



5-year review of the Sydney  
Desalination Plant's network operator's  
(10\_010) and retail supplier's (10\_011R)  
licences

## Report to the Minister

August 2022

Water >>

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## **Tribunal Members**

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## **The Independent Pricing and Regulatory Tribunal**

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

## **Acknowledgment of Country**

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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# 1 Executive Summary

The Independent Pricing and Regulatory Tribunal of NSW (IPART) has conducted a 5-year review of the Sydney Desalination Plant Pty Ltd (SDP)'s network operator's licence and retail supplier's licence under section 85 of the *Water Industry Competition Act 2006* (WIC Act).

The 5-year review of these licences was deferred in 2020 at the request of the Department of Planning and Environment (DPE) as DPE was undertaking a review of the Metropolitan Water Plan which would significantly change the policy direction of the operating regime of SDP.

Our original assessment of SDP's licence application had regard to the licensing principles in section 7 of the WIC Act. We revisited these principles as part of this 5-year review.

We recommend that the Minister varies SDP's network operator's licence (number: 10\_010) and retail supplier's licence (number: 10\_011R) in accordance with our recommendations. We have included licence conditions to reflect the new operating rules described in the *Decision Framework for SDP Operation*<sup>i</sup> (Decision Framework) which supports the Greater Sydney Water Strategy. We have also updated other supporting licence conditions and definitions to ensure the new operating rules are well-defined and enforceable. In addition, we are recommending several other minor amendments to the licences to bring SDP's licences into alignment with our standard licence conditions.

We consulted with SDP, Sydney Water and DPE on the proposed draft varied licence conditions and considered their responses as part of the review process.

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<sup>i</sup> The *Decision Framework for SDP Operation* is prepared by Sydney Water in June 2022 and endorsed by the Minister for Lands and Water in July 2022.

## 2 Introduction

SDP holds 2 licences for the SDP scheme under the WIC Act as described in **Table 1**.

Table 1 SDP licences for the SDP scheme

Licence number	Licence type	Date last varied
10_010	Network operator's licence	3 November 2017
10_011R	Retail supplier's licence	3 November 2017

**Source:** <https://www.ipart.nsw.gov.au/Home/Industries/Water/Alternate-water-utilities-WICA/WICA-Licenses-Listing-pages/Current-licences>.

We commenced the 5-year review of the licences on 27 July 2020.<sup>ii</sup> DPE requested we defer the review to accommodate for the review of the metropolitan water plan which has become the Greater Sydney Water Strategy. In April 2022, DPE notified us that the review into the Greater Sydney Water Strategy was complete and we recommenced the 5-year review on 16 June 2022. This report includes our proposal to vary the existing licence conditions and summarises our analysis and reasons for recommending changes to the licences.

### 2.1 We considered new risks and updated the licence clauses

The 5-year review process allows us to consider licence conditions in view of emerging risks to the scheme and consider if the existing licence conditions are appropriate to efficiently and effectively regulate WIC Act licensees. The conditions should direct licensees to achieve desired outcomes without imposing unnecessary compliance and administrative costs. This is in line with good regulatory practice.

The SDP operating rules will change from the simple "60% on, 70% off" rule that only considers the dams' storage level. The new operating rules in the Decision Framework require SDP to operate flexibly full-time and takes into account dam level, risk of spill at dams, outages and maintenance and system shocks. The NSW Government approved objectives are to maximise the yield contribution of the plant to Sydney's water supply and slow dam depletion rates during droughts.

We also considered SDP's overall compliance history to inform our assessment of emerging risks as a result of the SDP scheme. We did not identify any new risks to public health, safety, consumers and the environment as SDP has a good compliance history.

<sup>ii</sup> Our previous 5-year review of the SDP licences commenced in 2015 and concluded in 2017.

## We recommend updating licence clauses

We propose amending the special Ministerially-imposed licence conditions in the network operator's licence to reflect the new operating rules. We have also updated the licence conditions to align them with other more recent WIC Act licence conditions. We consider that the proposed amendments and updated standard licence conditions will:

- Align the operating rules in the licence with the rules in the Decision Framework, with the addition of a +/-10% tolerance band
- Clarify the circumstances of when SDP will not be in breach of the operating rules licence conditions
- Clarify the interpretation of licence conditions for the Licensee through examples in the notes
- Apply an equitable regulatory framework using our standard licence template wording which is applied across all WIC Act licensees
- Allow us to regulate licences more efficiently through standard licence conditions across different WIC Act licences where appropriate
- Improve the efficiency of administering and transitioning the licences when the new licencing regime, the amended WIC Act, comes into effect.

## We recommend removing licence conditions

Where licence conditions impose requirements that are already imposed elsewhere (e.g. in another part of a licence or the relevant Reporting Manual for WIC Act licensees), and the removal of these requirements do not result in added risk, we recommend removing those conditions.

## 2.2 We consulted with relevant stakeholders to inform our review

We sought submissions from SDP and DPE on the existing licences in 2020 and sought further submissions from SDP, DPE and Sydney Water in July 2022 on the draft licences. Stakeholders had comments on the new operating rules in the draft network operator's licence and had no comments on the draft retail supplier's licence.<sup>i</sup>

We sought, and received, further comments from SDP on the revised draft network operator licence in August 2022.<sup>ii</sup>

We considered all submissions in making our recommendation.

If the Minister chooses to make further changes to the proposed licences, they must notify the licensee of any proposed changes to licence conditions and give the licensee a reasonable opportunity to make submissions with respect to the proposed changes. The Minister must consider any such submissions on the proposed changes.<sup>iii</sup>

## 2.3 We had regard to licensing principles

We had regard to the licensing principles in section 7 of the WIC Act (**Box 1.1**). Our recommendation to add, remove and amend SDP's licence conditions, is in line with the licensing principles as it provides:

- Better consumer protection by having transparent, measurable and enforceable operating requirements of the SDP as consumers will ultimately benefit from a flexible full-time operational plant
- Contribution to the sustainability of water resources through increasing the yield of Sydney's water supply
- The expected performance of the SDP which will have cost implications for drinking water market participants as SDP continues to contribute to water security and drought management
- Less regulatory duplication by removing licence requirements that already exist in our reporting manual requirements for WIC Act licensees, or by consolidating requirements across conditions to a single condition within a licence (e.g. Insurance requirements).

### Box 1.1 Licensing principles under section 7(1) of the WIC Act

In considering whether or not a licence is to be granted under this Part and what conditions are to be imposed on such a licence, regard is to be had to the following principles:

- (a) The protection of public health, the environment, public safety and consumers generally
- (b) The encouragement of competition in the supply of water and the provision of sewerage services
- (c) The ensuring of sustainability of water resources
- (d) The promotion of production and use of recycled water
- (e) The promotion of policies set out in any prescribed water policy document
- (f) The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence
- (g) 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.

**Source:** WIC Act section 7.

It was not clear whether the Greater Sydney Water Strategy and related Decision Framework were technically “prescribed water policy documents” for the purposes of section 7(1)(e) of the WIC Act. Nonetheless, we considered that it was appropriate to have regard to the promotion of the policies set out in those documents in conducting the 5-year review.

## 2.4 We were mindful of changes to the WIC Act licensing framework

The *Water Industry Competition Amendment Act 2021* (WICA21) will result in significant changes to the licensing framework and consent conditions. WICA21 includes a changed scope for schemes that will require a licence and provisions to transition currently licensed schemes to the new framework where appropriate. Therefore, for licence conditions that are not affected by the new operating rules, we have recommended the minimum changes necessary to bring SDP’s network operator’s licence and retail supplier’s licence in line with the respective standard network operator’s licence conditions and retail supplier’s licence conditions. We consider this is appropriate given the impending changes to the WIC Act licensing regime.



## 3 Review of SDP's network operator's licence

### 3.1 We propose non-material changes to the licence's scope

We propose restructuring the licence scope into 3 sections, one for non-potable water, one for drinking water and one for sewerage services, in line with our standard licence template.

We also recommend the removal of unnecessary clauses within the licence scope. We consider the removal of these clauses eliminates unnecessary descriptions, improves efficiency and simplicity. These changes are summarised in **Table 2** below.

We consider that applying the standard licence template, while maintaining the language in SDP's existing licence improves clarity with no material changes to the licence scope.

