

Assessment of Discovery Point Water Pty Ltd's application to vary network operator's licence 13_025

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

Report to the Minister
June 2014

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1 Summary

Discovery Point Water Pty Ltd (DPW) was granted a network operator's Licence, No 13_025, under the *Water Industry Competition Act 2006* (NSW) (the Act) on 4 December 2013. The licence authorises DPW to undertake network activities relating to non-potable water supply and sewerage services to the Discovery Point development at Wolli Creek. This scheme will eventually service approximately 1,500 residential apartments and 3,000m² of retail floor space across 14 buildings.

The Independent Pricing and Regulatory Tribunal of NSW (IPART) received a network operator's licence variation application from DPW on 17 April 2014. The variation request sought approval to construct, operate and maintain drinking water infrastructure for the Discovery Point development. DPW proposes to source drinking water directly from Sydney Water's network, at the site boundary.

Under the current legislation, the Minister may vary existing licence conditions at his/her own discretion or on the application of a licensee.¹ When determining whether or not to grant a licence variation, the Minister must consider the licensing criteria set out in section 10(4)(a) to (e) of the Act and have regard to the licensing principles as set out in section 7(1) of the Act. The Minister may also consider any other matter that it considers relevant.²

We have undertaken a detailed assessment of the variation request and, due to the nature of the variation, consulted with NSW Health and Sydney Water. These stakeholders raised no concerns.

Following our review, we are satisfied that DPW has satisfactorily met the licensing criteria under section 10(4)(a) to (e) of the Act, having regard to the licence application, submissions made, and the licensing principles under section 7(1) of the Act.

We recommend that the Minister varies DPW's existing network operator's licence, subject to the conditions as set out in amended Schedule A of the licence (refer Appendix A).

¹ Section 15 of the Act and clause 14 of the *Water Industry Competition (General) Regulation 2008* (the Regulation).

² Clause 14(5) of the *Water Industry Competition (General) Regulation 2008* and section 7(2) of the Act.

Finally, we note that DPW is a wholly owned subsidiary of Flow Systems Pty Ltd (Flow Systems). Flow Systems currently holds a retail supplier's licence to provide retail services at the Pitt Town and Central Park developments. Flow Systems has concurrently applied to vary its retail supplier's licence to include the supply of drinking water, non-potable water, and sewerage services to Discovery Point. We have provided a separate report to cover this variation request.

2 Background

On 17 April 2014 we received a request from DPW to vary its existing network operator's licence (13_025) to include the provision of drinking water services. This report summarises our analysis, responses from key stakeholders and our recommendation to grant DPW's licence variation. It also contains proposed licence conditions that the applicant should be subject to if a licence variation is granted.

2.1 Applicant history

The applicant, DPW, is a subsidiary of Flow Systems.³ DPW has no direct employees and relies on the support of Flow Systems to operate and maintain its network. Flow Systems' major shareholder is Brookfield Infrastructure Partners, part of the Brookfield Asset Management Group, a global alternative asset manager with over \$175 billion in assets under management. Through its subsidiary companies, Flow Systems currently operates two other licensed water networks, at Pitt Town and Central Park, both of which include the supply of drinking water.⁴

DPW's licence currently allows the licensee to construct, maintain and operate water industry infrastructure at the Discovery Point development at Wolli Creek. Currently, licensed infrastructure is limited to:

- ▼ non-potable water and sewerage networks
- ▼ a non-potable water treatment plant.

³ Previously Water Factory Pty Ltd.

⁴ Pitt Town Water for Pitt Town and Central Park Water for Central Park.

DPW seeks to vary its existing licence to include construction, maintenance and operation of drinking water industry infrastructure in the existing area of operation.⁵ This includes drinking water infrastructure between the tee at the Sydney Water main to the flange at the suction side of the Owner's Co-operative's pumps.⁶

2.2 Legislative requirements for considering variations

Under the Act, the Minister may vary existing licence conditions at his/her motion or following an application by the licensee.⁷ Under the *Water Industry Competition (General) Regulation 2008* (the Regulation), an application to vary licence conditions must be in such form as the Minister may approve, accompanied by such fee as the Minister may determine,⁸ and be lodged at our office.⁹

Unlike new applications, there are no explicit requirements under the Act or Regulation that require us to invite submissions from the public for a variation.¹⁰ We have considered the nature of the original licence granted, and the scope and associated risks of the proposed variation to determine the level of stakeholder consultation required. Based on our assessment, we consulted NSW Health and Sydney Water on this variation request.

