



5-year review of AquaNet Sydney's
retail supplier licence (10_01R)

Report to the Minister

July 2022

Water >>

Tribunal Members

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The Independent Pricing and Regulatory Tribunal (IPART)

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 AquaNet Sydney Pty Ltd (AquaNet)'s retail supplier licence under section 85 of the *Water Industry Competition Act 2006* (WIC Act).

AquaNet's retail supplier licence was originally assessed having 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 AquaNet's retail supplier licence (licence number 10_01R) in accordance with the proposed varied licence in Appendix A. The proposed variations align AquaNet's licence with our standard licence clauses.

We also recommend amending the licence to update language and terminology to improve readability and provide clarity.

We sought submissions from AquaNet on the existing and draft licences, but they did not have any comments.

While the WIC Act does not require consultation with any persons other than the licensee, we also consulted with the Department of Planning and Environment (DPE) as part of the review process. DPE raised no issues regarding the licence review.

2 Introduction

AquaNet currently holds the retail supplier licence issued under the WIC Act for the recycled water scheme situated at Rosehill. AquaNet has approval to provide non-potable water supply services to the Rosehill scheme in Sydney.

Rosehill Network Pty Ltd holds the network operator's licence for non-potable water infrastructure at the Rosehill scheme (Licence number 09_002). The licences relating to the Rosehill scheme are described in **Table 1**:

Table 1 Licences relating to the Rosehill scheme

Licensee	Licence number	Licence type	Date granted/last varied
AquaNet	10_01R	Retail supplier	18 December 2016
Rosehill Network Pty Ltd	09_002	Network operator	20 September 2021

We commenced our 5-year review of AquaNet's retail supplier licence on 21 December 2021. This report includes our proposal to make non-material changes to the wording of the scope and outlines our recommendations to amend and remove clauses in the existing retail supplier licence. This report also details our analysis and our reasons for recommending changes to the licence.

2.1 We considered emerging risks and recommend updating the licence clauses

The 5-year review process allows us to reconsider licence clauses in response to emerging risks to each scheme and consider whether the existing licence clauses are appropriate to efficiently and effectively regulate WIC Act licensees. In line with good regulatory practice, licence clauses should direct licensees to achieve desired outcomes without imposing unnecessary compliance and administrative costs.

We did not identify any emerging risks for this scheme. We took this opportunity to update and streamline the licence clauses.

We suggest updating the licence clauses

The review provided an opportunity to recommend updates to AquaNet's retail supplier licence clauses to align them with other more recent standard licence clauses. We consider that applying the recently updated standard licence clauses to AquaNet's licence will:

- address any gaps in the licence
- clarify licence clauses for the licensee
- apply an equitable regulatory framework by having consistent clauses across other retail supplier licences

- allow us to more efficiently regulate licensees through improved and more consistent audit processes
- improve the efficiency of administering licences until the new licensing regime, under the *Water Industry Competition Amendment Act 2021* (amended WIC Act), is in place.

We recommend removing some licence clauses

Where existing licence clause requirements are no longer required, and the removal of these requirements does not increase risk, we recommend removing those clauses. Clauses were no longer required where:

- requirements are already imposed elsewhere (e.g. in our Reporting Manual)
- the scheme commenced operations and a requirement to obtain insurance for the first time was no longer needed
- circumstances around the scheme changed when the area of operations for the scheme's 2 network operator's licences were combined into one licence.ⁱ

2.2 We consulted with relevant stakeholders to inform our review

We sought submissions from AquaNet and the Department of Planning and Environment (DPE) on the existing licence, and from Aquanet on the draft licence. They did not have comments.

If the Minister chooses to make further changes to the proposed licence, they must notify the licensee and provide reasonable opportunity to them to make submissions with respect to the proposed changes.ⁱⁱ The Minister must consider any such submissions with respect to any proposed further changes.

2.3 We had regard to licensing principles

We had regard to the licensing principles in section 7 of the WIC Act (see **Box 1**). Our recommendation to amend and remove AquaNet's licence clauses, to align them with more recent standard licence clauses, is in line with the licensing principles as the changes provide:

- Better consumer protection by clarifying requirements for:
 - the delineation of responsibilities where there are interconnections with other utilities
 - maintenance of insurance and reporting of changes in relation to the register of licences and the infrastructure that must be used.ⁱⁱⁱ

ⁱ The Minister granted Rosehill Network Pty Ltd's a varied network operator's licence (number 09_002) in September 2021. The varied licence extends the scope to include the advanced water treatment plant.

