



Independent Pricing and Regulatory Tribunal  
New South Wales

**Retail Suppliers' Reporting Manual**  
**under the *Water Industry Competition Act 2006 (NSW)***

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### Version control

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2	9 June 2010	Additional template for nil returns Aligning Appendix D with ministerially-imposed licence conditions
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4	29 June 2018	Removed Performance Indicators Appendices and added an Appendix for Licence data. Reporting date updated to 1 September. Removed NIL returns template, formatting and minor editorial updates. Document issued as final, effective from 1 July 2018.

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# 1 Introduction

## 1.1 Legislative framework

Licensees must ensure compliance with all licence conditions and other applicable obligations under the *Water Industry Competition Act 2006* (NSW) (the WIC Act), the *Water Industry Competition (General) Regulation 2008* (NSW) (the WIC (General) Regulation) and any Codes of Conduct.<sup>1</sup> The WIC Act, the WIC (General) Regulation and the Licence impose licence conditions, and may refer to other legislation, statutory instruments or documents.<sup>2</sup> Compliance requirements imposed on a licensee can vary depending on the nature, scale and complexity of its authorised activities.

The Independent Pricing and Regulatory Tribunal (IPART) is responsible for administering the licences and provides advice to the Minister for Energy and Utilities. To assist licensees in reporting against licence conditions, we have produced reporting manuals for network operators and Retail Suppliers licensed under the WIC Act that:

- ▼ consolidate licence obligations for each licence type (in summary form)
- ▼ detail reporting requirements, including the format and the reporting timetable, and

The reporting manuals do not reproduce in full the licence obligations for each licence type, and it is still necessary for the licensee to refer to the relevant source document for full details of the obligation.

All compliance reporting under the reporting manuals is exception-based. This means that only licence non-compliances are required to be reported.

### IPART's reporting obligation

On or before **31 October** in each year, IPART must provide to the Minister a report on the extent to which licensees have complied, or failed to comply, with the conditions imposed on their licences during the 12 months ending on 30 June in that year.<sup>3</sup> The Minister must lay the report before both Houses of Parliament as soon as practicable after receiving it.<sup>4</sup>

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<sup>1</sup> For example, the *Water Industry Code of Conduct*, the *Marketing Code of Conduct* and the *Transfer Code of Conduct*.

<sup>2</sup> For example, licence conditions require compliance with the Codes of Conduct, infrastructure operating plans, water quality plans and sewage management plans, and with aspects of the *Environmental Planning and Assessment Act 1979* (NSW), *Protection of the Environment Operations Act 1997* (NSW), *Public Health Act 2010* (NSW), Plumbing Code of Australia, Australian Drinking Water Guidelines and Australian Guidelines for Water Recycling.

<sup>3</sup> *Water Industry Competition Act 2006* (NSW), s 89(1).

<sup>4</sup> *Water Industry Competition Act 2006* (NSW), s 89(2).



## Licensee's reporting obligation

It is a standard licence condition that the licensee must prepare and submit compliance reports in accordance with the applicable reporting manual.<sup>5</sup>

In addition, a licence may be subject to other conditions that specifically require the licensee to notify, provide documentation or report to IPART in accordance with the applicable reporting manual.<sup>6</sup> It is the licensee's responsibility to be aware of the conditions that apply to its licence.

If a licensee is uncertain as to whether a non-compliance should be reported immediately or annually, IPART considers that the licensee should report the non-compliance immediately.

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<sup>5</sup> The Licensee must prepare and submit reports in accordance with the Reporting Manual.

<sup>6</sup> These could be special licence conditions in Schedule A of the licence or other standard licence conditions in Schedule B of the licence.

## 2 Compliance reporting requirements

It is the responsibility of the licensee to rectify any non-compliance as soon as possible, and report these non-compliances to IPART in accordance with this reporting manual.

We have classified non-compliances as either requiring:

- ▼ immediate reporting (section 2.1), or
- ▼ annual reporting (section 2.3).

This classification is based on the risk of a non-compliance with the licence conditions impacting public health, the environment and consumers. Appendix A sets out the reporting frequency for each licence condition, ie, it lists which licence conditions, if non-compliant, should be reported 'immediately', and which should be reported 'annually'. If a licensee is uncertain as to whether a non-compliance should be reported immediately or annually, IPART considers that the licensee should report the non-compliance immediately.

We also have immediate reporting requirements for certain incidents:

- ▼ immediate incident reporting (section 2.2).

### 2.1 Immediate non-compliance reporting

As soon as the licensee becomes aware that a non-compliance requiring immediate reporting has occurred, the licensee should notify IPART, via:

- ▼ (02) 9290 8412 (Director, Regulation & Compliance)
- ▼ (02) 9113 7704 (Executive Director, Regulation & Compliance)

and, email:

- ▼ [compliance@ipart.nsw.gov.au](mailto:compliance@ipart.nsw.gov.au).

The type of information about a licence non-compliance that should be reported is provided in Schedule A of Appendix B.

- ▼ The licensee should provide follow-up written confirmation to IPART's Chief Executive Officer within five business days, using the template provided in Appendix B.
- ▼ Depending on how long it may take to rectify the non-compliance, periodic reporting may also be required.
- ▼ Once the licence non-compliance has been rectified, the licensee should notify IPART's Director, Regulation & Compliance, in writing via [compliance@ipart.nsw.gov.au](mailto:compliance@ipart.nsw.gov.au), of the actual date that full compliance was reached.

### 2.2 Immediate incident reporting

Some incidents require the licensee to notify us and/or other stakeholders immediately.

It is a condition of a Retail Supplier's licence that any incident in the conduct of the licensee's activities that threatens, or could threaten, water quality, public health or safety must be reported immediately to:

- ▼ the Minister for Health
- ▼ the Minister for Energy and Utilities
- ▼ IPART, and
- ▼ any licensed network operator by means of whose infrastructure the retailer supplies water or provides sewerage services.<sup>7</sup>

The events or incidents that require immediate notification are not further defined by the WIC (General) Regulation. The licensee is responsible for determining whether an incident falls into this category. The licensee should assess, and keep up to date, the likelihood and consequence of any potential incidents that could impact water quality, public health or safety in its risk assessment for the specific scheme.

Licensees should report such incidents in accordance with the document, "Incident Notification by Network Operators and Retail Suppliers" available from our website.<sup>8</sup> This document outlines the requirements for verbal and written notifications to IPART and other agencies when a notifiable incident occurs.