The Regulation also outlines information required and matters to be considered when assessing a variation request. Such an application must be accompanied by information as per clause 6(1), (2), and (4) (network operator's licence) or clause 10 (retail supplier's licence) of the Regulation, "*to the extent only to which they are relevant to the application, in the same way as they apply to an application for that kind of licence*".¹¹ Clause 6(1) and (2) and 10(1) and (2) of the Regulation requires the applicant to address each of the matters referred to in section 10(4)(a) to (e) of the Act, relevant to the application.

Section 10(4)(a) to (e) of the Act sets out matters that are relevant to the assessment of a variation to a licence. In considering whether or not to vary the licence, and what conditions (if any) to impose, the Minister must also have regard to the licensing principles as set out section 7(1) of the Act¹² and may have regard to any other matters that it considers relevant.¹³ These matters have been

⁵ The area of operation is defined in schedule A of DPW's network operator's licence 13_025.

⁶ The section of horizontal pipe immediately downstream of Sydney Water's main and upstream of the Owner's Co-operative's pumps. Sydney Water's bulk water meters are excluded.

⁷ Section 15 of the Act.

⁸ The Minister has not yet approved or determined a form or a fee for licence variations.

⁹ Clause 14 of the Regulation.

¹⁰ Section 9 of the Act.

¹¹ Clauses 14(2) and 14(3) of the Regulation.

¹² Clause 14(4) of the Regulation.

¹³ Clause 14(5) of the Regulation and section 7(2) of the Act.

addressed in our assessment of DPW's variation request and are provided in section 3.

3 Assessment of application for variation

This section of the report contains our assessment of DPW's variation request and our recommendations. To assess the adequacy of DPW's capability as a network operator for drinking water, we conducted analysis of the information DPW provided in its licence variation application, stakeholder submissions, and additional information submitted by the applicant through subsequent requests.

The Minister may not grant a variation to the licence unless satisfied that the applicant meets the licensing criteria detailed in section 10(4)(a) to (e) of the Act.

3.1 Licensing criteria

Our assessment of the applicant against the relevant licensing criteria is set out in the sections below.

3.1.1 Technical capacity

We are satisfied that DPW has adequate technical capacity to construct, operate, and maintain water industry infrastructure.

Our analysis included review of:

- ▼ Flow Systems' technical capacity to safely and reliably construct, operate and maintain drinking water infrastructure for 2 similar projects at Pitt Town and Central Park
- ▼ Licence Plans for similar projects, Pitt Town and Central Park, and draft plans for Discovery Point¹⁴
- ▼ reports from Licence Plan audits, New Infrastructure audits, and Operational audits conducted for Pitt Town and Central Park
- ▼ DPW's preliminary risk assessment for Discovery Point.

DPW is a wholly owned subsidiary of Flow Systems. DPW has no direct employees and will rely on Flow Systems for resourcing and business support. Pitt Town Water (PTW) and Central Park Water (CPW), also subsidiaries of Flow Systems, operate similarly to DPW. Both PTW and CPW are managed by the same Flow Systems staff. Flow Systems is currently listed as an authorised person on all of DPW, PTW, and CPW's licences.

¹⁴ Infrastructure Operating Plans and Water Quality Plans were reviewed.

Flow Systems illustrates its commitment to providing technical support to DPW, similar to PTW and CPW, through its Corporate Services Agreement and Deed of Guarantee and Indemnity.¹⁵ We are satisfied that the Corporate Services Agreement adequately commits Flow Systems to provide required technical support to DPW. Through its audits, Flow Systems has previously demonstrated that obligations of similar Corporate Service Agreements are met with respect to PTW and CPW.

Further, DPW will rely on Australand Pty Ltd (the developer), via its development vehicle Discovery Point Pty Ltd, to construct drinking water infrastructure at Discovery Point.

We received no submissions regarding DPW's technical capacity.

We conclude that DPW has the required technical capacity to be granted a variation to its network operator's licence for this scheme, subject to Flow Systems being maintained as an Authorised Person on the licence. We recommend that the existing licence be varied to include licence conditions addressing the following:

- ▼ Flow Systems to remain as an Authorised Person on the licence
- ▼ Discovery Point Pty Ltd to be named as an Authorised Persons on the licence.

3.1.2 Financial capacity

We are satisfied that DPW has adequate financial capacity to construct, operate and maintain water industry infrastructure.

