

Independent Pricing and Regulatory Tribunal  
New South Wales

## 5-year review of Aquacell Pty Ltd's licences (09\_003, 15\_032 and 09\_004R)

Prepared under the  
*Water Industry Competition Act 2006 (NSW)*

Report to the Minister  
For Water, Property and Housing

September 2020

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# 1 Executive Summary

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

Each of Aquacell's licences were originally assessed having regard to the licensing principles in section 7 of the WIC Act. We revisited these principles for each licence as part of this 5-year review.

We recommend that the Minister varies Aquacell's network operator and retail supplier licences (licence numbers 09\_003, 15\_032 and 09\_004R). The proposed variations align Aquacell's licences with our standard licence clauses.

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

We sought submissions from Aquacell on the existing licences and proposed varied licence clauses and considered Aquacell's responses.

While the *Water Industry Competition (General) Regulation 2008* (Regulation) does not require consultation with any persons other than the licensee, we consulted with the Department of Planning, Industry and Environment (DPIE) as part of the review process. We also considered their response.

## 2 Introduction

Aquacell currently holds three licences under the WIC Act; two network operator licences and one retail supplier licence. The licences are described in Table 1:

**Table 1 Aquacell licences which require a 5-year review in 2020**

Licence number	Licence type	Scheme	Date granted	Date last varied
09_003	Network operator	Bligh Street	2 February 2010	26 July 2015
15_032	Network operator	Kurrajong	26 July 2015	-
09_004R	Retail supplier	Bligh Street Workplace 6 Kurrajong	2 February 2010	26 July 2015

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

We commenced our 5-year review of the licences on 22 July 2020.<sup>1</sup> This report includes our proposal to make non-material changes to the wording of the scope of the retail licence (licence number 09\_004R), and outlines our recommendations to add new, remove existing, and vary existing clauses in all three licences.<sup>2</sup> This report also details our analysis and our reasons for recommending changes to the licences.

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

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

#### We updated licence clauses

The review provided an opportunity to update Aquacell's network operator and retail supplier licence clauses to align them with other more recent standard licence clauses. We consider that applying the recently updated standard licence clauses to Aquacell's licences will:

- ▼ Address any gaps in the licence
- ▼ Clarify licence clauses for the licensee
- ▼ Apply an equitable regulatory framework
- ▼ Allow us to more efficiently regulate licensees through improved and more consistent audit processes

<sup>1</sup> We review licences granted under the WIC Act at intervals of not more than five years, with the first 5-year review commencing on the fifth anniversary of the granting of the licence, as per WIC Act, section 85(2).

<sup>2</sup> WIC Act, section 85(3) provides for the Report to the Minister to include recommendations as to the variation or revocation of existing licence conditions or the imposition of new licence conditions.

- ▼ Improve the efficiency of administering licences until the new licensing regime, the amended WIC Act, comes into effect.

### **We added a licence clause**

We added one new clause to each of the proposed network operator licences (ie, Schedule B, clause 10 of the proposed licences) on the notification of non-compliant plumbing. This additional requirement arises from general risks (eg, cross connections, illegal connections and unlicensed end-uses) identified with plumbing practices within recycled water schemes generally.

### **We removed licence clauses**

Where licence clauses imposed requirements that are already imposed elsewhere (eg, in our Reporting Manual requirements for WIC Act licensees), and the removal of these requirements do not increase risk, we removed those clauses.

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

We sought submissions from Aquacell and DPIE on the existing licences.<sup>3</sup> Aquacell confirmed that it had no comments regarding, and DPIE did not propose any changes to, Aquacell's existing licences.<sup>4</sup>

We also consulted with Aquacell on our proposed varied licence clauses.<sup>5</sup> Aquacell did not raise concerns on the proposed changes.<sup>6</sup>

If the Minister chooses to make further changes to the proposed licences, she must notify the licensee of these proposed changes and give the licensee a reasonable opportunity to make submissions with respect to the proposed changes.<sup>7</sup> The Minister must consider any such submissions with respect to any proposed further changes.

## **2.3 We had regard to licensing principles**

We had regard to the licensing principles in section 7 of the WIC Act (Box 2.1). Our recommendation to add, remove and amend Aquacell's licence clauses to align them with more recent licence clauses, is in line with the licensing principles as it provides:

- ▼ Increased protection of public health and public safety (by having clear requirements for meeting plumbing standards).<sup>8</sup>

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<sup>3</sup> Email to DPIE, Director Metropolitan Water & Utilities, 24 July 2020 and Letter to Aquacell, Managing Director, 22 July 2020.

<sup>4</sup> Email to IPART, Aquacell Managing Director, 17 August 2020 and email to IPART, DPIE, Director Metropolitan Water & Utilities, 20 August 2020.

<sup>5</sup> Emails to Aquacell, Managing Director, 26 August 2020, 31 August 2020 and 3 September 2020.

<sup>6</sup> Emails to IPART, Aquacell Managing Director, 26 August 2020, 3 September 2020.

<sup>7</sup> WIC Act section 17.

<sup>8</sup> WIC Act section 7(1)(a).

- ▼ Better consumer protection (by having clear plumbing and safety standards, clarifying requirements for the delineation of responsibilities where there are interconnections with other utilities).<sup>9</sup>
- ▼ Less regulatory duplication by removing licence requirements that already exist in our Reporting Manual requirements for WIC Act licensees (and where the removal of the requirement does not increase risk), or by consolidating requirements across clauses to a single clause within a licence (eg, insurance requirements).

#### **Box 2.1 Licensing principles under section 7(1) of the WIC Act**

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

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

**Source:** WIC Act, section 7.

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

The *Water Industry Competition Amendment (Review) Act 2014* (Amending WIC Act) will result in significant changes to the WIC Act licensing framework and consent conditions. The Amending WIC Act includes a changed scope for schemes that will require a licence and provisions to transition currently licensed schemes to the new framework where appropriate. Therefore, we have recommended minimum changes necessary to bring Aquacell’s network operator and retail supplier licences in line with our standard network operator and retail supplier licence clauses. We consider this is appropriate given the impending changes to the WIC Act and licensing regime.

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<sup>9</sup> WIC Act section 7(1)(a) and 7(1)(f).

## 2.5 Summary of changes

The following section outlines our analysis and our recommendations. In summary, we propose to update Aquacell's network operator and retail supplier licences (the proposed licences are in **Appendices A, C and E**) as follows:

**Table 2.2 Summary of changes**

<b>Bligh Street (licence number 09_003)</b>
Restructure the licence scope in Schedule A into three parts, Section 1, Section 2 and Section 3, and add GIS coordinates and maps to describe the area of operations (section 3.1 of this report)
Update three existing clauses in Schedule B on insurance, reporting information for our register of licences and delineating responsibilities (section 3.2 of this report)
Add one licence clause in Schedule B on the notification of non-compliant plumbing (section 3.3 of this report)
Remove two existing licence clauses from Schedule B on the provision of licence plans and notification of changes to Authorised Persons (section 3.4 of this report).
<b>Kurrajong (licence number 15_032)</b>
Restructure the licence scope in Schedule A into three parts, Section 1, Section 2 and Section 3, and add GIS coordinates and maps to describe the area of operations (section 4.1 of this report)
Update two existing clauses in Schedule B on insurance and delineating responsibilities (section 4.2 of this report)
Add one licence clause in Schedule B on the notification of non-compliant plumbing (section 4.3 of this report)
Remove one existing licence clause from Schedule B on the provision of licence plans (section 4.4 of this report).
<b>Retail (licence number 09_004R)</b>
Non-material change in the scope in Section 1 and Section 3 to reword the area of operations in each section to refer to each corresponding network operator licence (section 5.1 of this report)
Update two existing clauses in Schedule B on insurance and delineating responsibilities (section 5.2 of this report)
Remove one existing licence clause from Schedule B on the notification to supply water or provision of sewerage services for schemes that have not yet commenced operation (section 5.3 of this report).

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## 3 Review of the Bligh Street scheme's network operator licence

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

The licence scope is set out in Schedule A of the existing licence. We propose to restructure the licence scope into three sections, one for non-potable water, one for drinking water and one for sewerage services. This aligns the licence with our standard template. We consider that applying the standard licence template, while maintaining the language in Aquacell's existing licence, improves clarity with no material changes to the licence scope.

We also propose to define the area of operations using GIS coordinates and indicative maps (ie, rather than the existing descriptions) as GIS coordinates provide a more accurate description of the area of operations over time (eg, when lots or deposited plans are changed or cease to exist) and maps are quicker to read and understand. This is consistent with our standard template and would not change the area of operations for the network operator licence.

### 3.2 We propose material changes to three licence clauses in Schedule B

We propose to amend three licence clauses on:

- ▼ Insurance requirements
- ▼ Reporting information in the register of licences
- ▼ Delineating responsibilities where there are interconnections with other infrastructure.<sup>10</sup>

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<sup>10</sup> The current and new licence clause wording is provided in Table B.1 of Appendix B.

**Table 3.1 Proposed material changes to licence clauses**

Current licence clause(s)	New licence clause	Reasons for the change	We had particular regard to the following licensing principles in making our recommendation
B2 Obtaining appropriate insurance  B3 Maintaining appropriate insurance	Schedule B clause 2. Maintaining appropriate insurance	<ul style="list-style-type: none"> <li>▼ Clarify when licensee must hold insurances, ie, before commencing licensed activities and not when the licence is granted. We consider this is appropriate as there may be substantial lag time between obtaining a licence and commencing the licensed activities.</li> <li>▼ Remove clause B2.1 as the Bligh Street scheme has commenced operation and requirements of this clause are now covered by new clause 2 in Schedule B.</li> <li>▼ Consolidate insurance requirements for obtaining insurance (B2) and maintaining insurance (B3) into one clause to reduce repetition and improve clarity.</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of consumers under s7(1)(a) of the WIC Act</li> <li>▼ The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
B7 Reporting information in relation to the Register of Licences	Schedule B clause 6. Reporting information in the register of licences	<ul style="list-style-type: none"> <li>▼ The protection of public health, public safety and consumers</li> <li>▼ Clarify Aquacell's reporting requirements on the Register of Licences.</li> <li>▼ Clarify the manner and form which Aquacell must follow when notifying IPART.</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of consumers under s7(1)(a) of the WIC Act.</li> </ul>
B10 Delineating responsibilities - interconnections	Schedule B clause 8. Delineating responsibilities	<ul style="list-style-type: none"> <li>▼ Reduce the likelihood of unregulated connections and the risks to public health, by allowing IPART to specify when Aquacell's code of conduct to manage interconnection must be established by, if one has not already been established under clause 25 of the Regulation.</li> <li>▼ Require that the code of conduct includes what fees and charges are payable, and by whom, in respect of the use of the licensed infrastructure to ensure transparency.</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of public health, public safety and consumers under s7(1)(a) of the WIC Act.</li> </ul>

### 3.3 We propose to add one new licence clause to Schedule B

We propose to include one new licence clause on notification of non-compliant plumbing (Schedule B clause 11 of the proposed licence).<sup>11</sup>

**Table 3.2 Proposed new licence clause in Schedule B**

New licence clause	Reason for including this clause	We had particular regard to the following licensing principles in making our recommendation
<b>Schedule B clause 11.</b> Notification of non-compliant Plumbing	Reduce the risk of adverse impacts on water consumers resulting from improper and illegal plumbing connections.	The protection of public health, public safety and consumers under s7(1)(a) of the WIC Act.

