

PUBLIC VERSION

Combined Network Operator and Retail Supplier

Applicant: Wollondilly Water Pty
Limited

Network Operator and Retail Supplier Licence Application Form

Water Industry Competition Act 2006 (NSW)

Application Form
June 2013

PUBLIC VERSION

Inquiries regarding this document should be directed to a staff member:

Gary Drysdale (02) 9290 8477

Narelle Berry (02) 9113 7722

Kaye Power (02) 9113 7753

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box K35, Haymarket Post Shop NSW 1240

Level 15, 2-24 Rawson Place, Sydney NSW 2000

T (02) 9290 8400 F (02) 9290 2061

www.ipart.nsw.gov.au

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1 Instructions

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

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

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

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

1.1 Who should complete this form?

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

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

1.2 Information on filling out and submitting this form

1.2.1 General instructions to applicants

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

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

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

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

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

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

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

1.2.2 Confidential information

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

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

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

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

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

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

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

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

1.2.3 Is there an application fee?

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

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

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

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

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

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1.2.4 How do you submit the application?

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

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

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

In person	Via email	Via post
Attention: Water Licensing Independent Pricing and Regulatory Tribunal Level 15 2-24 Rawson Place Sydney NSW 2000	Attention: Water Licensing Independent Pricing and Regulatory Tribunal <i>compliance@ipart.nsw.gov.au</i>	Attention: Water Licensing Independent Pricing and Regulatory Tribunal PO Box K35 Haymarket Post Shop NSW 1230

1.3 If you require further information

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

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

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

1.4 Where to from here?

1.4.1 What will happen next?

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

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

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

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

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

1.4.2 Audits and ongoing compliance obligations

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

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

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

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

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Fact sheets:

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

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

2 Contact Information

To be completed by all applicants

2.1 Contact Details

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

PRIMARY CONTACT

Full name

Duncan St Clair

Position title

GM Asset Management

Business telephone number

CONFIDENTIAL

Email address

CONFIDENTIAL

Mobile telephone number

CONFIDENTIAL

Postal address for correspondence

ADDRESS

Level 14, Tower 3, International Towers

300 Barangaroo Avenue, Barangaroo

STATE

NSW

POST CODE

2000

SECONDARY CONTACT

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

Full name

Frazer Hill

Position title

GM Business Operations

Business telephone number

CONFIDENTIAL

Email address

CONFIDENTIAL

Mobile telephone number

CONFIDENTIAL

Postal address for correspondence

ADDRESS

Level 14, Tower 3, International Towers

300 Barangaroo Avenue, Barangaroo

STATE

NSW

POST CODE

2000

3 General Information

To be completed by all applicants

3.1 Applicant Details	
3.1.1	<p>Please provide the following information for the corporation applying for the licence. Please note an application may only be made by or on behalf of a corporation (s8(1)).</p> <p>Your response to this question is used in ASIC, ITSA and CATSI searches* conducted as part of our assessment of your application. The information will also be used to specify the corporation that holds the licence (Act s.6(1)(a)), if a licence is granted.</p> <p>* These are searches of databases kept by the Australian Securities and Investments Commission (ASIC), Insolvency and Trustee Service Australia (ITSA), and Office of the Registrar of Indigenous Corporations (for corporations registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI))</p>
Corporation name	
Wollondilly Water Pty Limited	
ABN/ARBN	ACN
16 618 344 960	618 344 960
Corporation's registered office	
ADDRESS	
Level 14, Tower 3, International Towers	
300 Barangaroo Avenue, Barangaroo	
STATE	POST CODE
NSW	2000
Corporation's principal place of business	
ADDRESS	
Level 14, Tower 3, International Towers	
300 Barangaroo Avenue, Barangaroo	
STATE	POST CODE
NSW	2000
3.1.2	<p>Please provide the following information for the Chief Executive Officer and ALL Directors of the applicant corporation</p> <p>Your response to this question is used in ASIC, ITSA and CATSI searches to determine that the named individual(s) are not disqualified individual(s) and that the applicant corporation is not a disqualified corporation (Act, s10(3)). The information will also be used to assess, among other things, the applicant corporation's organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</p>
PERSON ONE	
Full name	Scott Taylor
Position title	Chief Executive Officer / Managing Director
Date of birth	CONFIDENTIAL
Residential address	
ADDRESS	

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CONFIDENTIAL	
CONFIDENTIAL	
STATE	POST CODE
CONFIDENTIAL	CONFIDENTIAL
PERSON TWO	
Full name	Alan Daly
Position title	Chief Financial Officer / Director
Date of birth	CONFIDENTIAL
Residential address	
ADDRESS	
CONFIDENTIAL	
CONFIDENTIAL	
STATE	POST CODE
CONFIDENTIAL	CONFIDENTIAL
PERSON THREE	
Full name	Matt Mears
Position title	Chief Operations Officer / Director
Date of birth	CONFIDENTIAL
Residential address	
ADDRESS	
CONFIDENTIAL	
CONFIDENTIAL	
STATE	POST CODE
CONFIDENTIAL	CONFIDENTIAL
Please also refer to the attached:	
<ul style="list-style-type: none"> Appendix 3.1.2(a) for Wollondilly Water's corporate structure; Appendix 3.1.2(b) for Wollondilly Water's related entities. 	

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3.2 Activities for which a licence is sought

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

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

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

☐ Water infrastructure - drinking water

☒ Water infrastructure – non-potable water (including recycled water)

☒ Sewerage infrastructure

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

☐ Supply of drinking water

☒ Supply of non-potable water

☒ Provision of sewerage services

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

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

☐ Yes please go to 3.2.4

☒ No please go to 3.2.5

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

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

NA

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

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

The activities are currently occurring under a Network Operator's Licence and Retail Supplier's Licence held by Veolia Water Solutions & Technologies (Australia) Pty Ltd (VWST), however, Wollondilly Water Pty Limited (the Applicant) will assume licence responsibilities as soon as practicable following IPART approval.

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3.3 Insurance Details

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

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

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

The Applicant (as a wholly owned subsidiary of Lendlease Corporation Limited (**Lendlease**) and intended owner of the Bingara Gorge Recycled Water Scheme (**BGRWS**)) already maintains a number of corporate insurance policies. However, **the Applicant** has engaged 'Marsh' as an "Insurance Expert" to undertake a risk and insurance review for retail activities with regards to the Scheme and Marsh have identified types of insurance and levels of cover that would be appropriate for the activities subject of this application:

1. Primary Public & Products Liability (A\$20Mil);
2. Professional Indemnity (A\$20Mil);
3. Security and Privacy Protection – Cyber (A\$5Mil); and
4. Pollution and Remediation Legal Liability (A\$20Mil).

Please note that the above stated policies and associated levels of cover are already in place and relate to **Lendlease's** construction, development and operational activities across Australia. The said policies and associated levels of cover are already recorded with IPART in relation to the WICA licence currently held by LU's subsidiary (Lendlease Recycled Water (Barangaroo South) Pty Limited) for the Barangaroo South Scheme.

Marsh have identified types of insurance and levels of cover that would be appropriate for the activities subject of this application in the 'Appropriateness of Policy' section.

Please note that Lendlease Communities (Wilton) Pty Limited (**LLcW**) is the current owner of the **BGRWS**, which is operated under **VWST's** licence.

The risk and insurance review undertaken by Marsh has been made available to IPART as part of the confidential version of this application.

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

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

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

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

Refer to 3.3.1 above.

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3.4 Third parties undertaking activities

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

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

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

CORPORATION NAME

Living Utilities Pty Limited

ABN/ARBN

ACN

93 605 014 202

605 014 202

CORPORATION'S REGISTERED OFFICE

ADDRESS

Level 14, Tower Three, International Towers

300 Barangaroo Avenue, Barangaroo

STATE

POST CODE

NSW

2000

CORPORATION NAME

Lendlease Communities (Wilton) Pty Limited

ABN/ARBN

ACN

31 110 022 976

110 022 976

CORPORATION'S REGISTERED OFFICE

ADDRESS

Level 14, Tower Three, International Towers

300 Barangaroo Avenue, Barangaroo

STATE

POST CODE

NSW

2000

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

Living Utilities Pty Limited (LU) – Provides asset management services, corporate and operations support resources.

LU is a specialist utility infrastructure, asset owner and operator, with over \$110 million in assets under management. **LU** will manage the **BGRWS** and undertake various services under an Asset Management Agreement with **the Applicant**. A draft version of the Term Sheet Asset Management Agreement has been provided to IPART as part of the confidential version of this application.

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Lendlease Communities (Wilton) Pty Limited (LLcW) – design and construction of recycled water and sewer networks.

LLcW undertake the design and construction of the sewer and recycled water network as the community development expands throughout the development cycle. The network augmentation is undertaken in accordance with various approvals and is completed in accordance with the Developer Connection Agreement between **the Applicant** and **LLcW**. A draft version of the Term Sheet Developer Connection Agreement has been provided to IPART as part of the confidential version of this application.

3.4.3	<i>Please provide details of the contractual arrangements the applicant corporation has in place with the third party, named above, to ensure the third party undertakes the activities in accordance with the licence (if granted).</i>
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Information on **the Applicant's** contractual arrangements, a draft version of the Term Sheet Development Connection Agreement between **LLcW** and **the Applicant**, and a draft version of the Term Sheet Asset Management Agreement between **LU** and **the Applicant** have been provided to IPART as part of the confidential version of this application.

3.5 Other regulatory approvals

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

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

The existing infrastructure/scheme, is operated under the following WICA licenses held by VWST:

- Network Operator's Licence No. 10_012; and
- Retail Supplier's Licence No. 10_013R.

VWST also has an existing Environment Protection Licence No. 20335 which includes the Wilton Village rising main. The Applicant will seek the transfer of this licence or obtain its own Environment Protection licence contemporaneously with this application process.

A copy of LLcW's section 68 approval has been made available to IPART as part of the confidential version of this application.

Other approvals for Bingara Gorge include:

- Approval under the *Environment Protection Biodiversity and Conservation Act 1999 (Cth)* – EPBC 2014/7400 (part 1 and part 2) held by Lendlease Communities (Australia) Limited; and
- Development Applications number 52189/2005, 101488/2007 and 394/2015 held by LLcW.

3.6 Monopoly supply

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

- ▼ a specified water supply or sewerage service
- ▼ a specified area, and
- ▼ a specified class of customers.