Our financial assessment for DPW's drinking water variation application takes the following matters into consideration:

- ▼ Activities associated with DPW's drinking water variation present low financial risk in terms of cost, liability, and revenue. DPW will undertake limited activities, along a short length of water main, which will be constructed and paid for by the developer.
- ▼ DPW's existing network operator's licence requires the applicant to maintain financial capacity to carry out activities authorised in its licence.¹⁶ Should DPW, or Flow Systems, cease to maintain adequate financial capacity to operate and maintain its drinking water infrastructure; the applicant would be in breach of its licence.

¹⁵ A Deed of Variation has been executed for both the Corporate Services Agreement and the Guarantee and Indemnity to cover the proposed drinking water services.

¹⁶ Network operator's licence 13_025, clause B1.1.

- ▼ A full financial assessment was made in April 2013 when the original licence application was received. A further full financial assessment of the parent company was conducted in July 2013 when we recommended that a licence be granted to Wyee Water (a related subsidiary to the applicant). Both assessments indicated that the applicant, through its parent, was able to demonstrate ongoing financial capacity to maintain its intended business operations.

We emphasise that our financial assessment represents the applicant's financial capacity as at May 2014. Our recommendation to grant DPW a licence variation should not be viewed as endorsement of the future viability of the corporation. The initial assessment undertaken was based on a combination of information sources, none of which are individually determinative. The assessment was conducted for our own purpose, and the Minister's purposes in assessing the application. The conclusion is not to be relied upon for any other purpose by any other person.

We recommend that the common ministerially imposed licence conditions should be maintained in relation to financial requirements.

3.1.3 Organisational capacity

We are satisfied that DPW has adequate organisational capacity (current and ongoing) through its parent company, Flow Systems, to construct, operate and maintain water industry infrastructure, in a manner that would protect health and the environment.

Our analysis showed that DPW/Flow Systems have:

- ▼ previous experience (in Australia) in the water industry and have specific personnel nominated to the project as shown in the Curriculum Vitae of its key personnel provided to us in its application form
- ▼ appropriate organisational structure to deliver the proposed work based on its contractual arrangements and agreements
- ▼ appropriate risk management systems to address regulatory requirements.¹⁷

We received no submissions regarding DPW's organisational capacity.

We consider that DPW has demonstrated sufficient organisational capacity. We recommend that the common ministerially imposed licence conditions should be maintained in relation to organisational requirements.

¹⁷ Flow Systems has a Compliance and Risk Management Framework, ongoing legal advice from Spake Helmore, an asset management system, and workplace health and safety tools.

3.1.4 Public health

We are satisfied that DPW is capable of constructing, operating and maintaining water industry infrastructure, in a manner that protects public health.

Our analysis showed that DPW, through its relationship with Flow Systems, has:

- ▼ demonstrated sufficient technical capacity to design and construct proposed drinking water infrastructure to minimise risks to public health
- ▼ demonstrated sufficient technical capacity to analyse and manage hazards from source to end use through a preliminary risk assessment provided for Discovery Point.

We have also considered NSW Health's submission on DPW's capacity to protect public health. NSW Health supports the licence application subject to the applicant addressing a number of issues, including:

- ▼ DPW to consult with NSW Health during the detailed drinking water risk assessment, and following the new infrastructure audit to ensure that relevant health matters have been addressed. We consider that this will be checked during DPW's Licence Plan and New Infrastructure audits.
- ▼ Consultation and agreement with NSW Health on the drinking water quality management plan. This plan should detail incident notification and management procedures.¹⁸

We recommend that the common ministerially imposed licence conditions should be maintained in relation to public health. The licensee must comply with requirements of NSW Health that we have agreed to, and that we have notified the licensee about, in writing.

3.1.5 Environment

We are satisfied that the proposed activities of DPW will not present a significant risk of harm to the environment as a network operator at the Discovery Point development.

We consider that environmental impacts and planning approvals were adequately consulted and addressed when the original network operator's licence was granted. In particular, we note that the proposed activities for the drinking water variation will occur in the same area of operations as the existing licence.

¹⁸ The current incident notification and management procedures included in the draft water quality management plan do not specifically address notification for drinking water incidents. Commercial operation will only be granted once NSW Health is satisfied that an appropriate communications protocol, which includes drinking water, is agreed to.