### 3.4 We propose to remove two existing licence clauses in Schedule B

We propose to remove the requirement for Aquacell to notify IPART of changes to plans and/or authorised persons.<sup>12</sup>

**Table 3.3 Proposed deleted licence clauses**

Current licence clause	Reason for deleting this clause	Considerations in making our recommendation
B9 Provision of copy of Plan	This clause duplicates a requirement in section 3.10 of the <i>Network Operator Reporting Manual</i> .	Inefficient regulation caused by duplicative requirements on Aquacell.
B12 Notification of changes to Authorised Person	This clause duplicates a requirement in section 3.7 of the <i>Network Operator Reporting Manual</i> .	Inefficient regulation caused by duplicative requirements on Aquacell.

**Note:** We updated the *Network Operator Reporting Manual* to incorporate these reporting requirements on 4 August 2019.

<sup>11</sup> The new licence clause wording is provided in Table B.2 of Appendix B.

<sup>12</sup> The deleted clause wording is provided in Table B.3 of Appendix B.

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## 4 Review of the Kurrajong scheme's network operator licence

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

The licence scope is set out in Schedule A of the existing licence. We propose to restructure the licence scope into three sections, one for non-potable water, one for drinking water and one for sewerage services. This aligns the licence with our standard template. We consider that applying the standard licence template, while maintaining the language in Aquacell's existing licence, improves clarity with no material changes to the licence scope.

We also propose to define the area of operations using GIS coordinates and indicative maps (ie, rather than the existing descriptions) as GIS coordinates provide a more accurate description of the area of operations over time (eg, when lots or deposited plans are changed or cease to exist) and maps are quicker to read and understand. This is consistent with our standard template and would not change the area of operations for the network operator licence.

### 4.2 We propose material changes to two licence clauses in Schedule B

We propose to amend two licence clauses on:

- ▼ Insurance requirements
- ▼ Delineating responsibilities where there are interconnections with other infrastructure.<sup>13</sup>

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<sup>13</sup> The current and new licence clause wording is provided in Table D.1 of Appendix D.

**Table 4.1 Proposed material changes to licence clauses**

Current licence clause(s)	New licence clause	Reasons for the change	We had particular regard to the following licensing principles in making our recommendation
B2 Obtaining appropriate insurance  B3 Maintaining appropriate insurance	Schedule B clause 2. Maintaining appropriate insurance	<ul style="list-style-type: none"> <li>▼ Clarify when licensee must hold insurances, ie, before commencing licensed activities and not when the licence is granted. We consider this is appropriate as there may be substantial lag time between obtaining a licence and commencing the licensed activities.</li> <li>▼ Remove clause B2.1 as the Kurrajong scheme has commenced operation and requirements of this clause are now covered by new clause 2 in schedule B.</li> <li>▼ Consolidate insurance requirements for obtaining insurance (B2) and maintaining insurance (B3) into one clause to reduce repetition and improve clarity.</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of consumers under s7(1)(a) of the WIC Act</li> <li>▼ The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
B10 Delineating responsibilities - interconnections	Schedule B clause 8. Delineating responsibilities	<ul style="list-style-type: none"> <li>▼ Reduce the likelihood of unregulated connections and the risks to public health, by allowing IPART to specify when Aquacell's code of conduct to manage interconnection must be established by, if one has not already been established under clause 25 of the Regulation.</li> <li>▼ Require that the code of conduct includes what fees and charges are payable, and by whom, in respect of the use of the licensed infrastructure to ensure transparency.</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of public health, public safety and consumers under s7(1)(a) of the WIC Act.</li> </ul>

### 4.3 We propose to add one new licence clause to Schedule B

We propose to include one new licence clause on notification of non-compliant plumbing (Schedule B clause 11 of the proposed licence).<sup>14</sup>

<sup>14</sup> The new licence clause wording is provided in Table D.2 of Appendix D.

**Table 4.2 Proposed new licence clause in Schedule B**

<b>New licence clause</b>	<b>Reason for including this clause</b>	<b>We had particular regard to the following licensing principles in making our recommendation</b>
Schedule B clause 11. Notification of non-compliant Plumbing	Reduce the risk of adverse impacts on consumers resulting from improper and illegal plumbing connections.	The protection of public health, public safety and consumers under s7(1)(a) of the WIC Act.

#### 4.4 We propose to remove an existing licence clause in Schedule B

We propose to remove the requirement for Aquacell to notify IPART of changes to plans.<sup>15</sup>

**Table 4.3 Proposed deleted licence clauses**

<b>Current licence clause</b>	<b>Reason for deleting this clause</b>	<b>Considerations in making our recommendation</b>
B9 Provision of copy of Plan	This clause duplicates a requirement in section 3.10 of the <i>Network Operator Reporting Manual</i> .	Inefficient regulation caused by duplicative requirements on Aquacell.

**Note:** We updated the *Network Operator Reporting Manual* to incorporate these reporting requirements on 4 August 2019.

<sup>15</sup> The deleted clause wording is provided in Table D.3 of Appendix D.

## 5 Review of Aquacell’s retail supplier licence

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

The licence scope is set out in three sections, one for non-potable water, one for drinking water and one for sewerage services. This means that the structure of the scope in the existing licence aligns with our standard template. We therefore do not propose changing the structure of Section 1, Section 2 or Section 3 of the licence.

As detailed in Table 5.1, we propose making changes to the wording of area of operations for both non-potable water and sewerage services. We propose the area of operations be described by referring to the area of operations for each corresponding network operator licence. This would not materially change the area of operations for the retail supplier licence.

We also propose making a small non-material update to the language in Section 1 to align the language with our standard template. We consider that applying the standard licence template language, while maintaining the wording in Aquacell’s existing licence, improves clarity without changing the licence scope.

**Table 5.1 Proposed material changes to licence scope**

Current/ New licence clause	Change made	Considerations in making our recommendation
Section 1 Table 1.3 Area of Operations	<ul style="list-style-type: none"> <li>▼ Reword the description of the area of operations for non-potable water services to refer to the area of operations in the Bligh Street Network Operator Licence.</li> <li>▼ This makes no change to the area of operations for Aquacell retail operations.</li> </ul>	<ul style="list-style-type: none"> <li>▼ Inefficient regulation caused by duplicative requirements, across two licences, on Aquacell.</li> <li>▼ Provides a clearer and more accurate representation of the Area of Operations using GIS coordinates and indicative maps.</li> </ul>
Section 3 Table 3.3 Area of Operations	<ul style="list-style-type: none"> <li>▼ Reword the description of the area of operations for sewerage services to refer to the area of operations in the Kurrajong Network Operator Licence.</li> <li>▼ This makes no change to the area of operations for Aquacell retail operations.</li> </ul>	<ul style="list-style-type: none"> <li>▼ Inefficient regulation caused by duplicative requirements, across two licences, on Aquacell.</li> <li>▼ Provides a clearer and more accurate representation of the Area of Operations using GIS coordinates and indicative maps.</li> </ul>

## 5.2 We propose material changes to two licence clauses in Schedule B

We propose to amend two licence clauses on:

- ▼ Insurance requirements
- ▼ Delineating responsibilities where there are interconnections with other infrastructure.<sup>16</sup>

**Table 5.2 Proposed material changes to licence clauses**

Current licence clause(s)	New licence clause	Reasons for the change	We had particular regard to the following licensing principles in making our recommendation
Schedule B Clause 2.3. Maintaining appropriate insurance	Schedule B clause 2.4. Maintaining appropriate insurance	<ul style="list-style-type: none"> <li>▼ Clarify when licensee must hold insurances, ie, before commencing licensed activities and not when the licence is granted. We consider this is appropriate as there may be substantial lag time between obtaining a licence and commencing the licensed activities.</li> <li>▼ For the purpose of maintaining appropriate insurance, remove clause 2.3 and replace with clause 2.4 to change conditions that were included before the scheme came into operation to better reflect requirements for a scheme that is now in full operation.</li> <li>▼ Remove clause 2.3 as the schemes covered by the licence have commenced operation and requirements of this clause are now covered by new clause 2.4</li> </ul>	<ul style="list-style-type: none"> <li>▼ The protection of consumers under s7(1)(a) of the WIC Act</li> <li>▼ The potential for adverse financial implications for small retail customers under s7(1)(f) of the WIC Act.</li> </ul>
Schedule B Clause 7.2. Delineating responsibilities	Schedule B clause 7.3. Delineating responsibilities	For the purpose of delineating responsibilities, remove clause 7.2 and replace with clause 7.3 to change conditions that were included before the scheme came into operation to better reflect requirements for a scheme that is now in full operation.	The protection of consumers under s7(1)(a) of the WIC Act.

<sup>16</sup> The current and new licence clause wording is provided in Table F.1 of Appendix F.