If a licensee fails to immediately report a notifiable incident, then as soon as reasonably practicable after becoming aware of the incident, the licensee must report the incident and the non-compliance (that is, the failure to immediately report the incident) in accordance with section 2.1 and this section 2.2.

### 2.3 Annual compliance reporting

Licensees are required to submit annual compliance reports to us detailing the licensee's compliance with its licence obligations, during the previous financial year ending 30 June. Reporting is exception-based. This means that only licence non-compliances are required to be reported. This requirement commences as soon as a licensee is granted a licence. A checklist for annual compliance reporting is provided in Appendix C.

Licensees must submit annual compliance reports to IPART by no later than **1 September** each year:

- ▼ If the licensee has engaged in any activities authorised by their licence, the licensee should use the annual compliance report template provided in Appendix D. The licensee should also include any immediate non-compliances already reported, and any non-compliances identified by operational audits during the financial year. When reporting immediate non-compliance already reported or non-compliances identified during operational audits, the information provided in Schedule A of Appendix D should include an update of any further actions the licensee has taken with respect to the non-compliance, or

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<sup>7</sup> *Water Industry Competition (General) Regulation 2008* (NSW), Schedule 2, Part 1, cl 1(2).

<sup>8</sup> [http://www.ipart.nsw.gov.au/Home/Industries/Water/Private\\_Sector\\_Licensing\\_WICA/Licence\\_Compliance\\_Reporting](http://www.ipart.nsw.gov.au/Home/Industries/Water/Private_Sector_Licensing_WICA/Licence_Compliance_Reporting)



- ▼ If the licensee has not engaged in any activities authorised by their licence during the 12 months ending on 30 June, use the annual compliance report template in Appendix D, state where any information is not applicable, such as any licence data in Schedule B.
- ▼ The licensee should also include licence non-compliances identified in operational audits in their annual compliance reports.<sup>9</sup>

The annual compliance report must be prepared using all due care and skill, including to ensure that all information provided is accurate and reliable, and must be signed by a person authorised to sign on behalf of the licensee. Where the licensee is a company, it must be signed by either two Directors or a Director and the Company Secretary. Where this is not possible (for example, due to having a different corporate structure), the licensee should contact IPART for further advice on how the report must be signed.

### **Reporting on licence data**

Licensees are also required to report on licence data as part of their annual compliance reports. Appendix E outlines that information.

#### **2.3.1 Insurance expert's report**

Standard conditions of the licence require licensees to provide a report from an insurance expert certifying 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 under the licence. This report is required prior to commencing any of the activities under the licence, and from time to time when requested in writing by IPART.

Appendix F contains a template insurance expert's report. The report may be formatted to suit the style of the author, as long as it contains all of the content in Appendix F.

#### **2.3.2 Changes in insurance**

##### **Licence granted or varied from March 2015**

Licences varied or granted after March 2015 include a standard licence condition requiring a licensee to:

- ▼ provide a copy of each certificate of currency of the insurance maintained by the licensee to IPART in accordance with the Reporting Manual, and
- ▼ report to IPART in accordance with the Reporting Manual if there is to be a prescribed change in insurance.

Table 2.1 sets out the changes in insurance that licensees must report to IPART, the information to be included in the report (including when a certificate of currency must be provided to IPART), and the deadline within which it must be provided.

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<sup>9</sup> For more information related to operational audits, see our relevant Audit Guidelines available on our website <http://www.ipart.nsw.gov.au>

Note: The requirements below are in addition to any specific licence conditions requiring a licensee to provide a certificate of currency at other times – for example, before commencing to commercially operate the water industry infrastructure.

**Table 2.1 Requirements to report insurance changes and provide certificate of currency**

Change in insurance coverage includes		Information to provide to IPART	To be provided within
▼ Insurer		▼ Name and Australian financial services licence number of (as applicable): ▼ new insurer; or ▼ new underwriting panel	30 days <b>after the change</b>
▼ Underwriting panel			
		▼ Revised certificate of currency	10 days after receiving it from the insurer
▼ Type	Increase in coverage	▼ New product disclosure statement(s)	30 days <b>after the change</b>
▼ Scope		▼ Reasons for change	
▼ Sum insured/ Limit on the amount/ Limit on indemnity		▼ Revised certificate of currency	10 days after receiving it from the insurer
	Reduction in coverage	▼ New product disclosure statement(s)	14 days <b>prior to change initiated by the insurer</b>
		▼ Reasons for change	
		▼ New product disclosure statement(s)	45 days <b>prior to change initiated by the licensee</b>
		▼ Reasons for change	
		▼ Revised certificate of currency	10 days after receiving it from the insurer

### 2.3.3 Information in relation to the register of licences

Under a standard licence condition, licensees must provide written notice within 14 days of changes to any of the following listed in IPART's Register of licences<sup>10</sup>:

- ▼ any licensed network operator or public water utility from whose water industry infrastructure the licensee supplies water to its customers
- ▼ any source from which the water handled by the water industry infrastructure referred to in item above is derived
- ▼ whether or not any of the licensee's customers are small retail customers
- ▼ any order under section 54 of the WIC Act by which the licensee is declared to be a retailer of last resort, or
- ▼ any licensed network operator or public water utility by means of whose sewerage infrastructure the licensee provides sewerage services to its customers.

<sup>10</sup> *Water Industry Competition (General) Regulation 2008 (NSW)*, cls 18(1) – 18(5).

We will review this information and update our Register of licences. Please note that in some cases, a licence variation would be required prior to proceeding with the change.

### **2.3.4 Changes to Authorised Person(s)**

Licensees must provide written notice to IPART as soon as practicable but no later than 28 days before an Authorised Person ceases providing any services in relation to the activities authorised by the relevant licence.

The written notice must also include details of how the services previously undertaken by the Authorised Person will continue to be undertaken.

### **2.3.5 Commencement of supply of retail services**

Licensees must provide to IPART written notice within 10 business days after commencing to supply water or provide sewerage services through any of the specified Water Industry Infrastructure under the Retail Supplier's licence.

Licensees must ensure that their written notification includes the following details:

- ▼ the relevant licence number
- ▼ the Specified Water Industry Infrastructure through which the licensee is supplying water or sewerage services, including a reference to the relevant table in the Retail Supplier's licence (if relevant), and
- ▼ the date operation started.