ⁱⁱ WIC Act section 17.

ⁱⁱⁱ WIC Act section 7(1)(a) and 7(1)(f).

- Less regulatory duplication by removing licence requirements that already exist in our Reporting Manual requirements for WIC Act licensees (and where the removal of the requirement does not increase risk), or by consolidating requirements across clauses to a single clause within a licence (e.g. insurance requirements).

Box 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: Section 7 of the WIC Act.

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

The amended WIC Act, which was assented to by the Governor on 1 November 2021 and is expected to commence on 1 December 2022, will result in significant changes to the WIC Act licensing framework and conditions. The Act includes a changed scope for schemes that will require a licence, as well as provisions to transition currently licensed schemes to the new framework where appropriate. Therefore, we have only recommended the minimum changes necessary to bring AquaNet's retail supplier licence in line with our standard retail supplier licence clauses. Having standard licence clauses will assist in transitioning the licence to updated legal instruments when the impending changes to the WIC Act licensing regime commence.

2.5 Summary of changes

The following section outlines our analysis and recommendations. In summary, we propose to update AquaNet's retail supplier licence (the proposed licence is in Appendix A) as follows:

Table 2 Summary of changes to AquaNet's retail supplier licence 10_01R

Summary of changes

Restructure the licence scope into three parts: Section 1, Section 2 and Section 3 (section 3.1 of this report).

Remove duplicative clauses relating to the definition of water industry infrastructure, and authorised purposes for drinking water and sewerage services, by removing Tables 1.2, 2.2, 2.3, 3.2 and 3.3 in the licence scope (section 3.1 of this report).

Re-word Table 1.5 – Using a defined term in the licence to refer to the Area of operations (section 3.1 of this report).

Amend 7 Schedule B clauses on maintaining insurance, reporting in relation to the register of licences, delineating responsibilities and infrastructure to be used (section 3.2.1 of this report).

Remove 8 clauses on obtaining insurance, providing copies of operational plans, notification of changes to Authorised Persons and notification of the commencement of operation (section 3.2.2 of this report).

Update numbering on 5 tables in the licence scope (now called sections 1-3) and 8 clauses in Schedule B (Sections 3.1 and 3.2.3 of this report).

Changes to wording of clauses are detailed in Appendix B of this report.

3 Review of AquaNet's retail supplier licence

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

We also suggest 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 3** below.

These changes do not materially change the licence scope.

Table 3 Proposed non-material changes to licence scope (sections 1 to 3 of proposed licence)

Existing clause	New clause	What is changing and why
A1.1	Update and move under Section 1 heading	<ul style="list-style-type: none"> Improved efficiency of regulation by having clearer language in each clause and more consistency across WIC Act licence clauses generally.
Tables 1.2, 2.2 and 3.2	Remove	<ul style="list-style-type: none"> Remove definition of water industry infrastructure. These tables are not required for retail supplier's licences under sections 6(1) or 11(1) of the WIC Act. Standard licence clause 8 in Schedule B of the proposed licence requires the licensee to only source water or provide sewerage services via infrastructure operated by a WIC Act network operator or public water utility.
Table 1.5 Area of Operations	Update	<ul style="list-style-type: none"> Update wording and refers to the Rosehill network operator's licence
Table 2.3	Remove	<ul style="list-style-type: none"> Remove authorised purposes for drinking water. This table is not required for drinking water services under the WIC Act. This does not constitute a change in licence scope.
Table 3.3	Remove	<ul style="list-style-type: none"> Remove authorised purposes for sewerage services. This table is not required for sewerage services under the WIC Act. This does not constitute a change in licence scope.

We also suggest 5 numbering updates to align with our standard licence template and follow the removal of clauses.

Table 4 Number changes only for sections 1-3

Clause description	Existing clause number	Proposed clause number
Authorised purposes for non-potable water	Table 1.3	Table 1.4
Persons or classes of persons	Table 1.4	Table 1.2
Area of operations	Table 1.5	Table 1.3
Area of operations	Table 2.4	Table 2.3
Area of operations	Table 3.4	Table 3.3

3.2 We propose non-material changes to Schedule B

Schedule B contains standard Ministerially imposed licence clauses.

3.2.1 We propose amendments to some existing clauses

We propose amending 7 existing licence clauses relating to:

- insurance requirements
- reporting requirements relating to the register of licences
- delineating responsibilities where there are interconnections with other infrastructure
- infrastructure to be used.