### 5.3 We propose to remove one existing licence clause in Schedule B

We propose to remove the requirement for Aquacell to notify IPART each time the Licensee commences to supply water under the proposed licence.<sup>17</sup>

**Table 5.3 Proposed deleted licence clause**

<b>Current licence clause</b>	<b>Reason for deleting this clause</b>	<b>Considerations in making our recommendation</b>
Schedule B Clause 9. Notification to supply water or provision of sewerage services	This clause relates to the commencement of the supply of services which no longer applies to the licenced schemes as these schemes have now commenced operation.	Inefficient regulation caused by unnecessary requirements on Aquacell.

<sup>17</sup> The deleted clause wording is provided in Table F.3 of Appendix F.

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## 6 Recommendations

- 1 We recommend that the Minister vary the clauses of Aquacell's two network operator licences and one retail supplier licence (ie, licences 09\_003, 15\_032 and 09\_004R) in accordance with the proposed varied licences in Appendices A, D and E.

Upon making a decision to vary each licence or otherwise, the Minister may provide IPART with a notice of the decision and the reasons for the decision. Where the Minister provides us with a notice of the decision, we will make that notice available to the public on our website, in accordance with the requirements of the WIC Act. We will also notify the licensee of each varied licence.



## Appendices



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## A Proposed network operator licence – Bligh Street



# **NEW SOUTH WALES GOVERNMENT**

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

**Network operator's licence**

Licence no. 09\_003

Aquacell Pty Ltd

(ACN 072 487 015)

## PRELIMINARY

### 1. Summary

- 1.1. This Licence is granted under section 10(1) of the Act.
- 1.2. The Act prohibits a person from constructing, maintaining or operating any water industry infrastructure otherwise than under the authority of a licence. This Licence authorises the Licensee and other Authorised Persons to carry out such activities that would otherwise be prohibited under the Act.

### 2. Outline

- 2.1. This Licence is divided into the following sections and schedules:

<p><b>Section 1</b> authorises the construction, maintenance and operation of water infrastructure for non-potable water (if applicable).</p>
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<p><b>Section 2</b> authorises the construction, maintenance and operation of water infrastructure for drinking water (if applicable).</p>
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<p><b>Section 3</b> authorises the construction, maintenance and operation of sewerage infrastructure (if applicable).</p>
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<p><b>Schedule A</b> sets out special Ministerially-imposed licence conditions that are specific to this Licence.</p>
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<p><b>Schedule B</b> sets out Ministerially-imposed licence conditions that generally apply to network operator's licences granted under the Act.</p>
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<p><b>Schedule C</b> sets out definitions and interpretation provisions.</p>
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<p><b>Schedule D</b> sets out the area of operations for non-potable water.</p>
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<p><b>Schedule E</b> provides indicative map for reference only.</p>
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- 2.2. In addition to the conditions in Schedules A and B to this Licence, the Act and Regulation also contain conditions that apply to this Licence. Nothing in Schedules A or B modifies or affects the conditions imposed on this Licence by the Act or Regulation.

- 2.3. Where there is an inconsistency between Schedule D on the one hand and Schedule E on the other hand, Schedules D is to prevail over Schedule E to the extent of the inconsistency.

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

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 1.1 to construct, maintain and operate the water industry infrastructure specified in Table 1.2:

- a) for one or more of the purposes for water industry infrastructure specified in Table 1.2; and
- b) within the area of operations specified in Table 1.3.

The non-potable water supplied by means of the water industry infrastructure specified in Table 1.2 may only be used for the authorised purposes for non-potable water specified in Table 1.4.

**Table 1.1 Authorised Persons**

*None*

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

Water industry infrastructure used for one or more of the following purposes:

- a) production of non-potable water;
- b) treatment of non-potable water;
- c) filtration of non-potable water;
- d) storage of non-potable water; and
- e) conveyance of non-potable water.

**Table 1.3 Area of operations**

Refer Schedule D.

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

- 1) Cooling tower make up
- 2) Toilet flushing.

## SECTION 2 – ACTIVITIES AUTHORISED: DRINKING WATER

*[Not applicable]*

**Table 2.1 Authorised Persons**

*[Not applicable]*

**Table 2.2 Water industry infrastructure and purposes for water industry infrastructure**

*[Not applicable]*

**Table 2.3 Area of operations**

*[Not applicable]*

## SECTION 3 – ACTIVITIES AUTHORISED: SEWERAGE SERVICES

*[Not applicable]*

**Table 3.1 Authorised Persons**

*[Not applicable]*

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

*[Not applicable]*

**Table 3.3 Area of operations**

*[Not applicable]*

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

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

## SCHEDULE B – GENERAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS

### 1. Ongoing capacity to operate

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

### 2. Maintaining appropriate insurance

- 2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.
- 2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.
- 2.3. *[Not Applicable]*
- 2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:
- a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and
  - b) is in the form prescribed by the Reporting Manual.
- 2.5. If, in relation to the activities authorised by this Licence, there is, or is to be, a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:
- a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or
  - b) the type, scope or limit on the amount of insurance held by the Licensee.
- 2.6. From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.

*[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:*

- *where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;*
- *where there is a change in the type or extent of activities authorised by this Licence; or*
- *where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]*

2.7. *[Not Applicable]*

### **3. Complying with NSW Health requirements**

3.1. The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:

- a) IPART has agreed to; and
- b) are notified from time to time to the Licensee by IPART in writing.

### **4. Complying with Audit Guidelines**

4.1. The Licensee must comply with any Audit Guidelines issued by IPART.

### **5. Reporting in accordance with the Reporting Manual**

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

### **6. Reporting information in relation to the register of licences**

6.1. The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual, within 14 days of the change:

- a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;

- b) the identity of each licensed retail supplier or public water utility that has access to the infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of supplying water to its customers;
- c) any other water infrastructure to which the Specified Water Industry Infrastructure is connected;
- d) in the case of non-potable water, the authorised purposes for that water; and
- e) *[Not applicable]*
- f) *[Not applicable]*
- g) the arrangements for the disposal of waste from the Specified Water Industry Infrastructure.

## 7. Monitoring

- 7.1. The Licensee must undertake any monitoring that is required for the purposes of this Licence, any Plan, the Act or the Regulation in accordance with this clause 7.
- 7.2. The Licensee must keep the following records of any samples taken for monitoring purposes specified in the Water Quality Plan:
  - a) the date on which the sample was taken;
  - b) the time at which the sample was collected;
  - c) the point or location at which the sample was taken; and
  - d) the chain of custody of the sample (if applicable).
- 7.3. The Licensee must ensure that analyses of all samples taken for the purposes of Verification Monitoring are carried out by a laboratory accredited for the specified tests by an independent body that is acceptable to NSW Health, such as the National Association of Testing Authorities or an equivalent body.

## 8. Delineating responsibilities

- 8.1. If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (**Licensee's Code of Conduct**) in accordance with this clause 8.
- 8.2. *[Not applicable]*
- 8.3. 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:
  - a) the Licensee; and

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

8.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 8.3 by, at a minimum, providing for:

- a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;
- b) who is responsible for water quality;
- c) who is liable in the event of the unavailability of water;
- d) who is liable in the event of failure of any water industry infrastructure;
- e) the fees and charges payable in respect of the use of the water industry infrastructure; and
- f) who is responsible for handling customer complaints.

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

## **9. Notification of changes to end-use**

9.1. If the Licensee proposes to operate the Specified Water Industry Infrastructure to supply non-potable water for an end-use which is not set out in the most recent Water Quality Plan provided to IPART, the Licensee must notify IPART in writing at least 3 months before commencing such operation.

## **10. Notification of commercial operation**

10.1. Each time the Licensee has brought any new Specified Water Industry Infrastructure into commercial operation, the Licensee must:

- a) notify IPART in accordance with the Reporting Manual that it has brought the relevant Specified Water Industry Infrastructure into commercial operation; and
- b) provide such notification within 10 days after it has brought the relevant Specified Water Industry Infrastructure into commercial operation.

**11. Notification of non-compliant Plumbing**

- 11.1. If the Licensee becomes aware that a customer's Plumbing is not Code Compliant, the Licensee must, within 10 days, notify the customer and the Plumbing Regulator, in writing, of that fact.

## SCHEDULE C – INTERPRETATION AND DEFINITIONS

### 1. Interpretation

1.1. In this Licence, unless the context requires otherwise:

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

### 2. Definitions

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

2.2. In this Licence:

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

Agreement means any agreement or deed provided to IPART in connection with the Licensee's application for this Licence, or any application to vary this Licence.

Audit Guidelines means the document titled “*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](http://www.ipart.nsw.gov.au), and any other guidelines issued by IPART in relation to audits under the Act.

Authorised Person	means each person specified in, as applicable: <ul style="list-style-type: none"> <li>a) section 1, Table 1.1;</li> <li>b) section 2, Table 2.1; and</li> <li>c) section 3, Table 3.1.</li> </ul>
Code Compliant	has the meaning given to that term under section 7 of the <i>Plumbing and Drainage Act 2011</i> (NSW).
Insurance Expert	means an insurance broker which holds an Australian financial services licence under Part 7.6 of the <i>Corporations Act 2001</i> (Cth) that authorises the broker to provide financial product advice for, and deal in, contracts of insurance within the meaning of Chapter 7 of that Act.
IPART	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Licence	means this network operator's licence granted under section 10 of the Act.
Licensee	means Aquacell Pty Ltd (ACN 072 487 015).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause 8.1.
Minister	means the Minister responsible for Part 2 of the Act.
NSW Health	means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.
Plan	means any infrastructure operating plan, water quality plan or sewage management plan that the Licensee is required to prepare under the Regulation.

Plumbing	means any pipe, fitting or apparatus that is situated: <ul style="list-style-type: none"> <li>a) downstream of the customer's connection point to a water main, where the water main is Specified Water Industry Infrastructure;</li> <li>b) upstream of a customer's connection point to a sewer main, where the sewer main is Specified Water Industry Infrastructure; or</li> <li>c) upstream of a customer's connection point to a stormwater drain, where the stormwater drain is Specified Water Industry Infrastructure.</li> </ul>
Plumbing Regulator	has the meaning given to that term under section 3 of the <i>Plumbing and Drainage Act 2011</i> (NSW).
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).
Reporting Manual	means the document titled "Network Operator's Reporting Manual", which is prepared by IPART and is available on IPART's website at <a href="http://www.ipart.nsw.gov.au">www.ipart.nsw.gov.au</a> .
Specified Water Industry Infrastructure	means the water industry infrastructure specified in, as applicable: <ul style="list-style-type: none"> <li>a) section 1, Table 1.2;</li> <li>b) section 2, Table 2.2; and</li> <li>c) section 3, Table 3.2.</li> </ul>
Verification Monitoring	means verification monitoring as described in the document titled " <i>Australian Drinking Water Guidelines</i> " or the document titled " <i>Australian Guidelines for Water Recycling</i> " as the case may be.
Water Quality Plan	means the water quality plan that the Licensee is required to prepare under the Regulation.