Table 2 Proposed changes to licence scope

Existing clause	New clause	What is changing and why
	<b>SECTION 1 – ACTIVITIES AUTHORISED NON-POTABLE WATER</b> Tables 1.1, 1.2, 1.3, and 1.4	<ul style="list-style-type: none"> <li>Consistent with our licence template.</li> <li>Will highlight the nature of the scheme and prevent confusion with different water services.</li> </ul>
<b>A1 ACTIVITIES AUTHORISED</b>	<b>SECTION 2 – ACTIVITIES AUTHORISED DRINKING WATER</b>	<ul style="list-style-type: none"> <li>Heading change.</li> </ul>
Table 1 Authorised persons	Table 2.1 Authorised Persons	<ul style="list-style-type: none"> <li>Updated table numbering to our licence template.</li> </ul>
Table 2 Specified water industry infrastructure	Table 2.2 Water industry infrastructure and purposes for water industry infrastructure	<ul style="list-style-type: none"> <li>Updated table numbering and heading to our licence template.</li> <li>Wording change to include wording from existing Table 3 (now being removed).</li> </ul>
Table 3 Authorised purposes	Remove	<ul style="list-style-type: none"> <li>Drinking water purposes wording now included in Table 2.2 of proposed licence.</li> <li>This table is not required for drinking water services under the WIC Act.</li> <li>This change does not constitute a change in licence scope.</li> </ul>
Table 4 Specified area of operations	Table 2.3 Area of operations	<ul style="list-style-type: none"> <li>Updated table numbering and heading to our licence template.</li> </ul>
	<b>SECTION 3 – ACTIVITIES AUTHORISED SEWERAGE SERVICES</b> Tables 3.1, 3.2 and 3.3	<ul style="list-style-type: none"> <li>Consistent with our licence template.</li> <li>Will highlight the nature of the scheme and prevent confusion with different water services.</li> </ul>

## 3.2 We propose material changes to Schedule A

Schedule A contains specially Ministerially-imposed licence conditions. We propose to update the operating rules in Schedule A. These changes include requirements to:

- Comply with annual production requests and any varied annual production requests made by Sydney Water, provided the requests are consistent with the Decision Framework and are notified to SDP and IPART.<sup>iv</sup>
- Allow SDP to meet a tolerance band of +/-10% of the annual production request to account for reasonable variability in plant performance.
- Use best endeavours to comply with production requests from Sydney Water other than annual production requests (e.g. monthly production requests) that are consistent with the Decision Framework.

We consider maintaining a stricter standard of compliance in respect of the annual production request serves the public's interest in having a secure supply of non-rainfall-dependent drinking water. Stakeholders agree with using the annual production request with a tolerance band of +/- 10% as the performance target. We have provided some examples in the notes of the licence to assist in the interpretation of these new clauses.

Our proposed changes allow SDP exemptions from complying when:

- SDP uses its best endeavours to comply with any request, other than the annual production request, and it would not be possible for SDP to comply with both the annual production request and the other request
- SDP is not able to comply with annual production request or other request where compliance is prevented by events wholly or predominantly outside of SDP's control.

In addition, we have recommended, at SDP's request, including a clause that clearly states the license does not forbid SDP from complying with production requests that do not comply with the Decision Framework.

We also added clauses that align the timing of the commencement of new operating rules with the commencement of the next price determination for SDP to facilitate transition.

We propose to retain the existing clause about operating in accordance with Good Industry Practice.

We propose to include definitions of annual production request, Decision Framework and commencement day to give meaning to the new licence conditions.

Table 3 Proposed changes to Schedule A clauses

Existing clause	New clause(s)	Reason for the changes	We had regard to the following licensing principles in making our recommendation
A2.1	1.1	Renumber the existing clause and change heading only to align with our licence template.	
A2.2	1.2 and 1.3	<ul style="list-style-type: none"> <li>The Greater Sydney Water Strategy has included a new operating framework for the SDP.</li> <li>The framework moves away from fixed dam level triggers and allows for SDP to operate according to the Decision Framework.</li> <li>The proposed licence requires SDP to comply with the Annual Production Request made under the Decision Framework and allows for enforcement of the Annual Production Request.</li> </ul>	<ul style="list-style-type: none"> <li>The promotion of policies set out in any prescribed water policy document.</li> <li>The ensuring sustainability of water resources.</li> <li>The protection of public health, the environment, public safety and consumers generally.</li> </ul>
A2.3	1.4	<ul style="list-style-type: none"> <li>Recognises that SDP may not always be able to fulfill requests for water due to circumstances outside SDP's control.</li> </ul>	<ul style="list-style-type: none"> <li>The promotion of policies set out in any prescribed water policy document.</li> <li>The ensuring sustainability of water resources.</li> </ul>
Added	1.5	<ul style="list-style-type: none"> <li>Gives exemption to SDP if the production requests made by Sydney Water are not consistent with the Decision Framework, understanding that SDP is unlikely to be in a position to assess consistency with the Decision Framework when they receive a request.</li> </ul>	<ul style="list-style-type: none"> <li>The promotion of policies set out in any prescribed water policy document.</li> <li>The ensuring sustainability of water resources.</li> </ul>
Added	1.6 and 1.7	<ul style="list-style-type: none"> <li>This clause facilitates transition from the existing licence to the proposed licence.</li> <li>This clause means the existing requirements to maintain and operate still have effect up until a new price determination commences.</li> </ul>	<ul style="list-style-type: none"> <li>The promotion of policies set out in any prescribed water policy document.</li> <li>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.</li> </ul>

### 3.3 We propose non-material changes to Schedule B

Schedule B contains standard Ministerially-imposed licence clauses.

#### 3.3.1 We propose to add 2 licence clauses to Schedule B

We propose to add 2 licence clauses to Schedule B relating to:

- SDP's Code of Conduct
- the implementation of new Specified Water Industry infrastructure.

Table 4 Proposed new licence clauses in Schedule B

New clause	Reason for the changes	We had regard to the following licensing principles in making our recommendation
8.3	<ul style="list-style-type: none"> <li>The clause creates an agreement for of interactions between licence holders.</li> <li>The clause is standard as part of the new licence template.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> </ul>
10.1	<ul style="list-style-type: none"> <li>IPART will be better informed of new infrastructure being brought into operation by a licensee.</li> <li>The clause is standard as part of the new licence templates.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> </ul>

### 3.3.2 We propose to amend 9 licence clauses in Schedule B

We propose to amend 9 licence clauses in Schedule B relating to:

- Maintaining capacity to carry out activities authorised by the Licence
- Maintaining appropriate insurance
- Information in relation to the Register of Licences
- The monitoring of water samples
- The Code of Conduct.

Table 5 Proposed amended licence clauses in Schedule B

Existing clauses	New clauses	Reason for the changes	We had regard to the following licensing principles in making our recommendation
<b>B1 Ongoing capacity to operate</b>	<b>1. Ongoing capacity to operate</b>	<ul style="list-style-type: none"> <li>For all clauses wording and numbering changes are recommended to align with our standard licence template.</li> <li>Improves efficiency of regulation by having clearer language in each clause and more consistency across WIC Act licence clauses generally.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> </ul>
B1.1	1.1		
<b>B3 Maintaining appropriate insurance</b>	<b>2. Maintaining appropriate insurance</b>		
B3.1	2.1		
B3.3	2.5		
B3.4	2.6		
<b>B7 Reporting information in relation to the Register of Licences</b>	<b>6. Reporting information in relation to the register of licences</b>		
B7.1	6.1		
<b>B8 Monitoring</b>	<b>7 Monitoring</b>		
B8.1	7.1		
B8.3	7.3		
<b>B10 Delineating responsibilities - interconnections</b>	<b>B8 Delineating responsibilities</b>		
B10.1	8.1		
B10.2	8.4		

### 3.3.3 We propose to remove 5 clauses in Schedule B

We propose to remove 5 licence clauses from Schedule B relating to:

- Obtaining appropriate insurance
- Provision of copy of Plan
- The Code of Conduct
- Notification of changes to end-uses
- Notification of changes to Authorised Persons.

Table 6 Proposed removed licence clauses in Schedule B

Removed clauses	Reason for the changes	We had regard to the following licensing principles in making our recommendation
<b>B2 Obtaining appropriate insurance</b>		
B2.2	<ul style="list-style-type: none"> <li>Requirements are no longer needed as scheme has commenced operation.</li> <li>Improves efficiency of regulation by removing unnecessary obligations in the licence.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> <li>The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence.</li> </ul>

Removed clauses	Reason for the changes	We had regard to the following licensing principles in making our recommendation
<b>B9 Provision of copy of Plan</b>		
B9.1	<ul style="list-style-type: none"> <li>This requirement already exists in the reporting manual.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
<b>B10 Delineating responsibilities-interconnections</b>		
B10.4	<ul style="list-style-type: none"> <li>The licence was granted in 2010 and a Code of Conduct agreed. The clause no longer applies.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
<b>B11 Notification of changes to end-use</b>		
B11.1	<ul style="list-style-type: none"> <li>This clause duplicates a requirement in section 3.6 of the Reporting Manual.</li> <li>Improves efficiency of regulation by removing unnecessary and duplicative obligations in the licence.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
<b>B12 Notification of changes to Authorised Person</b>		
B12.1	<ul style="list-style-type: none"> <li>This clause duplicates a requirement in section 3.3 of the Reporting Manual.</li> <li>Improves efficiency of regulation by removing unnecessary and duplicative obligations in the licence.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>

### 3.3.4 We propose to update clause numbers for 7 clauses in Schedule B

To update the licence with our current template for we have kept the same language but changed the numbering for 7 clauses in Schedule B of the proposed licence.

Table 7 Proposed clause numbering changes in Schedule B

Clause description	Existing clause numbers	Proposed clause numbers
Maintaining appropriate insurance	B3.2	2.2
Complying with NSW Health requirements	B4.1	3.1
Complying with Audit guidelines from IPART	B5.1	4.1
Reporting in accordance with the Reporting Manual	B6.1	5.1
Monitoring	B8.2	7.2
Monitoring	B8.3	7.3
Delineating responsibilities	B10.5	8.5

## 4 Review of SDP's retail supplier's licence

### 4.1 We propose non-material changes to the licence scope

We propose restructuring the licence scope into 3 sections, one for non-potable water, one for drinking water and one for sewerage services, in line with our standard licence template.