Table 5 Proposed changes to Schedule B clauses

Existing clause	Proposed clause	Reason for the change	We had regard to the following licensing principles in making our recommendation
Maintaining appropriate insurance		<ul style="list-style-type: none"> • Wording and numbering changes are recommended for all clauses to align with our standard licence template. • Improves efficiency of regulation by having clearer language in each clause and more consistency across WIC Act licence clauses generally. 	<ul style="list-style-type: none"> • The protection of consumers under s7(1)(a) of the WIC Act. • The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.
B3.1	2.1		
B3.3	2.5		
Reporting information in relation to the register of licences			
B7.1	6.1		
Delineating responsibilities			
B9.1	7.1		
B9.2	7.4		
B9.3	7.3		
Infrastructure to be used			
B11.1	8.1		

3.2.2 We propose the removal of some clauses

We propose removing 8 licence clauses from Schedule B relating to:

- obtaining insurance before commencing commercial operation
- providing copies of operational plans when they are changed
- notification of changes to Authorised Persons
- notification of the commencement of operation.

Table 6 Proposed removal of some Schedule B clauses

Existing clause	Reason for removing this clause	Considerations in making our recommendation
B2 Obtaining appropriate insurance B2.1, B2.2, B2.3, B2.5, B2.6	<ul style="list-style-type: none"> Requirements are no longer needed as scheme has commenced operation. Improves efficiency of regulation by removing unnecessary obligations in the licence. 	<ul style="list-style-type: none"> The protection of consumers under s7(1)(a) of the WIC Act. The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.
B8 Provision of copy of Plan B8.1	<ul style="list-style-type: none"> This clause duplicates a requirement in section 3.3 of the Reporting Manual^{iv}. Improves efficiency of regulation by removing unnecessary and duplicative obligations in the licence. 	<ul style="list-style-type: none"> The protection of consumers under s7(1)(a) of the WIC Act. The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.
B10 Notification of changes to Authorised Person B10.1	<ul style="list-style-type: none"> This clause duplicates a requirement in section 3.3 of the Reporting Manual. Improves efficiency of regulation by removing unnecessary and duplicative obligations in the licence. 	<ul style="list-style-type: none"> The protection of consumers under s7(1)(a) of the WIC Act. The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.
B12 Notification of Operation B12.1	<ul style="list-style-type: none"> Clause is no longer necessary because the scheme has commenced operation. Improves efficiency of regulation by removing unnecessary and duplicative obligations in the licence. 	<ul style="list-style-type: none"> The protection of consumers under s7(1)(a) of the WIC Act. The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.

3.2.3 We propose clause numbering updates

To update the licence with our standard template we have kept the same language but changed the numbering of 8 clauses in Schedule B of the proposed licence.

Table 7 Re-numbering of Schedule B clauses

Clause description	Existing clause number	Proposed clause number
Maintaining appropriate insurance	B3.2	2.2
Maintaining appropriate insurance	B3.4	2.6
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
Delineating responsibilities	B9.4	7.2
Delineating responsibilities	B9.5	7.5
Notification of operation	B12.2	9.2

^{iv} IPART, Network Operator's Reporting Manual and Retail Supplier's Reporting Manual under *Water Industry Competition Act 2006*, April 2022.

4 Recommendation

Recommendation

1. We recommend that the Minister vary AquaNet's retail supplier licence (licence number 10_01R) in accordance with the proposed varied licence in Appendix A, by signing the notice of decision.

If the Minister decides to vary the licence, the Minister may provide IPART with a notice of the decision and the reasons for the decision.

Where the Minister provides us with a notice of the decision, we will make that notice 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 licence.

Appendices



A Notice of Decision and proposed retail supplier licence



New South Wales

Water Industry Competition Act 2006 (NSW)

Section 15

**Notice of Decision -
Variation of Retail Supplier's
Licence No. 10_01R**

I, the Hon. Kevin Anderson, MP, Minister for Lands and Water, have decided to amend AquaNet Sydney Pty Ltd's (ACN 131 235 124) licence number 10_01R (**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.