## SCHEDULE D – AREA OF OPERATIONS

The area of operations for non-potable water is defined as the area bounded within the sequentially numbered vertices listed in this Schedule and as illustrated in Figure 1.

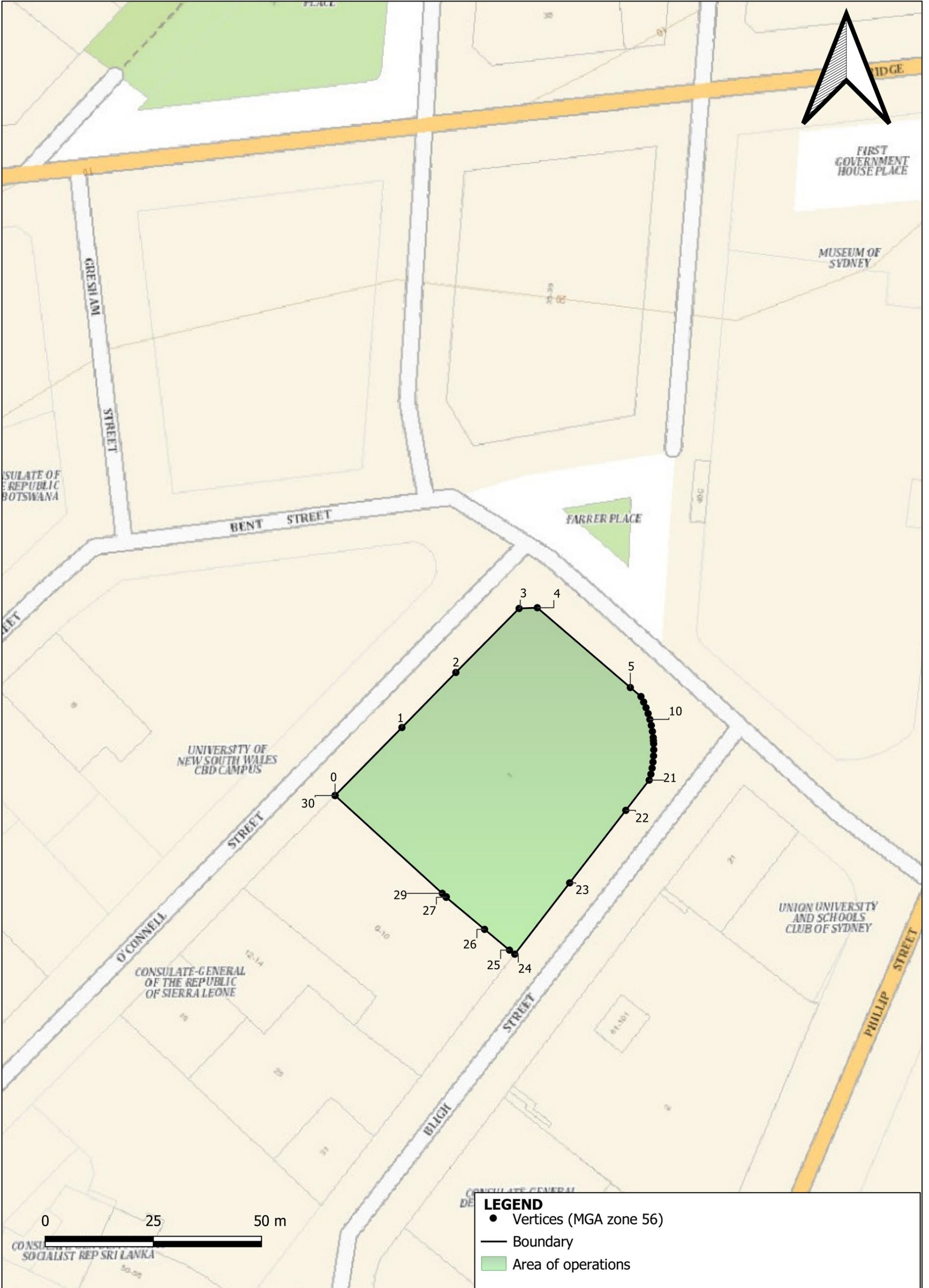
Where there is an inconsistency between the list of vertices and Schedule E, the list of vertices in Schedule D is to prevail to the extent of the inconsistency.

**Figure 1 Vertices for area of operation**

Vertex	Eastings	Northings
0	334435.533	6251383.574
1	334450.986	6251399.310
2	334463.459	6251412.057
3	334478.079	6251426.868
4	334482.290	6251427.036
5	334503.798	6251408.569
6	334506.259	6251406.481
7	334506.881	6251405.201
8	334507.431	6251403.891
9	334507.910	6251402.552
10	334508.316	6251401.189
11	334508.648	6251399.807
12	334508.905	6251398.408
13	334509.085	6251396.998
14	334509.139	6251396.252
15	334509.188	6251395.580
16	334509.215	6251394.159
17	334509.165	6251392.738
18	334509.038	6251391.322
19	334508.836	6251389.914
20	334508.556	6251388.520
21	334508.160	6251387.137
22	334502.753	6251380.145
23	334489.778	6251363.356
24	334477.075	6251346.857
25	334475.854	6251347.794
26	334470.097	6251352.602
27	334461.218	6251360.019
28	334461.252	6251360.145
29	334460.319	6251360.939
30	334435.533	6251383.574

Note: Coordinate reference system is MGA 56.

**SCHEDULE E – AREA OF OPERATIONS INDICATIVE MAP**



**Area of Operations - 1 Bligh Street non-potable water treatment infrastructure**

Date created: 21 August 2020  
Version: 1.0

**LICENCE DETAILS:**  
 Licence Number: 09\_003  
 Licence Type: Network Operator's Licence  
 Licensee: Aquacell Pty Ltd  
 (ACN 072 487 015)

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## B Proposed network operator licence clause amendments – Bligh Street

**Table B.1 Proposed licence clause amendments which have resulted in material changes – Bligh Street network operator licence**

Current licence clause(s)	New licence clause(s)
<p><b>B2 Obtaining appropriate insurance</b></p> <p>B2.1 Before commencing to commercially operate the Specified Water Industry Infrastructure under this Licence, the Licensee must:</p> <ol style="list-style-type: none"> <li>a) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence;</li> <li>b) provide a copy of each certificate of currency of the insurance obtained to IPART; and</li> <li>c) demonstrate that the insurance obtained is appropriate for the size and nature of the activities authorised under this Licence by providing a report to IPART from an Insurance Expert that: <ol style="list-style-type: none"> <li>i) certifies that in the Insurance Expert's opinion, the type and level of the insurance obtained by the Licensee is appropriate for the size and nature of the activities authorised under the Licence; and</li> <li>ii) is in the form prescribed by the Reporting Manual.</li> </ol> </li> </ol> <p>B2.2 <i>[Not applicable]</i></p>	<p><b>Schedule B</b></p> <p><b>2. Maintaining appropriate insurance</b></p> <p>2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.</p> <p>2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.</p> <p>2.3. <i>[Not applicable]</i></p> <p>2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:</p> <ol style="list-style-type: none"> <li>a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and</li> <li>b) is in the form prescribed by the Reporting Manual.</li> </ol>
<p><b>B3 Maintaining appropriate insurance</b></p> <p>B3.1 The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.</p> <p>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.</p> <p>B3.3 If there is to be a change in:</p> <ol style="list-style-type: none"> <li>a) the insurer or underwriting panel in respect of the insurance policy held by the Licensee; or</li> <li>b) the type, scope or limit on the amount of insurance held by the Licensee,</li> </ol> <p>in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.</p> <p>B3.4 From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner, form and time specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type and level of the insurance held by the Licensee is appropriate for the size and nature of the activities authorised under this Licence.</p> <p><i>[Note: The situations in which IPART may request a report under clause B3.4 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>• <i>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;</i></li> <li>• <i>where there is a change in the type or extent of activities authorised under this Licence; or</i></li> <li>• <i>when IPART or an approved auditor has reason to believe that the type or level of insurance held by the Licensee may not be appropriate for the size and nature of the activities authorised under this Licence.]</i></li> </ul>	<p>2.5. If, in relation to the activities authorised by this Licence, there is, or is to be, a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:</p> <ol style="list-style-type: none"> <li>a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or</li> <li>b) the type, scope or limit on the amount of insurance held by the Licensee.</li> </ol> <p>2.6. From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.</p> <p><i>[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>• <i>where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;</i></li> <li>• <i>where there is a change in the type or extent of activities authorised by this Licence; or</i></li> <li>• <i>where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]</i></li> </ul>