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

Sewerage services and supply of non-potable water to customers of the Bingara Gorge Community is a monopoly, as there are no other entities servicing this area for such services. We note that customers have the choice not to use non-potable water as they have a potable water service from Sydney Water Company (SWC) - the price of potable water provides a natural cap on the price of recycled water. Currently non-potable water and sewer pricing mirrors that of SWC pricing structure.

3.7 Licensing principles

- 3.7.1 *How does your proposed activity address the following principles (if applicable):*
- ▼ *The protection of public health, the environment, public safety and consumers generally*
 - ▼ *The encouragement of competition in the supply of water and the provision of sewerage services*
 - ▼ *The ensuring of sustainability of water resources*
 - ▼ *The promotion of production and use of recycled water*
 - ▼ *The promotion of policies set out in any prescribed water policy document*
 - ▼ *The potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence, and*
 - ▼ *The promotion of the equitable sharing among participants in the drinking water market of the costs of water industry infrastructure that significantly contributes to water security?*

Your response to this question will be used in consideration of the licensing principles, in accordance with section 7 of the WIC Act

The proposed activity addresses the principle of 'the protection of public health, the environment, public safety and consumers' in the following ways:

Public health and safety is protected by:

- collection and transport of sewage in accordance with the relevant plumbing codes, guidelines and industry best practice;
- production and distribution of recycled water in accordance with the relevant guidelines and industry best practice;
- using proven technology for the collection and transport of sewage;
- using proven technology for the production and distribution of recycled water;
- using multiple barriers and critical control points in the production of recycled water;
- stakeholder education on the sewerage and recycled water systems, in particular on the safe use of recycled water;
- regular system auditing to detect unacceptable end uses or cross connections; and
- operation and maintenance of the infrastructure by competent personnel in accordance with approved management plans.

The environment is protected by:

- reduction in potable water consumption (site and off-site) of up to 350ML/year;
- recycling of up to 350ML/year of sewage which would have otherwise been discharged to the environment;
- no discharge to land or water apart from controlled use of recycled water for irrigation or allowances under the existing Environment Protection licence; and
- reduced fertiliser consumption on areas irrigated with recycled water.

Consumers are protected by:

- supply agreements which detail responsibilities and obligations of all stakeholders; and
- stakeholder education through provision of information (website, brochures, newsletters, etc.) and signage (local at recycled water plant, labelling, etc.).

The proposed activity addresses the principle of 'the encouragement of competition in the supply of water and the provision of sewerage services' in the following ways:

- recycled water is a lower cost alternative to potable water, and
- **the Applicant** is an alternative to **SWC** in relation to the provision of water services generally.

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The proposed activity addresses the principle of 'The ensuring of sustainability of water resources' in the following ways:

- provides provide recycled water for non-potable end uses, thus preserving precious drinking water supplies;
- actively promote to consumers the water saving principles as notified by the local potable water supply authority;
- respond in a timely manner to network failures within the recycled water network to minimise any loss of water; and
- education of the community through newsletters, websites and other communication channels of water sustainability.

Addresses the principle of 'the promotion of production and use of recycled water' in the following ways:

- the primary purpose of the infrastructure is to provide a local source of recycled water. The scale of the project and the widespread use of recycled water on site will ensure a high profile for recycled water use; and
- **the Applicant** is committed to promoting all of the sustainability features of the development. This will be achieved by showcasing the Waste Water Treatment Plant (WWTP) and sustainability strategies to provide an educational element for visitors. This will be undertaken as part of the project's broader sustainability communications program which will be conducted through the operational phases of the development.

Addresses the principle of 'the promotion of policies set out in any prescribed water policy document' in the following ways:

- by maintaining a user friendly 'Business to Consumer' (B2C) website promoting key policy documents and other helpful information;
- ensuring all community correspondence complies with and actively promotes any key policy documents; and
- ensuring 'non-English' speaking customers have translation services available for key policy documents.

Addresses the principle of 'the potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence' in the following ways:

- by linking the schemes charges to that of **SWC** so small retail customers are no worse off; and
- by implementing a 'Developer Service Charge' that is consistent with the methodology established by IPART to ensure no impact to small retail customers through higher charges has been implemented for the scheme.

Addresses the principle of 'the promotion of the equitable sharing among participants in the waste market of the costs of water industry infrastructure that significantly contributes to water security' in the following ways:

- by improving water security through the supply of recycled water the scheme reduces the overall long term and peak demands on existing water infrastructure.

Additional benefits offered by the Bingara Scheme include improving the quality of water provided to the golf course irrigation lagoon, minimising restrictions on irrigation water usage, increasing the volume that can be used on the golf course, and therefore reducing the requirements for environmental discharge.

Sewerage service and recycled water supply charges currently mirror IPART/**SWC** pricing for NSW. There will be no additional usage charge to customers for this development. This represents no change from the existing licences.

This scheme will not produce drinking water.

4 Network Operator

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

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

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

4.1 Water infrastructure – drinking water

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

4.1.1 Describe the proposed drinking water infrastructure from the source of the drinking water through to the end use (i.e. catchment to tap). Please include in your description all of the infrastructure for which the applicant corporation is seeking a licence. This will include any infrastructure that is to be used for the production, treatment, filtration, storage, conveyance or reticulation of the drinking water. Please list all sources and end uses in the description. Identify the infrastructure for which the applicant corporation is seeking a licence. **Provide a detailed process flow diagram of the proposed infrastructure from source to end use in Appendix 4.1.1.**

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

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

NA

4.1.2 Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed **identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.1.1.**

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

NA

4.1.3 Describe the location of the proposed infrastructure. For example, include:

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

Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.1.3.

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

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

NA

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

PUBLIC VERSION

4.1.9	<p>Provide your preliminary risk assessment for the scheme from source to end use in Appendix 4.1.9. It is important that your preliminary risk assessment accurately identifies any hazards present in the source water or likely to result from the proposed treatment process. The risk assessment will also address the intended, inadvertent and unauthorised end uses (and therefore routes of exposure) to the water. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure.</p> <p>The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</p>
<p>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines), which is consistent with the approach outlined in the Australian Drinking Water Guidelines (element 2).</p>	
<p>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(b) and cl.6(1)(c)(ii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</p>	
NA	
4.1.10	<p>Describe how the 12 elements of the framework for the management of drinking water quality, as detailed in the Australian Drinking Water Guidelines (ADWG), have been addressed and will be implemented and maintained. Provide evidence of the applicant corporation's capacity to implement the 12 elements of the framework in the ADWG in Appendix 4.1.10.</p>
<p>The evidence should be in the form of management plans for either the proposed scheme or other similar schemes undertaken by the applicant corporation, or in a comprehensive statement detailing the process by which the management plan will be developed. For existing (brownfield) schemes you should provide the actual water quality plan for the site.</p>	
<p>The response to this question is a requirement for any network operator licence for water infrastructure (Reg cl.6(1)(d)(i)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</p>	
NA	
4.1.11	<p>How will the continuity of supply of the drinking water be ensured? What contingency plans are in place in the case of failure of the infrastructure? What alternative supplies of drinking water will be used when the infrastructure is inoperable?</p>

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

4.2 Water infrastructure – non-potable water

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

4.2.1

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

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

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

BGRWS includes sewage collection from the Bingara Gorge development and Wilton Village and its treatment to a standard sufficient to enable maximum usage of recycled water.

BGRWS consists of the following:

- wastewater treatment plant;
- recycled water network;
- pressure and gravity sewer networks; and
- Wilton Village rising main.

Raw sewage is collected from the residential and commercial occupants and conveyed to the **WWTP** via three rising mains.

The end uses of the recycled water produced at the **WWTP** will be as follows:

- private / commercial customers (via a lilac network) for garden irrigation, toilet flushing, car washing and, for the customers that elect it, laundry washing machine (cold tap only);
- irrigation of public open spaces (within the lilac network area); and
- golf course irrigation.

For the Overall Bingara Scheme Process Flow Diagram (PFD) and the Bingara **WWTP** PFD, refer to Appendix 4.2.1.

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4.2.2	<p>Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.2.1.</p> <p>The response to this question will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).</p> <p>Refer to Appendix 4.2.2(a) – shows the current and future network infrastructure (as of January 2019).</p> <p>Stages 1 & 2 of the infrastructure are constructed and are in good operational condition.</p> <p>The Table of Contents for the Integrated Asset Management Plan has been made available in Appendix 4.2.2 (b). A copy of the Integrated Asset Management Plan together with information regarding the condition grading of existing assets and additional context around the staging of the development have been made available to IPART as part of the confidential version of this application.</p> <p>Please note that the street address for WWTP is 150 Condell Park Road, Wilton NSW 2571.</p>														
4.2.3	<p>Describe the location of the proposed infrastructure. For example, include:</p> <ul style="list-style-type: none"> ▼ The identification of specific lot descriptors (e.g. lot and DP numbers) for the production, treatment, filtration and/or storage infrastructure. ▼ The location of infrastructure for the conveyance and/or reticulation of non-potable water by street name, local government area or other description as appropriate to the size of the scheme. <p>Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.2.3.</p> <p>The map may include all water industry infrastructure (ie, drinking water, non-potable water and/or sewerage) where the scheme includes more than one type of infrastructure.</p> <p>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(a)). The response to this question will be used to specify the authorised area of operations (Act s.11(1)), if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).</p> <p>Land situated under the following folio identifiers DP 270536, DP 1104390, DP 280010, DP 280014 and DP 1108927 known as the Wilton Parklands - Bingara Gorge. DP 1108927 and DP 1104390 known as the WWTP and the Bingara Gorge Golf Course in addition to the corridor of property associated with the reticulation, conveyance and storage infrastructure between the two sites.</p> <p>Please also refer to Appendix 4.2.3 for the location of the proposed infrastructure.</p> <table border="1"> <thead> <tr> <th>Infrastructure</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>WWTP</td> <td>Lot 152, Condell Park Road</td> </tr> <tr> <td>Sewer Pump Station (SPS) 2</td> <td>Fairways Drive, Wilton NSW 2571</td> </tr> <tr> <td>Sewer Collection Network</td> <td>Integrated through the entire Bingara Gorge development</td> </tr> <tr> <td>Recycled Water Distribution Network</td> <td>Integrated through the entire Bingara Gorge development</td> </tr> <tr> <td>Golf Irrigation Ponds, Transfer Main and Environmental Discharge Network</td> <td>Integrated through the Golf Course</td> </tr> <tr> <td>Wilton Village Rising Main</td> <td>Connects the WWTP to the adjacent Wilton Village Development</td> </tr> </tbody> </table>	Infrastructure	Location	WWTP	Lot 152, Condell Park Road	Sewer Pump Station (SPS) 2	Fairways Drive, Wilton NSW 2571	Sewer Collection Network	Integrated through the entire Bingara Gorge development	Recycled Water Distribution Network	Integrated through the entire Bingara Gorge development	Golf Irrigation Ponds, Transfer Main and Environmental Discharge Network	Integrated through the Golf Course	Wilton Village Rising Main	Connects the WWTP to the adjacent Wilton Village Development
Infrastructure	Location														
WWTP	Lot 152, Condell Park Road														
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Golf Irrigation Ponds, Transfer Main and Environmental Discharge Network	Integrated through the Golf Course														
Wilton Village Rising Main	Connects the WWTP to the adjacent Wilton Village Development														

