



Independent Pricing and Regulatory Tribunal
New South Wales

Licence Application Form

Network Operator and Retail Supplier Licence
Water Industry Competition Act 2006 (NSW)

Applicant: Flow Systems Pty Ltd
Scope: Variation to Retail Supplier Licence 13_001R
Scheme: Box Hill
Submission Date: October 2019
Version: 2
Type: PUBLIC

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Tribunal Members

The Tribunal members are:

Dr Peter J Boxall AO, Chair

Mr Ed Willett

Ms Deborah Cope

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Erin Cini (02) 9113 7778

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1 Introduction

The *Water Industry Competition Act 2006* (NSW) (WIC Act) came into force on 8 August 2008 and includes provisions for the licensing of private sector water utilities.

Under the WIC Act, the responsible portfolio Minister¹ (the Minister) is in charge of making decisions on granting or refusing the following licences:

- ▼ A **network operator's licence** for constructing, maintaining and operating water industry infrastructure
- ▼ A **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 for these licences. It is also responsible for the ongoing administration and enforcement of these licences.

1.1 Who should complete this form?

This form is for corporations applying 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 and the Water Industry Competition (General) Regulation 2008 (WIC Regulation) are available on the NSW Government's legislation website at www.legislation.nsw.gov.au.

You should complete this form according to the instructions outlined in the Application Form Guidance Document: Network Operator and Retail Supplier Licence, Water Industry Competition Act 2006 (NSW) (the Guidance Document). The Guidance Document and the Application Form are available on our website at www.ipart.nsw.gov.au.

Direct any questions to the Director, Regulation and Compliance via email, wica@ipart.nsw.gov.au or telephone, (02) 9113 7778.

1.2 How this form is structured

This form is structured into the following parts:

- ▼ Part 1 provides an introduction to the form
- ▼ Part 2 contains the Statutory Declaration that must accompany the application form
- ▼ Part 3 contains the Acknowledgement that must accompany the application form

¹ Currently the Minister for Energy and Utilities, December 2018.

-
- ▼ Part 4 contains the licence application form schedules. These schedules are:
 - A) Applicant corporation information (to be completed by all applicants corporation)
 - B) Financial capacity (to be completed by all applicant corporations)
 - C) Network operator's licence – technical capacity
 - D) Retail supplier's licence – technical capacity – water supply
 - E) Retail supplier's licence – technical capacity – sewerage services.

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2 Statutory declaration

A statutory declaration must be completed by all applicant corporations and submitted with their application.

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 neither:

- ▼ A disqualified corporation for the purpose of section 10(3)(a) of the *Water Industry Competition Act 2006 (NSW) (WIC Act)*, nor
- ▼ A related entity of a disqualified corporation that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made), if granted, would authorise, for the purpose of section 10(3)(b) of the WIC Act.

A statutory declaration must be certified by a NSW authorised witness from the following list:

- ▼ 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, or
- ▼ a person by law authorised to administer an oath (eg, authorised witnesses in other jurisdictions).

I, do solemnly and sincerely declare that:

1. I am a director/~~the Chief Executive Officer/the sole director and Chief Executive Officer~~ [delete as applicable] of the applicant corporation (named in this application form).
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, for the purpose of section 10(3)(a) of the WIC Act, a disqualified corporation (as defined in the Dictionary of the WIC Act).
5. The applicant corporation is not, for the purpose of section 10(3)(b) of the WIC Act, a related entity of a disqualified corporation (as defined in the Dictionary of the WIC Act) that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made), if granted, would authorise.
6. I have the authority to make this application on behalf of the applicant corporation (named in this application form).

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:

Cameron Renwick Evans

Title of person making the declaration:

Director, Flow Systems Pty Ltd

Signature of person making the declaration:



Declared at

[place]:

NORTH SYDNEY

On [date]:

11 OCTOBER 2019

In the presence of an authorised witness, who states:

I [insert name of authorised witness]

MARK SARAKIS

a [insert qualification to be authorised witness]

NSW LEGAL PRACTITIONER (No. 37466)

certify the following matters concerning the making of this statutory declaration by the person who made it:

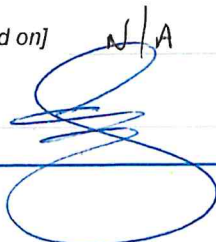
[*cross out any text that does not apply]

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]

N/A

Signature of authorised witness:



Date:

11/10/2019

I, do solemnly and sincerely declare that:

1. I am a ~~director~~ the Acting Chief Executive Officer ~~the sole director and Chief Executive Officer~~ [delete as applicable] of the applicant corporation (named in this application form).
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, for the purpose of section 10(3)(a) of the WIC Act, a disqualified corporation (as defined in the Dictionary of the WIC Act).
5. The applicant corporation is not, for the purpose of section 10(3)(b) of the WIC Act, a related entity of a disqualified corporation (as defined in the Dictionary of the WIC Act) that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence (the subject of the application in relation to which this declaration is made), if granted, would authorise.
6. I have the authority to make this application on behalf of the applicant corporation (named in this application form).

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:

Robert Charles Gittins

Title of person making the declaration:

Chief Executive Officer (Acting), Flow Systems Pty Ltd

Signature of person making the declaration:

Declared at

[place]: Sydney

On [date]: 8 October 2019

In the presence of an authorised witness, who states:

I [insert name of authorised witness]

Jonathan CM Gunn

a [insert qualification to be authorised witness]

Legal practitioner admitted in NSW, PN 11246

certify the following matters concerning the making of this statutory declaration by the person who made it:
[*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: 8 October 2019

3 Acknowledgement

All applicant corporations must sign an acknowledgement of IPART's intention to give copies of the application to relevant stakeholders.

An acknowledgement should be provided by:

- ▼ Company secretary and a director
- ▼ Two directors
- ▼ In the case of a sole director, the sole director, or
- ▼ Such other person that IPART agrees may provide the acknowledgement.

Acknowledgement

The applicant corporation (as named in the application form accompanying this acknowledgement) acknowledges that IPART will give a copy of the applicant corporation'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)
- ▼ Minister administering the *Public Health Act 2010* (NSW)
- ▼ Minister administering Chapter 2 of the *Water Management Act 2000* (NSW)
- ▼ Minister administering the *Environmental Planning and Assessment Act 1979* (NSW)
- ▼ 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 streamlining the processing of your application, indicate below whether or not 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 who have the 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:

Cameron Renwick Evans

Title of person making the acknowledgement:

[Director / Company Secretary]

Director, Flow Systems Pty Ltd

On [date]: **11 OCTOBER 2019**

Signature of person making the acknowledgement:



Name of person making the acknowledgement:

Robert Charles Gittins

Title of person making the acknowledgement:

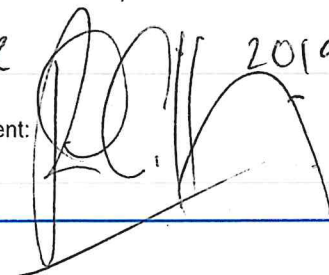
[Director / Company Secretary]

Chief Executive Officer (Acting), Flow Systems Pty Ltd

(pursuant to an email from IPART Director dated 6 June 2019, agreeing to this acknowledgement being provided by the Chief Executive Officer along with a director)

On [date]: **14 OCTOBER 2019**

Signature of person making the acknowledgement:



4 Licence application form schedules

All applicant corporations must complete the licence application form schedules relevant to its application for a licence.