Current licence clause(s)	New licence clause(s)
<p><b>B7 Reporting information in relation to the Register of Licences</b></p>	<p><b>Schedule B</b></p>
<p>B7.1 Within 14 days of any change in relation to the following, the Licensee must notify IPART, and provide details, of the change in accordance with the Reporting Manual:</p> <ul style="list-style-type: none"> <li>a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;</li> <li>b) the Authorised Purposes of the water handled by the Specified Water Industry Infrastructure;</li> <li>c) the identity of each licensed retail supplier or public water utility that has access to the infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of supplying water to its customers;</li> <li>d) any other water infrastructure to which the Specified Water Industry Infrastructure is connected;</li> <li>e) <i>[Not applicable]</i></li> <li>f) <i>[Not applicable]</i></li> <li>g) the arrangements for the disposal of waste from the Specified Water Industry Infrastructure.</li> </ul>	<p><b>6. Reporting information in relation to the register of licences</b></p> <p>6.1. The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual, within 14 days of the change:</p> <ul style="list-style-type: none"> <li>a) any source from which the water handled by the Specified Water Industry Infrastructure is derived;</li> <li>b) the identity of each licensed retail supplier or public water utility that has access to the infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of supplying water to its customers;</li> <li>c) any other water infrastructure to which the Specified Water Industry Infrastructure is connected;</li> <li>d) in the case of non-potable water, the authorised purposes for that water; and</li> <li>e) <i>[Not applicable]</i></li> <li>f) <i>[Not applicable]</i></li> <li>g) the arrangements for the disposal of waste from the Specified Water Industry Infrastructure.</li> </ul>
<p><b>B10 Delineating responsibilities - interconnections</b></p>	<p><b>Schedule B</b></p>
<p>B10.1 If a code of conduct has not been established under clause 25 of the Regulation and the Specified Water Industry Infrastructure is connected to any other water industry infrastructure, the Licensee must (by a date specified by IPART) establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause B10.</p>	<p><b>8. Delineating responsibilities</b></p> <p>8.1. If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (<b>Licensee's Code of Conduct</b>) in accordance with this clause 8.</p>
<p>B10.2 The Licensee's Code of Conduct must set out the respective responsibilities of</p> <ul style="list-style-type: none"> <li>a) the Licensee, and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water, provides sewerage services by means of, or</li> <li>ii) constructs, maintains or operates any other water industry infrastructure that is connected to the Specified Water Industry Infrastructure,</li> </ul> </li> </ul> <p>by, at a minimum, providing for:</p> <ul style="list-style-type: none"> <li>c) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;</li> <li>d) who is responsible for water quality;</li> <li>e) who is liable in the event of the unavailability of water;</li> <li>f) who is liable in the event of failure of the Specified Water Industry Infrastructure;</li> <li>g) the fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and</li> <li>h) who is responsible for handling customer complaints.</li> </ul>	<p>8.2. <i>[Not applicable]</i></p> <p>8.3. 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:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or</li> <li>ii) constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.</li> </ul> </li> </ul> <p>8.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 8.3 by, at a minimum, providing for:</p> <ul style="list-style-type: none"> <li>a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;</li> <li>b) who is responsible for water quality;</li> <li>c) who is liable in the event of the unavailability of water;</li> <li>d) who is liable in the event of failure of any water industry infrastructure;</li> <li>e) the fees and charges payable in respect of the use of the water industry infrastructure; and</li> <li>f) who is responsible for handling customer complaints.</li> </ul>
<p>B10.3 Before the Licensee brings the Specified Water Industry Infrastructure into commercial operation or by a later date specified by IPART (if any), the Licensee's Code of Conduct must be agreed in writing between the Licensee and the other licensed network operators, licensed retail suppliers and/or public water utilities referred to in clause B10.2</p>	<p>8.5. The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.</p>
<p>B10.4 <i>[Not applicable]</i></p>	
<p>B10.5 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.</p>	

**Table B.2 Proposed new licence clauses**

Clause number	New licence clause
<b>Schedule B, clause 11 Notification of non-compliant Plumbing</b>	11.1 If the Licensee becomes aware that a customer's Plumbing is not Code Compliant, the Licensee must, within 10 days, notify the customer and the Plumbing Regulator, in writing, of that fact.

**Note:** Schedule A contains special licence conditions. Schedule B contains general licence conditions.

**Table B.3 Proposed deleted licence clauses**

Current licence clause (proposed for deletion)
<b>B9. Provision of copy of Plan</b>
B9.1 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.
<b>B12. Notification of changes to Authorised Person</b>
B12.1 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.

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## C Proposed network operator licence – Kurrajong



# **NEW SOUTH WALES GOVERNMENT**

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

**Network operator's licence**

Licence no. 15\_032

Aquacell Pty Ltd

(ACN 072 487 015)

## PRELIMINARY

### 1. Summary

- 1.1. This Licence is granted under section 10(1) of the Act.
- 1.2. The Act prohibits a person from constructing, maintaining or operating any water industry infrastructure otherwise than under the authority of a licence. This Licence authorises the Licensee and other Authorised Persons to carry out such activities that would otherwise be prohibited under the Act.

### 2. Outline

- 2.1. This Licence is divided into the following sections and schedules:

<p><b>Section 1</b> authorises the construction, maintenance and operation of water infrastructure for non-potable water (if applicable).</p>
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<p><b>Section 2</b> authorises the construction, maintenance and operation of water infrastructure for drinking water (if applicable).</p>
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<p><b>Section 3</b> authorises the construction, maintenance and operation of sewerage infrastructure (if applicable).</p>
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<p><b>Schedule A</b> sets out special Ministerially-imposed licence conditions that are specific to this Licence.</p>
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<p><b>Schedule B</b> sets out Ministerially-imposed licence conditions that generally apply to network operator's licences granted under the Act.</p>
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<p><b>Schedule C</b> sets out definitions and interpretation provisions.</p>
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<p><b>Schedule D</b> sets out the area of operations for sewerage services.</p>
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<p><b>Schedule E</b> provides indicative map for reference only.</p>
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- 2.2. In addition to the conditions in Schedules A and B to this Licence, the Act and Regulation also contain conditions that apply to this Licence. Nothing in Schedules A or B modifies or affects the conditions imposed on this Licence by the Act or Regulation.

- 2.3. Where there is an inconsistency between Schedule D on the one hand and Schedule E on the other hand, Schedules D is to prevail over Schedule E to the extent of the inconsistency.

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

*[Not applicable]*

**Table 1.1 Authorised Persons**

*[Not applicable]*

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

*[Not applicable]*

**Table 1.3 Area of operations**

*[Not applicable]*

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

*[Not applicable]*

## SECTION 2 – ACTIVITIES AUTHORISED: DRINKING WATER

*[Not applicable]*

**Table 2.1 Authorised Persons**

*[Not applicable]*

**Table 2.2 Water industry infrastructure and purposes for water industry infrastructure**

*[Not applicable]*

**Table 2.3 Area of operations**

*[Not applicable]*

### SECTION 3 – ACTIVITIES AUTHORISED: SEWERAGE SERVICES

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 3.1 to construct, maintain and operate the water industry infrastructure specified in Table 3.2 that has been granted development consent under the EPA Act or is exempt development under the EPA Act and may be carried out without development consent under the EPA Act:

- a) for the authorised purposes for water industry infrastructure specified in Table 3.2; and
- b) within the area of operations specified in Table 3.3.

**Table 3.1 Authorised Persons**

<i>None</i>
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**Table 3.2 Water industry infrastructure and purposes for water industry infrastructure**

Infrastructure for the reticulation, treatment, storage, conveyance and disposal of sewerage, for the authorised purpose of the disposal of treated sewerage effluent by subsurface irrigation.
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**Table 3.3 Area of operations**

Refer Schedule D.
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**SCHEDULE A – SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS**

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

## SCHEDULE B – GENERAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS

### 1. Ongoing capacity to operate

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

### 2. Maintaining appropriate insurance

- 2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.
- 2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.
- 2.3. *[Not applicable]*
- 2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:
- a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and
  - b) is in the form prescribed by the Reporting Manual.
- 2.5. If, in relation to the activities authorised by this Licence, there is, or is to be, a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:
- a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or
  - b) the type, scope or limit on the amount of insurance held by the Licensee.
- 2.6. From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.

[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:

- where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;
- where there is a change in the type or extent of activities authorised by this Licence; or
- where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]

2.7. The Licensee must maintain professional indemnity insurance during the Design Phase and for a minimum of 6 years from the date of the completion of the Design Phase.

### **3. Complying with NSW Health requirements**

3.1. The Licensee must carry out the activities authorised by this Licence in compliance with any requirements of NSW Health that:

- a) IPART has agreed to; and
- b) are notified from time to time to the Licensee by IPART in writing.

### **4. Complying with Audit Guidelines**

4.1. The Licensee must comply with any Audit Guidelines issued by IPART.

### **5. Reporting in accordance with the Reporting Manual**

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

## 6. Reporting information in relation to the register of licences

- 6.1. The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual, within 14 days of the change:
- a) *[Not applicable]*
  - b) *[Not applicable]*
  - c) *[Not applicable]*
  - d) *[Not applicable]*
  - e) the identity of each licensed retail supplier or public water utility that has access to infrastructure services provided by the Specified Water Industry Infrastructure for the purpose of providing sewerage services to its customers;
  - f) any other sewerage infrastructure to which the Specified Water Industry Infrastructure is connected; and
  - g) the arrangements for the disposal of waste from the water industry infrastructure specified in section 3, Table 3.2.

## 7. Monitoring

- 7.1. The Licensee must undertake any monitoring that is required for the purposes of this Licence, any Plan, the Act or the Regulation in accordance with this clause 7.
- 7.2. The Licensee must keep the following records of any samples taken for monitoring purposes specified in the Water Quality Plan:
- a) the date on which the sample was taken;
  - b) the time at which the sample was collected;
  - c) the point or location at which the sample was taken; and
  - d) the chain of custody of the sample (if applicable).
- 7.3. The Licensee must ensure that analyses of all samples taken for the purposes of Verification Monitoring are carried out by a laboratory accredited for the specified tests by an independent body that is acceptable to NSW Health, such as the National Association of Testing Authorities or an equivalent body.

## 8. Delineating responsibilities

- 8.1. If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (**Licensee's Code of Conduct**) in accordance with this clause 8.

- 8.2. *[Not applicable]*
- 8.3. 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:
- a) the Licensee; and
  - b) each licensed network operator, licensed retail supplier and/or public water utility that:
    - i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or
    - ii) constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.
- 8.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 8.3 by, at a minimum, providing for:
- a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;
  - b) *[Not applicable]*
  - c) *[Not applicable]*
  - d) who is liable in the event of failure of any water industry infrastructure;
  - e) the fees and charges payable in respect of the use of the water industry infrastructure; and
  - f) who is responsible for handling customer complaints.
- 8.5. The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.

## **9. Notification of changes to end-use**

- 9.1. *[Not applicable]*

## **10. Notification of commercial operation**

- 10.1. *[Not applicable]*

**11. Notification of non-compliant Plumbing**

- 11.1. If the Licensee becomes aware that a customer's Plumbing is not Code Compliant, the Licensee must, within 10 days, notify the customer and the Plumbing Regulator, in writing, of that fact.