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_01R

AquaNet Sydney Pty Ltd

(ACN 131 235 124)

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:

Section 1 authorises the supply of non-potable water (if applicable).
Section 2 authorises the supply of drinking water (if applicable).
Section 3 authorises the supply of sewerage services (if applicable).
Schedule A sets out special Ministerially-imposed licence conditions that are specific to this Licence.
Schedule B sets out Ministerially-imposed licence conditions that generally apply to retail suppliers' licences granted under the Act.
Schedule C 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 – AUTHORISATION TO SUPPLY NON-POTABLE 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 1.1 to supply non-potable water:

- a) to the persons or classes of persons specified in Table 1.2;
- b) within the area of operations specified in Table 1.3; and
- c) for one or more of the authorised purposes specified in Table 1.4.

Table 1.1 Authorised Persons

None

Table 1.2 Person or classes of persons

Owners and occupiers of sites and premises within the specified areas of operations set out in Table 1.3 of this licence.

Table 1.3 Area of operations

Area of operations specified in Section 1, Table 1.3, of the Rosehill's Network Operator's Licence.

Table 1.4 Authorised purposes for non-potable water

<i>[Not applicable]</i>

SECTION 2 – AUTHORISATION TO SUPPLY DRINKING WATER

[Not applicable]

Table 2.1 Authorised Persons

[Not applicable]

Table 2.2 Person or classes of persons

[Not applicable]

Table 2.3 Area of operations

[Not applicable]

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. Before commencing any of the activities authorised by this Licence, the Licensee must demonstrate that the insurance held is appropriate for the size and nature of the activities, by providing a report to IPART from an Insurance Expert that:
- a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities; and
 - b) is in the form prescribed by the Reporting Manual.
- 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. There must be a code of conduct 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 Licensed Water Industry Infrastructure; or
 - ii) constructs, maintains or operates any water industry infrastructure that is connected to the Licensed 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](#), 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"> a) section 1, Table 1.1; b) section 2, Table 2.1; and c) section 3, Table 3.1.
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 AquaNet Sydney Pty Ltd (ACN 131 235 124).
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 2018</i> (NSW).

Reporting Manual	means the document titled “Network Operator’s Reporting Manual and Retail Supplier’s Reporting Manual under the <i>Water Industry Competition Act 2006 (NSW)</i> ”, which is prepared by IPART and is available on IPART’s website .
Rosehill Network Operator's Licence	means network operator's licence no. 09_002 granted to Rosehill Network Pty Ltd (ACN 131 213 691) (as varied by the Minister from time to time)
Small Retail Customer	has the meaning given to that term in the Regulation.

B Proposed changes to retail supplier licence clauses

Table B.1 Comparison of existing and proposed licence clauses

Action	Existing licence clause	Proposed licence clause
Amended and moved location to follow Section 3 of the proposed new licence	<p>SCHEDULE A - SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR AQUANET SYDNEY PTY LTD'S RETAIL SUPPLIER'S LICENCE</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>	<p>SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS</p> <p>No special Ministerially-imposed licence conditions apply to this Licence</p>
	A1 Activities authorised - non-potable water	SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER
Amended	<p>A1.1</p> <p>This Licence authorises the Licensee and any authorised persons specified in Table 1.1:</p> <ul style="list-style-type: none"> a) to supply water by means of the water industry infrastructure specified in Table 1.2; b) for one or more of the authorised purposes specified in Table 1.3; c) to the persons or classes of persons specified in Table 1.4; d) within the area of operations specified in Table 1.5. <p>subject to the conditions imposed by or under the Act, the Regulation and this Licence.</p>	<p>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 1.1 to supply non-potable water:</p> <ul style="list-style-type: none"> a) to the persons or classes of persons specified in Table 1.2; b) within the area of operations specified in Table 1.3; and c) for one or more of the authorised purposes specified in Table 1.4.
Removed	<p>Table 1.2 Water industry infrastructure</p> <p>Water industry infrastructure specified in Schedule A, Clause A.1 of network operator's licence 09_002, as varied from time to time.</p>	
Clause number change only	<p>Table 1.3 Authorised purposes</p> <p><i>[Not applicable]</i></p>	<p>Table 1.4 Authorised purposes for non-potable water</p> <p><i>[Not applicable]</i></p>
Clause number change only	<p>Table 1.4 Persons or classes of persons</p> <p>Owners and occupiers of sites and premises within the specified areas of operations set out in Table 1.5 of this licence.</p>	<p>Table 1.2 Person or classes of persons</p> <p>Owners and occupiers of sites and premises within the specified areas of operations set out in Table 1.3 of this licence.</p>
Amended	<p>Table 1.5 Area of operations</p> <p>Area of operations specified in Schedule A, Clause A.1 of network operator's licence 09_002, as varied from time to time.</p>	<p>Table 1.3 Area of operations</p> <p>Area of operations specified in Schedule 1, Table 1.3 of Rosehill's Network Operator's Licence.</p>
	A2 Activities authorised – drinking water <i>[Not applicable]</i>	SECTION 2 – AUTHORISATION TO SUPPLY DRINKING WATER <i>[Not applicable]</i>