Our original analysis showed that DPW has:

- ▼ Demonstrated understanding of regulatory approval requirements, as confirmed by our own assessment and the Department of Planning and Infrastructure (DP&I).¹⁹ DPW has already obtained Part 3A concept approval under the *Environmental and Assessment Act 1979* from DP&I.
- ▼ Demonstrated capacity to identify and manage preliminary environmental risks from its preliminary risk assessment.
- ▼ Demonstrated previous experience (in Australia) around preparing environmental impact assessments and implementing environmental impact mitigation measures for the construction of drinking water infrastructure in urban areas. DPW provided an environmental assessment prepared for the Part 3A approval.²⁰

We recommend that the common ministerially imposed licence conditions should be maintained in relation to the environment.

3.1.6 Insurance

We are satisfied that DPW has made, and will continue to maintain, appropriate insurance arrangements.

Our analysis showed that DPW has demonstrated sufficient insurance coverage in the area of professional indemnity, public liability, workers compensation and product liability as shown in its insurance certificates provided in its variation application.

We received no submissions regarding DPW's insurance arrangements. We considered that DPW has demonstrated sufficient insurance arrangements.

We recommend that the common ministerially imposed licence conditions should be maintained, which requires the licensee to obtain and maintain appropriate insurance, as determined by an independent insurance expert.

3.2 Licensing principles

We are satisfied that granting a variation to DPW's network operator's licence is consistent with the licensing principles.

We considered each of following licensing principles in making a recommendation as to whether or not the drinking water variation should be granted, and what licence conditions to impose.

¹⁹ DP&I comments were sought for the original network operator's application.

²⁰ Evidence was provided in DPW's original network operator's application.

- ▼ **Protection of public health, environment, public safety and consumers generally** – we consider that, with the assistance of Flow Systems, DPW has technical capacity and experience to undertake drinking water activities in a way that will manage health and environmental risks. DPW will only source and supply drinking water from Sydney Water’s potable water network.
- ▼ **Encouragement of competition** – historically, Sydney Water has provided monopoly supply of drinking water services in the Sydney area. A variation to DPW’s existing network operator’s licence, to include drinking water, will encourage competition in the provision of this service to the development.
- ▼ **Ensuring sustainability of water resources** – under its existing licence, DPW provides non-potable water sourced from sewage that would have otherwise been treated and discharged to the environment. The recycled water replaces drinking water for toilet flushing, cold water clothes washing, irrigation, car washing, and general wash-down water.
- ▼ **Promotion of production and use of recycled water** – under its existing licence, DPW’s supply of non-potable water to the development promotes the use of recycled water as a substitute for drinking water.
- ▼ **Promotion of policies set out in any prescribed water policy document** – under its existing licence, DPW’s supply of non-potable water to the development is consistent with objectives of the NSW Metropolitan Water Plan.
- ▼ **Potential for adverse financial implications for small retail customers generally arising from the activities proposed to be covered by the licence** – not applicable for a network operator’s licence.
- ▼ **Promotion of equitable sharing among participants in the drinking water market of the costs of water industry infrastructure that significantly contributes to water security** – DPW will buy drinking water from Sydney Water at the regulated price, as determined by us. This price takes into account the cost of infrastructure that significantly contributes to water security.

We are satisfied that granting a variation to network operator’s licence 13_025 is consistent with the licensing principles.

3.3 Additional matters considered

3.3.1 Disqualified corporation

DPW is not a disqualified corporation. Its Director and CEO are not disqualified individuals.

We have considered the following information:

- ▼ Results of the ASIC and ITSA searches provided in the Dunn & Bradstreet report, obtained on 4 February 2014, confirming the above.
- ▼ The statutory declaration made by the Director and Chief Operating Officer, stating that DPW, nor any director or person concerned in the management of DPW, is or would be a disqualified corporation or disqualified individual under the Act.
- ▼ Results of our search of the Act's licence database, confirming the above.²¹

3.3.2 Special licence condition

A Project Delivery Agreement (PDA) between the parent organisation and the developer was provided in the variation application. This document was the original PDA, which only covered obligations relating to recycled water and sewerage. As DPW will not be the owner of the licensed infrastructure, the PDA is the key mechanism for ensuring DPW has operational control of the infrastructure. The applicant advised that there is agreement, in principle, with the developer to vary the PDA to clearly identify obligations for operation and maintenance of drinking water infrastructure. However, the process of agreeing variations will take some time. Waiting to grant the licence variation until the PDA variations have been agreed may create unacceptable commercial risks for both Flow Systems and the developer. At this stage, customers are expected to take up residence in the first building of the development in August 2014.