PUBLIC VERSION

4.2.4	<p><i>Describe any interconnections between the proposed non-potable water infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities such as sewers or water mains). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all interconnections with other infrastructure on the process flow diagram in Appendix 4.2.1 and the map in Appendix 4.2.3.</i></p>
	<p><i>Examples of interconnections may include potable water top up or trade waste disposal, as well as to other network operators.</i></p>
	<p><i>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the inter-connected systems and responsibilities for risks.</i></p>
	<p>There are NO connections to any other licensed network operators or public utilities for 'non-potable' water.</p> <p>Refer to Appendix 4.2.4 for Wilton Village sewer and potable water top up connections with SWC.</p> <p>There is an interconnection point with the Wilton Village rising main delivery point, owned by SWC. A contract between SWC and LLcW is in place that clarifies scope, interface and responsibilities. Drawing Scheme PFD showing Interconnections with SWC shows the location of this connection.</p> <p>There is also a connection to SWC for potable water top-up to the treated water tanks, which is used for emergency shutdowns or other unforeseen circumstances. This connection is shown in drawing Scheme PFD showing Interconnections with SWC. The termination point for the connection is the TPzH Valve. The supply of potable water top-up will be under SWC's customer contract as contained in their operating licence, reflecting the relevant class of customer.</p> <p>It is worth noting that, throughout the network, the risk of contamination of the potable water network with recycled water (e.g. cross connections) has been addressed in the Hazard Analysis of Critical Control Points (HACCP) undertaken. In summary, mitigation measures implemented include:</p> <ul style="list-style-type: none"> • only approved contractors or staff that have undergone induction can perform work on infrastructure; • recycled water reticulation networks to be designed, constructed and tested in accordance with Water Services Association Australia (WSAA) standards; • potable water reticulation network designed, constructed and tested in accordance with WSAA and SWC standards; • water pressure in recycled water network to be designed for a minimum of 50 kPa below the available static head in the potable network; • quality assurance, inspection and pressure testing during construction; • ongoing monitoring of water pressure and electrical conductivity in both networks during operation to assist with detection of cross connections; • unique pipe materials in each water network, including use of lilac striped HDPE pipe for recycled water; • minimum pipe separation distances to be maintained in common trenches; • identification tape and signage on all trenches; and • compliance audits will be undertaken prior to introducing recycled water to the network.

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4.2.5	Where applicable, describe the connection point to customers or end users (eg, the customer connection point may be a water meter). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all customer and/or end user connections on the process flow diagram in Appendix 4.2.1 and the map in Appendix 4.2.3.
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The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme.

The connection points are defined within the Supply Agreements as follows:

Residential Customers

- Connection Point to the recycled water main immediately downstream of the recycled meter.

Golf Course

- The irrigation storage lagoon.

Refer to Appendix 4.2.5 – scheme PFD including end user connections.

4.2.6	What volume of water is available from the proposed source? Where applicable, please provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, please provide the requested information for each of the sources. Where relevant, provide a copy of any agreements and/or licences to access the source water in Appendix 4.2.6.
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The response will also be used as a context for the assessment of the technical, organisational and financial capacity of the applicant corporation (Act s.10(4)(a)).

There are to be three sources of raw wastewater to the WWTP:

- gravity sewer catchment, discharging to the WWTP via a 200 mm PVC sewerage rising main from the existing gravity SPS;
- Bingara pressure sewer catchment, discharging to the WWTP via a 250-mm pressure sewer main from the Bingara Gorge pressure sewer network; and
- Wilton pressure sewer catchment, 125 mm pressure sewer main from Wilton Village pressure sewer network.

The design volume of sewage treated by the scheme is:

Project Stage		Stage 2	Total
Equivalent Tenements (ET)		1540	2000
Pie - screening capacity to EQ Tank (ML/Day)		336*	4.92
Biological treatment	Average Dry Weather Flow (ADWF) (ML/day)	0.96	1.44
	Peak Wet Weather Flow (PWWF) (ML/day)	1.92	2.88

* Pre-screening capacity for the total flow has been installed in Stage 1. Capacity increases to the total flow are achieved by staged upgrading of pumps associated with the pre-screens.

The capacity is greater than the expected inflow for the scheme (refer to Table 2 of the Sewage Management Plan) of:

Project Stage	Stage 2	Total
ET	1540	2000
ADWF (ML/day)	0.87	1.09
PWWF (ML/Day)	2.88	3.22

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Estimated inflow capacity was based on typical waste generation figures rather than field studies as the catchment is under development. The figures used were:

- gravity catchment: 180L/Equivalent Population (EP)/day; and
- pressure catchment: 150L/EP/day.

The gravity catchment figure is the figure used by **SWC** to estimate sewage inflow. Refer to Wilton Village Wastewater Services Agreement in Appendix 4.2.6.

A copy of the Bingara Recycled Water Availability has been made available to IPART as part of the confidential version of this application.

4.2.7	<i>What volume of water will be treated by the scheme? Please provide the average and peak daily flow rates treated by the scheme.</i>
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This information will be used to determine the fee category for the scheme, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.

Refer to 4.2.6 above.

4.2.8	<i>What volume of non-potable water will be produced by the scheme? Please provide the average and peak daily volume supplied to end users or retail suppliers.</i>
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This information will be used to assess the retail supplier's obligation not to over commit, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.

BGRWS produces three streams:

Stream	Details	Expected flow
Screenings	From inlet screens Via screw press to dewater waste	0.38 m3/day
Sludge	Dewatered activated sludge from centrifuge	2.1 m3/day
Reclaimed water	Delivered to either: - non-potable lilac pipe system; - irrigation; or - discharge in accordance with the Environment Protection licence	Balance of flow

4.2.9	<i>List all the intended end uses for the non-potable water generated by the scheme.</i>
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The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg cl.8(1)).

The end uses of the recycled water produced at the **WWTP** will be as follows:

- private / commercial customers (via a lilac network) for garden irrigation, toilet flushing, car washing and, for the customers that elect it, laundry washing machine (cold tap only);
- irrigation of public open spaces (within the lilac network area); and
- golf course irrigation from the storage lagoon adjacent to the golf course.

PUBLIC VERSION

4.2.10	<p><i>Provide your preliminary risk assessment for the scheme from source to end use in Appendix 4.2.10. It is important that your preliminary risk assessment accurately identifies any hazards present in the source water or likely to result from the proposed treatment process. The risk assessment will also address the intended, inadvertent and unauthorised end uses (and therefore routes of exposure) to the non-potable water. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure.</i></p> <p><i>The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</i></p>
<p><i>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines), which is consistent with the approach outlined in the Australian Guidelines for Water Recycling (element 2).</i></p>	
<p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(b) and cl.6(1)(c)(ii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg. cl.8(1)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>A HACCP has been conducted many times throughout the design, construction, commissioning and current operation of the scheme. A copy of the HACCP Evaluation has been provided to IPART as part of the confidential version of the application.</p>	
4.2.11	<p><i>Describe how the 12 elements of the framework for the management of recycled water, as detailed in the Australian Guidelines for Water Recycling (AGWR), have been addressed and will be implemented and maintained. Provide evidence of the applicant corporation's capacity to implement the 12 elements of the framework in the AGWR in Appendix 4.2.11.</i></p>
<p><i>The evidence should be in the form of management plans for either the proposed scheme or other similar schemes undertaken by the applicant corporation, or in a comprehensive statement detailing the process by which the management plan will be developed. For existing (brownfield) schemes you should provide the actual water quality plan for the site.</i></p>	
<p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(d)(i)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a), Reg. cl.8(2)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence.</i></p>	
<p>The Table of Contents for the current Sewerage and Recycled Water Quality Management Plan has been made available in Appendix 4.2.11. A full copy of this plan has been made available to IPART as part of the confidential version of the application.</p>	
<p>This plan whilst developed and implemented by the current licensee of BGRWS, will be used by the Applicant as the operator under the new licence. Noting some peripheral changes would be made to represent the Applicant being the new licensee and intended ultimate</p>	

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asset owner. This amended plan would be implemented prior to the current licensee terminating their current licences.	
4.2.12	<p><i>How will the continuity of supply of the non-potable water be ensured? What contingency plans are in place in the case of failure of the infrastructure? What alternative supplies of non-potable water will be used when the infrastructure is inoperable?</i></p> <p><i>The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p> <p>WWTP has been designed with 3 ML of storage in the treated water tanks. This ensures reliability of supply to the recycled water network during shutdown and maintenance periods.</p> <p>Continuity of recycled water supply services ensured through the following measures:</p> <ul style="list-style-type: none"> • redundancy in the recycled water pumps; • controls to prevent exceedance of the critical control points (CCP) and therefore ensure continuity of supply from the recycled water tanks. The level of service of recycled water supply is guaranteed by the automated critical control points that ensure the supply system is shut down; • alarms issued prior to CCP being exceeded and CCP critical limit being reached, as detailed in the Sewerage and Recycled Water Quality Management Plan; • backup supply of potable water from SWC to the treated water tanks; and • ensuring reliability of supply with measures for prioritising usage to houses, including: <ul style="list-style-type: none"> ○ designing a system that prioritises feed to the lilac network with discharge to the golf course irrigation lagoon via overflow; ○ mechanisms to cease irrigation of public spaces if there is a shortfall in supply to the lilac network; and ○ environmental discharge in accordance with the Environment Protection licence. <p>All water infrastructure equipment and devices were selected for reliability, flexibility and ease of operation and maintenance from known suppliers.</p> <p>The design of the infrastructure ensures:</p> <ul style="list-style-type: none"> • online measuring devices monitor critical operational parameters continuously; • automated responses to changes in water quality are alarmed to a service engineer (on call 24/7); • automated shutdown on Critical Control Points; • necessary redundancy in equipment supply and/or back up operational configurations to minimize unplanned plant shutdowns; • automatic adjustment of process parameters where appropriate (i.e. flow controlled chemical dosing, automatic cleaning of membranes when deterioration of performance is detected); and • a safe and clean environment is provided for maintenance and operations staff to work in, including adequate bunding and safe chemical storage and handling equipment.
4.2.13	<p><i>Describe the systems and processes that the applicant corporation will have in place to manage the non-potable water infrastructure. Provide evidence of the applicant corporation's capacity to develop and implement an infrastructure operating plan in Appendix 4.2.13.</i></p>

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The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The processes and/or procedures should demonstrate good operational practice including life cycle planning, system redundancy, contingency planning, condition monitoring, management maintenance processes and processes of supporting skills needs. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual water quality plan for the site.