## SCHEDULE C – INTERPRETATION AND DEFINITIONS

### 1. Interpretation

1.1. In this Licence, unless the context requires otherwise:

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

### 2. Definitions

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

2.2. In this Licence:

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

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

Authorised Person	means each person specified in, as applicable: <ul style="list-style-type: none"> <li>a) section 1, Table 1.1;</li> <li>b) section 2, Table 2.1; and</li> <li>c) section 3, Table 3.1.</li> </ul>
Code Compliant	has the meaning given to that term under section 7 of the <i>Plumbing and Drainage Act 2011</i> (NSW).
Design Phase	means the period during which any design works are carried out in relation to the water industry infrastructure that the Licensee is authorised to construct, maintain and operate under this Licence.
EPA Act	<i>Environmental Planning and Assessment Act 1979</i> (NSW)
Insurance Expert	means an insurance broker which holds an Australian financial services licence under Part 7.6 of the <i>Corporations Act 2001</i> (Cth) that authorises the broker to provide financial product advice for, and deal in, contracts of insurance within the meaning of Chapter 7 of that Act.
IPART	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Licence	means this network operator's licence granted under section 10 of the Act.
Licensee	means Aquacell Pty Ltd (ACN 072 487 015).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause 8.1.
Minister	means the Minister responsible for Part 2 of the Act.

NSW Health	means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.
Plan	means any infrastructure operating plan, water quality plan or sewage management plan that the Licensee is required to prepare under the Regulation.
Plumbing	means any pipe, fitting or apparatus that is situated: <ul style="list-style-type: none"> <li>a) downstream of the customer's connection point to a water main, where the water main is Specified Water Industry Infrastructure;</li> <li>b) upstream of a customer's connection point to a sewer main, where the sewer main is Specified Water Industry Infrastructure; or</li> <li>c) upstream of a customer's connection point to a stormwater drain, where the stormwater drain is Specified Water Industry Infrastructure.</li> </ul>
Plumbing Regulator	has the meaning given to that term under section 3 of the <i>Plumbing and Drainage Act 2011</i> (NSW).
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).
Reporting Manual	means the document titled "Network Operator's Reporting Manual", which is prepared by IPART and is available on IPART's website at <a href="http://www.ipart.nsw.gov.au">www.ipart.nsw.gov.au</a> .
Specified Water Industry Infrastructure	means the water industry infrastructure specified in, as applicable: <ul style="list-style-type: none"> <li>a) section 1, Table 1.2;</li> <li>b) section 2, Table 2.2; and</li> <li>c) section 3, Table 3.2.</li> </ul>
Verification Monitoring	means verification monitoring as described in the document titled " <i>Australian Drinking Water Guidelines</i> " or the document titled " <i>Australian Guidelines for Water Recycling</i> " as the case may be.

Water Quality Plan

means the water quality plan that the Licensee is required to prepare under the Regulation.

## SCHEDULE D – AREA OF OPERATIONS

The area of operations for non-potable water is defined as the area bounded within the sequentially numbered vertices listed in this Schedule and as illustrated in Figure 1.

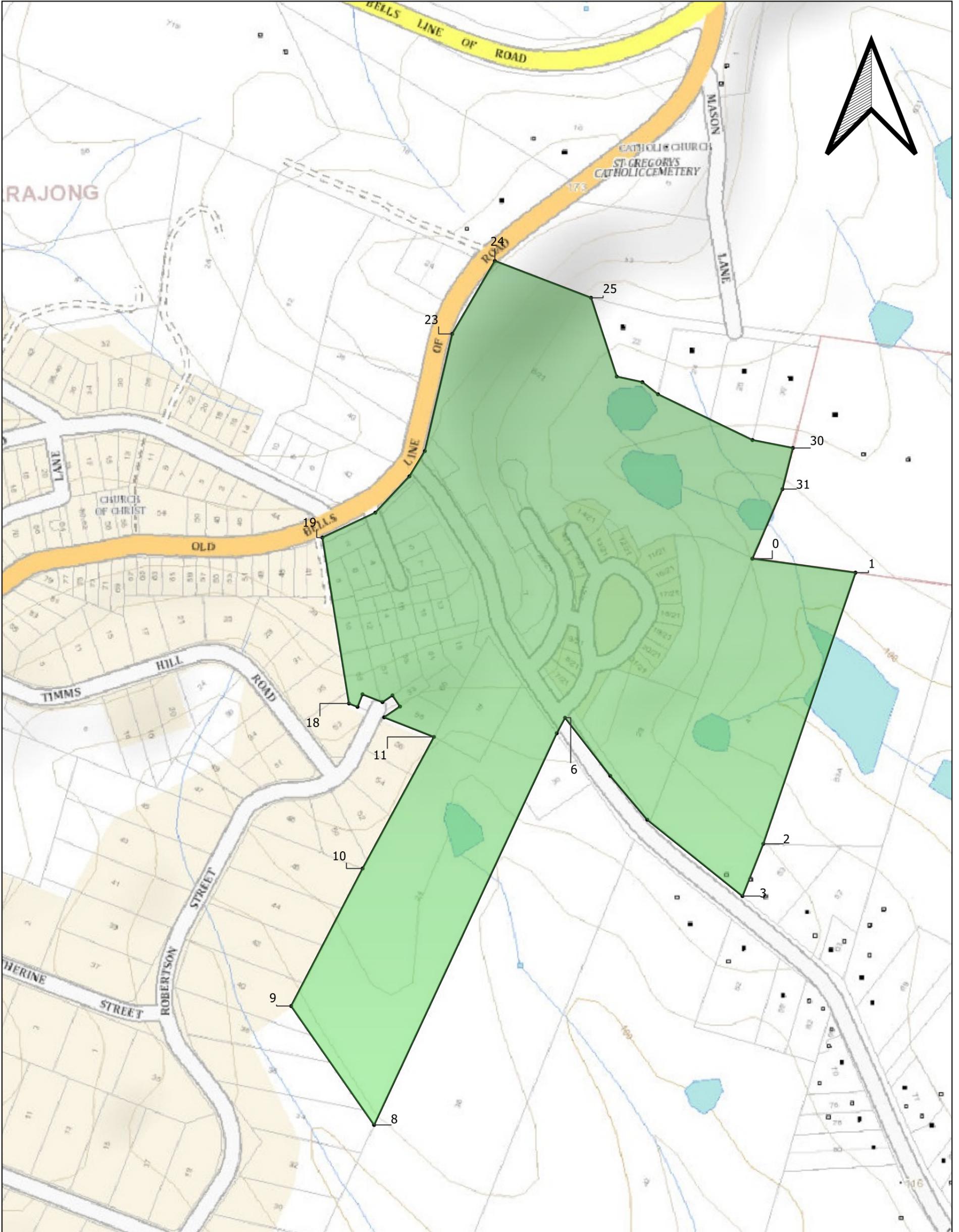
Where there is an inconsistency between the list of vertices and Schedule E, the list of vertices in Schedule D is to prevail to the extent of the inconsistency.

**Figure 1 Vertices for area of operation**

Vertex	Eastings	Northings
0	284090.9	6284903
1	284190	6284890
2	284101.3	6284629
3	284081.4	6284579
4	283989.9	6284652
5	283954.3	6284694
6	283910.9	6284750
7	283902.9	6284735
8	283727.4	6284358
9	283647.7	6284473
10	283716.4	6284605
11	283785	6284732
12	283737	6284751
13	283752.3	6284761
14	283745	6284772
15	283735.4	6284765
16	283716.2	6284773
17	283711.5	6284761
18	283703.2	6284764
19	283677.7	6284923
20	283728.6	6284947
21	283761.3	6284982
22	283776.2	6285007
23	283802.5	6285119
24	283843.4	6285190
25	283935.8	6285154
26	283960.5	6285078
27	283985.2	6285073
28	284000.2	6285061
29	284091	6285017
30	284129.8	6285010
31	284119.8	6284970
32	284090.9	6284903

Note: Coordinate reference system is MGA 56.

**SCHEDULE E – AREA OF OPERATIONS INDICATIVE MAP**



**LEGEND**

- Vertices (MGA Zone 56)
- Boundary
- Area of operations

**LICENCE DETAILS:**  
 Licence Number: 15\_032  
 Licence Type: Network Operator's Licence  
 Licensee: Aquacell Pty Ltd  
 (ACN 072 487 015)

**Area of Operations - Kurrajong Scheme sewerage services**  
 Date created: 24 August 2020  
 Version: 1.0

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## D Proposed network operator licence clause amendments – Kurrajong

**Table D.1 Proposed licence clause amendments which have resulted in material changes – Kurrajong network operator licence**

Current licence clause(s)	New licence clause(s)
<p><b>B2 Obtaining appropriate insurance</b></p> <p>B2.1 <i>[Not applicable]</i></p> <p>B2.2 The Licensee must:</p> <p>a) Before commencing to commercially operate the Specified Water Industry Infrastructure under this Licence:</p> <p>i) obtain insurance that is appropriate for the size and nature of the activities authorised under this Licence; and</p> <p>ii) provide a copy of each certificate of currency of the insurance obtained to IPART; and</p> <p>b) within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any), demonstrate that the insurance obtained is appropriate for the size and nature of the activities authorised under the Licence by providing a report to IPART from an Insurance Expert that:</p> <p>i) certifies that in the Insurance Expert’s opinion, the type and level of the insurance obtained by the Licensee is appropriate for the size and nature of the activities authorised under the Licence; and</p> <p>ii) is in the form prescribed by the Reporting Manual.</p>	<p><b>Schedule B</b></p> <p><b>2. Maintaining appropriate insurance</b></p> <p>2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.</p> <p>2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.</p> <p>2.3. <i>[Not applicable]</i></p> <p>2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:</p> <p>a) certifies that in the Insurance Expert’s opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and</p> <p>b) is in the form prescribed by the Reporting Manual.</p>
<p><b>B3 Maintaining appropriate insurance</b></p> <p>B3.1 The Licensee must maintain insurance that is appropriate for the size and nature of the activities authorised under this Licence.</p> <p>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.</p> <p>B3.3 If there is to be a change in:</p> <p>a) the insurer or underwriting panel in respect of the insurance policy held by the Licensee; or</p> <p>b) the type, scope or limit on the amount of insurance held by the Licensee,</p> <p>in relation to the activities authorised under this Licence, the Licensee must provide a report to IPART in accordance with the Reporting Manual.</p> <p>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 this Licence.</p> <p><i>[Note: The circumstances in which IPART may request a report under clause B3.4 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>• <i>when IPART has reason to believe that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities authorised under this Licence;</i></li> <li>• <i>where there is a change in the type or extent of activities authorised under this Licence; or</i></li> <li>• <i>where IPART or an approved auditor has reason to believe that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities authorised under this Licence.]</i> <p>B3.5 The Licensee must maintain professional indemnity insurance during the Design Phase and for a minimum period of 6 years from the date of the completion of the Design Phase.</p> </li></ul>	<p>2.5. If, in relation to the activities authorised by this Licence, there is, or is to be, a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:</p> <p>a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or</p> <p>b) the type, scope or limit on the amount of insurance held by the Licensee.</p> <p>2.6. From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert’s opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.</p> <p><i>[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:</i></p> <ul style="list-style-type: none"> <li>• <i>where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;</i></li> <li>• <i>where there is a change in the type or extent of activities authorised by this Licence; or</i></li> <li>• <i>where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]</i> <p>2.7. The Licensee must maintain professional indemnity insurance during the Design Phase and for a minimum of 6 years from the date of the completion of the Design Phase.</p> </li></ul>