## **2.4 How to lodge an annual compliance report**

Licensees must lodge all annual compliance reports electronically to: [compliance@ipart.nsw.gov.au](mailto:compliance@ipart.nsw.gov.au), or to the last email address notified by IPART. If requested by IPART, the licensee must also submit a hard copy by mail. Licensees should provide the name and contact details (phone, email) of a primary contact and should provide an alternate contact for when the primary contact is unavailable.

Hard copy reports, if requested, must be sent to:

The Chief Executive Officer  
Independent Pricing and Regulatory Tribunal of NSW  
PO Box K35  
Haymarket Post Shop NSW 1240

or to the last address notified by IPART.

Licensees are required to provide other information or notification to IPART as set out in conditions in Schedules A and B of their licence.

Unless otherwise stated, Licensees are required to provide the information or notification to IPART electronically and addressed to Director, Regulation & Compliance.

## 3 Process for revision

Changes to this reporting manual, including amendments to the classification of licence obligations, may be necessary to:

- ▼ include new licence obligations
- ▼ delete redundant licence obligations
- ▼ reflect new government initiatives, and
- ▼ rectify problems identified through compliance monitoring and reporting.

We will consult the affected licensees and other interested stakeholders before making any significant revisions to the reporting requirements or licence data. We will then notify the stakeholders of the revisions to the reporting manual and the commencement date of any new reporting arrangements. In determining the commencement date for new reporting arrangements, we will allow a reasonable period for licensees to implement the new arrangements.



## Appendices

## A Licence obligations – reporting frequency

This Appendix sets out the reporting frequency allocated to each licence obligation. We classify each licence obligation with a reporting frequency of either 'immediate' or 'annual' reporting. The reporting frequency refers to when a licensee is required to report a non-compliance with a licence obligation.

### When to make a report

All reporting is exception-based, which means that licensees are only required to report non-compliances with the obligations under their licence.

- ▼ **Immediate reporting** is limited to those licence obligations where a non-compliance is high risk. For example, the non-compliance could threaten continuity of supply, public health or safety, or have a critical impact on the Government's regulatory objective(s), or have significant impacts on other licensees or consumers. Refer to section 2.1 for immediate non-compliance reporting.

There are also immediate reporting requirements for certain incidents that threaten, or could threaten, water quality, public health or safety (see section 2.2). If a licensee fails to immediately report an incident, the licensee must report the incident and the non-compliance (that is, the failure to immediately report the incident) in accordance with sections 2.1 and 2.2 of this reporting manual.

- ▼ **Annual reporting** is required for all other licence obligations. However, licensees should also include any 'immediate' licence non-compliances in the Annual Compliance Reports to IPART. Refer to section 2.3 for annual non-compliance reporting.

Licensees should read and understand the obligations applicable to them under their specific licences. Each licensee is subject to obligations under the WIC Act and WIC (General) Regulation, and Ministerially-imposed licence conditions set out in the licence. Please refer to 'Types of licence conditions' below for more information.

### How to make a report

The licensee must identify which obligation it is non-compliant with, and note whether the reporting requirement is 'immediate' or 'annual' in accordance with this appendix. If 'immediate' reporting is required, refer to section 2.1. If 'annual' reporting is required, refer to section 2.3. If a licensee is uncertain as to whether a non-compliance should be reported immediately or annually, IPART considers that the licensee should report the non-compliance immediately.

Examples:

- ▼ A Retail Supplier terminates the supply of water to its customers within the area of operations. The licensee has not notified IPART and the Minister in writing at least 14 days in advance. As soon as the licensee becomes aware of the non-compliance, it should rectify the situation, and identify that it has not complied with the obligation set out in clause 11 of Schedule 2 of the WIC (General) Regulation. The reporting frequency for this non-compliance is classified as 'immediate' (see #28 in Table A.3 below). The licensee should follow the immediate reporting requirements in section 2.1. The licensee should also report the non-compliance in its annual compliance report, following the annual reporting requirements in section 2.3.
- ▼ A licensee has not informed its customers of a water restriction that applies to them while the restriction is in force. As soon as it becomes aware of the non-compliance, it should rectify the situation, and identify that it has not complied with the obligation set out in clause 12 of Schedule 2 of WIC (General) Regulation. The reporting frequency for this non-compliance is classified as 'annual' (see #33 in Table A.3 below). The licensee should follow the annual reporting requirements in section 2.3.

## Types of licence conditions

Each licensee has obligations under the WIC Act and WIC (General) Regulation, as well as Ministerially-imposed licence conditions which are set out in the licence itself.

- ▼ **Licence conditions under the WIC Act and WIC (General) Regulation** are summarised in Tables A.2 to A.7 below. Licensees should refer to the legislation for further context regarding these obligations. The reporting frequency for each licence condition under the WIC Act and WIC (General) Regulation is set out in the tables below.
- ▼ **Ministerially-imposed licence conditions** are set out in Schedules A and B of each licensee's licence.

The reporting requirements for these licence conditions are **not** summarised in this Appendix A as they may change over time and vary between individual licences.

Instead, Table A.1 below provides guidance for retail suppliers as to which types of Ministerially-imposed licence conditions require immediate reporting and which require annual reporting.<sup>11</sup> The table is not intended to be a comprehensive guide, as licence conditions may change over time.

If a licensee is uncertain as to whether a non-compliance should be reported immediately or annually, IPART considers that the licensee should report the non-compliance immediately.

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<sup>11</sup> This table is based on the current standard licence condition template dated March 2015.

**Table A.1 Guidance for reporting based on type of Ministerially-imposed licence condition**

Reporting frequency: Immediate	Reporting frequency: Annual
<ul style="list-style-type: none"> <li>▼ Ongoing capacity to operate (clause B1)</li> <li>▼ Obtaining appropriate insurance (clause B2)</li> <li>▼ Complying with NSW Health requirements (clause B4)</li> <li>▼ Reporting information in relation to the Register of Licences (clause B7)</li> <li>▼ Provision of copy of plan (clause B8)</li> <li>▼ Notification of changes to Authorised Person (clause B10)</li> <li>▼ Infrastructure to be used (clause B11)</li> <li>▼ Notification of operation (clause B12)</li> </ul>	<ul style="list-style-type: none"> <li>▼ Maintaining appropriate insurance (clause B3)</li> <li>▼ Complying with Audit Guidelines from IPART (clause B5)</li> <li>▼ Reporting in accordance with the Reporting Manual (clause B6)</li> <li>▼ Delineating responsibility - interconnections (clause B9)</li> </ul>