Template documents to assist applicant corporations in completing the licence application form schedules are available in the Guidance Document.²

There are two types of licence covered by the licence application form schedules:

- ▼ A network operator's licence
- ▼ A retail supplier's licence.

4.1 Network operator's licence

Under the WIC Act, a network operator's licence is required by proponents who wish to construct, maintain and operate water industry infrastructure. This includes all infrastructure required to produce, filter, store, convey, reticulate or treat water and sewage, and to dispose of any waste produced. Water includes potable (drinking) water and non-potable (recycled) water.

Applicant corporations applying for a network operator's licence must complete the following schedules (see Table 4.1):

- A. Applicant corporation information**
- B. Financial capacity**
- C. Network operator's licence – technical capacity.**

4.2 Retail supplier's licence

Under the WIC Act a retail supplier's licence is required by proponents who wish to supply water or provide sewerage retailing services.

Applicant corporations applying for a retail supplier's licence must complete the following schedules (see Table 4.1):

- A. Applicant corporation information**
- B. Financial capacity.**

² IPART, *Application Form – Guidance Document*, [March 2019]. Located on the IPART website, <https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/licensing-administrative-wica-licence-assessment-improvement-project/working-papers-process-general/wic-act-licence-application-form-%E2%80%93-guidance-document-%E2%80%93-march-2019.pdf>

Applicant corporations applying for a retail supplier's licence that will supply water (including drinking water and/or non-potable water) must also complete the following schedule (see Table 4.1):














D. Retail supplier's licence – technical capacity – water supply.

Applicant corporations applying for a retail supplier's licence that will supply sewerage services must also complete the following schedule (see Table 4.1):

E. Retail supplier's licence – technical capacity – sewerage supply.

Applicant corporations applying for a retail supplier's licence that will supply both water and sewerage services must also complete both of schedules D and E (see Table 4.1).

Table 4.1 Completing the licence application form schedules

Applies to	Licence application form schedule				
	A	B	C	D	E
Network operator's licence					
Retail supplier's licence					
Water supply (drinking water and/or non-potable water)					
Sewerage services					
Both water supply and sewerage services					

A Applicant corporation information

Table A.1 Corporation details

Provide applicant corporation's name, ABN/ACN, registered and business addresses.	
Corporation name	Flow Systems Pty Ltd (Flow Systems)
ABN	28 136 272 298
ACN	136 272 298
Address of registered office	Suite 2, Level 40 259 George Street, Sydney NSW, 2000
Address of principal place of business	Suite 2, Level 40 259 George Street, Sydney NSW, 2000

Table A.2 Contact details

Provide primary and secondary contacts, with all relevant details (ie, names, addresses, email and telephone/mobile phone contacts).	
Primary Contact	
Full name and position/title	Kirsten Evans Executive Manager, Risk and Compliance
Business telephone number	
Mobile number	
Email	
Postal address	PO Box R455, Royal Exchange, Sydney NSW, 1225
Secondary Contact	
Full name and position/title	Darren Wharton Executive Manager, Project Delivery
Business telephone number	
Mobile number	
Email	
Postal address	PO Box R455, Royal Exchange, Sydney NSW, 1225

Table A.3 Directors

Provide the following information (details may be included in an Appendix A3).

- a) The names, position title, date of birth and address of the Chief Financial Officer, Chief Executive Officer and any other persons concerned in the management of the applicant corporation.

For each person

Full name Cameron Renwick Evans

Position title Director

Date of birth

Residential address

Full name Raymond John Neill

Position title Director

Date of birth

Residential address

Full name Jonathan Michael Sellar

Position title Director

Date of birth

Residential address

Full name Robert Charles Gittins

Position title Chief Executive Officer (Acting)

Date of birth

Residential address

- b) A chart outlining the relationship between the applicant corporation and its ultimate Australian holding company, including the names of any intermediate holding companies.

Attach the organisation chart as Appendix A3(b).

APPENDICES

- Appendix A3(b) Flow Systems Ownership Structure (public)

- c) Resumes for CEO (or equivalent) and relevant key managers outlining relevant local and international experience in the water industry and matching role descriptions.

Attach resumes/CVs/experience and role descriptions as Appendix A3(c).

APPENDICES

- Appendix A3(c) Position Descriptions

- d) Referees for relevant schemes. **Attach the list of referees/schemes as Appendix A3(d).**

APPENDICES

- Appendix A3(d) Scheme overview and retail supplier experience

Table A.4 Scheme summary

Provide scheme details below.	
Scheme name	Box Hill North (Scheme)

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Location (include local government area, Lot and DPs)

The Scheme is located in the suburb of Box Hill, approximately 40km north-west of Sydney Central Business District (CBD). The scheme is within The Hills Local Government Area (LGA). The Scheme comprises:

- the construction, operation and maintenance of sewerage and recycled water infrastructure within the Box Hill North urban release area (**Development**)
- the delivery of resulting sewerage and recycled water supply services to end user customers.

In relation to 1, Flow Systems has established Flow Systems Operations Pty Ltd (**FSO**). Network Operator's Licence number 16_037 (**Existing NOL**) under the *Water Industry Competition Act 2006* (**WICA**) was granted to FSO on the 12th May 2016 to provide recycled water and sewerage services to the Development.

A variation application (**NOLV1 Application**) has been submitted to IPART which seeks variation to the Existing NOL only to include additional authorised purposes for the recycled water.

The NOL area of operations under the NOLV1 Application remains consistent with that identified in Table 1.4 Area of Operations of the Existing NOL. Note however that with subdivision and development of the lots within the Existing NOL, lot identifiers for the Existing NOL area of operations have now changed and will continue to change.

In relation to 2, Flow Systems holds a retail supplier's licence (Licence No. 13_001R most recently amended 13th October 2017, **RSL**) and makes this application (**RSLV Application**) alongside the NOLV1 Application to vary its RSL to include additional authorised purposes and extend the provision of recycled water (only) services to the Scheme's adjacent lots (**Proposed RSLV RW-only Extension**).

The Proposed RSLV RW-only Extension of the RSL area of operations for the service of recycled water services (only) is characterised by the following lot references:

Lot 19 DP255616	Lot 11 DP246915	Lot 14 DP833724
Lot 20 DP255616	Lot 12 DP246915	Lot 12 DP592714
Lot 11 DP593517	Lot 13 DP246915	Lot 2 DP846531
Lot 14 DP255616	Lot 14 DP246915	Lot 1 DP578063
Lot 13 DP255616	Lot 7 DP252643	Lot B DP161577
Lot 6 DP39157	Lot 2 DP616021	Lot 16 DP752047
Lot 20 DP609902	Lot 1 DP587427	Lot 8 DP752047
Lot 21 DP609902	Lot 132 DP807378	Lot 17 DP752047
Lot 1 DP712547	Lot 1 DP808515	Lot 13 DP833724
Lot 10A DP39157	Lot 3 DP808515	
Lot 5 DP253552	Lot 4 DP808515	
Lots 32 – 39 DP255616	Lot 1 DP585773	
Lot 100 DP1240512	Lot 2 DP585773	
Lot 2 DP564211	Lot 243 DP752050	

Flow Systems will rely on FSO to ensure access to services delivered through FSO in order to provide recycled water services to end user customers to the boundaries of the lots in the Proposed RSLV RW-only Extension area. Flow Systems and FSO will continue to provide recycled water and sewerage services to the original RSL area of operations.