Current licence clause(s)	New licence clause(s)
<b>B10 Delineating responsibilities - interconnections</b>	<b>Schedule B</b>
<b>B10.1</b> If a code of conduct has not been established under reg 25 of the Regulation, the Licensee must (by a date specified by IPART) establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause B10.	<b>8. Delineating responsibilities</b>
<b>B10.2</b> The Licensee's Code of Conduct must set out the respective responsibilities of <ul style="list-style-type: none"> <li>a) the Licensee, and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that:               <ul style="list-style-type: none"> <li>iii) supplies water, provides sewerage services by means of, or</li> <li>iv) constructs, maintains or operates any other water industry infrastructure that is connected to the Specified Water Industry Infrastructure,</li> </ul> </li> <li>by, at a minimum, providing for:               <ul style="list-style-type: none"> <li>c) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;</li> <li>d) <i>[Not applicable];</i></li> <li>e) <i>[Not applicable];</i></li> <li>f) who is liable in the event of failure of the Specified Water Industry Infrastructure;</li> <li>g) the fees and charges payable in respect of the use of the Specified Water Industry Infrastructure; and</li> <li>h) who is responsible for handling customer complaints.</li> </ul> </li> </ul>	<b>8.1.</b> If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct ( <b>Licensee's Code of Conduct</b> ) in accordance with this clause 8.
<b>B10.3</b> <i>[Not applicable]</i>	<b>8.2.</b> <i>[Not applicable]</i>
<b>B10.4</b> Within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any), the Licensee's Code of Conduct must be agreed in writing between the Licensee and the other licensed network operators, licensed retail suppliers and/or public water utilities referred to in clause B10.2.	<b>8.3.</b> Within 6 months of the date on which this Licence is granted or by a later date specified by IPART (if any), the Licensee's Code of Conduct must be agreed in writing between: <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that:               <ul style="list-style-type: none"> <li>j) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Specified Water Industry Infrastructure; or</li> <li>ii) constructs, maintains or operates any water industry infrastructure that is connected to the Specified Water Industry Infrastructure.</li> </ul> </li> </ul>
<b>B10.5</b> The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.	<b>8.4.</b> The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 8.3 by, at a minimum, providing for: <ul style="list-style-type: none"> <li>a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves, storages or other infrastructure connecting the Specified Water Industry Infrastructure to the other water industry infrastructure;</li> <li>b) <i>[Not applicable];</i></li> <li>c) <i>[Not applicable];</i></li> <li>d) who is liable in the event of failure of any water industry infrastructure;</li> <li>e) the fees and charges payable in respect of the use of the water industry infrastructure; and</li> <li>f) who is responsible for handling customer complaints.</li> </ul>
	<b>8.5.</b> The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.

**Table D.2 Proposed new licence clauses**

Clause number	New licence clause
<b>Schedule B, clause 11 Notification of non-compliant Plumbing</b>	B11.1 If the Licensee becomes aware that a customer's Plumbing is not Code Compliant, the Licensee must, within 10 days, notify the customer and the Plumbing Regulator, in writing, of that fact.

**Note:** Schedule A contains special licence conditions. Schedule B contains general licence conditions.

**Table D.3 Proposed deleted licence clauses**

Current licence clause (proposed for deletion)
<b>B9. Provision of copy of Plan</b>
B9.1 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.

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## E Proposed retail supplier licence – Aquacell



# **NEW SOUTH WALES GOVERNMENT**

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

**Retail supplier's licence**

Licence no. 09\_004R

Aquacell Pty Ltd

(ACN 072 487 015)

## PRELIMINARY

### 1. Summary

- 1.1. This Licence is granted under section 10(1) of the Act.
- 1.2. The Act prohibits a person from supplying water, or providing a sewerage service, by means of any water industry infrastructure, otherwise than under the authority of a licence. This Licence authorises the Licensee and other Authorised Persons to carry out such activities that would otherwise be prohibited under the Act.

### 2. Outline

- 2.1. This Licence is divided into the following sections and schedules:

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

- 2.2. In addition to the conditions in Schedules A and B to this Licence, the Act and Regulation also contain conditions that apply to this Licence. Nothing in Schedules A or B modifies or affects the conditions imposed on this Licence by the Act or Regulation.

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

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 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;

The non-potable water supplied by means of the water industry infrastructure may only be used for the authorised purposes for non-potable water specified in Table 1.4.

**Table 1.1 Authorised Persons**

*None*

**Table 1.2 Person or classes of persons**

Persons within the areas of operations specified in Table 1.3 below.

**Table 1.3 Area of operations**

**Area of operations 1:**

The Area of Operations specified in Section 1, Table 1.3 of the Bligh Street Network Operator's Licence as it stood as at the date this clause was inserted into this licence.

**Area of operations 2:**

- (a) The area known as Workplace 6 (Lot 1012 in DP 11458), Metcalf Park (Lot 102 in DP1130308) and Pymont Park (Lot 7 in DP 876763 and Lot 101 in DP 1091132); and
- (b) The connection to the Sydney Water rising main from the stop valve in the valve pit on the southern side of the intersection of Pirrama Road and Jones Bay Road / Darling Island Road to the treatment plant located on Lot 1012 in DP 11458.

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

**In area of operations 1:**

Cooling tower make-up

Toilet flushing

**In area of operations 2:**

Toilet flushing

Sub-surface irrigation

## SECTION 2 – AUTHORISATION TO SUPPLY DRINKING WATER

*[Not applicable]*

**Table 2.1 Authorised Persons**

*[Not applicable]*

**Table 2.2 Person or classes of persons**

*[Not applicable]*

**Table 2.3 Area of operations**

*[Not applicable]*

### SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES

Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 3.1 to provide sewerage services:

- a) to the persons or classes of persons specified in Table 3.2; and
- b) within the area of operations specified in Table 3.3.

**Table 3.1 Authorised Persons**

*None*

**Table 3.2 Person or classes of persons**

Persons within the area of operations specified in Table 3.3 below.

**Table 3.3 Area of operations**

The Area of Operations specified in Section 3, Table 3.3 of the Kurrajong Network Operator's Licence as it stood as at the date this clause was inserted into this licence.

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

### **1. Notification of changes to Authorised Person**

- 1.1. 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, or a later date approved by IPART in writing. The written notice must include details of how the services previously undertaken by the Authorised Person will continue to be undertaken.

## SCHEDULE B – GENERAL MINISTERIALLY IMPOSED LICENCE CONDITIONS

### 1. Ongoing capacity to operate

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

### 2. Maintaining appropriate insurance

- 2.1. The Licensee must hold insurance that is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.
- 2.2. The Licensee must provide a copy of each certificate of currency of the insurance maintained by the Licensee to IPART in accordance with the Reporting Manual.
- 2.3. *[Not applicable]*
- 2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:
- a) certifies that in the Insurance Expert's opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and
  - b) is in the form prescribed by the Reporting Manual.
- 2.5. If, in relation to the activities authorised by this Licence, there is, or is to be a change in either of the following, the Licensee must provide a report to IPART in accordance with the Reporting Manual:
- a) the insurer or underwriting panel in respect of an insurance policy held by the Licensee; or
  - b) the type, scope or limit on the amount of insurance held by the Licensee.
- 2.6. From time to time when requested in writing by IPART, the Licensee must provide a report to IPART, in the manner and form and within the timeframes specified by IPART, from an Insurance Expert certifying that in the Insurance Expert's opinion the type, scope and limit on the amount of insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.

*[Note: The circumstances in which IPART may request a report under clause 2.6 include (but are not limited to) the following:*

- *where IPART considers that there may be a change in the type, scope or limit on the amount of insurance held by the Licensee in relation to activities that the Licensee is carrying out under this Licence;*
- *where there is a change in the type or extent of activities authorised by this Licence; or*
- *where IPART or an approved auditor considers that the type, scope or limit on the amount of insurance held by the Licensee may not be appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence.]*

### **3. Complying with NSW Health requirements**

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

### **4. Complying with Audit Guidelines**

- 4.1. The Licensee must comply with any Audit Guidelines issued by IPART.

### **5. Reporting in accordance with the Reporting Manual**

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

## **6. Reporting information in relation to the register of licences**

- 6.1. The Licensee must notify IPART, and provide IPART with details, of any change in relation to the following, in accordance with the Reporting Manual within 14 days of the change:
- a) any licensed network operator or public water utility from whose water industry infrastructure the Licensee supplies water to its customers;
  - b) any source from which the water handled by the water industry infrastructure referred to in clause 6.1a) is derived;
  - c) whether or not any of the Licensee's customers are Small Retail Customers;
  - d) any order under section 54 of the Act by which the Licensee is declared to be a retailer of last resort; and
  - e) any licensed network operator or public water utility by means of whose sewerage infrastructure the Licensee provides sewerage services to its customers.