**Table A.2 Retail Supplier – general reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Immediate</b>			
1.	WIC Act s 18(2)	WIC Act s 18(2)	A Retail Supplier must comply with any direction of the Minister to take specified action to reduce or eliminate a risk to public health or public safety arising from certain activities.
2.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 1(2)(a)-(d)	<p>A Retail Supplier must immediately notify:</p> <ul style="list-style-type: none"> <li>a) IPART;</li> <li>b) the Minister administering the <i>Public Health Act 2010</i> (NSW) and the <i>Public Health Regulation 2012</i> (NSW);</li> <li>c) the Minister administering Part 2 of the <i>Water Industry Competition Act 2006</i> (NSW); and</li> <li>d) any licensed Network Operator by means of whose infrastructure the retailer supplies water or provides sewerage services,</li> </ul> <p>of any incident in the conduct of its activities that threatens, or could threaten, water quality, public health or safety.<sup>a</sup></p>
<b>Reporting frequency: Annual</b>			
3.	WIC Act s 14(3)	WIC Act s 14(3)	A Retail Supplier must pay the annual licence fee determined by the Minister.
4.	WIC Act s 50(1)	WIC Act s 50(1)(a)	A Retail Supplier to small retail customers must be a member of an approved ombudsman scheme.
5.	WIC Act s 50(1)	WIC Act s 50(1)(b)	A Retail Supplier must comply with any decision of the ombudsman relating to a dispute or complaint with a small retail customer.
6.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 1(1)	A Retail Supplier must provide the Minister or IPART with such information as directed in relation to Licensee's activities under licence.
7.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 1(3)(a)-(c)	<p>A Retail Supplier must permit:</p> <ul style="list-style-type: none"> <li>a) the publication on IPART's website of matters recorded on the Register of Licences;</li> <li>b) disclosure between government agencies of information the licensee has provided to any one of them;</li> <li>c) disclosure to the general public of information about reported incidents.</li> </ul>
8.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 2(1)(a)	A Retail Supplier of small retail customers must implement any relevant government policy that applies to it.
9.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 2(1)(b)	A Retail Supplier of small retail customers must ensure the details of any relevant government policy are forwarded to each customer at least once a quarter.

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
10.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 2(1)(c)	A Retail Supplier of small retail customers must furnish a report to IPART and the Department Head each quarter relating to the following: (i) the identity of each customer to whom any payment assistance, discount or rebate has been given during that quarter pursuant to any relevant government policy and (ii) the amount of any such payment assistance, discount or rebate.
11.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 2(1)(d)	A Retail Supplier of small retail customers must furnish a report to other Retail Suppliers to which there is a transfer of water supplies or sewerage services in respect of a customer referred to in paragraph 2(1)(c)(i) of Schedule 2 to the WIC (General) Regulation, as soon as practicable after the transfer takes effect as to: (i) the fact that the customer has been receiving any payment assistance, discount or rebate pursuant to any such policy and (ii) the amount of any such payment assistance, discount or rebate.
12.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 3	Any notice a Retail Supplier of small retail customers is required to send its customers must include or be accompanied by information as to the existence of, and the telephone numbers for, any available community translation services. Such information is to be given in English, Arabic, Cantonese, Greek, Italian, Spanish, Vietnamese and in such other languages as are spoken by more than 3 per cent of the population within the licensee's area of operations.
13.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 4(1)(a)	A Retail Supplier of small retail customers must establish and comply with a code of practice for customer complaints whether in relation to: (i) the supply of water or the provision of sewerage services, by the Retail Supplier or (ii) the operation of the water or sewerage infrastructure from which that water is supplied or those services provided.
14.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 4(1)(b)	A Retail Supplier of small retail customers must provide copies of its code of practice for customer complaints to the Minister, IPART and the ombudsman.
15.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 4(1)(c)	A Retail Supplier of small retail customers must keep its customers informed as to: (i) the provisions of the code of practice for customer complaints and (ii) the existence of and procedure for referring complaints or disputes to the ombudsman.
16.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 4(1)(d)	A Retail Supplier of small retail customers must furnish periodic reports to the Minister and IPART in relation to complaints it receives, in such form and containing such information as the Minister or IPART requires.
17.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 4(2)	A Retail Supplier of small retail customers' code of practice for customer complaints must conform to the requirements of AS/ISO 10002-2006.
18.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 5(1)(a)-(c)	A Retail Supplier of small retail customers must: a) establish and comply with a code of practice for debt recovery; b) provide copies of its code of practice for debt recovery to the Minister, IPART and to the ombudsman; c) keep its customers informed as to the provisions of the code of practice for debt recovery.

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
19.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 5(2)	A Retail Supplier of small retail customers' code of practice for debt recovery must provide for the deferment, in whole or in part, of payments owed by customers suffering financial hardship.
20.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 6	A Retail Supplier must comply with any water industry code of conduct, marketing code of conduct and transfer code of conduct.
21.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7(1)(a)-(b)	In its activities under the licence, a Retail Supplier must comply with the requirements of the: <ul style="list-style-type: none"> <li>a) <i>Environmental Planning and Assessment Act 1979</i> (NSW) and any environmental planning instruments under that Act;</li> <li>b) <i>Protection of the Environment Operations Act 1997</i> (NSW) and any regulations under that Act, in relation to the protection of the environment.</li> </ul>
22.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(1)(a)-(c)	Before commencing activities under a Retail Supplier's licence, a Retail Supplier must prepare and forward to IPART a retail supply management plan that indicates the arrangements the licensee has made, or proposes to make, in relation to the: <ul style="list-style-type: none"> <li>a) events and circumstances that could adversely affect the licensee's ability to supply water or provide sewerage services (or both), as authorised by the licence;</li> <li>b) probability of the occurrence of any such event or circumstance;</li> <li>c) measures to be taken by the licensee: <ul style="list-style-type: none"> <li>i. to prevent the occurrence, or minimise the effect, or any such event or circumstance; and</li> <li>ii. to arrange for alternative supplies of water or the provision of sewerage services (or both), as authorised by the licence, in response to any such event or circumstance.</li> </ul> </li> </ul>
23.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(1)(d)	Before commencing activities under a Retail Supplier's licence, a Retail Supplier must prepare and forward to IPART a retail supply management plan that indicates the arrangements the licensee has made, or proposes to make, to ensure that it complies with: <ul style="list-style-type: none"> <li>(i) its code of practice for complaints by small retail customers and its code of practice for debt recovery from such customers; and</li> <li>(ii) the marketing code of conduct and transfer code of conduct.</li> </ul>
24.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(2)(a)	The Retail Supplier must ensure that its retail supply management plan is fully implemented and kept under regular review and, in particular, that all of its activities are carried out in accordance with that plan.
25.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(2)(b)	The Retail Supplier must, if the Minister so directs, amend its retail supply management plan in accordance with the Minister's direction.
26.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(3)(a)	If the Minister or IPART so demands, or if any significant change is made to its retail supply management plan, the Retail Supplier must provide the Minister or IPART with a report, prepared by an approved auditor in such manner and form as the Minister or IPART may direct, as to the adequacy of the plan.