We also recommend the removal of unnecessary clauses within the licence scope. We consider the removal of these clauses eliminates unnecessary descriptions, improves efficiency and simplicity. These changes are summarised in **Table 8** below.

We consider that applying the standard licence template, while maintaining the language in SDP's existing licence improves clarity with no material changes to the licence scope.

There are no special Ministerially-imposed licence conditions in SDP's Retail Supplier's Licence.

**Table 8** Proposed changes to licence scope

Existing clause	New clause	Reasons for the changes
	<b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b> Table 1.1, 1.2, 1.3, and 1.4	<ul style="list-style-type: none"> <li>Consistent with our licence template.</li> <li>Will highlight the nature of the scheme and prevent confusion with different water services.</li> </ul>
<b>A1 ACTIVITIES AUTHORISED</b>	<b>SECTION 2 – AUTHORISATION TO SUPPLY DRINKING WATER</b>	<ul style="list-style-type: none"> <li>Heading change.</li> </ul>
Table 1 Authorised Persons	Table 2.1 Authorised Persons	<ul style="list-style-type: none"> <li>Updated table numbering to our licence template.</li> </ul>
Table 2 Specified water industry infrastructure	Remove	<ul style="list-style-type: none"> <li>This table is not required under the WIC Act.</li> <li>This change does not constitute a change in licence scope.</li> </ul>
Table 3 Authorised purposes	Remove	<ul style="list-style-type: none"> <li>This table is not required for drinking water services under the WIC Act.</li> <li>This change does not constitute a change in licence scope.</li> </ul>
Table 4 Specified person or classes of persons	Table 2.2 Person or classes of persons	<ul style="list-style-type: none"> <li>Updated table numbering and heading to our licence template.</li> </ul>
Table 5 Area of operations	Table 2.3 Area of operations	<ul style="list-style-type: none"> <li>Updated table numbering to our licence template.</li> </ul>
	<b>SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES</b> Table 3.1, 3.2, and 3.3	<ul style="list-style-type: none"> <li>Will highlight the nature of the scheme and prevent confusion from different water services.</li> </ul>

## 4.2 We propose non-material changes to Schedule B

Schedule B contains standard Ministerially-imposed licence clauses.

### 4.2.1 We propose to add one licence clause to Schedule B

We propose to add one licence clause in Schedule B relating to SDP's code of conduct and interactions with relevant licensed water utilities.

Table 9 Proposed new licence clauses

New clause	Reason for the changes	We had regard to the following licensing principles in making our recommendation
7.3	<ul style="list-style-type: none"> <li>To create records of interactions between SDP and other relevant water utilities.</li> <li>The clause is standard as part of the new licence template.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>

### 4.2.2 We propose to amend 8 licence clauses in Schedule B

We propose to vary 8 licence clauses in Schedule B relating to:

- Maintaining capacity to carry out activities authorised by the licence
- Maintaining appropriate insurance
- Information in relation to the Register of Licences
- The Code of Conduct
- Infrastructure to be used.



Table 10 Proposed amended licence clauses

Existing clauses	New clauses	Reason for the changes	We had regard to the following licensing principles in making our recommendation
<b>B1 Ongoing capacity to operate</b>	<b>1. Ongoing capacity to operate</b>	<ul style="list-style-type: none"> <li>For all clauses wording and numbering changes are recommended to align with our standard licence template.</li> <li>Improves efficiency of regulation by having clearer language in each clause and more consistency across WIC Act licence clauses generally.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> </ul>
B1.1	1.1		
<b>B3 Maintaining appropriate insurance</b>	<b>2. Maintaining appropriate insurance</b>		
B3.1	2.1		
B3.3	2.5		
B3.4	2.6		
<b>Reporting information in relation to the Register of Licences</b>	<b>6. Reporting information in relation to the register of licences</b>		
B7.1	6.1		
<b>B9 Delineating responsibilities</b>	<b>7. Delineating responsibilities</b>		
B9.1	7.1		
B9.2	7.4		
<b>B11 Infrastructure to be used</b>	<b>8. Infrastructure to be used</b>		
B11.1	8.1		

#### 4.2.3 We propose to remove 4 licence clauses from Schedule B

We propose to remove 4 licence clauses from Schedule B relating to:

- Obtaining appropriate insurance
- Provision of copy of Plans
- Creating a Code of Conduct
- Notification of changes to Authorised Person.

Table 11 Proposed removed clauses from Schedule B

Removed licence clause	Reason for the changes	We had regard to the following licensing principles in making our recommendation
<b>B2 Obtaining appropriate insurance</b>		
B2.2	<ul style="list-style-type: none"> <li>Requirements are no longer needed as scheme has commenced operation.</li> <li>Improves efficiency of regulation by removing unnecessary obligations in the licence.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of public health, the environment, public safety and consumers generally.</li> <li>The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence.</li> </ul>
<b>B8 Provision of copy of Plan</b>		
B8.1	<ul style="list-style-type: none"> <li>This requirement already exists in the reporting manual.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
<b>B9 Delineating responsibilities</b>		
B9.4	<ul style="list-style-type: none"> <li>The licence has been granted in 2010 and the clause would no longer apply as a Code of Conduct has been agreed and is now in place.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
<b>B10 Notification of changes to Authorised Person</b>		
B10.1	<ul style="list-style-type: none"> <li>Clause not required as licence does not nominate an Authorised Person.</li> </ul>	<ul style="list-style-type: none"> <li>The protection of consumers under s7(1)(a) of the WIC Act.</li> <li>The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>

#### 4.2.4 We propose to update clause numbers for 5 clauses in Schedule B

To update the licence with our current template for we have kept the same language but changed the numbering for 5 clauses in Schedule B relating to:

- Maintaining insurance
- NSW Health requirements
- Auditing guidelines
- Reporting in accordance with Reporting Manuals
- Delineating responsibilities

Table 12 Proposed clause numbering changes in Schedule B

Clause descriptions	Existing clause numbers	Proposed clause numbers
Maintaining appropriate insurance	B3.2	2.2
Complying with NSW Health requirements	B4.1	3.1
Complying with Audit guidelines from IPART	B5.1	4.1
Reporting in accordance with the Reporting Manuals	B6.1	5.1
Delineating responsibilities	B9.5	7.5

## 5 Recommendations

### Recommendation (Network Operator's Licence)



1. We recommend that the Minister vary SDP's network operator's licence (licence number 10\_010) in accordance with the proposed varied licence in Appendix A.

### Recommendation (Retail Supplier's Licence)



2. We recommend that the Minister vary SDP's retail supplier's licence (licence number 10\_011R) in accordance with the proposed varied licence in Appendix C.

If the Minister decides to vary the licences, the Minister may provide IPART with notices of the decision and the reasons for the decision.

Where the Minister provides us with notices of the decision, we will make the notices available to the public on our website, in accordance with the requirements of the WIC Act. We will also notify the licensee of the varied licences.

# Appendices



## A Notice of Decision and proposed network operator's licence



## New South Wales

### Water Industry Competition Act 2006 (NSW)

#### Section 15

#### Notice of Decision - Variation of Network Operator's Licence No. 10\_010

I, the Hon. Kevin Anderson, MP, Minister for Lands and Water, have decided to amend Sydney Desalination Plant Pty Ltd's (ACN 125 935 177) licence number 10\_010 (**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 deciding to vary the conditions of the Licence.

Under section 17 of the Act, the Licensee must be notified of proposed changes to its licence conditions and any submissions it makes in response must be considered. After notifying the Licensee of the proposed changes, IPART has provided me with copies of the Licensee's submissions, which I considered in reaching this decision.

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

.....

The Hon. Kevin Anderson, MP  
Minister for Lands and Water

Dated this                      day of                      20



# **NEW SOUTH WALES GOVERNMENT**

***Water Industry Competition Act 2006 (NSW)***

**Network operator's licence**

Licence no. 10\_010

Sydney Desalination Plant Pty Ltd

(ACN 125 935 177)

## 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:

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

<b>Section 2</b> authorises the construction, maintenance and operation of water infrastructure for drinking water (if applicable).
---

<b>Section 3</b> authorises the construction, maintenance and operation of sewerage infrastructure (if applicable).
---

<b>Schedule A</b> sets out special Ministerially-imposed licence conditions that are specific to this Licence.
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<b>Schedule B</b> sets out Ministerially-imposed licence conditions that generally apply to network operator's licences granted under the Act.
--

<b>Schedule C</b> sets out definitions and interpretation provisions.
---

- 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.



## SECTION 1 – ACTIVITIES AUTHORISED: NON-POTABLE WATER

*[Not applicable]*

**Table 1.1 Authorised Persons**

*[Not applicable]*

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

*[Not applicable]*

**Table 1.3 Area of operations**

*[Not applicable]*

**Table 1.4 Authorised purposes for non-potable water**

*[Not applicable]*

## SECTION 2 – ACTIVITIES AUTHORISED: DRINKING WATER

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B to this Licence, 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 Table 2.2:

- a) for one or more of the purposes for water industry infrastructure specified in Table 2.2; and
- b) within the area of operations specified in Table 2.3.