The response to this question is a requirement for any network operator's licence for water infrastructure (Reg cl.6(1)(c)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

As set out in Appendix 3.1.2(a):

- LU currently provides resources to manage the asset, inclusive of the development and implementation of the schemes operating plans and specialist personnel to oversee each of its schemes;
- LU provides the risk, assurance and compliance frameworks;
- LU operates the asset's computerised maintenance management systems;
- LU's subsidiary (Lendlease Recycled Water (Barangaroo South) Pty Limited) currently holds a WICA licence for the Barangaroo South Scheme; and
- the Barangaroo South Scheme has developed and implemented an approved Scheme Operating Plan.

As set out in Appendix 3.1.2(a), **Lendlease** through its subsidiaries provides significant amount of related services and has significant experience in providing long-term O&M services to metropolitan water agencies in Australia and New Zealand.

Today, **Lendlease** delivers an average of 118,000 service tasks every year, maintaining networks with a combined population base of over 1.9 million people. Through its experience **Lendlease** has the following demonstrated capabilities:

- a demonstrated track record as an efficient and innovative long-term O&M service provider;
- a flexible approach to contracting, including performance-based and partnering agreements;
- the ability to integrate seamlessly with client operations, including client branding and information systems;
- a proprietary field computing system, providing real-time task status data and enhanced job allocation management, and
- internationally proven, world class quality, health and safety and environmental management procedures and systems.

Examples of recent water industry project and service contracts awarded to **Lendlease** include:

- Yarra Valley Water, Melbourne VIC - O&M services have been provided to Yarra Valley Water since 2000. The company deploys around 200 personnel to maintain 9,300 km of mains and 7,500 km of sewers, servicing over 1.5 million customers;
- Wastewater Treatment Plant, Altona VIC - Civil, mechanical and electrical refurbishment and expansion of City West Water's wastewater treatment plant in Western Melbourne;
- Watercare, Auckland NZ - O&M services for water and wastewater networks including pumping stations and a treatment plant for the Watercare agency;
- Water Treatment Plant, Somersby NSW - Electrical engineering design and construction, control system design and implementation, and design, construction and installation of the motor control centre for Gosford City Council's water treatment plant;

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- Gibson Island Recycling Plant, Brisbane QLD - Electrical and instrumentation services and the design, installation and commissioning of the control system for the 100 megalitre per day advanced water treatment facility in Brisbane; and
- Wastewater treatment plant systems, Hervey Bay QLD - Design, supply and installation of an electrical, instrumentation and control system package at the Nikenbah Waste Water Treatment Plant.

Please also note the Table of Contents for the current Combined Sewerage and Water Infrastructure Operating Plan which has been made available as Appendix 4.2.13. A full copy of this plan has been provided to IPART as part of the confidential version of the application. This plan whilst developed and implemented by the current licensee of the scheme, will be used by **the Applicant** under the new licence. Noting some peripheral changes would be made to represent **the Applicant** being the licensee and intended ultimate asset owner. This amended plan would be implemented prior to the current licensee terminating their current licence.

4.2.14	<i>Describe the studies that have been completed to investigate any environmental impacts (including but not limited to water quality, quantity, air, odour, noise, sea level rise, biodiversity and Aboriginal cultural heritage) from the construction and operation of the infrastructure? Have the studies identified any significant environmental impacts from the scheme? If so, how are the environmental impacts proposed to be managed? Provide a copy of any environmental study and/or risk assessment in Appendix 4.2.14.</i>
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As a minimum an application must be accompanied by a statement of environmental effects (SEE) (unless the development is designated development, Part 5 development or a major project, in which case either an environmental impact statement (EIS) or comprehensive environmental assessment is required). The SEE may be prepared by the applicant corporation or by a consultant acting on behalf of the applicant. The SEE must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce the harm. Where the study is in the form of a comprehensive environmental assessment or EIS, please include only the executive summary.

The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).

Several studies were undertaken by Cardno in 2015 to investigate any environmental impacts and are consolidated into a Site Analysis Report which was provided to IPART as part of the confidential version of this application. This Site Analysis Report provides an overview of the site context and the associated environmental aspects. A number of detailed technical studies were undertaken to inform the Site Analysis Report, which are cross referenced. Technical studies comprise:

- Plant and Civil Design;
- Water Balance Assessment;
- Combined Sewerage and Water Infrastructure Operating Plan;
- Sewage Management Plan;
- Stormwater and Services Review;
- Odour Assessment; and
- Noise Assessment.

The technical studies illustrate that subject to implementation of the identified management and mitigation measures there would not be an unacceptable impact on the surrounding environment as a result of plant emissions. Conversely, the proposal will provide a wastewater treatment facility for the Bingara Gorge residential subdivision and adjacent township of Wilton.

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4.2.15	<p><i>If a treatment process forms part of the infrastructure for which the applicant corporation is seeking a licence, what waste streams will be generated by the proposed treatment plant and how will the waste be disposed of or handled?</i></p>
<p><i>The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response will also be used as a context for our assessment of the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>The waste streams generated by the treatment process will be:</p> <ul style="list-style-type: none"> • dewatered screenings, from the inlet drum screens via screw presses; • dewatered sludge, biosolids from the activated sludge tanks (biological sludge) dewatered in the sludge centrifuge; and • the waste will be collected in separate bins and will be disposed of to land fill licenced facilities in accordance with its classification. 	

4.3 Sewerage infrastructure

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

- 4.3.1 Describe the proposed sewerage infrastructure from the collection to disposal or reuse. Include in your description all of the sewerage infrastructure for which the applicant corporation is seeking a licence. This will include any infrastructure that is to be used for the collection, treatment, filtration, storage, conveyance or disposal of the sewerage or treated effluent. **Provide a detailed process flow diagram of the proposed infrastructure from collection to disposal or reuse in Appendix 4.3.1.**

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

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

The scheme has three (3) sources of raw wastewater to the **WWTP**:

1. gravity sewer catchment, discharging to the plant via a 200mm sewerage rising main from the existing gravity sewer pumping station;
2. pressure sewer catchment, discharging to the plant via a 250mm pressure sewer main from the pressure sewer network; and
3. Wilton Village pressure sewer catchment via the connection point receiving from the 125mm pressure sewer rising main from Wilton Village.

Refer to Appendix 4.2.1 for the sources.

- 4.3.2 Describe whether the infrastructure is existing infrastructure or is to be constructed. If the infrastructure is existing, please describe its current condition and operability. If the infrastructure is a mixture of existing and to be constructed **identify the infrastructure as existing or to be constructed on the process flow diagram in Appendix 4.3.1.**

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

Appendix 4.3.2 provides a graphical representation of the installed and future sewer network (pressure and gravity systems) serving the **BGRWS**. The network is currently approximately 1/3 constructed and operational with the following 2/3 future networks to be developed over the next 5 – 8 years pending the development program.

- 4.3.3 Describe the location of the proposed infrastructure. For example, include:
- ▼ the identification of specific lot descriptors (e.g., lot and DP numbers) for the collection, treatment, filtration and/or storage infrastructure

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	<p>▼ the location of infrastructure for the conveyance and/or reticulation of sewage by street name, local government area or other description as appropriate to the size of the scheme.</p> <p>Provide a map showing the location of the proposed infrastructure from source to end use in Appendix 4.3.3.</p>
<p>The map may include all water industry infrastructure (i.e., drinking water, non-potable water and/or sewerage) where the scheme includes more than one type of infrastructure.</p>	
<p>The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(a)). The response to this question will be used to specify the authorised area of operations (Act s.11(1)), if a licence is granted. The response will also be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7).</p>	
<p>Refer to 4.2.3 above and Appendix 4.3.3.</p>	
4.3.4	<p>Describe any interconnections between the proposed sewerage infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities such as sewers). Identify in your description who is responsible for the construction, operation and maintenance of which infrastructure. Identify all interconnections with other infrastructure on the process flow diagram in Appendix 4.3.1 and the map in Appendix 4.3.3.</p>
<p>The response to this question will be used to ensure the correct area of operation is specified in the licence, if a licence is granted (Act s.11(1)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the inter-connected systems and responsibilities for risks.</p>	
<p>WVPSS is the Wilton Village pressure sewer system.</p> <p>The WVPSS is designed and constructed to take wastewater from individual properties in Wilton Village. The asset that makes up WVPSS is owned by SWC and comprises reticulation pipes and each Lot being installed with lateral pipework, boundary kit, tank, pump, and full telemetry control panel connected to the RWTP SCADA system.</p> <p>The WVPSS terminates at the Delivery Point (corner of Hornby and Broughton Streets). A flow meter, just upstream of the Delivery Point, forms part of WVPSS to measure wastewater flows from WVPSS to BGRWN. The flow meter will be calibrated for accuracy of the readings as part of operation and maintenance activities by the Service Provider.</p> <p>Wilton Village customers are customers of SWC. The relationship between SWC and the Wilton Village customers is described in the relevant SWC's customer contracts.</p> <p>Refer to Appendix 4.3.4.</p>	
4.3.5	<p>What volume of sewage will be treated by the scheme? Please provide the average and peak daily (hydraulic and biological, where relevant) flow rates <u>treated by the scheme</u>.</p>
<p>This information will be used to determine the fee category for the scheme, if a licence is granted. The response to this question may be used to draft a proposed licence, if a licence is granted.</p>	
<p>Refer to 4.2.7 above.</p>	
4.3.6	<p>What volume of treated effluent will be disposed of from the scheme? Please provide the average and peak daily disposal rates disposed from the scheme.</p>
<p>The response will be used as a context for the assessment of environmental risks from the proposed scheme (Act s.10(4)(e), Reg cl.7). The response to this question may be used to draft a proposed licence, if a licence is granted.</p>	

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During extended wet weather, controlled environmental discharges of recycled water will occur when the irrigation storage is greater than 75% full and the main golf course storm water lake is overflowing. Water quality will be assured over this period via mixing with storm-water. Based on MEDLI modelling, this is expected to occur in less than 50% of the years.