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
27.	WIC (General) Reg cl 13	WIC (General) Reg Schedule 2, cl 7A(3)(b)	Alternatively, the Retail Supplier must pay the Minister's or IPART's costs of conducting an investigation into the adequacy of the amended retail supply management plan.

<sup>a</sup> Licensees must immediately report an incident that threatens, or could threaten, water quality, public health or safety. The report must be made in accordance with the document "Incident Notification by Network Operators and Retail Suppliers" available from IPART's website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au). If there is a non-compliance with this licence obligation (ie if a licensee fails to immediately report the incident), then as soon as reasonably practicable after becoming aware of the incident, the licensee must report both the incident and the non-compliance (ie the failure to immediately report the incident) in accordance with sections 2.1 and 2.2 of this reporting manual.

**Table A.3 Retail Suppliers – water infrastructure – general reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Immediate</b>			
28.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 11	A Retail Supplier must not terminate the supply of water to any of its customers within the whole or any part of its area of operations unless it has given IPART and the Minister at least 14 days' written notice. (This does not apply in relation to any customer (other than a small retail customer) with whom the Retail Supplier has entered into a water supply arrangement that sets out procedures to be followed in connection with the interruption or termination of water supply.)
<b>Reporting frequency: Annual</b>			
29.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 7B(1)(a)	The Retail Supplier must have an internet website on which the following matters are available for inspection by members of the public: (i) the Retail Supplier's standard water supply contract for small retail customers; and (ii) the existence of any water restriction order that is in force in its area of operations.
30.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 7B(1)(c)-(g)	The Retail Supplier's website must contain: a) the retail supply management plan; b) the Retail Supplier's code of practice for complaints by small retail customers; c) the Retail Supplier's code of practice for debt recovery from small retail customers; d) details of any relevant government policy that applies to the Retail Supplier; e) the most recent auditor's report on the retail supply management plan.
31.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 10(1)(a)-(d)	A Retail Supplier must not enter into water supply arrangements under which it assumes obligations that it is unable to meet, or advertise that it is willing to enter into such arrangements, having regard to the: a) capacity of the relevant water source to supply water or the volume of water available to the Retail Supplier from that water source; b) quality of the water derived from that water source; c) water infrastructure from which the water is to be supplied; d) conditions on which the Retail Supplier has access to the infrastructure services provided by that infrastructure, whether pursuant to an access agreement or access determination or otherwise.
32.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 10(2)	A Retail Supplier must not enter into a water supply arrangement with a customer unless the premises to which the water is to be supplied are connected to, or readily connectible to, a water main to which the licensee has access.
33.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 12	A Retail Supplier must ensure its customers are kept informed of any water restriction that applies to them in any bill or other correspondence it sends to them while the restriction is in force.
34.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 14(1)	A Retail Supplier must not supply water to a small retail customer otherwise than under a water supply contract.

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
35.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 14(2)	A Retail Supplier of small retail customers' water supply contracts must address certain matters set out in the Table in clause 14 of Schedule 2 of the WIC (General) Regulation.
36.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 14(3)(a)-(b)	The contract to supply water of a Retail Supplier of small retail customers must provide that the licensee must not: <ul style="list-style-type: none"> <li>a) disconnect the customer's premises from the licensee's water main as a consequence of a customer's non-payment of a debt;</li> <li>b) reduce the flow of drinking water from a Retail Supplier's main below that necessary for basic sustenance and hygiene as a consequence of a customer's non-payment of a debt.</li> </ul>
37.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 14(4)	A Retail Supplier that proposes to supply water to a small retail customer on terms that are different from those set out in the Retail Supplier's standard water supply contract must notify the customer of the various differences before the customer enters into the contract.
38.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 14(5)(a)-(g)	Before entering into a contract to supply water to a small retail customer, a Retail Supplier must provide the customer with a disclosure notice that specifies: <ul style="list-style-type: none"> <li>a) the customer's name, and the address of the premises to be supplied;</li> <li>b) the date on which supply is to commence;</li> <li>c) the fees and charges that will be payable in respect of the supply;</li> <li>d) the circumstances in which the customer's premises may be disconnected from the water main;</li> <li>e) the Retail Supplier's procedures for handling customer complaints;</li> <li>f) the existence of any government-funded rebates for which the customer may be eligible;</li> <li>g) where the customer can obtain a copy of the contract.</li> </ul>

**Table A.4 Retail Suppliers – supply of non-potable water – reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Annual</b>			
39.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 9(1)(a)	A Retail Supplier of non-potable water must inform any customer to which such water is supplied as to the authorised purposes in relation to that water.
40.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 9(1)(b) and cl 9(2)	A Retail Supplier of non-potable water must not supply such water to any customer for use for an unauthorised purpose unless the water is to be processed by the customer to become water for which that purpose is an authorised purpose.

