sewage.
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Table 3.4 Area of operations

The land situated under Lot 13 in DP 1126998.

SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR NARARA ECOVILLAGE CO-OPERATIVE LTD'S NETWORK OPERATOR'S LICENCE

This schedule sets out the conditions which the Minister imposes pursuant to section 13(1)(b) of the Act. In addition to these special Ministerially-imposed conditions, the Licensee is subject to obligations imposed by the Act, the Regulation and the standard Ministerially-imposed licence conditions set out in Schedule B. The Minister may vary the conditions in this schedule or impose new conditions, provided there is no inconsistency with the conditions imposed on the Licensee by the Act or the Regulation.

A1 Notification of changes to Authorised Person

- A1.1 If an Authorised Person ceases, proposes to cease, or receives notification to cease providing any of the services relating to the activities authorised by this Licence, the Licensee must provide IPART with written notice as soon as practicable but no later than 28 days before the date of cessation of the services. The written notice must include details of how the services previously undertaken by the Authorised Person will continue to be undertaken.

SCHEDULE B – STANDARD MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR LICENSED NETWORK OPERATORS UNDER THE ACT

This schedule sets out the standard conditions which the Minister imposes pursuant to section 13(1)(b) of the Act. In addition to these standard Ministerially-imposed conditions, the Licensee is subject to obligations imposed by the Act, the Regulation and the special Ministerially-imposed licence conditions set out in Schedule A. The Minister may vary the conditions in this schedule or impose new conditions, provided there is no inconsistency with the conditions imposed on the Licensee by the Act or the Regulation.

B1 Ongoing capacity to operate

B1.1 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 immediately in accordance with the Reporting Manual.

B2 Obtaining appropriate insurance

B2.1 Before commencing to commercially operate the Specified Water Industry Infrastructure under this Licence, the Licensee must:

- a) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence;
- b) provide a copy of each certificate of currency of the insurance held to IPART; and
- c) demonstrate that the insurance obtained is appropriate for the size and nature of the activities authorised under this Licence by providing a report to IPART from an Insurance Expert that:
 - i) certifies that in the Insurance Expert's opinion, the type and level of the insurance obtained by the Licensee is appropriate for the size and nature of the activities authorised under the Licence; and
 - ii) is in the form prescribed by the Reporting Manual.

B2.2 [Not applicable]

B3 Maintaining appropriate insurance

B3.1 The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.

B3.2 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.

B3.3 If there is, or is to be, a change in:

- a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or
- b) the type, scope or limit on the amount of insurance held by the Licensee, in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.

B3.4 From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner, form and time specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope or limit on the amount of the insurance held by the Licensee is appropriate for the size and nature of the activities authorised under this Licence.

[Note: The circumstances in which IPART may request a report under clause B3.4 include (but are not limited to) the following:

- *where IPART has reason to believe 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 authorised under this Licence;*
- *where there is a change in the type or extent of activities authorised under this Licence; or*
- *where IPART or an approved auditor has reason to believe 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 authorised under this Licence.]*

B3.5 [Not applicable]

B4 Complying with NSW Health requirements

B4.1 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.

B5 Complying with Audit Guidelines from IPART

B5.1 The Licensee must comply with any Audit Guidelines issued by IPART.

B6 Reporting in accordance with the Reporting Manual

- B6.1 The Licensee must prepare and submit reports in accordance with the Reporting Manual.

B7 Reporting information in relation to the register of licences

- B7.1 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) 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;
- e) any other sewerage infrastructure to which the Specified Water Industry Infrastructure is connected;
- f) the arrangements for the disposal of waste from the water industry infrastructure specified in clause S3, Tables 3.2A and Table 3.2B.

B8 Monitoring

- B8.1 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 B8.

- B8.2 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).

- B8.3 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.

B9 Provision of copy of Plan

- B9.1 Whenever the Licensee makes a significant amendment to a Plan, the Licensee must provide a copy of the amended Plan to IPART at the same time that it provides a copy to the approved auditor engaged to prepare a report as to the adequacy of the amended Plan, as required under the Regulation.

B10 Delineating responsibilities – interconnections

- B10.1 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 B10.
- B10.2 The Licensee's Code of Conduct must set out the respective responsibilities of:
- a) the Licensee; and
 - b) each licensed network operator, licensed retail supplier and/or public water utility that:
 - i) 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.
- B10.3 The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause B10.2 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.
- B10.4 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 the Licensee and the other licensed network operators, licensed retail suppliers and/or public water utilities referred to in clause B10.2(b).
- B10.5 [Not applicable]
- B10.6 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.

B11 Notification of changes to end-use

- B11.1 If the Licensee proposes to operate the Specified Water Industry Infrastructure to supply 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.

B12 Notification of commercial operation

- B12.1 This clause B12 applies each time the Licensee has brought any of the Specified Water Industry Infrastructure into commercial operation.

- B12.2 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.

B13 Notification of non-compliant Plumbing

- B13.1 If the Licensee becomes aware that a customer's Plumbing is not Code Compliant, the Licensee must, within 10 days, notify the customer and the Plumbing Regulator of that fact.

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 schedule is to a schedule to this Licence;
- g) 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
- h) 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:

Act means the *Water Industry Competition Act 2006* (NSW).

Audit Guidelines means the document entitled “*Audit Guideline – Water Industry Competition Act 2006*” which is prepared by IPART and is available on IPART’s website at www.ipart.nsw.gov.au, and any other guidelines issued by IPART in relation to audits under the Act.

Authorised Person means the Authorised Persons specified in, as applicable:

- a) clause S1, Table 1.1;
- b) clause S2, Table 2.1; and
- c) clause S3, Table 3.1.

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

EP&A Act means the *Environmental Planning and Assessment Act 1979* (NSW).

Insurance Expert	means an insurance broker which holds an Australian financial services licence under Part 7.6 of the <i>Corporations Act 2001</i> (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	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Licence	means this network operator's licence granted under section 10 of the Act.
Licensee	means Narara Ecovillage Co-operative Ltd (Registration No. NSWC29882).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause B10.1.
Minister	means the Minister responsible for Part 2 of the Act.
NSW Health	means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.
Plan	means any infrastructure operating plan, water quality plan or sewage management plan that the Licensee is required to prepare under the Regulation.
Plumbing	means any pipe, fitting or apparatus that is situated: <ul style="list-style-type: none"> 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 c) upstream of a customer's connection point to a stormwater drain, where the stormwater drain is Specified Water Industry Infrastructure.
Plumbing Regulator	has the meaning given to that term under section 3 of the <i>Plumbing and Drainage Act 2011</i> (NSW).
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).
Reporting Manual	means the document entitled "Network Operator's Reporting Manual," which is prepared by IPART and is available on IPART's website at www.ipart.nsw.gov.au .

Specified Water Industry Infrastructure	<p>means the water industry infrastructure specified in, as applicable:</p> <ul style="list-style-type: none"> a) clause S1, Table 1.2A and Table 1.2B; b) clause S2, Table 2.2A, Table 2.2B and Table 2.2C; and c) clause S3, Table 3.2A and Table 3.2B.
Verification Monitoring	<p>means verification monitoring as described in the document entitled “<i>Australian Drinking Water Guidelines</i>” or the document entitled “<i>Australian Guidelines for Water Recycling</i>” as the case may be.</p>
Water Quality Plan	<p>means the water quality plan that the Licensee is required to prepare under the Regulation.</p>

Superseded