Flow Systems, and its wholly-owned subsidiary Meter 2 Cash Solutions Pty Ltd, will provide all related customer services including billing, customer enquiries, complaints handling, debt collection, and tariff setting.

APPENDICES

- Appendix A4(a) Proposed RSLV RW-only Extension

Provide scheme details below.**Describe the scheme:**

Provide a summary of each type of product to be captured by the scheme (eg, drinking water, recycled water, sewage, stormwater), the volumes generated and the treatment process to be used, including average and maximum capacity.

Flow Systems provides recycled water and sewerage services to end-user customers located within the RSL area of operations in the Scheme.

The Proposed RSLV RW-only Extension area will provide the opportunity for up to 38 additional customers with an aggregate of 330 hectares of land to be serviced by recycled water (only) from the scheme. No agreements are yet in place with any of these potential additional customers, as Flow Systems first needs the regulatory basis (ie this RSLV Application to be granted) on which to offer this service. No sewerage services will be provided in this Proposed RSLV RW-only Extension area.

The licensed sewerage and recycled water infrastructure within the Existing NOL and RSL area of operations is being constructed under the Existing NOL.

FSO will not be constructing, operating and maintaining any recycled water or sewerage infrastructure within the Proposed RSLV RW-only Extension and hence, no similar application to extend the Existing NOL area has been lodged.

Flow Systems proposes to continue to provide the services approved in the RSL with additional authorised purposes for the recycled water.

As approved under the RSL, Flow Systems will access the recycled water supply from FSO's network for the purposes of delivering recycled water services to its end-user customers in the RSL area of operations.

FSO is currently constructing the first stage of a water recycling facility, known as the Box Hill local water centre (**LWC**) located within the Development. As described in the Box Hill Scheme Management Plan submitted with the application for the Existing NOL, this is being built in a staged manner if/as required and is designed for an ultimate potential sewage treatment capacity to service 5,000 ET to service the entire Development. FSO also operates and maintains the reticulation infrastructure which is being constructed in stages and services end-user customers.

APPENDICES

- Appendix A4(c) Existing NOL
- Appendix A4(d) Approval for commercial operation (sewerage)
- Appendix A4(e) Approval for commercial operation (sewerage and recycled water)
- Appendix A4(f) Existing RSL

Describe end uses

The authorised purposes / end uses for the recycled water licensed under the RSL and Existing NOL are:

- Toilet flushing
- Clothes washing
- Water features
- Irrigation
- Dust suppression

This RSLV application and the NOLV1 Application seek an expansion of those authorised purposes / end uses for the recycled water to also include:

- Car washing
- General wash down (for residential and industrial use on hard surfaces)
- Street cleaning
- Process water at recycled water treatment plant (process water would not be provided to or retailed to any end user customers).

Provide scheme details below.**Describe effluent/ waste products and disposal options (include volumes generated)**

The treatment infrastructure is already licensed within the Existing NOL and no further treatment processes or waste streams from the treatment process are relevant to this RSLV Application.

List of all planning, environmental and other legislative approvals already obtained and those that are still required

Flow Systems holds the RSL in relation to provision of retail services to end user customers at each of the following developments:

- Box Hill
- Central Park
- Cooranbong
- Discovery Point
- Green Square
- Huntlee
- Pitt Town
- Shepherds Bay
- Wyee.

No further regulatory approvals are required to supply water retailing services.

List the staging of works, including a program of the main stages

The reticulation for the Development is already licensed and approved for commercial operation and retail supply within the Existing NOL and RSL area of operations. It is anticipated that the LWC will be approved for commercial operation in late 2019.

No further treatment infrastructure and reticulation is proposed under this RSLV application. All staging works have been considered under the Existing NOL.

Retail services are already being provided to parts of the existing RSL area of operations for end-customer use for the authorised purposes.

Retail services may be provided to the Proposed RSL RW-only Extension area of operations from the time that this RSL application is granted and infrastructure has been constructed to the boundaries of those additional lots.

The additional end uses once approved as authorised purposes would be promoted as such throughout the RSL area of operations once this NOLV1 Application and the RSLV have been granted for these additional purposes.

List the total number and type of customers to be serviced

Flow Systems holds the RSL that covers the Existing NOL and RSL area. The Scheme as approved with two LWCs, has an ultimate capacity to provide sewerage and recycled water services to residential, retail and commercial customers equivalent to 5,000 residential customers (or equivalent tenements, ET), with sewage treatment capacity delivered in a staged manner and priority given to the foundation developer which is developing 4100 ET plus ancillary facilities such as the town centre and school.

This RSLV Application proposes that the Proposed RSLV RW-only Extension area provide the opportunity for up to 38 additional customers with an aggregate of 330 hectares of land to be serviced by recycled water from the scheme. No agreements are yet in place with any of these potential additional customers, as Flow Systems first needs the regulatory basis (ie this RSLV Application to be granted) on which to offer this service. Flow will offer recycled water services to each customer in the additional RSLV expansion area as required in order to meet the demands of Box Hill's water balance which has recently been updated and provided as an appendix. These additional properties would be signed up as customers under a large customer contract with Flow. The large customer contract offers seasonal pricing to encourage more recycled water use during the cooler months, resulting in a water balance that maximises beneficial recycled water use year-round.

Provide scheme details below.

Describe the preferred timeline for the licensing of each stage of the work

Variation of the RSL to include additional end uses is required by late 2019 or in any case as soon as practicable to allow customers of the recycled water to utilise the recycled water for the additional end uses where otherwise potable water restrictions are in place.

Table A.5.1 Experience – Network Operator

Provide the following information (details may be included in Appendices A5.1(a) and A5.1(b)).