**Table 2.1 Authorised Persons**

Veolia Water Australia Pty Ltd (ACN 061 161 279)
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**Table 2.2 Water industry infrastructure and purposes for water industry infrastructure**

Infrastructure used for the production, treatment, filtration, storage, conveyance or reticulation of drinking water (being water that may be used for all purposes for which drinking water could be used safely).
---

**Table 2.3 Area of operations**

- |  |
|--|
| <ul style="list-style-type: none"><li>(a) Lot 2 in DP 1077972 and Lot 1 in DP 1088703, Kurnell;</li><li>(b) the offshore discharge and inlet structures located in the Tasman Sea and associated inlet and outlet tunnels; and</li><li>(c) the area of the Pipeline.</li></ul> |
|--|

### SECTION 3 – ACTIVITIES AUTHORISED: SEWERAGE SERVICES

*[Not applicable]*

**Table 3.1 Authorised Persons**

*[Not applicable]*

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

*[Not applicable]*

**Table 3.3 Area of operations**

*[Not applicable]*

## SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS

### 1. Requirement to maintain and operate

1.1. In order to ensure the sustainability of water resources in accordance with Principle 7(1)(c) of the *Water Industry Competition Act 2006* (NSW) the Licensee must:

- a) maintain the Water Industry Infrastructure in accordance with Good Industry Practice; and
- b) when it operates the Water Industry Infrastructure, do so in accordance with Good Industry Practice.

1.2. The Licensee must comply with any Annual Production Request made by the Sydney Water Corporation under the Decision Framework, provided that the request is consistent with the Decision Framework, and;

- a) the Licensee will not be in breach of this obligation if the Licensee produces in the relevant financial year an amount of water that is not less than 90%, or more than 110%, of the Annual Production Request;
- b) the Licensee will not be in breach of this obligation if:
  - i) the breach arises from the Licensee endeavouring to comply with any request, other than an Annual Production Request, made by the Sydney Water Corporation under the Decision Framework; and
  - ii) it would not be possible for the Licensee to comply with both the Annual Production Request and the other request.

*[Note: For example, if the Annual Production request is for 90,000 ML but a few months into the year the Sydney Water Corporation requests the Licensee under the Decision Framework to reduce production by 80% due to heavy rainfall, the Licensee would not be in breach of clause 1.2 due to endeavouring to reduce production.]*

- c) despite clause 1.2(a), if Sydney Water Corporation varies an Annual Production Request during a financial year then the Licensee will not be in breach of this obligation for that financial year unless:
  - i) as of the day before the varied Annual Production Request taking effect, had the Licensee produced an amount of water equal to the Capacity of the Water Infrastructure for the plant during every day remaining in the financial year, the Licensee would have produced less than 90% of the amount of water required to be produced by the Annual Production Request before it was varied, or
  - ii) the Licensee produces, during the period between (and including) the day upon which the varied Annual Production Request takes effect and the last day of the financial year, an amount of water which is less than 90%, or more than 110%, of the amount of water required to be produced during that period under the varied Annual Production Request.

*[Note: As an example of the intended operation of clause 1.2(c)(i), consider a hypothetical scenario where the Capacity of the Water Infrastructure for the plant is 250ML per day and there are 366 days in a financial year. If Sydney Water's initial Annual Production Request for that financial year was for 90,000ML, but it made a varied Annual Production Request for a lower amount of water with effect from the 184th day of the financial year, the Licensee would be in breach of clause 1.2 if it had only produced 10,000ML during the first 183 days of the financial year. That is because, even if the Licensee produced 250ML per day of water during each of the remaining 183 days of the financial year, it would have produced less than 90% of the amount of water required under the initial Annual Production Request.]*

*[Note: As an example of the intended operation of clause 1.2(c)(ii), consider a hypothetical scenario where the Capacity of the Water Infrastructure for the plant is 250ML per day and there are 366 days in a financial year. Assume that:*

- *the Sydney Water Corporation's initial Annual Production Request was for 20,000ML;*
- *in the first half of the financial year the Licensee produced 10,000ML; and*
- *with effect from the 184th day of the financial year, the Sydney Water Corporation made a varied Annual Production Request, specifying that the Licensee is to produce 50,000ML for the entire financial year, including 40,000ML in the period between (and including) the 184th day of the financial year and the end of the financial year.*

*In that scenario, the Licensee would not be in breach of clause 1.2 if it produced between 36,000ML and 44,000ML of water in the period between (and including) the 184th day of the financial year and the end of the financial year.]*

- 1.3. The Licensee must use its best endeavours to comply with any request, other than an Annual Production Request, made by the Sydney Water Corporation under the Decision Framework, provided that the request is consistent with the Decision Framework

*[Note: Clause 1.3 applies to requests such as monthly production requests and 7-day production requests.]*

- 1.4. The Licensee is not required to comply with clauses 1.2 and 1.3 during the time and to the extent that such compliance is prevented wholly or predominantly by an event outside the reasonable control of the Licensee.
- 1.5. For the avoidance of any doubt, the Licensee will not be in breach of clause 1.2 or 1.3 solely because it complies with a request made by the Sydney Water Corporation that is not consistent with the Decision Framework.
- 1.6. Until the Clause 1 Commencement Day:
- a) clauses 1.1-1.5 have no effect; and
  - b) clause A2 in Schedule A of the Previous Licence continues to have effect, as though it were a condition of this Licence.

- 1.7. For the avoidance of any doubt, while clause A2 in Schedule A of the Previous Licence continues to have effect under clause 1.6, terms in clause A2 that were defined in the Previous Licence continue to have the meanings given to them in the Previous Licence.

## 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. *[Not applicable]*
- 2.4. *[Not applicable]*
- 2.5. 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:
- 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.
- 2.6. 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**

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

### **6. 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) *[Not applicable]*
  - e) *[Not applicable]*
  - f) *[Not applicable]*
  - g) *[Not applicable]*



## **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.

## **8. Delineating responsibilities**

- 8.1. If a code of conduct has not been established under section 46 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. *[Not applicable]*
- 8.3. The Licensee's Code of Conduct must be agreed in writing between:
- 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.
- 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. *[Not applicable]*

## **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;
- h) 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:

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

Annual Production Request means a request made by the Sydney Water Corporation by 1 May each year for the supply of water from the Licensee over the following financial year, of the type referred to in section 4.2.2 of the Decision Framework, and includes a six monthly modification of such a request and any other request agreed between the Licensee and Sydney Water Corporation from time to time, provided that the modification:

- a) complies with the Decision Framework; and
- b) is notified by the Sydney Water Corporation to IPART and the Licensee, in writing, before it takes effect.

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

**Authorised Person** means each person specified in, as applicable:

- a) Section 1, Table 1.1;
- b) Section 2, Table 2.1; and
- c) Section 3, Table 3.1.

**Capacity of the Water Infrastructure** means:

- a) in respect of the desalination plant, 250 megalitres per day for the desalination plant existing at the date of issue of this licence or between 250 megalitres per day and 500 megalitres per day for an expanded desalination plant, in both cases measured as a rolling average over 365 days; and
- b) in respect of the Pipeline, an annual daily average of up to 500 megalitres per day.

**Clause 1 Commencement Day** means either:

- a) the day upon which IPART’s June 2017 determination titled “Prices for Sydney Desalination Plant Pty Ltd’s Water Supply Services” is replaced; or
- b) if a different date is specified to the Licensee by IPART in writing before that determination is replaced – that date.

**Decision Framework** means a framework for the Sydney Water Corporation to determine the quantities of drinking water to be supplied from Sydney Desalination Plant, which the Minister, from time to time:

- a) consults the Licensee about;
- b) endorses;
- c) publishes; and
- d) brings to the attention of the Licensee and IPART, in writing.

*[Note: The intention behind paragraphs (a)-(d) of this definition is that, if a framework is remade or amended from time to time, it will not take effect for the purposes of this Licence, until the requirements of those paragraphs are met.]*

Good Industry Practice	means the exercise of that degree of skill, diligence, prudence and foresight that reasonably would be expected from a prudent desalination plant operator acting in accordance with good industry practice and applicable Australian and internationally recognised standards having regard to the Capacity of the Water Infrastructure, its duty, age and technological status.
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 Sydney Desalination Plant Pty Ltd (ACN 125 935 177).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause 8.1.
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.