**Table A.5 Retail Suppliers – provision of sewerage services – reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Immediate</b>			
41.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 17	A Retail Supplier must not terminate the provision of sewerage services to any of its customers within the whole or any part of its area of operations unless it has given IPART and the Minister at least 14 days' written notice.
<b>Reporting frequency: Annual</b>			
42.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 7B(1)(b)	The Retail Supplier must have an internet website on which its sewerage service contract for small retail customers is available for inspection by members of the public.
43.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 7B(1)(c)-(g)	The Retail Supplier's website must contain: <ul style="list-style-type: none"> <li>a) the retail supply management plan;</li> <li>b) the Retail Supplier's code of practice for complaints by small retail customers;</li> <li>c) the Retail Supplier's code of practice for debt recovery from small retail customers;</li> <li>d) details of any relevant government policy that applies to the Retail Supplier;</li> <li>e) the most recent auditor's report on the retail supply management plan.</li> </ul>
44.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 16(1)(a)-(c)	A Retail Supplier must not enter into sewerage service arrangements under which it assumes obligations that it is unable to meet, or advertise that it is willing to enter into such arrangements, having regard to: <ul style="list-style-type: none"> <li>a) the sewerage infrastructure from which those services are to be provided;</li> <li>b) any limitations on the capacity of that infrastructure to dispose of waste;</li> <li>c) the conditions on which the Retail Supplier has access to the infrastructure services provided by that infrastructure, whether pursuant to an access arrangement or access determination or otherwise.</li> </ul>
45.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 16(2)	A Retail Supplier must not enter into a sewerage service arrangement with a customer unless the premises to which the water is to be supplied are connected to, or readily connectible to, a sewer main to which the licensee has access.
46.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 19(1)	A Retail Supplier must not provide a sewerage service to a small retail customer otherwise than under a sewerage service contract.
47.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 19(2)	A Retail Supplier's sewerage service contracts for small retail customers must address certain matters set out in the Table in clause 19 of Schedule 2 of the WIC (General) Regulation.
48.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 19(3)(a)	A Retail Supplier's sewerage contracts for small retail customers must provide that the licensee must not disconnect the customer's premises from the Retail Supplier's sewer main as a consequence of the customer's non-payment of a debt.
49.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 19(3)(b)	A Retail Supplier's sewerage contracts for small retail customers must provide that the licensee must not reduce the flow of sewage into a Retail Supplier's sewer main below that necessary for basic hygiene as a consequence of the customer's non-payment of a debt.



#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
50.	WIC (General) Reg cl 13(1)(b)	WIC (General) Reg Schedule 2, cl 19(4)(a)-(g)	<p>Before entering into a contract to supply a sewerage service to a small retail customer, a Retail Supplier must provide the customer with a disclosure notice that specifies:</p> <ul style="list-style-type: none"> <li>a) the customer's name, and the address of the premises to be supplied;</li> <li>b) the date on which supply is to commence;</li> <li>c) the fees and charges that will be payable in respect of the supply;</li> <li>d) the circumstances in which the customer's premises may be disconnected from the sewer main;</li> <li>e) the Retail Supplier's procedures for handling customer complaints;</li> <li>f) the existence of any government-funded rebates for which the customer may be eligible;</li> <li>g) where the customer can obtain a copy of the contract.</li> </ul>

**Table A.6 Retail Suppliers – Monopoly suppliers – reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Annual</b>			
51.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 9(1)(a)	A Retail Supplier of non-potable water must inform any customer to which such water is supplied as to the authorised purposes in relation to that water.
52.	WIC (General) Reg cl 13(1)(a)	WIC (General) Reg Schedule 2, cl 9(1)(b) and cl 9(2)	A Retail Supplier of non-potable water must not supply such water to any customer for use for an unauthorised purpose unless the water is to be processed by the customer to become water for which that purpose is an authorised purpose.

**Table A.7 Retail Suppliers – Retailers of Last Resort (RoLR) – reporting requirements**

#	Licence Condition	Obligations under condition	Brief description of obligation which, if not complied with, must be reported
<b>Reporting frequency: Annual</b>			
53.	WIC Act s 55(4)(a)	WIC Act s 55(1)	As soon as practicable after becoming an RoLR, the RoLR must, in accordance with the regulations, submit a contingency plan for meeting their obligations for the Minister's approval.
54.	WIC Act s 55(4)(b)	WIC Act s 55(4)(b)	A RoLR must maintain the arrangements set out in its contingency plan.
55.	WIC Act s 57(2)	WIC Act s 57(2)	In the case of a RoLR that is a licensed retail supplier, compliance with a Ministerial order is a condition of the retail supplier's licence.

## B Immediate licence non-compliance report template

Immediate licence non-compliance report

Time of licence non-compliance *[Insert date and time]*

Submitted by [Licensee]

ACN: [ACN]

[Licensee] reports as follows:

1. The company currently holds the following New South Wales WIC Act Licence(s) (strike out any that do not apply):
  - Retail Supplier
  - Network Operator
2. On *[Insert date]* and at *[insert time]*, there was/were (a) non-compliance(s) with the following licence clause(s):

*[Insert licence clauses(s) that were non-compliant]*
3. This report has been prepared by [Licensee] with all due care and skill, using all reasonable efforts to verify that all information provided in the report is true and correct, in full knowledge of conditions to which the Licensee is subject and in compliance with IPART's current Retail Supplier's Reporting Manual under the *Water Industry Competition Act 2006* (NSW).
4. Schedule A provides information on the licence non-compliance(s) incurred by [Licensee].
5. Once the licence non-compliance(s) have been rectified, [Licensee] will notify IPART of the actual date of full compliance.

IPART should liaise with [Name of primary contact] when communicating with [Licensee] with regard to the non-compliance. [Name of primary contact] may be contacted at [telephone number], [email address].

If [Name of primary contact] is unavailable at any time, IPART should liaise with [Name of alternate contact]. [Name of alternate contact] may be contacted at [telephone number], [email address].

Signed for and on behalf of

*[Insert Licensee's Name]*

ACN *[Insert ACN of Licensee]*



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*[signature of Director/Company Secretary]*    *[signature of Director]*

Name of Director/Company Secretary    Name of Director  
*[Print name]*    *[Print name]*

(Strike out any that do not apply)

**Schedule A      Details of licence non-compliance(s)**

Details of licence non-compliance	
Date and time that IPART <i>Director, Regulation &amp; Compliance</i> was verbally notified of the non-compliance	
The obligation with which the licensee is non-compliant	
Extent and nature of non-compliance (brief description)	
How many customers are affected?	
How many other licensees are affected?	
Reason(s) for the licence non-compliance	
Corrective action(s) taken to rectify the non-compliance and preventive actions taken to minimise reoccurrence of the non-compliance	
Contact details for person managing response to event	Name: Telephone number: Email address: Address:
Anticipated date of full compliance	

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## C Checklist for annual reporting

By no later than **1 September** each year, all licensees must lodge an electronic copy, and if requested a hard copy, of their Annual Compliance Report comprising of the following:

- Annual Compliance Report Certification (Appendix D)
- Licence non-compliance schedule (schedule A in Appendix D)
- Licence data (schedule B in Appendix D)
- Name and contact details (phone, email) of the main person we can liaise with when assessing the licensee's compliance. Please also nominate an alternate person for those times when the main contact is unavailable.