A copy of the MEDLI modelling report has been provided to IPART as part of the confidential version of the application.

4.3.7 How will the treated effluent be disposed of from the scheme?

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

BGRWS has been designed to ensure effective operation during dry weather with a target of zero dry weather over flows or discharges. However, like all sewerage schemes, during periods of extended wet weather **BGRWS** may be required to discharge to the environment in a controlled manner. The discharges are required in-order to minimise the public health and environmental risks associated with uncontrolled overflows.

Refer to Sections 8.2.1.4, 8.2.2.4, 8.5.2.2 and 9.1.3 of the Sewerage and Recycled Water Quality Management Plan for which the Table of Contents has been made available in Appendix 4.2.11.

A full copy of the Sewerage and Recycled Water Quality Management Plan has been made available to IPART as part of the confidential version of this application.

4.3.8 What wastewater and/or catchment characterisation studies have been undertaken? Provide a summary report of any wastewater characterisation or catchment studies including results in Appendix 4.3.8.

This information will be used as a context to the potential health and environmental risks posed by the scheme.

The assessment of potential sewage characteristics is based on a period of composite sampling of raw sewage at the existing **WWTP** and from the Wilton catchment in February/March of 2015. Studies can be found in the attached Appendix 4.3.8.

Data available of raw wastewater characteristics at **WWTP**:

Monitoring Year		2012/13			2015		
Monitoring Date		10th Nov 2011 - 7th July 2012			19th Jan - 10th Feb		
Days of Composite Sampling		32			12		
		Min	Median	Max	Min	Median	Max
Chemical Oxygen Demand (COD)	mg/L	90	366	866	158	597	940
Biological Oxygen Demand (BOD)	mg/L	23	161	240	82	164	364
Total Suspended	mg/L	20	102	412	144	312	495

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Solids (TSS)							
Total Nitrogen (TN)	mg/L	18.2	66	132	52.7	61	74.4
NH3-N	mg/L	9.04	53	128	31.4	42.4	57.1
Total Phosphorus (TP)	mg/L	2.32	10	26.4	9.03	11	15.7
Total Dissolved Solids (TDS)	mg/L	340	427	532	394	560	612

For assumed worst-case median pollutant loads and raw wastewater characteristics for each stage of the **BGRWS**, refer to the table below:

		Stage 1 Median Values		Stage 2 Median Values		Stage 3 Median Values		Median Concentration existing Bingara TRWP
		900 ET 2700 EP 549 kL/day		1540 ET 4620 EP 866 kL/day		2000 ET 6000 EP 1093 kL/day		(see table 10 for details)
Pollutant	g/EP/day	kg/day	mg/L	kg/day	mg/L	kg/day	mg/L	mg/L
COD	130	324	649	555	704	720	725	597
BOD	60	162	295	277	320	360	329	164
TSS	70	189	344	323	373	420	384	312
TN	15	40.5	74	70	80	90	82	61
NH3-N	10	27	60	46	63	60	63	42
TP	2.5	40.5	74	69.3	80	90	82	11
TDS	n/a	n/a	<1000	n/a	<1000	n/a	<1000	560

- 4.3.9 *Provide your preliminary risk assessment for the scheme from collection to disposal in Appendix 4.3.9. It is important that your preliminary risk assessment accurately identifies any hazards present in the sewage or likely to result from the proposed treatment process. The risk assessment should also address the intended method of disposal and any inadvertent releases (and therefore routes of exposure) to the treated effluent. The preliminary risk assessment will identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards. The preliminary risk assessment will outline the broad mitigation measures where the risk of exposure to a hazard is unacceptable to human health or the environment in order to reduce the risk of exposure. The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.*

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The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks to health and the environment. We strongly recommend that the applicant corporation utilises an established risk management system, such as outlined in AS/NZS ISO 31000:2009 (Risk management – Principles and guidelines). Where relevant, the risk assessment should identify and include any environmental risks and/or management actions identified in the development approval.

The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(b), cl.6(2)(c)(ii), cl.6(2)(d)(i)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response to this question will also be used to draft a proposed licence. The licence will specify the purpose for which the infrastructure can be used, if a licence is granted (Act s.6(1)(a)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

A Hazard Analysis and Critical Control Points (HACCP) was conducted on 30 March 2015 and 31 March 2015 for the **WWTP**, sewer network and lilac network. Details of the HACCP evaluation for the sewerage component have been provided to IPART as part of the confidential version of this application.

4.3.10	<i>Describe the systems and processes that the applicant corporation will have in place to manage the sewerage infrastructure. Provide evidence of the applicant corporation's capacity to develop and implement an infrastructure operating plan in Appendix 4.3.10.</i>
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The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The processes and/or procedures should demonstrate good operational practice including life cycle planning, system redundancy, contingency planning, condition monitoring, management maintenance processes and processes of supporting skills needs. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual water quality plan for the site.

The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(c)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Please refer to 4.2.13 above.

4.3.11	<i>How will the continuity of the provision of sewerage services be ensured? What contingency plans are in place in the case of failure of the infrastructure?</i>
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The response to this question is a requirement for any network operator's licence for sewerage infrastructure (Reg cl.6(2)(c)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (act s.10(4)(a)).

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The **WWTP** is designed with 95% availability with sufficient storage provided in the **WWTP**.

The inlet balance tank and equalisation tanks ensure that the plant has no overflows during any maintenance periods based on the maximum design flow. Additional storage shall be installed as required to manage the total capacity requirements of the system.

Sewage storage in the system includes:

Area	Storage Description	Capacity	Nett Cap
Main Sewerage system	Gravity SPS	150kL	300kL
	Upstream Reticulation	40kL	
	Below ground emergency storage	110kL	
WWTP	Inlet tank (existing)	300kL	2375kL
	Transfer setup	23kL	
	Equalisation Tanks 2 x 1026kL	2052kL	
	Total		2675kL

If the **WWTP** is unable to treat sewage, this volume provides the following days of storage for the design volume of sewage from the scheme:

Flow Condition	Stage 2	Total
ADWF	3.1 Days	2.5 Days
PWWF	0.9 Days	0.8 Days

These storage times EXCLUDE additional storage in the pumping stations local to the tenements. There is up to 24hrs additional storage in these pumps stations. Service agreements are on foot with **BGRWS**'s current service operator to supply and dispose waste tankering services as a last resort.

4.3.12 Describe the studies that have been completed to investigate any environmental impacts (including but not limited to water quality, quantity, air, noise, sea level rise, biodiversity and Aboriginal cultural heritage) from the construction and operation of the infrastructure? Have the studies identified any significant environmental impacts from the scheme? If so, how are the environmental impacts proposed to be managed? Provide a copy of any environmental study and/or risk assessment in Appendix 4.3.12.

As a minimum an application must be accompanied by a statement of environmental effects (SEE) (unless the development is designated development, Part 5 development or a major project, in which case either an environmental impact statement (EIS) or comprehensive environmental assessment is required). The SEE may be prepared by the applicant corporation or by a consultant acting on behalf of the applicant. The SEE must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce the harm. Where the study is in the form of a comprehensive environmental assessment or EIS, please include only the executive summary.

The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).

Refer to section 4.2.14 above.

4.3.13 Where relevant, what land capability assessments have been undertaken on the proposed land disposal area? Provide a copy of any soil capability assessment in Appendix 4.3.13.

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The response to this question may be used to draft a proposed licence, if a licence is granted. The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7).

Water, nutrient and salt balance modelling of the proposed recycled water irrigation scheme was undertaken using the MEDLI model version 1.3 (Model for Effluent Disposal by Land Irrigation) developed by the Queensland Department of Natural Resources (Department of Natural Resources, 1998). MEDLI is a daily water, nutrient and salt balance model that uses derived site specific daily rainfall, pan evaporation, temperature and solar radiation data to simulate the water balance, plant growth and nutrient and salt transport in an irrigation system.

MEDLI modelling was undertaken to demonstrate the proposed irrigation scheme will comply with the requirements outlined in the NSW Environmental Guidelines: Use of Effluent by Irrigation (NSW Dec, 2004).

A copy of the MEDLI Modelling Report has been provided to IPART as part of the confidential version of this application.

4.3.14	<i>If a treatment process forms part of the infrastructure for which the applicant corporation is seeking a licence, what waste streams will be generated by the proposed treatment plant (such as screenings and biosolids but not including the treated effluent) and how will the waste be disposed of or handled?</i>
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The response to this question will be used to determine whether the activities authorised by a licence (if granted) present a significant risk of harm to the environment (Reg cl.7). The response will also be used as a context for our assessment of the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).

Refer to 4.2.15 above.