Action	Existing licence clause	Proposed licence clause
Removed	Table 2.2 Water industry infrastructure <i>[Not applicable]</i>	
Removed	Table 2.3 Authorised purposes <i>[Not applicable]</i>	
Clause number change only	Table 2.4 Area of operations <i>[Not applicable]</i>	Table 2.3 Area of operations <i>[Not applicable]</i>
	A3 Activities authorised – sewerage services <i>[Not applicable]</i>	SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES <i>[Not applicable]</i>
Removed	Table 3.2 Water industry infrastructure <i>[Not applicable]</i>	
Removed	Table 3.3 Authorised purposes <i>[Not applicable]</i>	
Clause number change only	Table 3.4 Area of operations <i>[Not applicable]</i>	Table 3.3 Area of operations <i>[Not applicable]</i>
	SCHEDULE B - STANDARD MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR ALL LICENSED RETAIL SUPPLIERS 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.	SCHEDULE B – GENERAL MINISTERIALLY IMPOSED LICENCE CONDITIONS
	B1 Ongoing capacity to operate	1. Ongoing capacity to operate
	B2 Obtaining appropriate insurance	
Removed	B2.1 Before commencing to supply water through the Specified Water Industry Infrastructure under this Licence, the Licensee must: <ul style="list-style-type: none"> a) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence; b) provide a copy of each certificate of currency of the insurance obtained to IPART; and c) demonstrate that the insurance obtained is appropriate for the size and nature of the activities authorised under this Licence by providing a report to IPART from an Insurance Expert that: 	

Action	Existing licence clause	Proposed licence clause
	<ul style="list-style-type: none"> i) certifies that in the Insurance Expert's opinion, the type and level of the insurance obtained by the Licensee is appropriate for the size and nature of the activities authorised under the Licence; and ii) is in the form prescribed by the Reporting Manual. 	
Removed	B2.2 <i>[Not applicable]</i>	
Removed	B2.3 <i>[Not applicable]</i>	
Removed	B2.5 <i>[Not applicable]</i>	
Removed	B2.6 <i>[Not applicable]</i>	
	B3 Maintaining appropriate insurance	2. Maintaining appropriate insurance
Amended	B3.1 The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.	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.
Clause number change only	B3.2 The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.	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.
Amended	B3.3 If there is, or is to be a change in: <ul style="list-style-type: none"> a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee, or b) the type, scope or limit on the amount of insurance held by the Licensee, in relation to the activities authorised under this Licence, in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.	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: <ul style="list-style-type: none"> 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.
Clause number change only	B3.4 From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner, form and time specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type and level of the insurance held by the Licensee is appropriate for the size and nature of the activities authorised under this Licence. <i>[Note: The situations in which IPART may request a report under clause B3.4 include (but are not limited to) the following:</i>	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.. <i>[Note: The situations in which IPART may request a report under clause 2.6 include (but are not limited to) the following:</i>