We therefore propose to add a special licence condition requiring DPW to obtain consent of the owner such that responsibility for drinking water infrastructure is transferred to DPW. Any contractual arrangement to provide this consent must be finalised prior to commercial operation of the scheme. Compliance with this requirement will be checked as part of a new Infrastructure Audit necessary for the Minister to give approval for commercial operation.²² DPW must be contractually obliged to construct, operate and maintain the drinking water infrastructure.

²¹ There are currently no disqualified corporations or individuals on the register pursuant to the sections 16(e) and 16(f) of the Act.

²² Schedule 1, clause 2(2) of the Regulation.

3.3.3 Monopoly supplier

We considered that DPW is not a monopoly supplier.

Under section 51 of the Act, the Minister may declare a licensed network operator or licensed retail supplier to be a monopoly supplier in relation to a specified water supply or sewerage service, area and class of customers. Such a declaration would result in the licensee being subject to pricing regulation.

A declaration can only be made in relation to a service if it is a service:

- ▼ for which there are no other suppliers to provide competition in the part of the market concerned, and
- ▼ for which there is no contestable market by potential suppliers in the short term in that part of the market, and
- ▼ in the case of a water supply service for recycled water, that connection of land to that service is required by or under some other Act.²³

We do not consider the proposed supply of drinking water by DPW to be monopoly supply as the licensed area is currently serviced by Sydney Water, demonstrating that the licence area is connected to Sydney Water's network and could be supplied by this network in the future. We consider that the customer will have the ability to influence selection of the preferred water service provider through negotiation with the Owner's Cooperative.

3.3.4 Additional public interest considerations

We are satisfied that DPW's proposed scheme has satisfactorily considered the public interest.

There are no additional matters that were raised with regard to public interest during the stakeholder consultation process.

4 Recommendations

We are satisfied that DPW has satisfactorily met the licensing criteria under section 10(4)(a) to (e) of the Act, having regard to the licence application, submissions made, and the licensing principles under section 7(1) of the Act.

We recommend that the Minister grants a variation to DPW's existing network operator's licence, subject to the conditions as set out in amended licence number 13_025.

²³ Section 51(2) of the Act.

We considered that DPW is not a monopoly supplier.

The Minister must consider, but is not bound to accept, any advice or recommendation in this report in determining the licence application. The Minister may, if circumstances so require, seek further advice from us in relation to the licence application.

The Minister is required to provide us with a notice of the decision and of the reasons for the decision on whether or not to grant the licence.²⁴ We will then make the information in the notice available to the public on our website, in accordance with the requirements of the Act.²⁵

²⁴ Section 10(5) of the Act.

²⁵ Section 10(6) of the Act.

**A. Amended Schedule A of network operator's
licence (13_025)**

SCHEDULE A - SPECIAL MINISTERIALLY-IMPOSED LICENCE CONDITIONS FOR DISCOVERY POINT WATER PTY LTD'S NETWORK OPERATOR'S LICENCE

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

A1 Activities authorised - non-potable water

A1.1 This Licence authorises the Licensee and any authorised persons specified in Table 1.1:

- a) to construct, maintain and operate the water industry infrastructure specified in Table 1.2;
- b) for the authorised purposes specified in Table 1.3;
- c) within the area of operations specified in Table 1.4,
subject to the conditions imposed by or under the Act, the Regulation and this Licence.

Table 1.1 Authorised persons

Flow Systems Pty Ltd (ABN 28 136 272 298)
Permeate Partners Pty Ltd (ABN 54 130 112 257)

Table 1.2 Water industry infrastructure

Infrastructure for the production, filtration, treatment, storage, transport and reticulation of non-potable water.

Table 1.3 Authorised purposes

Toilet flushing, unrestricted irrigation, clothes washing, car washing, general wash-down and water features (landscape architecture).

Table 1.4 Area of operations

The land the subject of the approval granted on 5 May 2011 under section 75O of the *Environmental Planning and Assessment Act 1979* (NSW) by the Director-General, Department of Planning & Infrastructure for application Major Project MP 10_0003; and

The land the subject of the approval granted on 19 March 2012 under section 75J of the *Environmental Planning and Assessment Act 1979* (NSW) by the Deputy Director General, Development Assessment and Systems Performance, Department of Planning & Infrastructure for application Major Project MP 10_0030.