5 Retail Supplier

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

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

5.1 Supply of water	
Please provide a response to the questions in the following section if you are seeking a licence for the <u>supply of water</u> by means of any water industry infrastructure. This section applies to the supply of drinking water and non-potable water.	
5.1.1	Describe the water industry infrastructure that the applicant corporation will access to supply water.
The response to this question is a requirement for any retail supplier's licence for water industry infrastructure (Reg cl.10(1)(a)). The response will also be used to ensure you have applied for the correct licence(s).	
BGRWS includes sewage collection and treatment to provide recycled water to a nearby golf course, irrigation of public spaces and for third-pipe usage in a significant portion of houses in the area (via a lilac network).	
Refer to 4.2.3 above for more information on the network.	
5.1.2	What volume of water is available from the proposed source? Where applicable, please provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, please provide the requested information for each of the sources. Where relevant, provide a copy of any agreements and/or licences to access the source water in Appendix 5.1.2.
The response to this question will be used to determine whether sufficient quantities of the water supplied will have been obtained otherwise than from a public water utility (Act s.10(4)(d)).	
<p>There are to be three sources of raw wastewater to the WWTP:</p> <ul style="list-style-type: none"> gravity sewer catchment, discharging to the WWTP via a 200 mm PVC sewerage rising main from the existing gravity SPS; Bingara pressure sewer catchment, discharging to the WWTP via a 250-mm pressure sewer main from the Bingara Gorge pressure sewer network; and Wilton pressure sewer catchment, 125 mm pressure sewer main from Wilton Village pressure sewer network. <p>There is an estimated total of 2000 equivalent tenements (ET) from the three connected catchments that will ultimately be serviced by the scheme, equating to treatment of an average dry weather flow (ADWF) up to approximately 1.5 ML/d, and peak wet weather flows of up to 3.0 ML/d.</p> <p>Also, the WWTP is designed with 3 ML of storage in the treated water tanks. This ensures a reliability of supply to the recycled water network during planned shutdowns and maintenance periods.</p>	

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Provision for potable water top-up to the treated water tanks, supplied from SWC's network, will also be available for use in emergency shutdowns or other unforeseen circumstances.	
5.1.3	<i>What customers or classes of customers does the applicant corporation propose to supply with water?</i>
<i>Classes of customers may include residential, industrial, commercial or agricultural.</i>	
<i>The response to this question is a requirement for any retail supplier's licence (Act s.6(1)(b)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i>	
The recycled water produced at the WWTP will be supplied to: Small Retail: Residential and non-residential customers (via a lilac network) for garden irrigation, toilet flushing, car washing and, for the customers that elect it, laundry washing machine (cold water only). Large Retail: Irrigation of public open spaces (within the lilac network area); and Golf Course irrigation from the storage lagoon adjacent to the golf course.	
5.1.4	<i>Will you be supplying small retail customers with water (ie, less than 15Ml/year)?</i>
<i>A person is a small retail customer in relation to water supply if the maximum rate at which water is supplied, pursuant to one or more water supply contracts, to all premises that the person owns, leases or occupies is less than 15 megalitres per year.</i>	
<i>The response will be used as context to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)). The response will also be used as a context for the assessment of risks from the proposed scheme and to identify possible additional licence conditions relating to the supply of water to small retail customers.</i>	
Yes, on completion of the development BGRWS will service approximately 1800 small retail customers.	
5.1.5	<i>Provide your preliminary risk assessment for the retail activities related to the scheme in Appendix 5.1.5. The risk assessment must identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.</i>
<i>The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks. We strongly recommend that the applicant corporation utilises an established risk management system such as outlined in AS/NZS 4360 (Risk Management).</i>	
<i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).</i>	
Risks pertaining retail activities have been assessed and the result has been provided to IPART in the confidential version of this application, as part of the Marsh Insurance Report.	
5.1.6	<i>How will the continuity of the supply of water to customers be ensured? What contingency plans are in place in the case of failure of the infrastructure?</i>

PUBLIC VERSION

<p><i>The continuity of supply may differ between customer classes. If this is the case for your project please define the different levels of service for each customer class and how the continuity of supply of water, relevant to that class of customer, will be maintained.</i></p>	
<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)(iii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Continuity of recycled water supply services has been addressed in the following:</p> <ul style="list-style-type: none"> • redundancy available in the recycled water pumps; • controls to prevent exceedance of the critical control points (CCP) and therefore ensure continuity of supply from the recycled water tanks; • the level of service of recycled water supply is guaranteed by the automated critical control points (CCP) that ensure the supply system is shut down prior to CCP critical limit being reached; • supply of top-up potable water from SWC to the treated water tanks subject to SWC's customer contract and any applicable conditions; • ensuring reliability of supply with measures for prioritising usage to houses, including: <ul style="list-style-type: none"> ◦ designing a system that prioritises feed to the lilac network with discharge to the golf course irrigation lagoon via overflow; and ◦ mechanisms to cease irrigation of public spaces if there is a shortfall in supply to the lilac network. <p>All treatment infrastructure equipment and devices were selected for reliability, flexibility and ease of operation and maintenance from prequalified reliable suppliers. In the development of the design and construction, design and constructability reviews further support this assurance.</p> <p>The design ensures:</p> <ul style="list-style-type: none"> • online measuring devices monitor critical operational parameters continuously; • automated responses to changes in water quality are alarmed to a service engineer {on call (24/7)}; • automated shutdown on breach of Critical Control Points; • necessary redundancy in equipment supply and/or back up operational configurations to minimize unplanned plant shutdowns; • automatic adjustment of process parameters where appropriate (i.e. flow controlled chemical dosing, automatic cleaning of membranes when deterioration of performance is detected); and • a safe and clean environment is provided for our maintenance and operations staff to work in, including adequate bunding and safe chemical storage and handling equipment. 	
<p>5.1.7</p>	<p><i>Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, complaint and debt recovery procedures. Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix 5.1.7.</i></p>
<p><i>The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual systems and procedures.</i></p>	
<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(1)(b)(iv)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	

PUBLIC VERSION

The current licensee has implemented the Retail Supply Management Plan for the scheme currently in operation, and has also submitted to IPART Annual Retail Supply Licence Compliance Reports, as required. This Retail Supply Management Plan demonstrates that **Lendlease** currently undertakes the vast amount of retail activities required under the licences for **BGRWS**.

The processes outlined in this Retail Supply Management Plan will be continued by **the Applicant** under the new licence with minor amendments to reflect the new licence holder.

The Applicant will leverage the current approved Retail Management Plan implemented by Lendlease Recycled Water (Barangaroo South) Pty Limited that was developed and implemented by **the Applicant's** Parent Company – **LU**.

Please note the Table of Contents for the Retail Supply Management Plan which has been made available as Appendix 5.1.7. A full copy of this plan has been provided to IPART as part of the confidential version of the application.

5.2 Provision of sewerage services

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

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

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

Refer to 4.2.3 above.

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

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

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

The classes of customers that will be serviced will be primarily small retail customer (e.g. residential, commercial and (in the future) potentially light industrial). The large customers predicted at this stage are the golf course for irrigation purposes, Wilton Public School and SWC for Wilton Village.

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

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

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

Yes – on completion of the development there will be approximately 1800 residential connections.

5.2.4 Provide your preliminary risk assessment for the retail activities related to the scheme in Appendix 5.2.4. The risk assessment must also identify the events and circumstances that could adversely affect the applicant corporation's ability to carry out the activities for which the licence is sought (including any activities undertaken by a nominated third party), the probability of the occurrence of any such event or circumstance and the measures to be taken by the applicant corporation to prevent or minimise the likelihood of any such event or circumstance.

The preliminary risk assessment should demonstrate the application of a consistent methodology for identifying hazards and assessing potential impacts and risks. We strongly recommend that the applicant corporation utilises an established risk management system such as outlined in AS/NZS 4360 (Risk Management).

PUBLIC VERSION

<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(2)(b)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).</i></p>	
<p>Refer to 5.1.5 above.</p>	
5.2.5	<p><i>How will the continuity of the provision of sewerage services be ensured? What contingency plans are in place in the case of failure of the infrastructure?</i></p>
<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(2)(b)(iii)). The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Refer to 4.3.11 above.</p>	
5.2.6	<p><i>Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, complaint and debt recovery procedures. Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix 5.2.6.</i></p>
<p><i>The evidence may include examples of processes and procedures for either the proposed scheme or other similar schemes undertaken by the applicant corporation. The examples should demonstrate links to a risk management process. For existing (brownfield) schemes you should provide the actual systems and procedures.</i></p>	
<p><i>The response to this question is a requirement for any retail supplier's licence (Reg cl.10(2)(b)(iv)). The response will also be used to assess the applicant corporation's technical capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p>	
<p>Refer to 5.1.7 above.</p>	

6 Applicant experience and systems

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

6.1 Network operator

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

- | | |
|-------|--|
| 6.1.1 | Describe the structure of the applicant corporation. Include in the description a list of the entities that have an ownership interest in the applicant corporation, whether legal or equitable. Provide an organisational diagram in an Appendix 6.1.1. The diagram should clearly show all entities that have an ownership interest in the applicant corporation, |
|-------|--|

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

The applicant is a Proprietary Limited company and its parent company is a wholly owned subsidiary of **Lendlease**.

Please refer to:

- Appendix 6.1.1 for a copy of the Organisation Chart; and
- Appendix 3.1.2(a) for information on **the Applicant's** corporate structure.

- | | |
|-------|--|
| 6.1.2 | Describe the applicant corporation's (and, where relevant, the nominated third parties) current experience in the construction, maintenance and operation of water and/or other utility infrastructure such as gas, electricity or telecommunications. |
|-------|--|

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

Refer to 4.2.13 above.

Lendlease has also delivered a number of notable water infrastructure projects including turnkey solutions to clients across the entire water sector. Projects include:

- the Adelaide Desalination Plant, Bulk Water Alliance;
- Northern Network Alliance; and
- the Hunter Treatment Alliance.

Lendlease are committed to best practice environmental management in water engineering. They have a successful track record of delivering leading edge solutions across all areas of the water sector, projects including:

- the Eastern Tertiary Alliance;
- the Mardi Dam Upgrade;
- the Water Resources Alliance; and
- the Tarago Water Treatment and Warragamba Dam.