Action	Existing licence clause	Proposed licence clause
	<ul style="list-style-type: none"> When IPART has reason to believe that there may be a change in the type or level of insurance held by the Licensee in relation to activities authorised under this Licence; where there is a change in the type or extent of activities authorised under this Licence; or 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.] 	<ul style="list-style-type: none"> When IPART has reason to believe that there may be a change in the type or level of insurance held by the Licensee in relation to activities authorised under this Licence; where there is a change in the type or extent of activities authorised under this Licence; or 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.]
	B4 Complying with NSW Health requirements	3. Complying with NSW Health requirements
Clause number change only	<p>B4.1 The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:</p> <ol style="list-style-type: none"> IPART has agreed to; and are notified from time to time to the Licensee by IPART in writing. 	<p>3.1. The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:</p> <ol style="list-style-type: none"> IPART has agreed to; and are notified from time to time to the Licensee by IPART in writing.
	B5 Complying with Audit Guidelines from IPART	4. Complying with Audit Guidelines from IPART
Clause number change only	<p>B5.1 The Licensee must comply with any Audit Guidelines issued by IPART</p>	<p>4.1. The Licensee must comply with any Audit Guidelines issued by IPART</p>
	B6 Reporting in accordance with the Reporting Manual	5. Reporting in accordance with the Reporting Manual
Clause number change only	<p>B6.1 The Licensee must prepare and submit reports in accordance with the Reporting Manual.</p>	<p>5.1. The Licensee must prepare and submit reports in accordance with the Reporting Manual.</p>
	B7 Reporting information in relation to the Register of Licences	6. Reporting information in relation to the Register of Licences
Amended	<p>B7.1 Within 14 days of any change in relation to the following, the Licensee must notify IPART, and provide details, of the change in accordance with the Reporting Manual:</p> <ol style="list-style-type: none"> any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers; any source from which the water handled by the water industry infrastructure referred to in paragraph (a) is derived; whether or not any of the Licensee's customers are Small Retail Customers; or any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort. [Not applicable] [Not applicable] [Not applicable] 	<p>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:</p> <ol style="list-style-type: none"> any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers; any source from which the water handled by the water industry infrastructure referred to in clause 6.1a) is derived; whether or not any of the Licensee's customers are Small Retail Customers; and any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort. [Not applicable]

Action	Existing licence clause	Proposed licence clause
	B8 Provision of copy of Plan	
Removed	<p>B8.1</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>	
	B9 Delineating responsibilities	7. Delineating responsibilities
Amended	<p>B9.1</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>7.1.</p> <p>If a code of conduct has not been established under section 46 of the Regulation, the Licensee must establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause 7.</p>
Amended	<p>B9.2</p> <p>The Licensee's Code of Conduct must set out the respective responsibilities of:</p> <ol style="list-style-type: none"> a) the Licensee; and b) each licensed network operator, licensed retail supplier and/or public water utility that: <ol style="list-style-type: none"> i) supplies water, provides sewerage services or ii) constructs, maintains or operates any other water industry infrastructure in the Specified Area of Operations, by, at a minimum, providing for: c) if the Specified Water Industry Infrastructure is connected to any other water industry infrastructure, who is responsible for repairing, replacing or maintaining the Specified Water Industry Infrastructure; d) who is responsible for water quality; e) who is liable in the event of the unavailability of water; f) who is liable in the event of failure of the Specified Water Industry Infrastructure; g) the fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and h) who is responsible for handling customer complaints. 	<p>7.4.</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> <ol style="list-style-type: none"> 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.
Amended	<p>B9.3</p> <p>Before commencing to supply water or provide sewerage services through the Specified Water Industry Infrastructure under this Licence 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>	<p>7.3.</p> <p>There must be a Code of Conduct agreed in writing between:</p> <ol style="list-style-type: none"> a) the Licensee; and b) each licensed network operator, licensed retail supplier and/or public water utility that: <ol style="list-style-type: none"> i. supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure; or ii. constructs, maintains or operates any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure.

Action	Existing licence clause	Proposed licence clause
Clause number change only	B9.4 <i>[Not applicable]</i>	7.2. <i>[Not applicable]</i>
Clause number change only	B9.5 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.	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.
	B10 Notification of changes to Authorised Person	
Removed	B10.1 If an Authorised Person ceases, proposes to cease, or receives notification to cease providing any of the services relating to the activities authorised by this Licence, the Licensee must provide IPART with written notice as soon as practicable, but no later than 28 days before the date of cessation of the services. The written notice must include details of how the services previously undertaken by the Authorised Person will continue to be undertaken.	
	B11 Infrastructure to be used	8. Infrastructure to be used
Amended	B11.1 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.	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.
Clause number change only	B11.2 <i>[Not applicable]</i>	8.2. <i>[Not applicable]</i>
	B12 Notification of operation	9. Notification of supply of water or provision of sewerage services
Removed	B12.1 This clause B12 applies each time the Licensee has commenced to supply water or provide sewerage services through any of the Specified Water Industry Infrastructure under this Licence. The Licensee must: <ul style="list-style-type: none"> a) notify IPART in accordance with the Reporting Manual that it has commenced to supply water through the relevant Specified Water Industry Infrastructure; and b) provide such notification within 10 days after such commencement. 	9.1 <i>[Not applicable]</i>
Clause number change only	B12.2 <i>[Not applicable]</i>	9.2 <i>[Not applicable]</i>

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