Pipeline	<p>means the pipeline system running from Lot 2 in DP 1077972 in the suburb of Kurnell up to, but not including, the connection valve at Shaft 11C on the City Tunnel at Bridge Street in Lot A in DP 365407 in the suburb of Erskineville and consisting of the following infrastructure:</p> <ul style="list-style-type: none"> <li>(a) an overland pipeline running from the drinking water pumping station at the desalination plant to Silver Beach;</li> <li>(b) a marine pipeline running from Silver Beach to a point 800 metres offshore from Silver Beach;</li> <li>(c) twin marine pipelines running from 800 metres offshore of Silver Beach to Cook Park, Kyeemagh; and</li> <li>(d) an overland pipeline running from Cook Park, Kyeemagh up to the connection valve at Shaft 11C on the City Tunnel at Bridge Street, Erskineville.</li> </ul>
Previous Licence	means the version of this Licence that came into effect on 3 November 2017.
Principle 7(1)(c)	means the principle set out in section 7(1)(c) of the Act.
Regulation	means the <i>Water Industry Competition (General) Regulation 2021</i> (NSW).
Reporting Manual	means the document titled “Network Operator’s Reporting Manual and Retail Supplier’s Reporting Manual under <i>Water Industry Competition Act 2006</i> ”, which is prepared by IPART and is available on IPART’s website at <a href="http://www.ipart.nsw.gov.au">www.ipart.nsw.gov.au</a> .
Specified Water Industry Infrastructure	<p>means the water industry infrastructure specified in, as applicable:</p> <ul style="list-style-type: none"> <li>a) Section 1, Table 1.2;</li> <li>b) Section 2, Table 2.2; and</li> <li>c) Section 3, Table 3.2.</li> </ul>
Verification Monitoring	means verification monitoring as described in the document titled “ <i>Australian Drinking Water Guidelines</i> ” or the document titled “ <i>Australian Guidelines for Water Recycling</i> ” as the case may be.
Water Quality Plan	means the water quality plan that the Licensee is required to prepare under the Regulation.



## B Proposed network operator's licence (10\_010) amendments

Table B.1 Comparison of existing and proposed licence clauses (network operator's licence)

Action	Existing licence clauses	Proposed licence clauses
Remove	<p><b>SCHEDULE A - SPECIAL MINISTERIALLY IMPOSED LICENCE CONDITIONS FOR SYDNEY DESALINATION PLANT PTY LTD'S NETWORK OPERATOR'S LICENCE</b></p> <p>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.</p>	
Added		<p><b>SECTION 1 – ACTIVITIES AUTHORISED NON-POTABLE WATER</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.1 Authorised Persons</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.2 Water industry infrastructure and purposes for water industry infrastructure</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.3 Area of operations</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.4 Authorised purposes for non-potable water</b></p> <p><i>[Not applicable]</i></p>
Amended	<p><b>A1 Activities authorised</b></p> <p>This Licence authorises the Licence Holder and the persons specified in Table 1 to construct, operate and maintain the water industry infrastructure specified in Table 2 for the purposes as specified in Table 3 within the area specified in Table 4, subject to the conditions imposed by or under the Act, the Regulation and this Licence.</p>	<p><b>SECTION 2 – ACTIVITIES AUTHORISED DRINKING WATER</b></p> <p>Subject to the conditions imposed by the Act, the Regulation and Schedules A and B to 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 Table 2.2:</p> <ul style="list-style-type: none"> <li>a) For one or more of the purposes for water industry infrastructure specified in Table 2.2, and</li> <li>b) Within the area of operations specified in Table 2.3.</li> </ul>
Amended	<p><b>Table 1 Authorised persons</b></p> <p>Veolia Water Australia Pty Ltd (ACN 061 161 279)</p>	<p><b>Table 2.1 Authorised Persons</b></p> <p>Veolia Water Australia Pty Ltd (ACN 061 161 279)</p>



Action	Existing licence clauses	Proposed licence clauses
Amended	<b>Table 2 Specified water industry infrastructure</b> Infrastructure used for the production, treatment, filtration, storage, conveyance or reticulation of drinking water	<b>Table 2.2 Water industry infrastructure and purposes for water industry infrastructure</b> Infrastructure used for the production, treatment, filtration, storage, conveyance or reticulation of drinking water (being water that may be used for all purposes for which drinking water could be used safely).
Removed	<b>Table 3 Authorised purposes</b> Drinking water and other purposes for which drinking water could be used safely	
Amended	<b>Table 4 Specified area of operations</b> (a) Lot 2 in DP 1077972 and Lot 1 in DP1088703, Kurnell; (b) The offshore discharge and inlet structures located in the Tasman Sea and associated inlet and outlet tunnels; and (c) The area of the Pipeline	<b>Table 2.3 Area of operations</b> (a) Lot 2 in DP 1077972 and Lot 1 in DP 1088703, Kurnell; (b) The offshore discharge and inlet structures located in the Tasman Sea and associated inlet and outlet tunnels; and (c) The area of the Pipeline.
Added		<b>SECTION 3 – ACTIVITIES AUTHORISED SEWERAGE SERVICES</b> <i>[Not applicable]</i>
Added		<b>Table 3.1 Authorised Persons</b> <i>[Not applicable]</i>
Added		<b>Table 3.2 Water industry infrastructure and purposes for water industry infrastructure</b> <i>[Not applicable]</i>
Added e		<b>Table 3.3 Area of operations</b> <i>[Not applicable]</i>
<b>A2 Requirement to maintain and operate</b>		<b>SCHEDULE A - SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS</b>
Clause number change only	<b>A2.1</b> In order to ensure the sustainability of water resources in accordance with Principle 7(1)(c) of the <i>Water Industry Competition Act 2006 (NSW)</i> the Licensee must: a) maintain the Water Industry Infrastructure in accordance with Good Industry Practice; and b) when it operates the Water Industry Infrastructure, do so in accordance with Good Industry Practice.	<b>1.1</b> In order to ensure the sustainability of water resources in accordance with Principle 7(1)(c) of the <i>Water Industry Competition Act 2006 (NSW)</i> the Licensee must: a) maintain the Water Industry Infrastructure in accordance with Good Industry Practice; and b) when it operates the Water Industry Infrastructure, do so in accordance with Good Industry Practice.
Amended	<b>A2.2</b> When the Available Storage falls below 60%, the Licensee must, until the Available Storage rises to 70% operate and maintain the Water Industry Infrastructure with the objective of maximising the production of drinking water for the exclusive supply into the Sydney Water Corporation's area of operations (as defined in Sydney Water's Operating Licence).	<b>1.2</b> The Licensee must comply with any Annual Production Request made by the Sydney Water Corporation under the Decision Framework, provided that the request is consistent with the Decision Framework, and;

Action	Existing licence clauses	Proposed licence clauses
		<ul style="list-style-type: none"> <li>a) the Licensee will not be in breach of this obligation if the Licensee produces in the relevant financial year an amount of water that is not less than 90%, or more than 110%, of the Annual Production Request;</li> <li>b) the Licensee will not be in breach of this obligation if: <ul style="list-style-type: none"> <li>i) the breach arises from the Licensee endeavouring to comply with any request, other than an Annual Production Request, made by the Sydney Water Corporation under the Decision Framework; and</li> <li>ii) it would not be possible for the Licensee to comply with both the Annual Production Request and the other request.</li> </ul> </li> </ul> <p><i>[Note: For example, if the Annual Production request is for 90,000 ML but a few months into the year Sydney Water requests the Licensee under the Decision Framework to reduce production by 80% due to heavy rainfall, the Licensee would not be in breach of clause 1.2 due to endeavouring to reduce production.]</i></p> <ul style="list-style-type: none"> <li>c) despite clause 1.2(a), if Sydney Water Corporation varies an Annual Production Request during a financial year then the Licensee will not be in breach of this obligation for that financial year unless: <ul style="list-style-type: none"> <li>i) as of the day before the varied Annual Production Request taking effect, had the Licensee produced an amount of water equal to the Capacity of the Water Infrastructure for the plant during every day remaining in the financial year, the Licensee would have produced less than 90% of the amount of water required to be produced by the Annual Production Request before it was varied, or</li> <li>ii) the Licensee produces, during the period between (and including) the day upon which the varied Annual Production Request takes effect and the last day of the financial year, an amount of water which is less than 90%, or more than 110%, of the amount of water required to be produced during that period under the varied Annual Production Request.</li> </ul> </li> </ul> <p><i>[Note: As an example of the intended operation of clause 1.2(c)(i), consider a hypothetical scenario where the Capacity of the Water Infrastructure for the plant is 250ML per day and there are 366 days in a financial year. If Sydney Water's initial Annual Production Request for that financial year was for 90,000ML, but it made a varied Annual Production Request for a lower amount of water with effect from the 184th day of the financial year, the Licensee would be in breach of clause 1.2 if it had only produced 10,000ML during the first 183 days of the financial year. That is because, even if the Licensee produced 250ML per day of water during each of the remaining 183 days of the financial year, it would have produced less than 90% of the amount of water required under the initial Annual Production Request.]</i></p> <p><i>[Note: As an example of the intended operation of clause 1.2(c)(ii), consider a hypothetical scenario where the Capacity of the Water Infrastructure for the plant is 250ML per day and there are 366 days in a financial year. Assume that:</i></p>