PUBLIC VERSION

6.1.3	<p><i>List the key personnel involved in each of the significant activities (construction, maintenance and operation) and summarise their required skills, qualifications and experience. Provide a position description for each of the key personnel positions in Appendix 6.1.3.</i></p> <p><i>Clearly identify whether the key personnel are employees of the applicant corporation or, where relevant, the nominated third party. It is not necessary to list all the employees. Ensure that the key personnel include the person or persons responsible for managing the applicant corporation's compliance with their legislative responsibilities.</i></p> <p><i>The response will be used to assess the applicant corporation's technical and organisational capacity to undertake the activities for which you are seeking a licence (Act s.10(4)(a)).</i></p> <p>The position descriptions have been made available to IPART as part of the confidential version of the application.</p> <p>LU – Key Personnel (Asset Management Services)</p> <ul style="list-style-type: none"> • GM Asset Management – Duncan St Clair https://www.linkedin.com/in/duncan-st-clair-1755b425/ • GM Business Operations – Frazer Hill https://www.linkedin.com/in/frazer-hill/ • Managing Director – Scott Taylor https://www.linkedin.com/in/1scottaylor/ • Senior Finance Manager – Alan Daly https://www.linkedin.com/in/alan-daly-22a57b19/ • Asset Manager – Under Recruitment • Assistant Asset Manager, Bingara – Alex Day https://www.linkedin.com/in/amiladayarathna/ • (Newly Appointed) Delivery Manager – Tuan Nguyen https://www.linkedin.com/in/tuan-nguyen-ba8a55/ • Operations Coordinator (Customer) – Kristy Starley https://www.linkedin.com/in/kristy-starley-7a59b740/ • Operations Coordinator (Risk, Compliance and EHS) – Louise Reeves https://www.linkedin.com/in/louise-reeves-53b884b0/ <p>Lendlease (Subsidiaries) – Key Personnel (Network Development and Construction)</p> <ul style="list-style-type: none"> • Regional Development Manager – Tamara Rasmussen https://www.linkedin.com/in/tamara-rasmussen-93855b57/ • Development Manager, Bingara Gorge – Kaitlin Rideout https://www.linkedin.com/in/kaitlin-rideout-26287469/ • Project Manager – Geoff Van Den Bos https://www.linkedin.com/in/geoff-van-den-bos-5165802a/
6.1.4	<p><i>Please provide details of any other regulatory approvals or licences the applicant corporation or nominated third party holds in relation to the infrastructure activities for which you are seeking a licence.</i></p>

PUBLIC VERSION

Include relevant approvals for similar projects interstate or overseas to demonstrate the experience of the applicant corporation. We may seek confirmation of your compliance history in relation to other regulatory approvals or licences as part of our assessment.

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

LU's subsidiary (Lendlease Recycled Water (Barangaroo South) Pty Limited) currently holds the following for the Barangaroo South Scheme:

- Network Operator's Licence No. 15_029;
- Retail Supplier's Licence No. 15_034R;

Lendlease Recycled Water (Barangaroo South) Pty Limited holds a current Retail exemption for the sale of electricity associated with its PV installation issued by the Australian Energy Regulator (Reference Number AC183/15) current as of 16 November 2015.

One of LU's other subsidiaries, Lendlease Embedded Network (Barangaroo South) Pty Limited currently holds network (Ref AER-N 0107/14) and retail (Ref AER – R0195/14) exemptions issued by the Australian Energy Regulator.

LU is a current active member of EWON for water services.

6.1.5	<i>What business systems will the applicant corporation have in place to ensure they can comply with your regulatory requirements? Are any of the systems certified or will they be certified?</i>
-------	--

Business systems may include but not be limited to quality assurance, asset management and environmental management systems.

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

Core Business Systems

Information about the core business systems has been provided to IPART as part of the confidential version of this application.

At **Lendlease**, formal risk management processes are embedded within day-to-day management of the business. The goal is to ensure a common culture throughout **Lendlease** that promotes awareness of potential exposures and opportunities created by risk.

Lendlease has an approach to risk management that is guided by the International Standard on Risk Management ISO 31000. In addition to operational and financial risk, the categories of risk given particular focus are Legal and Compliance Risk and Environment, Health and Safety (EH&S) Risk. The goal in relation to Legal and Compliance Risk is to meet the Australian Standard on Compliance Programs, AS3806. In relation to EH&S Risk, the goal is to achieve a workplace free of incidents, injury and fatalities consistent with an Incident & Injury Free philosophy and for **Lendlease** to be a leading fully integrated property solutions provider delivering environmentally responsible property solutions that generate sustainable social and economic returns.

At **LU**, to ensure effectiveness of the risk management framework, the board and senior management need to be able to rely on adequate line functions – including monitoring and assurance – within the business.

LU has adopted a "three lines of defence" principles-based approach to risk management:

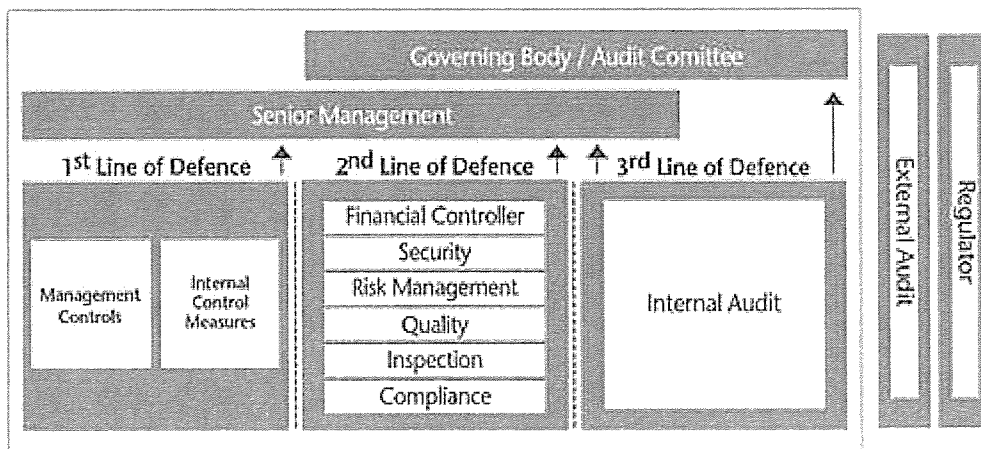
- 1st line of defence – the line manager who owns and manages the risk;
- 2nd line of defence – functions that oversee or specialise in risk and compliance management (e.g. finance, safety, risk); and
- 3rd line of defence – independent assurance, including Lendlease Internal Audit.

PUBLIC VERSION

This is further supported by senior management oversight and reporting including:

- Monthly reviews of Enablon and reporting within the LU project and operational reports;
- Senior management review of the LU Monthly Management Report (MMR), which provides a consolidated view of business, project and operating asset risks;
- Quarterly review by the Living Utilities Risk Management Audit and Compliance Committee; and
- Biannual reporting to the LU Statutory Board.

The following diagram seeks to illustrate the three lines of defence, supporting the management reporting:



(source: The Institute of Internal Auditors)

Importantly, LU operates in several regulated markets and relies on external audits to confirm that LU continues to comply with license obligations.

6.2 Retail supplier

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

- 6.2.1 Describe the structure of the applicant corporation. Include in the description a list of the entities that have an ownership interest in the applicant corporation, whether legal or equitable, and a list of the entities that the applicant corporation has an ownership interest in. **Provide an organisational diagram in Appendix 6.2.1.** The diagram should clearly show all entities that have an ownership interest in the applicant corporation.

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

Refer to 6.1.1 above.

- 6.2.2 Describe the applicant corporation's (and, where relevant, the nominated third parties) current experience in the supply of water or the provision of sewerage services. Please also outline any previous experience in the retailing of other services such as gas, electricity or telecommunications.

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

Refer to 6.1.2 above.

- 6.2.3 List the key personnel involved in the retail activities and summarise their required skills, qualifications and experience. **Provide a position description for each of the key personnel positions in Appendix 6.2.3.**

Clearly identify whether the key personnel are employees of the applicant corporation or, where relevant, the nominated third party. Ensure that the key personnel include the person or persons responsible for managing the applicant corporation's compliance with their legislative responsibilities.

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

The positions descriptions for the personnel involved in retail services have been made available to IPART as part of the confidential version of the application.

- 6.2.4 Please provide details of any other regulatory approvals or licences the applicant corporation or nominated third party holds in relation to the retail activities for which you are seeking a licence.

Include relevant approvals for similar projects interstate or overseas to demonstrate the experience of the applicant corporation. We may seek confirmation of your compliance history in relation to other regulatory approvals or licences as part of our assessment.

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

Refer to 6.1.4 above.

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

PUBLIC VERSION

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

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

Refer to 6.1.5 above.

7 Financial capacity

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

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

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

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

7.1 How will the applicant corporation finance the proposed activity?	
7.1.1	<i>Describe the mechanisms by which the applicant corporation's activities are financed or to be financed. Provide evidence of any financial guarantees or commitment of financial support in Appendix 7.1.1.</i>
<p><i>Evidence of financial support may include, but is not limited to; a letter from a financial institution (being a bank, credit union or the government) confirming indicative financing of the applicant corporation's activities, including:</i></p> <ul style="list-style-type: none"> ▼ <i>the nature of finance (e.g., bridging, long term, corporate debt, government funding)</i> ▼ <i>type and limit of the facility</i> ▼ <i>type and limit of any guarantee, and</i> ▼ <i>terms and conditions.</i> 	
CONFIDENTIAL	

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

- 7.2.1 Are there any events or circumstances, that you are currently aware of, that could affect the applicant corporation's future financial capacity? If applicable, provide details of all such events relevant to the applicant corporation for the last 3 years from the date of this application.

Events and circumstances may include but are not limited to:

- ▼ Government or other investigation of the applicant corporation or related entities
- ▼ Contract terminated
- ▼ Factors which might impact on the applicant corporation such as significant litigation, business commitments, contingent liabilities, collections by debt collection agencies on behalf of creditors or liquidation proceedings
- ▼ Any outstanding tax liabilities
- ▼ Any other particulars which are likely to adversely affect the applicant corporation's capacity to undertake the services under the licence (if granted).

CONFIDENTIAL

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

- 7.3.1 Summarise the projected cash flows (net EBITDA), including key financial modelling assumptions, such as capex, for the first 5 years of operation (at minimum). Provide the projected cash flows for a minimum of the next five (5) years of operation (including projected closing balance sheets and profit and loss statements), taking into account the licensing agreements, with details of all key financial modelling assumptions in **Appendix 7.3.1**.

If necessary, a longer period may be provided to demonstrate financial viability of the project.

CONFIDENTIAL

- 7.3.2 Where the applicant corporation is seeking a network operator's licence, who is the owner of the infrastructure for which the applicant corporation is seeking a licence?

CONFIDENTIAL

- 7.3.3 Where the applicant corporation is applying for a retail supplier's licence to supply water or provide sewerage service to residential households, provide an estimate of the cost per household per year to supply water and/or provide sewerage services (as is relevant). Who will pay the cost? What is the proposed price level and structure for the first five years of operation?

The response to this question will be used to determine whether there are any issues of public interest arising from the proposed scheme (Act s.10(4)(f)).

CONFIDENTIAL

7.4 What is the applicant corporation's financial history?

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

The Applicant is a newly created entity. It therefore has limited financial history. However, it is a wholly owned subsidiary of **Lendlease**.

