



**NEW SOUTH WALES
GOVERNMENT**

***WATER INDUSTRY COMPETITION ACT 2006
(NSW)***

RETAIL SUPPLIER'S LICENCE

Licence no. 16_039R

**SUEZ Water and Treatment Solutions Pty
Ltd**

(ACN 051 950 068)



New South Wales

Water Industry Competition Act 2006 (NSW)

Section 10

Notice of Decision - Application for a retail supplier's licence by Suez Water and Treatment Solutions Pty Ltd

I, The Hon. Niall Blair MLC, Minister for Lands and Water, have considered and accepted the advice and recommendations made by the Independent Pricing and Regulatory Tribunal (**IPART**) in its report to me on the application by Suez Water and Treatment Solutions Pty Ltd (ACN 051 950 068) (**Applicant**) for a retail supplier's licence under the *Water Industry Competition Act 2006* (NSW) (**the Act**). I attach IPART's report (**Attachment A**).

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

- (a) I am satisfied that the Applicant is not a disqualified corporation for the purposes of section 10(3)(a) of the Act;
- (b) I am satisfied that the Applicant is not a corporation that is a related entity (within the meaning of the *Corporations Act 2001* (Cth)) of a disqualified corporation that would have a direct or indirect interest in, or influence on, the carrying out of the activities that the licence would authorise for the purposes of section 10(3)(b) of the Act; and
- (c) I am satisfied as to each of the criteria set out in section 10(4) of the Act.

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

Under section 10 of the Act, for the reasons set out above, I have decided to grant a retail supplier's licence to the Applicant, subject to the conditions set out in licence number 16_039R, the Act and the *Water Industry Competition (General) Regulation 2008* (NSW). I hereby attach the licence (**Attachment B**).

A handwritten signature in black ink, appearing to be 'Niall Blair', written over a dotted line.

The Hon. Niall Blair, MLC
Minister for Lands and Water

Dated this 12th day of December 2016.

LICENCE SCOPE
ACTIVITIES AUTHORISED UNDER THE LICENCE AND AREA OF OPERATIONS

S1 Activities authorised - non-potable water supply

S1.1 This Licence authorises the Licensee and any authorised persons specified in Table 1.1 to supply non-potable water:

- a) to the persons or classes of persons specified in Table 1.2; and
- b) within the area of operations specified in Table 1.3,

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

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

- a) industrial process water;
- b) cooling towers; and
- c) on-site reuse.

Table 1.1 Authorised persons

Kooragang Water Pty Ltd (ACN 609 789 808)

Table 1.2 Persons or classes of persons

Any person other than a Small Retail Customer.

Table 1.3 Area of operations

Newcastle City Council local government area.

S2 Activities authorised – drinking water supply

S2.1 This Licence authorises the Licensee and any authorised persons specified in Table 2.1 to supply drinking water:

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

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

Table 2.1 Authorised persons

Kooragang Water Pty Ltd (ACN 609 789 808)

Table 2.2 Persons or classes of persons

Any person other than a Small Retail Customer.

Table 2.3 Area of operations

Newcastle City Council local government area.

S3 Activities authorised – sewerage services

[Not applicable]

Table 3.1 Authorised persons

[Not Applicable]

Table 3.2 Persons or classes of persons

[Not Applicable]

Table 3.3 Area of operations

[Not Applicable]

**SCHEDULE A - SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR
SUEZ WATER AND TREATMENT SOLUTIONS PTY LTD'S RETAIL SUPPLIER'S
LICENCE**

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

No conditions apply to this licence.

SCHEDULE B - STANDARD MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR LICENSED RETAIL SUPPLIERS UNDER THE ACT

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

B1 Ongoing capacity to operate

B1.1 The Licensee must have the technical, financial and organisational capacity to carry out the activities authorised by this Licence. If the Licensee ceases to have this capacity, it must report this to IPART immediately in accordance with the Reporting Manual.

B2 Obtaining appropriate insurance

B2.1 *[Not applicable]*

B2.2 The Licensee must:

- a) on the date on which this Licence is granted for the activities authorised under this Licence:
 - i) hold insurance that is appropriate for the size and nature of the activities authorised under this Licence; and
 - ii) provide a copy of each certificate of currency of the insurance obtained to IPART; and
- b) within 6 months of the date on which this License is granted or by a later date specified by IPART (if any) demonstrate that the insurance held is appropriate for the size and nature of the activities authorised under this Licence by providing a report to IPART from an Insurance Expert that:
 - i) certifies that in the Insurance Expert's opinion, the type and level of the insurance held by the Licensee is appropriate for the size and nature of the activities authorised under the Licence; and
 - ii) is in the form prescribed by the Reporting Manual.

B2.3 *[Not applicable]*

B2.4 *[Not applicable]*

B2.5 *[Not applicable]*

B2.6 *[Not applicable]*

B3 Maintaining appropriate insurance

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

B3.2 The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.

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

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

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

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

- *when IPART has reason to believe that there may be a change in the type or level of insurance held by the Licensee in relation to activities authorised under this Licence;*
- *where there is a change in the type or extent of activities authorised under this Licence; or*
- *when IPART or an approved auditor has reason to believe that the type or level of insurance held by the Licensee may not be appropriate for the size and nature of the activities authorised under this Licence.]*

B4 Complying with NSW Health requirements

- B4.1** The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:
- a) IPART has agreed to; and
 - b) are notified from time to time to the Licensee by IPART in writing.