<p>a) Describe the applicant corporation's current experience in (and, where relevant, the nominated third parties' experience in):</p> <ul style="list-style-type: none">– Construction, maintenance and operation of water and/or other utility infrastructure such as gas, electricity or telecommunications– Environmental management activities relevant to the construction of water infrastructure. Evidence may include: extracts from environmental impact assessments, construction environmental management plans, operational environmental management plans, environmental management systems. This can include interstate and international experience.	<p>Provide full and complete details in Appendix A5.1(a).</p> <p>Not applicable to this retail supplier licence variation.</p>
<p>b) Provide resumes/CVs for key personnel (including nominated third parties) outlining relevant local and international experience and necessary skills for each of the following activities:</p> <ul style="list-style-type: none">– Construction, operations and maintenance– Environmental management.	<p>Provide full and complete details for relevant personnel in Appendix A5.1(b).</p> <p>Not applicable to this retail supplier licence variation.</p>

Table A.5.2 Experience – Retail Supplier

Provide the following information (details may be included in Appendices A5.2(a) and A5.2(b)).	
<p>a) Describe the applicant corporation's current experience in (and, where relevant, the nominated third parties' experience in):</p> <ul style="list-style-type: none"> – the supply of water or the provision of sewerage services. Also outline any previous experience in the retailing of other services such as gas, electricity or telecommunications. 	<p>Provide full and complete details in Appendix A5.2(a).</p> <p>Flow Systems holds the RSL in relation to the schemes and supply of services outlined below:</p> <ul style="list-style-type: none"> • Box Hill - recycled water and sewerage services • Central Park - drinking water, recycled water and sewerage services • Cooranbong - drinking water, recycled water and sewerage services • Discovery Point - drinking water, recycled water and sewerage services • Green Square – recycled water only • Huntlee – drinking water, recycled water and sewerage services • Pitt Town– recycled water and sewerage services • Shepherds Bay – drinking water, recycled water and sewerage services • Wyee - drinking water, recycled water and sewerage services <p>Wholly-owned subsidiaries of Flow Systems also hold the following NOLs:</p> <ul style="list-style-type: none"> • Flow Systems Operations Pty Ltd: NOL No. 16_037 (Box Hill) • Central Park Water Pty Ltd: NOL No. 12_022 • Cooranbong Water Pty Ltd: NOL No. 15_033 • Discovery Point Water Pty Ltd: NOL No. 13_025 • Green Square Water Pty Ltd: NOL No. 15_031 • Huntlee Water Pty Ltd: NOL No. 15_030 • Pitt Town Water Pty Ltd: NOL No. 10_014 • Flow Systems Operations Pty Ltd: NOL No. 17_042 (Shepherds Bay) • Wyee Water Pty Ltd: NOL No. 14_026 <p>Flow Systems is also an authorised energy retailer approved by the Australian Energy Regulator (AER). As at 31 March 2019, Flow Systems is retailing energy services to 2,453 residential customers, 393 small businesses and 14 large customers with a pipeline of several thousand additional customers.</p> <p>APPENDICES</p> <ul style="list-style-type: none"> • Appendix A3(d) Flow Systems water utility schemes
<p>b) Provide resumes/CVs for key personnel (including nominated third parties) outlining relevant local and international experience and necessary skills for each of the activities to be licensed:</p> <ul style="list-style-type: none"> – Retailing activities relevant to operating a utility. 	<p>Provide full and complete details for relevant personnel in Appendix A5.2(b).</p> <p>APPENDICES</p> <ul style="list-style-type: none"> • Appendix A3(c) Position Descriptions

Table A.6 Corporate structure

Provide an organisational management chart and an ownership chart in Appendix A6.

Describe the structure of the applicant corporation, including a list of the entities that have an ownership interest in the applicant corporation, whether legal or equitable. The charts should clearly show how the corporation is managed, and all entities that have an ownership interest in the applicant corporation.

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- Appendix A3(b) Flow Systems Ownership Structure (public).
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Table A.7 Disqualified corporations**Provide the completed disqualified corporations and related entities chart in Appendix A7.**

Provide additional information, **as described in Appendix B of the Guidance Document**, to allow a search for and assessment of each Director, the applicant corporation, and any related entities that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence would authorise, if granted.

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Table A.8 Insurances**Attach copies of all relevant insurance certificates and relevant policy schedules and policy wording (eg, Product Disclosure Statements) in Appendix A8.**

- a) Describe the types of insurance the applicant corporation has or intends to obtain for the activities to be licensed (including the level of cover (amount) the applicant corporation has or intends to have) for the:
- Construction phase
 - Operations phase.

Commercial in confidence

-

- b) Where available, provide:
- Certificates of currency for all existing insurance policies
 - Relevant policy schedules and policy wording for current and future policies. Ensure the inclusions and exclusions of the policies are mentioned.

Commercial in confidence

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- c) Include a summary of itemised inclusions and exclusions for each type of insurance the applicant corporation holds.

Commercial in confidence

- d) Explain why the type and level of cover provided or proposed by the applicant corporation's insurer is sufficient and appropriate for the size and nature of the applicant corporation's proposed activities across all phases of the scheme. Your explanation should show how the proposed insurance policies appropriately cover the risks of the applicant corporation's risk assessment. You should also obtain a letter or report from an insurance broker to support your explanation on the appropriate level of cover for the applicant corporation's scheme.

Arthur J. Gallagher (Aus) Limited (Gallagher) (formerly The Protectors Insurance Brokers Pty Ltd) has reviewed all insurances required by the Flow Systems group of utilities in connection with its business and has arranged the above insurance cover to match the business requirements. Flow Systems reviews its insurances annually with Gallagher to ensure that its insurance arrangements are adequate for its requirements

Also, a comprehensive whole-of-business and project-specific insurance risk assessment for the Scheme has been conducted in satisfaction of IPART's standard licensing condition, prior to the Minister's approval for commercial operation for FSO to operate the scheme in 2017.

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- e) If the corporation applying for a licence is a subsidiary of another corporation and is covered by the parent corporation's insurance policy/ies, provide certificates of currency and relevant policy schedules and policy wording demonstrating that the subsidiary will be covered by the parent company's policies.

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Table A.9 Other relevant information

Provide any additional relevant information in Appendix A9.

Provide other relevant information to outline the applicant corporation's organisational capacity to undertake the activities that the licence will authorise. These may include:

- ▼ Business and management systems, and whether they are certified or consistent with an appropriate standard
- ▼ Business risk assessments
- ▼ Cross-organisational guarantees and third party agreements.

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- Appendix A9(c) ISO verification

Table A.10 Third party activities

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

Corporation name

Meter 2 Cash Solutions Pty Ltd

ABN/ARBN

51 130 008 196

ACN

130 008 196

Corporation's registered office address

31 Kate Street, Nundah, Queensland 4031

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

Meter 2 Cash Solutions Pty Ltd (M2C) is a wholly-owned subsidiary of Flow Systems. M2C provides customer service, billing and collections activities on behalf of Flow Systems.

B Financial capacity

The responses to the following questions will be used to assess the applicant corporation's financial capacity to undertake the activities the licence will approve (WIC Act section 10(4)(a)).

See the Guidance Document for further information on our assessment of financial capacity.