Action	Existing licence clauses	Proposed licence clauses
		<ul style="list-style-type: none"> <li>the Sydney Water Corporation's initial Annual Production Request was for 20,000ML;</li> <li>in the first half of the financial year the Licensee produced 10,000ML; and</li> <li>with effect from the 184th day of the financial year, the Sydney Water Corporation made a varied Annual Production Request, specifying that the Licensee is to produce 50,000ML for the entire financial year, including 40,000ML in the period between (and including) the 184th day of the financial year and the end of the financial year.</li> </ul> <p><i>In that scenario, the Licensee would not be in breach of clause 1.2 if it produced between 36,000ML and 44,000ML of water in the period between (and including) the 184th day of the financial year and the end of the financial year.</i></p>
Added		<p><b>1.3</b></p> <p>The Licensee must use its best endeavours to comply with any request, other than an Annual Production Request, made by the Sydney Water Corporation under the Decision Framework, provided that the request is consistent with the Decision Framework</p> <p><i>[Note: Clause 1.3 applies to requests such as monthly production requests and 7-day production requests.]</i></p>
Amended	<p><b>A2.3</b></p> <p>The Licensee is not required to comply with paragraph A2.2:</p> <ol style="list-style-type: none"> <li>when the Water Industry Infrastructure is in a Restart phase of production; or</li> <li>during the time and to the extent that such compliance is prevented wholly or in part by an event outside the reasonable control of the Licensee.</li> </ol>	<p><b>1.4</b></p> <p>The Licensee is not required to comply with clauses 1.2 and 1.3 during the time and to the extent that such compliance is prevented wholly or predominantly by an event outside the reasonable control of the Licensee.</p>
Added		<p><b>1.5</b></p> <p>For the avoidance of any doubt, the Licensee will not be in breach of clause 1.2 or 1.3 solely because it complies with a request made by the Sydney Water Corporation that is not consistent with the Decision Framework.</p>
Added		<p><b>1.6</b></p> <p>Until the Clause 1 Commencement Day:</p> <ol style="list-style-type: none"> <li>clauses 1.1-1.5 have no effect; and</li> <li>clause A2 in Schedule A of the Previous Licence continues to have effect, as though it were a condition of this Licence.</li> </ol>
Added		<p><b>1.7</b></p> <p>For the avoidance of any doubt, while clause A2 in Schedule A of the Previous Licence continues to have effect under clause 1.6, terms in clause A2 that were defined in the Previous Licence continue to have the meanings given to them in the Previous Licence.</p>

Action	Existing licence clauses	Proposed licence clauses
Amended	<p><b>SCHEDULE B - STANDARD MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR ALL LICENSED NETWORK OPERATORS UNDER THE ACT</b></p> <p>This schedule sets out the standard conditions which the Minister imposes on the Licensee and all other licensed network operators 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</p>	<p><b>SCHEDULE B - GENERAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS</b></p>
	<b>B1 Ongoing capacity to operate</b>	<b>1 Ongoing capacity to operate</b>
Amended	<p><b>B1.1</b></p> <p>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.</p>	<p><b>1.1</b></p> <p>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.</p>
	<b>B2 Obtaining appropriate insurance</b>	
Removed	<p><b>B2.2</b></p> <p>The Licensee must:</p> <ul style="list-style-type: none"> <li>a) before commencing to commercially operate the Specified Water Industry Infrastructure under this Licence <ul style="list-style-type: none"> <li>i) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence; and</li> <li>ii) provide a copy of each certificate of currency of the insurance obtained to IPART; and</li> </ul> </li> </ul> <p>within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any), 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:</p> <ul style="list-style-type: none"> <li>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</li> <li>ii) is in the form prescribed by the Reporting Manual.</li> </ul>	
	<b>B3 Maintaining appropriate insurance</b>	<b>2. Maintaining appropriate insurance</b>
Amended	<p><b>B3.1</b></p> <p>The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.</p>	<p><b>2.1</b></p> <p>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.</p>

Action	Existing licence clauses	Proposed licence clauses
Clause number change only	<b>B3.2</b> 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.	<b>2.2</b> 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.
Amended	<b>B3.3</b> If there is, or is to be a change in: <ol style="list-style-type: none"> <li>the insurer of underwriting panel in respect of an insurance policy held by the Licensee; or</li> <li>the type, scope or limit on the amount of insurance held by the Licensee,</li> </ol> in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.	<b>2.5</b> 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: <ol style="list-style-type: none"> <li>the insurer of underwriting panel in respect of an insurance policy held by the Licensee; or</li> <li>the type, scope or limit on the amount of insurance held by the Licensee.</li> </ol>
Amended	<b>B3.4</b> 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.  <i>[Note: The circumstances in which IPART may request a report under clause B3.4 include (but are not limited to) the following:</i> <ul style="list-style-type: none"> <li>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;</li> <li>where there is a change in the type or extent of activities authorised under this Licence; or</li> <li>when IPART or an approved auditor has reason to believe that the type or level of insurance held by the Licensee may not be appropriate for the size and nature of the activities authorised under this Licence.]</li> </ul>	<b>2.6</b> From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner, form and within the timeframe 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 that the Licensee is carrying out under this Licence.  <i>[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:</i> <ul style="list-style-type: none"> <li>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;</li> <li>where there is a change in the type or extent of activities authorised by this Licence; or</li> <li>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.]</li> </ul>
<b>B4 Complying with NSW Health requirements</b>		<b>3. Complying with NSW Health requirements</b>
Clause number change only	<b>B4.1</b> The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that: <ol style="list-style-type: none"> <li>IPART has agreed to; and</li> <li>are notified from time to time to the Licensee by IPART in writing.</li> </ol>	<b>3.1</b> The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that: <ol style="list-style-type: none"> <li>IPART has agreed to; and</li> <li>are notified from time to time to the Licensee by IPART in writing.</li> </ol>
<b>B5 Complying with Audit Guidelines from IPART</b>		<b>4. Complying with Audit Guidelines</b>
Clause number change only	<b>B5.1</b> The Licensee must comply with any Audit Guidelines issued by IPART.	<b>4.1</b> The Licensee must comply with any Audit Guidelines issued by IPART.

Action	Existing licence clauses	Proposed licence clauses
	<b>B6 Reporting in accordance with the Reporting Manual</b>	<b>5. Reporting in accordance with the Reporting Manual</b>
Clause number change only	<b>B6.1</b> The Licensee must prepare and submit reports in accordance with the Reporting Manual.	<b>5.1</b> The Licensee must prepare and submit reports in accordance with the Reporting Manual.
	<b>B7 Reporting information in relation to the Register of Licences</b>	<b>6. Reporting information in relation to the register of licences</b>
Amended	<b>B7.1</b> Within 14 days of any change in relation to the following, the Licensee must notify IPART, and provide IPART with details, of the change in accordance with the Reporting Manual: <ul style="list-style-type: none"> <li>a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;</li> <li>b) the Authorised Purposes of the water handled by the Specified Water Industry Infrastructure;</li> <li>c) 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;</li> <li>d) any other water infrastructure to which the Specified Water Industry Infrastructure is connected; or</li> <li>e) <i>[Not applicable]</i></li> <li>f) <i>[Not applicable]</i></li> <li>g) the arrangements for the disposal of waste from the Specified Water Industry Infrastructure.</li> </ul>	<b>6.1</b> 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: <ul style="list-style-type: none"> <li>a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;</li> <li>b) the identity of each license 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;</li> <li>c) any other water infrastructure to which the Specified Water Industry Infrastructure is connected;</li> <li>d) <i>[Not applicable]</i></li> <li>e) <i>[Not applicable]</i></li> <li>f) <i>[Not applicable]</i></li> <li>g) <i>[Not applicable]</i></li> </ul>
	<b>B8 Monitoring</b>	<b>7. Monitoring</b>
Amended	<b>B8.1</b> 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.	<b>7.1</b> 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.
Clause number change only	<b>B8.2</b> The Licensee must keep the following records of any samples taken for monitoring purposes specified in the Water Quality Plan: <ul style="list-style-type: none"> <li>a) the date on which the sample was taken;</li> <li>b) the time at which the sample was collected;</li> <li>c) the point or location at which the sample was taken; and</li> <li>d) the chain of custody of the sample (if applicable).</li> </ul>	<b>7.2</b> The Licensee must keep the following records of any samples taken for monitoring purposes specified in the Water Quality Plan: <ul style="list-style-type: none"> <li>a) the date on which the sample was taken;</li> <li>b) the time at which the sample was collected;</li> <li>c) the point or location at which the sample was taken; and</li> <li>d) the chain of custody of the sample (if applicable).</li> </ul>
Clause number change only	<b>B8.3</b> 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.	<b>7.3</b> 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.