## D Annual compliance report template

Annual Compliance Report *[Insert Year]*

For 20\_\_/\_\_/\_\_

Submitted by [Licensee]

ACN: [ACN]

**To:** The Chief Executive Officer  
Independent Pricing and Regulatory Tribunal of NSW  
PO Box K35  
Haymarket Post Shop NSW 1240

[Licensee] reports as follows:

1. This report:
  - a) documents all non-compliances with the licence conditions to which [Licensee] is subject by virtue of its Retail Supplier's licence during [most recent financial year ending 30 June]; and
  - b) includes all Licence Data about [Licensee's] operations required to be reported in accordance with Schedule B of this Reporting Manual.
2. This report has been prepared by [Licensee] with all due care and skill, including to ensure that all information provided in the report is accurate and reliable, in full knowledge of conditions to which it is subject and in compliance with IPART's current Retail Supplier's Reporting Manual under the *Water Industry Competition Act 2006* (NSW).
3. Schedule A provides information on all obligations with which [Licensee] did not fully comply during [financial year].
4. Other than the information provided in Schedule A, [Licensee] has complied with all conditions to which it is subject.

IPART should liaise with [Name of primary contact] in regard to [Licensee] Annual Compliance Report. [Name of primary contact] may be contacted at [telephone number], [email address].

If [Name of primary contact] is unavailable at any time, IPART should liaise with [Name of alternate contact]. [Name of alternate contact] may be contacted at [telephone number], [email address].

**Signed** for and on behalf of  
*[Insert Licensee's Name]*

ACN *[Insert ACN of Licensee]*

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*[signature of Director/Company Secretary]*

*[signature of Director]*

Name of Director/Company Secretary

*[Print name]*

Name of Director

*[Print name]*

*(Strike out any that do not apply)*



## Schedule A Non Compliances<sup>12</sup>

# <sup>a</sup>	List obligations breached, including a brief description of each obligation <sup>b</sup>	Describe:
		<ul style="list-style-type: none"><li>i Date or period of licence non-compliance</li><li>ii Nature and extent of licence non-compliance (including whether and how many customers and/or other licensees have been affected)</li><li>iii Reasons for licence non-compliance</li><li>iv Remedial action taken</li><li>v Actual/anticipated date of full compliance</li></ul>

*[Insert rows as required]*

<sup>a</sup> See Appendix A. Licensees should indicate the relevant requirement number in column 1, for example, Retail Supplier #37.

<sup>b</sup> See Appendix A. Licensees should include, for example: WIC (General) Reg cl 13, WIC (General) Reg Schedule 2, cl 1(1) - A Retail Supplier must provide the Minister or IPART with such information as required in relation to licensee's activities under licence.

<sup>12</sup> Licensees should report only non-compliances that were identified during the reporting period.

## Schedule B

**Table 1 - Licence data**

Licence data#	Licence data <sup>a</sup>
L1	
L2	
<i>[Insert rows as required]</i>	

<sup>a</sup> See Appendix E.

Note: This template is available in Excel format at IPART's website.

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## E Licence data

IPART requires the information outlined below for administrative purposes (ie, to calculate the annual fees of WIC Act Retail Suppliers) and to inform our risk-based compliance approach.<sup>13</sup> Before 1 July 2018 IPART collected that information under the Performance Indicators section. As that information does not relate to water utilities' performance, we are now collecting it separately. The Licensee is to report these under Table 2 in the Schedule B under Appendix D.

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<sup>13</sup> *Water Industry Competition Act 2006* (NSW), s14.

**Table E.1 Licence data for Retail Suppliers**

Data number	Licence data	Definition
L1	Total volume of water supplied (ML)	The total volume of drinking and non-potable water supplied, including for environmental flows and bulk water exports in the financial year.
L2 <sup>a</sup>	Total volume of non-potable water supplied (ML)	The total volume of non-potable water supplied by the utility during the reporting year, in megalitres (ML).
L3 <sup>b</sup>	Total volume of wastewater collected (ML)	The total volume of wastewater collected by the utility during the reporting year, in megalitres (ML).
L4 <sup>c</sup>	Connected residential properties – water supply (000s)	The number of connected residential properties receiving water supply services from the utility during the reporting year (properties 000s).
L5 <sup>d</sup>	Connected non-residential properties – water supply (000s)	The number of connected non-residential properties receiving water supply services from the utility during the reporting year (properties 000s).
L6 <sup>e</sup>	Connected residential properties – wastewater (000s)	The number of connected residential properties receiving wastewater services from the utility during the reporting year (properties 000s).
L7 <sup>f</sup>	Connected non-residential properties – wastewater (000s)	The number of connected non-residential properties receiving wastewater services from the utility during the reporting year (properties 000s).
L8	Connected residential properties – recycled water supply (000s)	The number of connected residential properties receiving recycled water services from the utility during the reporting year (properties 000s).
L9	Connected non-residential properties – recycled water supply (000s)	The number of connected non-residential properties receiving recycled water services from the utility during the reporting year (properties 000s).

**a** NWI indicator W26

**b** NWI indicator W18

**c** NWI indicator C2

**d** NWI indicator C3

**e** NWI indicator C6

**f** NWI indicator C7

## Definitions

### Property

Means any single real property which is connected to the water utility's drinking water supply system, to the water utility's sewerage system or to the water utility's non-potable (or recycled) water system and a charge for the services provided by one or more of those systems is levied on the owner of the real property.

**Connected residential properties** include:<sup>14</sup>

- ▼ each apartment in a high-rise apartment complex
- ▼ each property in a department of housing unit complex
- ▼ each individual stand-alone residential property within a retirement village.

**Connected non-residential properties** include:<sup>15</sup>

- ▼ commercial and municipal properties
- ▼ shopping centres
- ▼ schools, universities, and technical colleges (TAFEs),
- ▼ hospitals and nursing homes
- ▼ shopping centres with separate connections for each shop are to be counted as one non-residential connection.

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<sup>14</sup> Supporting notes to NWI indicator C2, National urban water utility performance reporting framework: indicators and definitions handbook, January 2018

<sup>15</sup> Supporting notes to NWI indicator C3, *ibid*

## F Insurance expert's report template

It is a standard Licence condition for all licensed retailer suppliers under the WIC Act to obtain appropriate insurance prior to commencing commercial operation of the infrastructure (see Schedule B, clause B2 of the licence for full details).

Licensees must demonstrate that the insurance they have obtained is appropriate. This is established by providing a report to IPART from an insurance expert, certifying that in the insurance expert's opinion, the type and level of insurance obtained is appropriate for the size and nature of the activities authorised under the licence, and attaching all certificates of currency of insurances obtained. The insurance expert must be an insurance broker, holding an Australian financial services licence (AFSL) under Part 7.6 of the *Corporations Act 2001* (Cth) that authorises it to provide financial product advice for, and deal in, insurance contracts.