Table B.1 Financial capacity of the applicant corporation

How will the applicant corporation's activities be financed?
Is the applicant corporation a new corporation, or does it have a financial history? (An applicant corporation may not have a financial history if it is a newly formed corporation).
If the applicant corporation is a newly formed corporation (ie, without financial history), provide the following: <ul style="list-style-type: none"> ▼ Copies of any financial guarantee, deed of indemnity or any other instrument that supports the applicant corporation's financial capacity. ▼ If a guarantee is to be provided by a parent or related entity, provide financial statements for the guarantor entity for the latest three financial reporting years. ▼ If the applicant corporation 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. Also provide a copy of any guarantee or deed of indemnity provided by an entity, such as a holding company or Director. Provide financial statements for the latest three financial reporting years demonstrating the financial viability of the guarantor.
For all applications provide (for the applicant corporation or a guarantor): <ul style="list-style-type: none"> ▼ The latest three years of historical financial statements, including: <ul style="list-style-type: none"> – Profit and Loss Statement, also called the Statement of Financial Performance – Balance Sheet, also called the Statement of Financial Position – Cash Flow Statement, also called the Statement of Cash Flows. ▼ To ensure that financial reports are accurate the accounts should be accompanied by: <ul style="list-style-type: none"> – A registered company auditor's report confirming the accounts are accurate, and/or – Tax return documents for the last three years which can be used to verify the income and expenses in the financial statements. ▼ Where the reporting date of the most recent financial statements is more than three months prior to the application date, provide management accounts (eg, a profit and loss statement, trial balance or trading statement). These should be supported by the most recent bank reconciliation and a copy of the relevant bank statement. ▼ From the most recent accounts, an aged creditors report. ▼ From the most recent accounts, an aged debtors report. ▼ A list of suppliers, identifying any major or critical suppliers. ▼ A list of customers, identifying any major or critical customers. ▼ A three year forecast of profitability for the applicant corporation, including a forecast Profit and Loss Statement, Balance Sheet and Cash Flow Statement.

Provide all requested information in Appendix B1.

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Table B.2 Financial viability of the scheme

What is the projected financial performance of the scheme?
For the scheme, provide at least ten years of detailed forecast cash flows. The cash flow forecast should include:
<ul style="list-style-type: none">▼ Major income and expense items including (as relevant):<ul style="list-style-type: none">– Customer fees and charges income– Connection fees income– Developer contributions/subsidies– Capital expenditure– Operating and management costs– Bulk services charges and/or network operator fees and charges– Overheads and management fees– Sinking funds/contingency– Compliance costs.▼ If the scheme is to be conducted in stages, the cash flow forecast should reflect this.▼ Any provisions made for unexpected operational costs or non-planned maintenance.▼ Key assumptions, including forecast (as relevant):<ul style="list-style-type: none">– Lot sales– Occupancy rates or any other drivers of cash inflows– Rates paid for bulk services (eg, bulk water or sewerage)– Waste disposal fees, and/or– Any other relevant key assumptions.
Provide the information in spreadsheet form (eg, Excel spreadsheet) in Appendix B2.

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Table B.3 Contextual information

Provide other relevant information that may inform the assessment of financial capacity of the applicant corporation.
For the applicant corporation, in addition to information already provided regarding financial support (eg, guarantees, debt and equity), provide:
<ul style="list-style-type: none">▼ Where the licensee is a part of a corporate group, the corporate group structure (including parent corporate group and details of ownership)▼ Equity structure (ie, equity holders, types of shares, options, quantities of shares and options etc)▼ Agreements, contracts or covenants that may impact the financial capability of the licensee, and/or▼ Any other information that may inform the assessment of financial capacity of the applicant corporation.
Provide all requested information in Appendix B3.
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<ul style="list-style-type: none">• Appendix A3(b) Flow Systems ownership structure (public)

Table B.4 Estimated price for services

For retail supplier licence applications, how much will the applicant corporation charge for its services?

Where the applicant corporation is applying for a **retail supplier's licence to supply water or provide sewerage service to residential households**, provide:

- ▼ Ten year forecasts of the cost to the licensee, per household, per year, to supply water and/or provide sewerage services (as is relevant).
- ▼ Details of how this cost would be recovered - that is, what are the details of who is expected to pay fees and charges (eg, customers, developers and/or grants and subsidies)?
- ▼ The proposed price levels and structure for the first ten years of operation.

Provide all requested information in Appendix B4.

Current pricing is available via the Box Hill Water website at:

Homeowners:

https://flowsystems.com.au/governance/Box_Hill/Box_Hill_Residential_Service_Usage_Pricing.pdf

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Table B.5 Contacts

For all applications, provide contact details for an authorised representative to clarify financial information provided in the application.

Does the applicant corporation have an accountant? If yes, provide the accountant's contact details.

No, accounting is managed internally

Does the applicant corporation have an external auditor? If yes, provide the external auditor's contact details.

Yes. Deloitte.

If required, may we contact the accountant and/or external auditor to clarify any information provided?

Table B.6 Other information

Provide superannuation information as noted below.

For the applicant corporation, provide an extract of the superannuation payable ledger for the:

- ▼ 12 months ending on the date of the latest annual financial statements
- ▼ Period commencing on the date of the latest annual financial statements and ending on the date of the latest management accounting reports (if applicable).

Provide all requested information in Appendix B6.

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PUBLIC

C Network operator's licence – technical capacity

The responses to the following questions will be used to assess the applicant corporation's technical capacity to undertake the activities the licence will approve (Act s.10(4)(a)).

See the Guidance Document for further information on our assessment of technical capacity.

Select the appropriate boxes for the infrastructure the corporation is applying for.

- ☐ Water infrastructure – drinking water
- ☐ Water infrastructure – non potable water (including recycled water)
- ☐ Sewerage infrastructure

Table C.1 Scheme description

Describe the proposed scheme in detail.

Include all infrastructure from catchment/treatment plant to tap/end user. You must:

- ▼ Include a full description of any infrastructure used in the capture, storage, conveyance/reticulation, and treatment of water and/or sewage.
- ▼ Provide a full description of all end uses (including irrigation, dust suppression and other broad-acre uses), waste disposal streams and disposal options, and any end uses requiring Environment Protection Licences (EPLs) or other regulatory approvals or licences.
- ▼ Describe any staging requirements for the proposed scheme with a supporting works program.
- ▼ Provide relevant water source type, identification and characterisation studies.

Your description should include the relevant concept design drawings, site plans, process flow diagrams and general arrangement drawings.

Provide all relevant documents in Appendix C1.

Not applicable to this retail supplier licence variation.

Table C.2 Existing activities

Has the corporation commenced any of the activities for which it is seeking a licence?

- ☐ YES ☐ NO

If yes:

- ▼ Briefly describe the activities that the applicant corporation has commenced (ie, built and/or operating) including the date(s) on which the activities commenced, and the customers being serviced *eg, construction of the network infrastructure July 2015, construction of the water treatment plant December 2015, operation of the water treatment plant June 2016, supply to small retail customers August 2016.*
- ▼ Provide an indicative timeline outlining the dates for the commencement of any other activities for which the applicant corporation is seeking a licence.

If **no**, provide an indicative timeline outlining the major development milestones and dates for the commencement of the activities for which the applicant corporation is seeking a licence, if they have not yet commenced. *Eg, construction of the network infrastructure July 2020, construction of the water treatment plant December 2020, operation of the water treatment plant June 2021, supply to small retail customers August 2021.*

Not applicable to this retail supplier licence variation.

Table C.3 Area of operations

Describe the location of the proposed infrastructure.

This description should include:

- ▼ Specific lot descriptors (eg, lot and DP numbers) that identify the location of the production, treatment, filtration and/or storage infrastructure.
- ▼ The location of infrastructure for the conveyance and/or reticulation of water by street name, local government area or other description as appropriate to the size of the scheme.
- ▼ The location of identified irrigation areas for disposal of recycled water.

You should provide detailed maps to support the description of the area of operations. The map(s) should show the location of the proposed infrastructure from source to end use. Also provide any maps approved by the relevant planning authority.