Action	Existing licence clauses	Proposed licence clauses
	<b>B9 Provision of copy of Plan</b>	
Removed	<p><b>B9.1</b></p> <p>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.</p>	
	<b>B10 Delineating responsibilities-interconnections</b>	<b>8. Delineating responsibilities</b>
Amended	<p><b>B10.1</b></p> <p>If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause B10.</p>	<p><b>8.1</b></p> <p>If a code of conduct has not been established under section 46 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (<b>Licensee's Code of Conduct</b>) in accordance with this clause 8.</p>
Added		<p><b>8.3</b></p> <p>The Licensee's Code of Conduct must be agreed in writing between:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or</li> <li>ii) Constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.</li> </ul> </li> </ul>
Amended	<p><b>B10.2</b></p> <p>The Licensee's Code of Conduct must set out the respective responsibilities of:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of: or</li> <li>ii) Constructs, maintains or operates, Any water industry infrastructure that is connected to the Specified Water Industry Infrastructure, by, at a minimum, providing for: <ul style="list-style-type: none"> <li>▪ 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;</li> <li>▪ Who is responsible for water quality;</li> <li>▪ Who is liable in the event of the unavailability of water;</li> </ul> </li> </ul> </li> </ul>	<p><b>8.4</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) who is responsible for water quality;</li> <li>c) who is liable in the event of the unavailability of water;</li> <li>d) who is liable in the event of failure of any water industry infrastructure;</li> <li>e) the fees and charges payable in respect of the use of the water industry infrastructure; and</li> <li>f) who is responsible for handling customer complaints.</li> </ul>

Action	Existing licence clauses	Proposed licence clauses
	<ul style="list-style-type: none"> <li>Who is liable in the event of failure of the Specified Water Industry Infrastructure;</li> <li>The fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and</li> <li>Who is responsible for handling customer complaints</li> </ul>	
Removed	<p><b>B10.4</b> Within 6 months of the date on which this Licence is granted 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.</p>	
Clause number change only	<p><b>B10.5</b> 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.</p>	<p><b>8.5</b> The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or the liable for the matters set out in it.</p>
	<b>B11 Notification of changes to end-use</b>	
Removed	<p><b>B11.1</b> 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.</p>	
	<b>B12 Notification of changes to Authorised Person</b>	
Removed	<p><b>B12.1</b> 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.</p>	
Added		<p><b>10.1</b> Each time the Licensee has brought any new Specified Water Industry Infrastructure into commercial operation, the Licensee must:</p> <ol style="list-style-type: none"> <li>notify IPART in accordance with the Reporting Manual that it has brought the relevant Specified Water Industry Infrastructure into commercial operation; and</li> <li>provide such notification within 10 days after it has brought the relevant Specified Water Industry Infrastructure into commercial operation</li> </ol>



## C Notice of Decision and proposed retail supplier's licence



## New South Wales

### Water Industry Competition Act 2006 (NSW)

#### Section 15

#### Notice of Decision - Variation of Retail Supplier's Licence No. 10\_011R

I, the Hon. Kevin Anderson, MP, Minister for Lands and Water, have decided to amend Sydney Desalination Plant Pty Ltd's (ACN 125 935 177) licence number 10\_011R (**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 deciding to vary the conditions of the Licence.

Under section 17 of the Act, the Licensee must be notified of proposed changes to its licence conditions and any submissions it makes in response must be considered. After notifying the Licensee of the proposed changes, IPART has provided me with copies of the Licensee's submissions, which I considered in reaching this decision.

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

.....

The Hon. Kevin Anderson, MP  
Minister for Lands and Water

Dated this                      day of                      20



# **NEW SOUTH WALES GOVERNMENT**

***Water Industry Competition Act 2006 (NSW)***

**Retail supplier's licence**

Licence no. 10\_011R

Sydney Desalination Plant Pty Ltd

(ACN 125 935 177)

## PRELIMINARY

### 1. Summary

- 1.1. This Licence is granted under section 10(1) of the Act.
- 1.2. The Act prohibits a person from supplying water, or providing a sewerage service, by means of 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:

<b>Section 1</b> authorises the supply of non-potable water (if applicable).
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<b>Section 2</b> authorises the supply of drinking water (if applicable).
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<b>Section 3</b> authorises the supply of sewerage services (if applicable).
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<b>Schedule A</b> sets out special Ministerially-imposed licence conditions that are specific to this Licence.
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<b>Schedule B</b> sets out Ministerially-imposed licence conditions that generally apply to retail suppliers' licences granted under the Act.
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<b>Schedule C</b> sets out definitions and interpretation provisions.
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- 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.

## SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER

*[Not Applicable]*

**Table 1.1 Authorised Persons**

*[Not Applicable]*

**Table 1.2 Person or classes of persons**

*[Not Applicable]*

**Table 1.3 Area of operations**

*[Not Applicable]*

**Table 1.4 Authorised purposes for non-potable water**

*[Not Applicable]*

## SECTION 2 – AUTHORISATION TO SUPPLY DRINKING 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 Table 2.1 to supply drinking water:

- a) to the persons or classes of persons specified in Table 2.2; and
- b) within the area of operations specified in Table 2.3.

**Table 2.1 Authorised Persons**

<i>None</i>
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**Table 2.2 Person or classes of persons**

Any person other than a Small Retail Customer
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**Table 2.3 Area of operations**

Sydney Water Corporation's area of operations (as defined in the Sydney Water Operating Licence).
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## SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES

*[Not Applicable]*

**Table 3.1 Authorised Persons**

*[Not Applicable]*

**Table 3.2 Person or classes of persons**

*[Not Applicable]*

**Table 3.3 Area of operations**

*[Not Applicable]*

## **SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS**

No special Ministerially-imposed licence conditions apply to this Licence.



## 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. *[Not applicable]*
- 2.4. *[Not applicable]*
- 2.5. 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:
- 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.
- 2.6. 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.]*

### **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**

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

### **6. 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 licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers;
  - b) any source from which the water handled by the water industry infrastructure referred to in clause 6.1a) is derived;
  - c) whether or not any of the Licensee's customers are Small Retail Customers; and
  - d) any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort.
  - e) *[Not applicable]*

## **7. Delineating responsibilities**

- 7.1. If a code of conduct has not been established under section 46 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 7.
- 7.2. *[Not applicable]*
- 7.3. The Licensee's Code of Conduct must be agreed in writing between:
- 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.
- 7.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 7.3 by, at a minimum, providing for:
- a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves or storages or other infrastructure connecting the Licensed 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.
- 7.5. 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.

## **8. Infrastructure to be used**

- 8.1. The Licensee must only source and supply water by means of water industry infrastructure, if that water industry infrastructure is maintained and operated by a licensed network operator or public water utility.
- 8.2. *[Not Applicable]*

**9. Notification of supply of water or provision of sewerage services**

9.1. *[Not applicable]*

9.2. *[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;
- h) 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:

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

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

Authorised Person	means each person specified in, as applicable: <ul style="list-style-type: none"> <li>a) Section 1, Table 1.1;</li> <li>b) Section 2, Table 2.1; and</li> <li>c) Section 3, Table 3.1.</li> </ul>
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 retail supplier's licence granted under section 10 of the Act.
Licensed Water Industry Infrastructure	means the water industry infrastructure by means of which the non-potable water, drinking water and/or sewerage services (as applicable) under this Licence are supplied.
Licensee	means Sydney Desalination Plant Pty Ltd (ACN 125 935 177).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause 7.1.
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.
Regulation	means the <i>Water Industry Competition (General) Regulation 2021</i> (NSW).

Reporting Manual	means the document titled “Network Operator’s Reporting Manual and Retail Supplier’s Reporting Manual under <i>Water Industry Competition Act 2006</i> ”, which is prepared by IPART and is available on IPART’s website at <a href="http://www.ipart.nsw.gov.au">www.ipart.nsw.gov.au</a> .
Small Retail Customer	has the meaning given to that term in the Regulation.
Specified Water Industry Infrastructure	<p>Has the meaning given to that term under network operator’s licence number 10_010.</p> <p><i>[Note: Under clause 1.1(c) of Schedule C to this Licence, the reference to network operator’s licence number 10_010 in this definition includes the document as modified from time to time and any document replacing it.]</i></p>
Sydney Water Operating Licence	means any “operating licence”, as that term is defined in section 3 of the <i>Sydney Water Act 1994</i> , that is in force from time to time.

## D Proposed retail supplier's licence (10\_011R) amendments

Table D.1 Comparison of existing and proposed licence clauses (retail supplier's licence)

Action	Existing licence clauses	Proposed licence clauses
Remove	<p><b>SCHEDULE A - SPECIAL MINISTERIALLY- IMPOSED LICENCE CONDITIONS FOR SYDNEY DESALINATION PLANT PTY LTD'S RETAIL SUPPLIER'S LICENCE</b></p> <p>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.</p>	
Added		<p><b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.1 Authorised Persons</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.2 Person or classes of persons</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.3 Area of operations</b></p> <p><i>[Not applicable]</i></p>
Added		<p><b>Table 1.4 Authorised purposes for non-potable water</b></p> <p><i>[Not applicable]</i></p>
	<p><b>A1 Activities authorised</b></p> <p><b>A1.1</b></p> <p>This Licence authorises the Licensee and any authorised persons specified in Table 1:</p> <ul style="list-style-type: none"> <li>a) to supply water by means of the water industry infrastructure specified in Table 2</li> <li>b) for the authorised purposes specified in Table 3</li> <li>c) to the persons and classes of persons specified in Table 4</li> <li>d) within the area of operations specified in Table 5,</li> </ul> <p>subject to the conditions imposed by or under the Act, the Regulation and this Licence.</p>	<p><b>SECTION 2 – AUTHORISATION TO SUPPLY DRINKING WATER</b></p> <p>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 Table 2.1 to supply drinking water:</p> <ul style="list-style-type: none"> <li>a) to the persons or classes of persons specified in Table 2.2; and</li> <li>b) within the area of operations specified in Table 2.3</li> </ul>