B5 Complying with Audit Guidelines from IPART

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

B6 Reporting in accordance with the Reporting Manual

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

B7 Reporting information in relation to the register of licences

- B7.1** The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual, within 14 days of the change:
- a) any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers;
 - b) any source from which the water handled by the water industry infrastructure referred to in clause B7.1(a) is derived;
 - c) whether or not any of the Licensee's customers are Small Retail Customers; and

- d) any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort
- e) *[Not applicable]*
- f) *[Not applicable]*
- g) *[Not applicable]*

B8 Provision of copy of Plan

B8.1 Whenever the Licensee makes a significant amendment to a Plan, the Licensee must provide a copy of the amended Plan to IPART at the same time that it provides a copy to the approved auditor engaged to prepare a report as to the adequacy of the amended Plan, as required under the Regulation.

B9 Delineating responsibilities

B9.1 If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must establish a code of conduct (**Licensee's Code of Conduct**) in accordance with this clause B9.

B9.2 a) The Licensee's Code of Conduct must set out the respective responsibilities of:

- i) the Licensee; and
- ii) each licensed network operator, licensed retail supplier and/or public water utility that:
 - A) supplies water, provides sewerage services by means of; or
 - B) constructs, maintains or operates, any Specified Water Industry Infrastructure.

b) The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause B9.2(a) by, at a minimum, providing for:

- i) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves or storages or other infrastructure that is Specified Water Industry Infrastructure;
- ii) who is responsible for water quality;
- iii) who is liable in the event of the unavailability of water;
- iv) who is liable in the event of failure of the Specified Water Industry Infrastructure;
- v) the fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and
- vi) who is responsible for handling customer complaints.

B9.3 *[Not applicable]*

B9.4 Within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any), the Licensee's Code of Conduct must be agreed in writing between the Licensee and the other licensed network operators, licensed retail suppliers and/or public water utilities referred to in clause B9.2.

B9.5 The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.

B10 Notification of changes to Authorised Person

B10.1 If an Authorised Person ceases, proposes to cease, or receives notification to cease providing any of the services relating to the activities authorised by this Licence, the Licensee must provide IPART with written notice as soon as practicable but no later than 28 days before the date of cessation of the services. The written notice must include details of how the services previously undertaken by the Authorised Person will continue to be undertaken.

B11 Infrastructure to be used

B11.1 The Licensee must only source and supply water by means of water industry infrastructure maintained and operated by or on behalf of a licensed network operator or public water utility.

B11.2 *[Not applicable]*

B12 *[Not applicable]*

INTERPRETATION AND DEFINITIONS

1. Interpretation

1.1 In this Licence, unless the context requires otherwise:

- a) the singular includes the plural and vice versa;
- b) headings are used for convenience only and do not affect the interpretation of this Licence;
- c) a reference to a document includes the document as modified from time to time and any document replacing it;
- d) a reference to a "person" includes a natural person and any body or entity whether incorporated or not;
- e) a reference to a clause is to a clause in this Licence;
- f) a reference to a schedule is to a schedule to this Licence;
- g) a reference to a law or statute includes regulations, rules, codes and other instruments under it, and consolidations, amendments, re-enactments or replacements of them; and
- h) explanatory notes do not form part of this Licence, but in the case of uncertainty may be relied on for interpretation purposes.

2. Definitions

2.1 Expressions used in this Licence that are defined in the Act or the Regulation have the meanings set out in the Act or the Regulation.

2.2 In this Licence:

Act	means the <i>Water Industry Competition Act 2006</i> (NSW).
Audit Guidelines	means the document entitled "Audit Guideline – Water Industry Competition Act 2006" which is prepared by IPART and is available on IPART's website at www.ipart.nsw.gov.au , and any other guidelines issued by IPART in relation to audits under the Act.
Authorised Person	means the authorised persons specified in, as applicable: <ul style="list-style-type: none">a) clause S1, Table 1.1;b) clause S2, Table 2.1;c) clause S3, Table 3.1.
Insurance Expert	means an insurance broker which holds an Australian financial services licence under Part 7.6 of the <i>Corporations Act 2001</i> (Cth) that authorises the broker to provide financial product advice for, and deal in, contracts of insurance within the meaning of Chapter 7 of that Act.
IPART	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act</i>

1992 (NSW).

Licence	means this retail supplier's licence granted under section 10 of the Act.
Licensee	means SUEZ Water and Treatment Solutions Pty Ltd (ACN 051 950 068).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause B9.1.
Minister	means the Minister responsible for Part 2 of the Act.
NSW Health	means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.
Plan	means the retail supply management plan that the Licensee is required to prepare under the Regulation.
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).
Reporting Manual	means the document entitled "Retail Supplier's Reporting Manual," which is prepared by IPART and is available on IPART's website at www.ipart.nsw.gov.au .
Small Retail Customer	has the meaning given to that term in the Regulation.
Specified Water Industry Infrastructure	means water industry infrastructure through which the non-potable water, drinking water and/or sewerage services under this Licence is supplied.