Provide these maps and descriptions in Appendix C3.

Not applicable to this retail supplier licence variation.

Table C.4 Interconnections

Describe any interconnections between the proposed water infrastructure and other infrastructure not part of this scheme (eg, interconnections with other licensed network operators or public utilities)

In your description, identify who is responsible for the construction, operation and maintenance of which infrastructure.

Where applicable, describe the connection point to customers or end users (eg, the customer connection point may be a water meter). In your description, identify who is responsible for the construction, operation and maintenance of each piece of infrastructure.

Identify all interconnections with other infrastructure and/or end users on the process flow diagram.

Provide all relevant documents in Appendix C4.

Not applicable to this retail supplier licence variation.

Table C.5 End uses

Identify all intended end uses for each product supplied and waste products generated.

Provide evidence to support the proposed volumes of water expected to be generated and used.

Not applicable

Provide evidence to support the proposed quantity of waste products generated, and how the applicant corporation will dispose of it. Include any agreements with third parties, and regulatory approvals/licences.

Not applicable to this retail supplier licence variation.

Provide additional information in Appendix C5.

Table C.6 Water balance

Provide a detailed water balance for all products and all scheme stages.

Water balances are required for each stage of works, and must provide (as a minimum):

- ▼ All assumptions used for modelling, and if assumptions do not meet industry standards, you must provide a statement of evidence to support the deviation
- ▼ A sensitivity analysis around end use assumptions, including future disposal pathways, eg, optional take up of recycled use in washing machines
- ▼ Any storage requirements
- ▼ All input and output volumes including peaking factors
- ▼ All waste streams and fate of waste/s

Irrigation models should be run on the median and 95%-tile rainfall scenarios. Irrigation of treated effluent/recycled water should have zero runoff and no more than 15mm deep percolation (inland) or zero (coastal) – as per the *EPA Guideline – Use of Effluent by Irrigation (2004)*.

Ensure that all water/sewage supplied and/or treated is accounted for.

Where relevant, support your assumptions by catchment and/or wastewater characterisation studies.

For all products supplied, provide detailed information on waste products generated and disposal options.

Provide a copy of the detailed water balance and assumptions, as well as any agreements and/or licences to access the source water in Appendix C6.

Not applicable to this retail supplier licence variation.

Table C.7 Volume details for services supplied

Describe the volume of water available from the proposed source.

For drinking water provide detailed information regarding the volume of water the applicant corporation will supply, agreements in place with other utilities and how the applicant corporation will ensure continuity of supply.

For recycled/non-potable water provide detailed information regarding the volume of water the applicant corporation will supply through treatment, agreements in place with other utilities and/or other recycled water users, and how the applicant corporation will ensure continuity of supply.

For sewage provide detailed information regarding the volume of sewage the applicant corporation will collect and treat, how the applicant corporation will dispose of waste products, and any agreements in place regarding the collection, storage and treatment of sewage. Also detail how the applicant corporation will ensure continuity of service.

Provide details in a separate Appendix C7.

Not applicable to this retail supplier licence variation.

Table C.8 Risk assessment

Provide the preliminary risk assessment for the scheme from source to end use.

The preliminary risk assessment should:

- ▼ Accurately identify any hazards present in the source water or likely to result from the proposed treatment process
- ▼ Address intended, inadvertent and unauthorised end uses (and therefore routes of exposure) to the water
- ▼ Identify any reasonably foreseeable risk event with the potential to expose people or the environment to hazards
- ▼ 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
- ▼ Identify critical control points (CCPs) and water quality targets.

The preliminary risk assessment should 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.

Provide the preliminary risk assessment for the scheme from source to end use.

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 (Risk management – Principles and Guidelines)*, which is consistent with the approach outlined in:

- ▼ The *Australian Drinking Water Guidelines* (ADWG)(element 2), for drinking water
- ▼ The *Australian Guidelines for Water Recycling* (AGWR)(element 2), for non-potable water.

The preliminary risk assessment should consider risks specific to the area of operations for which an application is sought. It should also address business and financial risks, and demonstrate/contain a statement that the licensee has consulted with NSW Health and the NSW Environment Protection Authority regarding health and environmental matters. A statement noting that the proposed treatment system meet the water quality targets for the intended end uses should also be included with the preliminary risk assessment.

Provide the preliminary risk assessment in Appendix C8.

Not applicable to this retail supplier licence variation.

Table C.9 Management systems and processes – water

Describe the systems and processes the applicant corporation will have in place to manage the water infrastructure.

Describe how the 12 elements of the framework for the management of:

- a) Drinking water quality, as detailed in the ADWG, and/or
- b) Recycled water quality, as detailed in the AGWR

have been addressed and will be implemented and maintained. Your response should include a clear description (with supporting evidence) of how and where the risk assessment has informed/will inform your water quality management plans(s).

Provide evidence of the applicant corporation's capacity to develop and implement relevant management plans, including an Infrastructure Operating Plan and Water Quality Management Plan (based on the 12 elements of the relevant framework) in Appendix C9.

Not applicable to this retail supplier licence variation.

Table C.10 Management systems and processes - sewerage

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 C10.**

Not applicable to this retail supplier licence variation.

Table C.11 Contingency plans

How will the applicant corporation ensure the continuity of the supply of water or the provision of sewerage services to customers? What contingency plans are in place in the case of failure of the infrastructure?**Provide a contingency plan in Appendix C11.**

Not applicable to this retail supplier licence variation.

Table C.12 Regulatory approvals

List all relevant regulatory approvals.
For the activities to be licensed, provide a list of all of the regulatory approvals that have been obtained and/or are required to be obtained under: <ul style="list-style-type: none">▼ The <i>Environmental Planning and Assessment Act 1979</i>▼ The <i>Protection of the Environment Operations Act 1997</i>▼ Any other relevant legislation.
Attach copies of each approval (if granted) and any reports from the approval body.
Such approvals may include: <ul style="list-style-type: none">▼ Development consents for a housing development under the <i>Environmental Planning and Assessment Act 1979</i>▼ Section 68 approval under the <i>Local Government Act 1993</i>▼ Environment Protection Licence under the <i>Protection of the Environment Operations Act 1997</i>▼ Any and all subsequent approved modifications.
Provide a copy of any regulatory approvals and/or licences in Appendix C12.
Not applicable to this retail supplier licence variation.

Table C.13 Development consents and determinations

Has the scheme been dealt with under either Part 3A (now repealed), Part 4 or Part 5 of the <i>Environmental Planning and Assessment Act 1979</i> (EP&A Act)? Refer to section 3.2 and Appendix C of the Guidance Document to inform your answer to this question.
Provide details of all relevant details in Appendix C13.
Not applicable to this retail supplier licence variation.

Table C.14 Environmental impact assessments

Describe the studies that have been completed to investigate any environmental impacts (including 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?
As a minimum, your application must be accompanied by a Review of Environmental Factors (REF) (unless the development is a 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 REF must identify the environmental impacts of the proposed scheme, and the steps which will be taken to protect the environment or reduce harm to the environment.
Where relevant, what land capability and/or site suitability assessments have been undertaken on the proposed land disposal (including irrigation) area?
Provide a copy of any: <ul style="list-style-type: none">▼ Environmental study▼ Land capability or site suitability assessment▼ Environmental risk assessment▼ Determination reports in Appendix C14.
Not applicable to this retail supplier licence variation.