Action	Existing licence clauses	Proposed licence clauses
Amended	<b>Table 1 Authorised persons</b> <i>[Not applicable]</i>	<b>Table 2.1 Authorised Persons</b> <i>None</i>
Removed	<b>Table 2 Specified water industry infrastructure</b> Infrastructure used for the production; treatment, filtration, storage, conveyance or reticulation of drinking water under Network Operator's Licence no 10_010 and /or the Sydney Water Operating Licence (as the case may be).	
Removed	<b>Table 3 Authorised purposes</b> Drinking water and other purposed for which drinking water could be used safely.	
Amended	<b>Table 4 Specified persons or classes of persons</b> Any person other than a Small Retail Customer.	<b>Table 2.2 Person or classes of persons</b> Any person other than a Small Retail Customer
Amended	<b>Table 5 Area of operations</b> Sydney Water Corporation's area of operations (as defined in the Sydney Water Operating Licence).	<b>Table 2.3 Area of operations</b> Sydney Water Corporation's area of operations (as defined in the Sydney Water Operating Licence).
		<b>SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES</b> <i>[Not applicable]</i>
Added		<b>Table 3.1 Authorised Persons</b> <i>[Not applicable]</i>
Added		<b>Table 3.2 Person or classes of persons</b> <i>[Not applicable]</i>
Added		<b>Table 3.3 Area of operations</b> <i>[Not applicable]</i>
Added		<b>SCHEDULE A - SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS</b> No special Ministerially-imposed licence conditions apply to this Licence
	<b>SCHEDULE B- STANDARD MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR ALL LICENSED RETAIL SUPPLIERS</b> This schedule sets out the standard conditions which the Minister imposes on the Licensee and all other licensed retail suppliers 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.	<b>SCHEDULE B-GENERAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS</b>

Action	Existing licence clauses	Proposed licence clauses
	<b>B1 Ongoing capacity to operate</b>	<b>1 Ongoing capacity to operate</b>
Amended	<b>B1.1</b> 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.	<b>1.1</b> 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.
	<b>B2 Obtaining appropriate insurance</b>	
Removed	<b>B2.2</b> The Licensee must: <ul style="list-style-type: none"> <li>a) before commencing to supply water through the Specified Water Industry Infrastructure under this Licence: <ul style="list-style-type: none"> <li>i) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence; and</li> <li>ii) provide a copy of each certificate of currency of the insurance obtained to IPART; and</li> </ul> </li> <li>b) within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any) 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: <ul style="list-style-type: none"> <li>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</li> <li>ii) is in the form prescribed by the Reporting Manual.</li> </ul> </li> </ul>	
	<b>B3 Maintaining appropriate insurance</b>	<b>2. Maintaining appropriate insurance</b>
Amended	<b>B3.1</b> The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.	<b>2.1</b> 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.
Clause number change only	<b>B3.2</b> 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.	<b>2.2</b> 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.
Amended	<b>B3.3</b> If there is, or is to be a change in: <ul style="list-style-type: none"> <li>a) the insurer of underwriting panel in respect of an insurance policy held by the Licensee; or</li> <li>b) the type, scope or limit on the amount of insurance held by the Licensee,</li> </ul>	<b>2.5</b> 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: <ul style="list-style-type: none"> <li>a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or</li> </ul>

Action	Existing licence clauses	Proposed licence clauses
	in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.	b) the type, scope or limit on the amount of insurance held by the Licensee.
Amended	<p><b>B3.4</b></p> <p>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.</p> <p><i>[Note: The circumstances in which IPART may request a report under clause B3.4 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>a) <i>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;</i></li> <li>b) <i>where there is a change in the type or extent of activities authorised under this Licence; or</i></li> <li>c) <i>when IPART or an approved auditor has reason to believe that the type or level of insurance held by the Licensee may not be appropriate for the size and nature of the activities authorised under this Licence.]</i></li> </ul>	<p><b>2.6</b></p> <p>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.</p> <p><i>[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>• <i>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;</i></li> <li>• <i>where there is a change in the type or extent of activities authorised by this Licence; or</i></li> <li>• <i>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.]</i></li> </ul>
	<b>B4 Complying with NSW Health requirements</b>	<b>3. Complying with NSW Health requirements</b>
Clause number change only	<p><b>B4.1</b></p> <p>The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:</p> <ul style="list-style-type: none"> <li>a) IPART has agreed to; and</li> <li>b) are notified from time to time to the Licensee by IPART in writing.</li> </ul>	<p><b>3.1</b></p> <p>The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:</p> <ul style="list-style-type: none"> <li>a) IPART has agreed to; and</li> <li>b) Are notified from time to time to the Licensee by IPART in writing.</li> </ul>
	<b>B5 Complying with Audit Guidelines from IPART</b>	<b>4. Complying with Audit Guidelines</b>
Clause number change only	<p><b>B5.1</b></p> <p>The Licensee must comply with any Audit Guidelines issued by IPART.</p>	<p><b>4.1</b></p> <p>The Licensee must comply with any Audit Guidelines issued by IPART.</p>
	<b>B6 Reporting in accordance with the Reporting Manual</b>	<b>5. Reporting in accordance with the Reporting Manual</b>
Clause number change only	<p><b>B6.1</b></p> <p>The Licensee must prepare and submit reports in accordance with the Reporting Manual.</p>	<p><b>5.1</b></p> <p>The Licensee must prepare and submit reports in accordance with the Reporting Manual.</p>
	<b>B7 Reporting information in relation to the Register of Licences</b>	<b>6. Reporting information in relation to the register of licences</b>

Action	Existing licence clauses	Proposed licence clauses
Amended	<p><b>B7.1</b></p> <p>Within 14 days of any change in relation to the following, the Licensee must notify IPART, and provide IPART with details, of the change in accordance with the Reporting Manual:</p> <ul style="list-style-type: none"> <li>a) any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers;</li> <li>b) any source from which the water handled by the water industry infrastructure referred to in paragraph (a) is derived;</li> <li>c) whether or not any of the Licensee's customers are Small Retail Customers; or</li> <li>d) any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort</li> <li>e) <i>[Not applicable]</i></li> <li>f) <i>[Not applicable]</i></li> <li>g) <i>[Not applicable]</i></li> </ul>	<p><b>6.1</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>a) any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers;</li> <li>b) any source from which the water handled by the water industry infrastructure referred to in clause 6.1a) is derived;</li> <li>c) whether or not any of the Licensee's customers are Small Retail Customers; and</li> <li>d) any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort.</li> <li>e) <i>[Not applicable]</i></li> </ul>
	<b>B8 Provision of copy of Plan</b>	
Removed	<p><b>B8.1</b></p> <p>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.</p>	
	<b>B9 Delineating responsibilities</b>	<b>7. Delineating responsibilities</b>
Amended	<p><b>B9.1</b></p> <p>If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause B9.</p>	<p><b>7.1</b></p> <p>If a code of conduct has not been established under section 46 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 7.</p>
Added		<p><b>7.3</b></p> <p>The Licensee's Code of Conduct must be agreed in writing between:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or</li> <li>ii) constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.</li> </ul> </li> </ul>
Amended	<p><b>B9.2</b></p> <p>The Licensee's Code of Conduct must set out the respective responsibilities of:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> </ul>	<p><b>7.4</b></p> <p>The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 7.3 by, at a minimum, providing for:</p>

Action	Existing licence clauses	Proposed licence clauses
	<ul style="list-style-type: none"> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that:               <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of; or</li> <li>ii) Constructs, maintains or operates, Any water industry infrastructure that is connected to the Specified Water Industry Infrastructure, by, at a minimum, providing for:</li> </ul> </li> <li>c) 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;</li> <li>d) who is responsible for water quality;</li> <li>e) who is liable in the event of the unavailability of water;</li> <li>f) who is liable in the event of failure of the Specified Water Industry Infrastructure;</li> <li>g) the fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and</li> <li>h) who is responsible for handling customer complaints.</li> </ul>	<ul style="list-style-type: none"> <li>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;</li> <li>b) who is responsible for water quality;</li> <li>c) who is liable in the event of the unavailability of water;</li> <li>d) who is liable in the event of failure of any water industry infrastructure;</li> <li>e) the fees and charges payable in respect of the use of the water industry infrastructure; and</li> <li>f) who is responsible for handling customer complaints.</li> </ul>
Removed	<p><b>B9.4</b> Within 6 months of the date on which this Licence is granted 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 B9.2.</p>	
Clause number change only	<p><b>B9.5</b> 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.</p>	<p><b>7.5</b> 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.</p>
	<p><b>B10 Notification of changes to Authorised Person</b></p>	
Removed	<p><b>B10.1</b> 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.</p>	
	<p><b>B11 Infrastructure to be used</b></p>	
Amended	<p><b>B11.1</b> The Licensee must only source and supply water by means of water industry infrastructure maintained and operated by a licensed network operator or public water utility.</p>	<p><b>8. Infrastructure to be used</b></p> <p><b>8.1</b> The Licensee must only source and supply water by means of water industry infrastructure, if that water industry infrastructure is maintained and operated by a licensed network operator or public water utility.</p>



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**ISBN** 978-1-76049-596-1

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- i SDP submission to IPART 28 June 2022 and 22 July 2022, DPE submission to IPART 19 July 2022 and Sydney water submission to IPART 22 July 2022.
  - ii SDP submission to IPART 23 August 2022.
  - iii WIC Act section 17.
  - iv *Decision Framework for SDP Operation*, Sydney Water, June 2022. The Decision Framework is a framework for Sydney Water to determine the quantities of drinking water to be supplied from SDP.