PUBLIC VERSION

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

PUBLIC VERSION

7.5.3	<i>If required, may we contact the accountant and/or external auditor registered taxation agent to clarify any information provided?</i>
CONFIDENTIAL	
7.6 Internal accounting records	
7.6.1	<i>Provide bank reconciliations, aged accounts receivable reports, and aged accounts payable reports in Appendix 7.6.1 at the dates of:</i> <ul style="list-style-type: none"> ▼ <i>The latest management accounting reports (if applicable) and annual financial statements</i> ▼ <i>30 September (most recent)</i> ▼ <i>31 December (most recent)</i> ▼ <i>31 March (most recent), and</i> ▼ <i>30 June (most recent)</i> ▼ <i>for the applicant corporation.</i>
NA	
7.6.2	<i>Provide an extract of the superannuation payable ledger in Appendix 7.6.2 for:</i> <ul style="list-style-type: none"> ▼ <i>the 12 months ending on the date of the latest annual financial statements, and</i> ▼ <i>the period commencing on the date of the latest annual financial statements and ending on the date of the latest management accounting reports (if applicable)</i> ▼ <i>for the applicant corporation.</i>
NA	
7.6.3	<i>Provide bank statements for the 3 months to the date of the latest management accounting reports (if applicable) or annual financial statements for the applicant corporation, whichever has been submitted with the application in Appendix 7.6.3.</i>
NA	

8 Statutory declaration and acknowledgement

To be completed by all applicants

8.1 Statutory declaration

Provide a statutory declaration from:

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

to the effect that the information provided in the application is true and correct. For the purposes of Part 3 of this application form, the statutory declaration should also state that the applicant corporation is not a disqualified corporation and that no director or person concerned in the management of the applicant corporation is or would be a disqualified individual within the meaning of the WIC Act.

A statutory declaration must be signed by an authorised witness.

This is a list of NSW authorised witnesses:

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

PUBLIC VERSION

I, do solemnly and sincerely declare that:

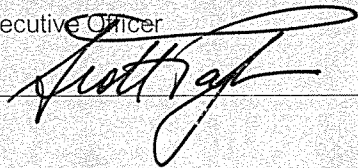
1. I am the Chief Executive Officer of the applicant (named in the application form accompanying this declaration);
2. the information provided in this application is true and correct to the best of my knowledge;
3. I am aware of the requirements under the *Water Industry Competition Act 2006* (NSW) (WIC Act) for the licence being applied for;
4. the applicant corporation is not a disqualified corporation within the meaning of the WIC Act;
5. no director or person concerned in the management of the applicant corporation is, or would be, a disqualified individual within the meaning of the WIC Act;
6. I have the authority to make this application on behalf of the applicant (named in the application form accompanying this declaration);

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

Name of person making the declaration: Scott N Taylor

Title of person making the application: Chief Executive Officer

Signature of person making the declaration: _____



Declared at [place]: Sydney

On [date]: 30 April 2019

In the presence of an authorised witness, who states:

I [insert name of authorised witness] Susan Ann Westlake,

a [insert qualification to be authorised witness] Solicitor # 34217,

certify the following matters concerning the making of this statutory declaration by the person who made it: [* please cross out any text that does not apply]

1. ~~*I saw the face of the person or *I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering.~~

2. ~~*I have known the person for at least 12 months or *I have confirmed the person's identity using an identification document and the document I relied on was [describe identification document relied on]~~

Signature of authorised witness: _____



Date: _____

31/5/19

PUBLIC VERSION

I, do solemnly and sincerely declare that:

1. I am a director of the applicant (named in the application form accompanying this declaration);
2. the information provided in this application is true and correct to the best of my knowledge;
3. I am aware of the requirements under the *Water Industry Competition Act 2006* (NSW) (WIC Act) for the licence being applied for;
4. the applicant corporation is not a disqualified corporation within the meaning of the WIC Act;
5. no director or person concerned in the management of the applicant corporation is, or would be, a disqualified individual within the meaning of the WIC Act;
6. I have the authority to make this application on behalf of the applicant (named in the application form accompanying this declaration);

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

Name of person making the declaration: Alan J Daly

Title of person making the application: Director

Signature of person making the declaration: Alan Daly

Declared at [place]: Sydney

On [date]: 30 April 2019

In the presence of an authorised witness, who states:

I [insert name of authorised witness] Susan Ann Westlake,

a [insert qualification to be authorised witness] Solicitor #34217,

certify the following matters concerning the making of this statutory declaration by the person who made it: [* please cross out any text that does not apply]

1. *I saw the face of the person or ~~*I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering.~~

2. *I have known the person for at least 12 months or ~~*I have confirmed the person's identity using an identification document and the document I relied on was [describe identification document relied on]~~

Signature of authorised witness: Westlake Date: 3/5/19

8.2 Acknowledgement

An acknowledgement should be provided by:

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

PUBLIC VERSION

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

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

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

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

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

Name of person making the acknowledgement: Scott N Taylor

Title of person making the acknowledgement: Director

[Director / Company Secretary]

On [date]: 30 April 2019

Signature of person making the acknowledgement:



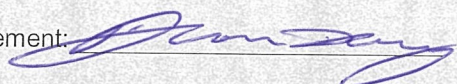
Name of person making the acknowledgement: Alan J Daly

Title of person making the acknowledgement: Director

[Director / Company Secretary]

On [date]: 30 April 2019

Signature of person making the acknowledgement:



Attachment A: Summary of appendices

Applicant:	Wollondilly Water Pty Limited
Scheme name:	Bingara Gorge Recycled Water Scheme
Date:	30 April 2019

Are the following supporting documents labelled and attached as appendices?

Item	Confirm complete
Part 3: general information	
■ Copies of relevant insurance certificates (Appendix 3.3.1)	×
■ Other regulatory approvals/licences (Appendix 3.5.1)	×
Part 4: network operator (if applicable)	
For drinking water infrastructure	
■ A process flow diagram from source to end use showing infrastructure that is existing or to be constructed, interconnections and customers and/or end users (Appendix 4.1.1)	×
■ A map of the proposed infrastructure from source to end use showing interconnections and customers and/or end users (Appendix 4.1.3)	×
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 4.1.6)	×
■ A preliminary risk assessment for the scheme from source to end use (Appendix 4.1.9)	×
■ Evidence of the applicant's capacity to implement the 12 elements of the Australian Drinking Water Guidelines Framework (Appendix 4.1.10)	×
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.1.12)	×
■ Any environmental study and/or risk assessment (Appendix 4.1.13)	×
For non-potable water infrastructure	
■ A process flow diagram from source to end use showing infrastructure that is existing or to be constructed, interconnections and customers and/or end users (Appendix 4.2.1)	✓
■ A map of the proposed infrastructure from source to end use showing interconnections and customers and/or end users (Appendix 4.2.3)	✓

PUBLIC VERSION

Item	Confirm complete
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 4.2.6)	✓
■ A preliminary risk assessment for the scheme from source to end use (Appendix 4.2.10)	×
■ Evidence of the applicant's capacity to implement the 12 elements of the Australian Guidelines for Water Recycling Framework (Appendix 4.2.11)	✓
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.2.13)	✓
■ Any environmental study and/or risk assessment (Appendix 4.2.14)	×
For sewerage infrastructure	
■ A process flow diagram from collection to disposal or reuse showing infrastructure that is existing or to be constructed, and interconnections (Appendix 4.3.1)	Refer to Appendix 4.2.1
■ A map of the proposed infrastructure from collection to disposal or reuse showing interconnections (Appendix 4.3.3)	✓
■ A summary report of any wastewater characterisation or catchment studies (Appendix 4.3.8)	✓
■ A preliminary risk assessment for the scheme from collection to disposal (Appendix 4.3.9)	×
■ Evidence of the applicant's capacity to develop and implement an infrastructure operating plan (Appendix 4.3.10)	Refer to Appendix 4.2.13
■ Any environmental study and/or risk assessment (Appendix 4.3.12)	×
■ Where relevant, a copy of a soil capability assessment (Appendix 4.3.13)	×
Pat 5: retail supplier (if applicable)	
For the supply of water	
■ Where relevant, a copy of any agreements and/or licences to access the source water (Appendix 5.1.2)	×
■ A preliminary risk assessment for the retail activities related to the scheme (Appendix 5.1.5)	×
■ Evidence of the applicant's capacity to develop and implement a retail supply management plan (Appendix 5.1.7)	✓
For the provision of sewerage services	
■ A preliminary risk assessment for the retail activities related to the scheme (Appendix 5.2.4)	×

PUBLIC VERSION

Item	Confirm complete
■ Evidence of the applicant's capacity to develop and implement a retail supply management plan (Appendix 5.2.6)	Refer to Appendix 5.1.7
Part 6: applicant experience and systems	
For a network operator (if applicable)	
■ An organisational diagram (Appendix 6.1.1)	✓
■ Position descriptions for each of the key personnel positions (Appendix 6.1.3)	×
For a retail supplier (if applicable)	
■ An organisational diagram (Appendix 6.2.1)	Refer to Appendix 6.1.1
■ Position descriptions for each of the key personnel positions (Appendix 6.2.3)	×
Part 7: financial capacity	
■ Evidence of any financial guarantees or commitment of financial support (Appendix 7.1.1)	×
■ Where relevant, projected cash flows for minimum 5 years and key financial modelling assumptions (Appendix 7.3.1)	×
■ Where relevant, the guarantee or cross deed of indemnity provided by the parent entity, and financial statements for the parent entity for the last 3 years (Appendix 7.4.2)	×
■ Where relevant, evidence of alternative funding arrangements such as a letter, guarantee or cross deed of indemnity provided by the guarantor (Appendix 7.4.3)	×
■ Where relevant, tax return for the applicant for the last 3 years (Appendix 7.4.4(a))	NA
■ Where relevant, financial statements for the applicant for the last 3 years (Appendix 7.4.4(b))	NA
■ Where relevant, the applicant's credit rating memorandum (Appendix 7.4.5)	NA
■ Where relevant, bank reconciliations, aged accounts receivable reports, and aged accounts payable reports (Appendix 7.6.1)	NA
■ Where relevant, extracts of the superannuation payable ledger (Appendix 7.6.2)	NA
■ Where relevant, bank statements for the 3 months to date or annual financial statements (Appendix 7.6.3)	NA