A2 Activities authorised – drinking water

A2.1 This Licence authorises the Licensee and any authorised persons specified in Table 2.1:

- a) to construct, maintain and operate the water industry infrastructure specified in Table 2.2;
- b) for the authorised purposes specified in Table 2.3;
- c) within the area of operations specified in Table 2.4,
subject to the conditions imposed by or under the Act, the Regulation and this Licence.

Table 2.1 Authorised persons

Flow Systems Pty Ltd (ABN 28 136 272 298)
Discovery Point Pty Ltd (ABN 12 102 882 342)

Table 2.2 Water industry infrastructure

Infrastructure used for the conveyance or reticulation of drinking water

Table 2.3 Authorised purposes

Drinking water and other purposes for which drinking water could be used safely

Table 2.4 Area of operations

The land the subject of the approval granted on 5 May 2011 under section 75O of the *Environmental Planning and Assessment Act 1979* (NSW) by the Director-General, Department of Planning & Infrastructure for application Major Project MP 10_0003; and

The land the subject of the approval granted on 19 March 2012 under section 75J of the *Environmental Planning and Assessment Act 1979* (NSW) by the Deputy Director General, Development Assessment and Systems Performance, Department of Planning & Infrastructure for application Major Project MP 10_0030.

A3 Activities authorised – sewerage services

A3.1 This Licence authorises the Licensee and any authorised persons specified in Table 3.1:

- d) to construct, maintain and operate the water industry infrastructure specified in Table 3.2;
- e) for the authorised purposes specified in Table 3.3;
- f) within the area of operations specified in Table 3.4,
subject to the conditions imposed by or under the Act, the Regulation and this Licence.

Table 3.1 Authorised persons

Flow Systems Pty Ltd (ABN 28 136 272 298)
Permeate Partners Pty Ltd (ABN 54 130 112 257)

Table 3.2 Water industry infrastructure

Infrastructure for the collection, filtration, treatment, storage, conveyance and disposal of sewage.

Table 3.3 Authorised purposes

Sewage collection, transport and treatment
Effluent disposal to sewer and effluent transfer to non-potable water system.

Table 3.4 Area of operations

The land the subject of the approval granted on 5 May 2011 under section 75O of the *Environmental Planning and Assessment Act 1979* (NSW) by the Director-General, Department of Planning & Infrastructure for application Major Project MP 10_0003; and

The land the subject of the approval granted on 19 March 2012 under section 75J of the *Environmental Planning and Assessment Act 1979* (NSW) by the Deputy Director General, Development Assessment and Systems Performance, Department of Planning & Infrastructure for application Major Project MP 10_0030.

A4 Special condition

- A4.1 This Licence authorises the Licensee, and any authorised persons, to maintain and operate the Infrastructure for the authorised purposes and within the area of operations, provided that the Licensee owns, maintains and operates the Infrastructure or, to the extent the Licensee is not the owner of the Infrastructure, the Licensee maintains and operates the Infrastructure with the consent of the owner of the Infrastructure (within the meaning of section 64(1) of the Act).

The authority granted by this special condition to the Licensee and the authorised persons is subject to the conditions imposed by or under the Act, the Regulation and this Licence.

A4.2 Definitions

In this clause, Infrastructure means the water industry infrastructure from the isolation valve immediately downstream of a tee junction on the Sydney Water main to the flange on the suction side of the pump (all horizontal pipework) excluding the Sydney Water bulk water meter.

INTERPRETATION AND DEFINITIONS

Interpretation

In this Schedule A, unless the context requires otherwise:

- (i) the singular includes the plural and vice versa;
- (ii) headings are used for convenience only and do not affect the interpretation of this Schedule A;
- (iii) a reference to a document includes the document as modified from time to time and any document replacing it;
- (iv) a reference to a person includes a natural person and any body or entity whether incorporated or not;
- (v) a reference to a clause is to a clause in this Schedule A;
- (vi) a reference to a schedule is to a schedule to this Licence;
- (vii) 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
- (viii) explanatory notes do not form part of this Licence, but in the case of uncertainty may be relied on for interpretation purposes.

Definitions

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

In this Schedule A:

Act	means the <i>Water Industry Competition Act 2006</i> (NSW).
Licence	means this network operator's licence granted under section 10 of the Act.
Licensee	means the person to whom this Licence is granted under section 10 of the Act.
Minister	means the Minister responsible for Part 2 the Act.
Regulation	means the <i>Water Industry Competition (General) Regulation 2008</i> (NSW).