D Retail supplier's licence – technical capacity – water supply

Table D.1 Scheme description

Describe the water infrastructure that the applicant corporation will access to supply water.
--

As described in Part A, Flow Systems is providing recycled water services to end-user customers.

End-user customers to whom Flow Systems provides recycled water services will be those located within the proposed Box Hill retail supplier licence area including the Proposed RSLV RW-only Extension area and with which we have an agreed customer contract.

Flow Systems will access the recycled water supply from FSO's network for the purposes of delivering recycled water services to its end-user customers. Customers in the Proposed RSLV RW-only Extension area would be serviced by recycled water infrastructure at the boundaries of those customers' lots and already approved under the Existing NOL and within the Existing NOL area.

FSO has approval to commercially operate and maintain the recycled water reticulation infrastructure to end-user customers within the Existing NOL area of operations. The recycled water reticulation is being constructed in stages in line with the Development.

FSO holds the network operator licence to construct, operate and maintain the LWC located within the Development. The first stage of this LWC is currently under construction with approval for commercial operation anticipated in late 2019.

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Table D.2 Volume of water

What volume of water is available from the proposed source?
--

Where applicable, provide the capacity of the source and the (allowable) average daily extraction rate from the source. If there is more than one source, 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 D2.

As approved under NOL 16 037, the sources and volume details for recycled water include:

1) Sewage – This source can provide at ultimate development an average of 1,729 kL/day of raw sewage. The conversion of raw sewage to recycled water is approximately 99%.

2) Drinking water – As outlined above, the First Development Stage will be supplied by a drinking water connection into the recycled water reticulation network until recycled water becomes available. Once recycled water is being produced and supplied by the LWC, if recycled water demand exceeds the supply of raw sewage and prolonged use depletes the recycled water storages, then drinking water from Sydney Water's supply to the LWC will be used to supplement supply. Current modelling predicts that on average 2 ML/year of drinking water will be required to top up the recycled water system in the area covered by the Existing NOL. Without considering the impact that seasonal pricing may have on recycled water demand in the Proposed RSLV RW-only Extension area, it is modelled that up to 133 ML/year may be required to top up the recycled water system once these additional customers are connected. Sydney Water has agreed to a supply of 35L/s to cover potential peak demands. The Scheme also has the capability to source stormwater for treatment although this does not form part of the existing RSL or this RSLV Application.

(NB: Recycled water will not be supplied until the infrastructure in Phase 2 is completed, existing lots are delivering sewage to the LWC and the LWC is commissioned and FSO has approval for commercial operation for the LWC).

Current water balance modelling shows that during the development roll-out, an average of 19kL/day of top up may be required to meet recycled water demand at or around 2032. This will be minimised through further calibration of the model from observed demands and optimisation of the timing for implementation of new storage in the system.

Variation to existing RSL13_001R for additional end uses

No changes to the treatment capacity of the LWC or source water flows are proposed under this RSLV Application.

The Proposed RSLV RW-only Extension area provides the opportunity for up to 38 additional customers with an aggregate of 330 hectares of land to be serviced by recycled water from the scheme. No agreements are yet in place with any of these potential additional customers, as Flow Systems first needs the regulatory basis (ie this RSLV to be granted) on which to offer this service.

Flow will offer recycled water services to each customer in the additional RSLV expansion area as required in order to meet the demands of Box Hill's water balance which has recently been updated and provided as an appendix. These additional properties once signed up as customers will be part of a large customer contract with Flow. The large customer contract offers seasonal pricing to encourage more recycled water use during the cooler months, resulting in a water balance that encourages beneficial recycled water use year-round.

APPENDICES

- Appendix D2 Water Balance Report

Table D.3 Class of customer

What customers or classes of customers does the applicant corporation propose to supply with water?

Will the applicant corporation be supplying small retail customers with water (ie, less than 15ML/year)?

All customers will be small retail customers, both residential and commercial.

Table D.4 Risk assessment

Provide the preliminary risk assessment for the retail activities related to the scheme.

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). It must also identify 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 ISO 31000 (Risk Management– Principles and Guidelines)*.

Provide the risk assessment in Appendix D4.

APPENDICES

- Appendix D4 Risk Register Summary

Table D.5 Contingency plan

How will the applicant corporation ensure continuity of the supply of water to customers?

<p>Flow Systems will be providing water supply services to end-users under this proposed variation to its RSL on the basis that FSO will hold the NOL in relation to the relevant network infrastructure through which Flow Systems will supply services to the end-user customers.</p>

As FSO is a wholly-owned subsidiary of Flow Systems, it is in a position to ensure that the network has sufficient redundancy and back-up supply sources to mitigate against interruption to supply to end user customers. As such, it is Flow Systems' policy to commit to the uninterrupted supply of services to its customers to the extent practically possible in the event of any incidents in FSO's network. FSO's network is designed to ensure that in the event of any incident, the chance of interruption to the retail supply of services is minimised by virtue of redundancy and back-up / stand-by features.

FSO has detailed contingency plans in the event of infrastructure failure. These contingency plans are a component of the Flow Systems Infrastructure Operating Plan and include:

- Minimisation of demand through customer notifications.
- Rapid response to infrastructure failure.
- Top-up from Sydney Water's drinking water supply
- On-site storage and boosting.

Risk Assessment

Flow Systems has already undertaken a full risk assessment in relation to its retail supplier operations in connection with its RSL. Additionally, Flow Systems manages and reviews its risk profile at strategic and operational levels in accordance with its risk management and compliance management procedures. Continuing risk assessment in relation to its retail supplier operations is part of that framework.

These assessments are designed to identify and establish processes to mitigate any health and environmental risks and ensure that interruptions are minimised.

Interruption Due to Incidents or Operational Problems

FSO's network design includes a level of redundancy to ensure that it can operate reliably and so that loss of supply due to operating problems will be rare.

FSO's network will be monitored on a 24-hour basis, seven days per week with early warning alarms and equipment condition tested through monitoring of critical control points.

Early warning alarms will allow the operators to identify and follow any short-term trend and take appropriate corrective action to rectify any recycled water quality or supply issues and avoid interruption to supply.

Maintenance regimes will be implemented to ensure that FSO's network operates continually and reliably. Planned maintenance that necessitates a partial or full shutdown of equipment will be scheduled in periods of low demand so that supply can be maintained wherever possible.

To the extent that there are interruptions due to operating problems, these issues will be temporary and corrected as specified in the infrastructure operating plans as submitted in connection with the Existing NOL.

In the event that any part of FSO's network is damaged by any party or a force majeure event, then supply may need to be interrupted while the damage is repaired. Reasonable precautions will be taken to prevent such occurrences, such as dial before you dig, condition monitoring, network surveillance and site security.

Interruptions to Recycled Water Supply

FSO's recycled water network infrastructure is designed such that it can reliably and consistently supply recycled water to the required specification so that the probability of interruption due to supply issues is low. The following incidents have been identified as a possible cause for interruption to recycled water supply: nil supply, leakage, and water quality. The probability of each of these incidents is low.