## **7. Delineating responsibilities**

- 7.1. If a code of conduct has not been established under clause 25 of the Regulation, the Licensee must, by a date specified by IPART, establish a code of conduct (Licensee's Code of Conduct) in accordance with this clause 7.
- 7.2. *[Not applicable]*
- 7.3. 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:
- a) the Licensee; and
  - b) each licensed network operator, licensed retail supplier and/or public water utility that:
    - i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure; or
    - ii) constructs, maintains or operates any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure.

- 7.4. The Licensee's Code of Conduct must set out the respective responsibilities of the entities specified in clause 7.3 by, at a minimum, providing for:
- a) who is responsible for repairing, replacing or maintaining any pipes, pumps, valves or storages or other infrastructure connecting the Licensed Water Industry Infrastructure to the other water industry infrastructure;
  - b) who is responsible for water quality;
  - c) who is liable in the event of the unavailability of water;
  - d) who is liable in the event of failure of any water industry infrastructure;
  - e) the fees and charges payable in respect of the use of the water industry infrastructure; and
  - f) who is responsible for handling customer complaints.
- 7.5. The Licensee must not contravene the Licensee's Code of Conduct to the extent that it makes the Licensee responsible or liable for the matters set out in it.

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

- 8.1. The Licensee must only source and supply water by means of water industry infrastructure, if that water industry infrastructure is maintained and operated by a licensed network operator or public water utility.
- 8.2. The Licensee must only provide sewerage services by means of water industry infrastructure, if that water industry infrastructure is maintained and operated by a licensed network operator or public water utility.

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

- 9.1. *[Not applicable]*
- 9.2. *[Not applicable]*

## SCHEDULE C – INTERPRETATION AND DEFINITIONS

### 1. Interpretation

1.1. In this Licence, unless the context requires otherwise:

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

### 2. Definitions

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

2.2. In this Licence:

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

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

Authorised Person	means each person specified in, as applicable: <ul style="list-style-type: none"> <li>a) section 1, Table 1.1;</li> <li>b) section 2, Table 2.1; and</li> <li>c) section 3, Table 3.1.</li> </ul>
Bligh Street Network Operator's Licence	means network operator's licence no. 09_003 granted to Aquacell Pty Ltd (ACN 072 487 015) (as varied by the Minister from time to time).
Insurance Expert	means an insurance broker which holds an Australian financial services licence under Part 7.6 of the <i>Corporations Act 2001</i> (Cth) that authorises the broker to provide financial product advice for, and deal in, contracts of insurance within the meaning of Chapter 7 of that Act.
IPART	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Kurrajong Network Operator's Licence	means network operator's licence no. 15_032 granted to Aquacell Pty Ltd (ACN 072 487 015) (as varied by the Minister from time to time).
Licence	means this retail supplier's licence granted under section 10 of the Act.
Licensed Water Industry Infrastructure	means the water industry infrastructure by means of which the non-potable water, drinking water and/or sewerage services (as applicable) under this Licence are supplied.
Licensee	means Aquacell Pty Ltd (CAN 072 487 015).
Licensee's Code of Conduct	has the meaning given in Schedule B, clause 7.1.
Minister	means the Minister responsible for Part 2 of the Act.

NSW Health	means the Water Unit of NSW Ministry of Health and any of the local health districts as defined by the NSW Ministry of Health.
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).
Reporting Manual	means the document titled “Retail Supplier’s Reporting Manual”, which is prepared by IPART and is available on IPART’s website at <a href="http://www.ipart.nsw.gov.au">www.ipart.nsw.gov.au</a> .
Small Retail Customer	has the meaning given to that term in the Regulation.

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F Proposed retail supplier licence clause amendments – Aquacell

**Table F.1 Proposed licence scope amendments which have resulted in material changes – Aquacell retail supplier licence**

Current licence clause(s)	New licence clause(s)
<p><b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b>            Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 1.1 to supply non-potable water:</p> <ul style="list-style-type: none"> <li>(a) to the persons or classes of persons specified in Table 1.2;</li> <li>(b) within the area of operations specified in Table 1.3; and</li> <li>(c) for one or more of the authorised purposes for non-potable water specified in Table 1.4.</li> </ul>	<p><b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b>            Subject to the conditions imposed by the Act, the Regulation and Schedules A and B of this Licence, this Licence authorises the Licensee and any Authorised Persons specified in Table 1.1 to supply non-potable water:</p> <ul style="list-style-type: none"> <li>(a) to the persons or classes of persons specified in Table 1.2; and</li> <li>(b) within the area of operations specified in Table 1.3;</li> </ul> <p>The non-potable water supplied by means of the water industry infrastructure may only be used for the authorised purposes for non-potable water specified in Table 1.4.</p>
<p><b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b>  <b>Table 1.3 Area of operations</b></p> <p><b>Area of operations 1:</b>            1 Bligh Street, Sydney, NSW</p> <p><b>Area of operations 2:</b></p> <ul style="list-style-type: none"> <li>(a) The area known as Workplace 6 (Lot 1012 in DP 11458), Metcalf Park (Lot 102 in DP1130308) and Pymont Park (Lot 7 in DP 876763 and Lot 101 in DP 1091132); and</li> <li>(b) The connection to the Sydney Water rising main from the stop valve in the valve pit on the southern side of the intersection of Pirrama Road and Jones Bay Road / Darling Island Road to the treatment plant located on Lot 1012 in DP 11458.</li> </ul>	<p><b>SECTION 1 – AUTHORISATION TO SUPPLY NON-POTABLE WATER</b>  <b>Table 1.3 Area of operations</b></p> <p><b>Area of operations 1:</b>            The Area of Operations specified in Section 1, Table 1.3 of the Bligh Street Network Operator’s Licence as it stood as at the date this clause was inserted into this licence.</p> <p><b>Area of operations 2:</b></p> <ul style="list-style-type: none"> <li>(a) The area known as Workplace 6 (Lot 1012 in DP 11458), Metcalf Park (Lot 102 in DP1130308) and Pymont Park (Lot 7 in DP 876763 and Lot 101 in DP 1091132); and</li> <li>(b) The connection to the Sydney Water rising main from the stop valve in the valve pit on the southern side of the intersection of Pirrama Road and Jones Bay Road / Darling Island Road to the treatment plant located on Lot 1012 in DP 11458.</li> </ul>
<p><b>SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES</b>  <b>Table 3.3 Area of operations</b></p> <p>Lot 2 in DP 6655.            Lots 1-4, 6-9, 11-14 and 16 to 21 in DP270827.            Lots 11 and 13 in DP1036297.            Lots 101 and 102 in DP 1134543.            Lot 300 in DP1184237.            The part of Vincent Road adjacent to Lot 2 in DP 6655 and Lots 11 and 13 in DP 1036297 between:</p> <ul style="list-style-type: none"> <li>(a) where Vincent Road intersects with Old Bells Line of Road; and</li> <li>(b) where Vincent Road meets Lot 101 in DP 1134543.</li> </ul>	<p><b>SECTION 3 – AUTHORISATION TO PROVIDE SEWERAGE SERVICES</b>  <b>Table 3.3 Area of operations</b></p> <p>The Area of Operations specified in Section 3, Table 3.3 of the Kurrajong Network Operator’s Licence as it stood as at the date this clause was inserted into this licence.</p>

**Table F.2 Proposed licence clause amendments which have resulted in material changes – Aquacell retail supplier licence**

Current licence clause(s)	New licence clause(s)
<p><b>Schedule B</b></p> <p><b>2. Maintaining appropriate insurance</b></p> <p>2.3. Before commencing any of the activities authorised under this Licence, the Licensee must demonstrate that the insurance held is appropriate for the size and nature of the activities, by providing a report to IPART from an Insurance Expert that:</p> <ul style="list-style-type: none"> <li>a) certifies that in the Insurance Expert’s opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities; and</li> <li>b) is in the form prescribed by the Reporting Manual.</li> </ul> <p>2.4. [Not applicable.]</p>	<p><b>Schedule B</b></p> <p><b>2. Maintaining appropriate insurance</b></p> <p>2.3. <i>[Not applicable]</i></p> <p>2.4. The Licensee must, within 6 months of the date that this Licence 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 that the Licensee is carrying out under this Licence, by providing a report to IPART from an Insurance Expert that:</p> <ul style="list-style-type: none"> <li>a) certifies that in the Insurance Expert’s opinion, the type, scope and limit of the insurance held by the Licensee is appropriate for the size and nature of the activities that the Licensee is carrying out under this Licence; and</li> <li>b) is in the form prescribed by the Reporting Manual.</li> </ul>
<p><b>Schedule B</b></p> <p><b>7. Delineating responsibilities</b></p> <p>7.2. Before commencing to supply water or provide sewerage services by means of the Licensed Water Industry Infrastructure under this Licence or by a later date specified by IPART (if any), the Licensee’s Code of Conduct must be agreed in writing between:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure; or</li> <li>ii) constructs, maintains or operates any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure.</li> </ul> </li> </ul> <p>7.3. [Not applicable.]</p>	<p><b>Schedule B</b></p> <p><b>7. Delineating responsibilities</b></p> <p>7.2. <i>[Not applicable]</i></p> <p>7.3. 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:</p> <ul style="list-style-type: none"> <li>a) the Licensee; and</li> <li>b) each licensed network operator, licensed retail supplier and/or public water utility that: <ul style="list-style-type: none"> <li>i) supplies water or provides sewerage services by means of any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure; or</li> <li>ii) constructs, maintains or operates any water industry infrastructure that is connected to the Licensed Water Industry Infrastructure.</li> </ul> </li> </ul>

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**Table F.3 Proposed deleted licence clauses**

<b>Current licence clause (proposed for deletion)</b>	
<b>Schedule B</b>	
<b>9.</b>	<b>Notification of supply of water or provision of sewerage services</b>
9.1.	Each time the Licensee commences to supply water under this Licence, the Licensee must: (a) notify IPART in accordance with the Reporting Manual that it has commenced to supply water to customers by means of the relevant Licensed Water Industry Infrastructure; and (b) provide such notification within 10 days after such commencement.
9.2.	Each time the Licensee commences to provide sewerage services under this Licence, the Licensee must: (a) notify IPART in accordance with the Reporting Manual that it has commenced to provide sewerage services to customers by means of the relevant Licensed Water Industry Infrastructure; and (b) provide such notification within 10 days after such commencement.

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