In each case, FSO will have both systems and redundancy measures in place to prevent or minimise the disruption of supply. Early detection systems include real-time telemetry data, alarms triggered through via a SCADA system and notification by Customers. Through FSO's Incident and Emergency Response Management planning, a water event would be triggered.

Arrangements will also be in place with the relevant incumbent water utility service provider to top up supply.

The Proposed RSLV RW-only Extension area provides the opportunity for up to 38 additional customers with an aggregate of 330 hectares of land to be serviced by recycled water from the scheme. Flow will offer recycled water services (only) to each customer in the additional RSLV expansion area as required in order to meet the demands of Box Hill's water balance which has recently been updated and provided as Appendix D2. These additional properties once signed up as customers will be part of a large customer contract with Flow. The large customer contract will offer seasonal pricing to encourage more beneficial recycled water use during the cooler months, resulting in a water balance that encourages recycled water use year-round.

Disruptions to Customer Centre

Flow Systems has established a utility platform for servicing customers in connection with all of its licenced schemes. The platform covers all customer-facing services, including enquiries, complaints, billing, account information, infrastructure-related property information, and the like. This platform will be used for the purposes of providing all customer facing retail services across all projects, including this Development. In the event that there is an internet failure and customers were unable to use the Customer Centre to access their accounts, customers would be able to use the 1300 enquiries telephone number.

Explanation of Terms

Network redundancy – The application for the Existing NOL outlined that sewage and water mains have redundancy built into the master plan design for each network. Different routes can be utilised to bring wastewater to the local water centre and to deliver water to customers, should a main be affected or out of service for any reason. No modifications to the retail supply of sewerage services are applicable to this variation application.

Systems redundancy – Smaller systems such as pump sets, blowers, tanks, UV systems etc. will be in duplicate. If one unit becomes unavailable, then standby equipment will be available to keep the process running.

Storage of recycled water and drinking water top-up will be used should the LWC be unable to meet the recycled water demand (e.g. insufficient wastewater, or LWC shutdown). The Scheme also has the potential for sourcing stormwater but this does not form part of this application. Drinking water would top up the recycled water storage tanks and would be delivered through the recycled water mains network. Should the recycled water main become unavailable, a maintenance contract will be in place to immediately repair the pipes on a 24-hour, seven day/week basis.

APPENDICES

- Appendix D5 Infrastructure Operating Plan Table of Contents
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Table D.6 Management systems and processes

Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems and complaint and debt recovery procedures.

Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix D6.

Flow Systems has created a seamless and information-rich electronic environment for its customers. It is designed to be user-friendly, and is supported by customer service staff where human intervention and response is required.

Flow Systems has also created a comprehensive Retail Supply Management Plan for all its projects. This plan is based on Flow Systems' group-wide customer utility platform that Flow Systems implements for all of its projects across all of its subsidiaries.

Flow Systems will provide group-wide customer contact services and support for all its customers across all the Flow Systems' communities through its web-based customer platform. Customers will have online access to all relevant information relating to:

- Water usage
- Billing and general customer account information
- Diagrams and site maps relating to the customer's property

In addition, Flow Systems will offer phone, fax and email customer contact capabilities ensuring all customer enquiries and complaints are dealt with efficiently.

Customer Billing

Customers will be required to register on-line; they access all information through their community website, they receive monthly invoices electronically and can interrogate the invoice to assess water usage and the like, and are encouraged to provide feedback and otherwise lodge enquiries or complaints on-line.

Meter Reading

Customer's meter readings are used to calculate the relevant charge for the billing period.

Fixed service and variable usage charges

Box Hill Water residential customers pay fixed service and variable usage charges for wastewater and recycled water services. Customers receive a monthly bill that covers the following:

- Recycled water variable usage charge paid monthly in arrears. The variable usage charge reflects the volume of recycled water used at the customer's property.
- Recycled water systems fixed service charge paid monthly in arrears. The fixed service charge contributes to the costs of providing and maintaining the recycled water system.
- Wastewater fixed service charge paid monthly in arrears. The fixed service charge contributes to the cost of providing and maintaining the sewer system.

Customer Enquiries and Complaints

Flow Systems has developed a Code of Practice for Customer Complaints which is consistent with the Australian Standard for complaints handling AS ISO 10002—2014. Flow Systems is committed to treating complaints promptly, fairly, equitably, confidentially and professionally and it is Flow Systems' intention to incorporate and implement the relevant water industry code of conduct once it is finalised.

Missed Payments and Debt Recovery

Flow Systems has developed a Code of Practice for Missed Payments and Debt Recovery. The Code specifies steps that Flow Systems will take in relation to overdue bills, unpaid bills and disputes. The Code of Practice for Missed Payments and Debt Recovery is available on the website and customers will be made aware of the Code prior to commencement of supply.

Document Control System

Flow Systems uses a Document Control System to control all documents that form part of the Flow Business Management System such as policies, procedures, management plans, work instructions and forms. All Flow Systems staff have access to this system, this is where staff will find information on the Flow position on all business related business activities including Retail Supply Management Plan, Retail policies, how the policies will be implemented (procedures), step by step instructions (work instructions), and where to record information (forms).

APPENDICES

- Appendix D6(a) Flow Systems Retail Supply Management Plan Table of Contents
 - Appendix D6(b) Flow Systems Complaints and Dispute Resolution Policy
 - Appendix D6(c) Flow Systems Missed Payments Policy
 - Appendix D6(d) Incident Management Plan Table of Contents
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PUBLIC

E Retail supplier's licence – technical capacity – sewerage services

For applicant corporations applying for a retail supplier's licence for supply of sewerage services.

Table E.1 Scheme description

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

No additional sewerage infrastructure or services are required under this RSLV. The scheme description remains as approved under the existing RSL.

Table E.2 Class of customer

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

Will the applicant corporation be supplying small retail customers with sewerage services (ie, less than 10.5 ML/yr)?

No additional sewerage infrastructure or services are required under this RSLV. The class of customer remains as approved under the existing RSL.

Table E.3 Risk assessment

Provide the preliminary risk assessment for the retail activities related to the scheme.

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). It must also identify 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 ISO 31000 (Risk Management– Principles and Guidelines)*.

Provide the risk assessment in Appendix E3.

No additional sewerage infrastructure or services are required under this RSLV. The risk assessment remains as approved under the existing RSL, albeit updated as described above in Table D.4.

Table E.4 Contingency plan

What contingency plans are in place in the case of failure of the infrastructure?

How will the applicant corporation ensure continuity of the provision of sewerage services to customers?

Provide a contingency plan in Appendix E4.

No additional sewerage infrastructure or services are required under this RSLV. The contingency plan remains as approved under the existing RSL albeit updated as described above in Table D.5.

Table E.5 Management systems and processes

Describe the systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, and complaint and debt recovery procedures.

Provide evidence of the applicant corporation's capacity to develop and implement a retail supply management plan in Appendix E5.

Not applicable. No additional sewerage infrastructure or services are required under this RSLV. The management systems and processes remain as approved under the existing RSL, albeit updated as described above in Table D.6.