The report must be in the form prescribed by the reporting manual. This form is set out below. The report should also set out the insurance expert's AFSL number and ABN (or attach a copy of an AFS licence register search from ASIC providing these details). The expert must be able to state in the report that they have no conflicts of interest preventing them from providing the report.

This report may take four to six weeks (or potentially longer) to obtain, as it will require the insurance expert to undertake or review a risk assessment of the licensed activities in order to provide the information required in the report. Licensees should allow for sufficient time to obtain the report before commencing supply of retail services (or, for Brownfield schemes that have already commenced retail supply, within six months of the date on which the licence is granted or by a later date specified by IPART (if any)).

## Insurance expert's report template

The insurance expert's report required under licence condition B2 is to contain a certification statement with supporting attachments. The below certification statement is to be provided on the insurance broker's letterhead and signed by a Partner, Director or Senior Manager of the brokerage.

[Licensee's name and ACN] (Licensee) has engaged [Insurance broker's name, ACN and Australian financial services licence number] to provide this report to the Independent Pricing and Regulatory Tribunal (IPART).

This report concerns the licensee's insurance arrangements in relation to the activities authorised under the Network Operator's licence [insert No. ] and/or Retail Supplier's licence [insert No. ] (Licence) granted to the licensee under the *Water Industry Competition Act 2006* (NSW) (Act). Those activities are [enter a brief description of the authorised activities eg, the construction, operation and maintenance of and/or supply of recycled water from, the recycled water scheme at Rooty Hill]. The provision of this report is required by licence condition B2.

### Licensee's Insurance Arrangements

The attached Schedule A sets out:

- ▼ the type and level of insurance obtained by the licensee in relation to the activities authorised under the licence (Licensee's insurance arrangements), and
- ▼ the reasons as to why the Licensee's Insurance Arrangements are appropriate for the size and nature of the activities authorised under the licence.

### Certification

[Insurance broker's name] certifies to IPART that in its opinion, the Licensee's Insurance Arrangements are appropriate for the size and nature of the activities authorised under the Licence. In reaching this opinion, [Insurance broker's name] has:

- ▼ identified and analysed the key risks of the licensee undertaking the activities authorised by the licence as set out in the attached Schedule C, using the approach or methodology set out in the attached Schedule B
- ▼ reviewed the Licensee's Insurance Arrangements, and
- ▼ based on the information set out below:
  - considered whether the Licensee's Insurance Arrangements are appropriate for the size and nature of the activities authorised under the licence using the risk analysis set out in the attached Schedule C, and
  - considered any risks that remain wholly or partially uninsured and explained in the attached Schedule D what those risks are, why they are wholly or partially uninsured, and why this does not affect the certification given in this report.

In preparing this report, [Insurance broker's name] has:

- ▼ been briefed by the licensee on the activities authorised by the licence and on the Licensee's Insurance Arrangements

- ▼ reviewed the risk assessment in the following operational plans provided by the licensee:
  - Network Operator’s Water Quality Plan [*delete if not applicable*]
  - Network Operator’s Sewage Management Plan [*delete if not applicable*]
  - Network Operator’s Infrastructure Operating Plan [*delete if not applicable*]
  - Retail Supplier’s Retail Supply Management Plan [*delete if not applicable*]
- ▼ reviewed the risk register developed by the licensee
- ▼ reviewed evidence of the licensee’s current insurance policies, or of the insurance policies that the licensee will obtain before commencing commercial operation or supply of services, in the form of certificates of currency (where currently available) and the relevant policy schedules and policy wording. Where an insurance policy is written in a foreign language, [*Insurance broker’s name*] has reviewed an English translation or English summary of the policy, and
- ▼ [*insert details of other information/ documents reviewed or any other inquiries made*].

## Acknowledgments

[*Insurance broker’s name*] has prepared this report for the licensee.

[*Insurance broker’s name*] acknowledges that IPART may disclose this report:

- ▼ to the Minister administering the Act (Minister) and the Department of Planning and Environment (which currently administers the Act on the Minister’s behalf), and
- ▼ under the *Government Information (Public Access) Act 2009* (NSW) or the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW), or where otherwise required by law.

[*Insurance broker’s name*] also acknowledges that this report is for the benefit of the Minister and IPART, and that the Minister and IPART will rely on the report in performing their respective functions under the Act.

[*Include the following section if attaching certificates of currency to this report on behalf of the licensee*]

## Certificates of Currency

All certificates of currency for the insurances are attached in Schedule E.

[*Insert page break*]

## SCHEDULE A: Summary of current insurance arrangements

*Include a brief statement of the insurance arrangements the licensee has or intends to have in place prior to commencing commercial operation and/or supply of services.*

*For each insurance policy, the following information is to be summarised:*



<b>Policy type/class</b>	<i>(eg, Public &amp; Products Liability, Professional Indemnity, Industrial Special Risks, Environmental Impairment Liability, Workers Compensation, etc)</i>
<b>Parties Insured</b>	<i>[full name of entity to be insured – ensure covers the licensee, particularly where the licensee is a subsidiary company]</i>
<b>Policy number</b>	
<b>Policy period</b>	
<b>Insurer</b>	
<b>Risks/Interests insured</b>	<i>[Summary of what the insurance covers]</i>
<b>Limit of Liability, including notable sub-limits</b>	<i>[eg, \$ amount/s or ‘as provided under Legislation’]</i>
<b>Key Exclusions</b>	
<b>Policy Extensions</b>	<i>[if applicable]</i>
<b>Geographical Limits</b>	
<b>Evidence of Policy</b>	<i>[ie, Policy Wording &amp; Schedules (or Policy summary/translation where policy issued in another language); Certificate of Currency dated x (where available)]</i>
<b>Appropriateness of Policy</b>	<i>[insert commentary]</i>

*[Insert page break]*

## **SCHEDULE B: Risk profiling and analysis approach**

*Insert details of the approach used to identify and analyse risks. All business risks must be considered, whether insurable or not. The approach used should be consistent with the International Standard ISO 31000-2009, Risk Management – Principles and guidelines, as published by the International Organization for Standardization.*

*Explain how the risk is evaluated (or rated) and set out your risk evaluation criteria or descriptors in tables below.*

*[Insert page break]*

## **SCHEDULE C: Insurable risk analysis – key risks**

*Set out in table form the following:*

- ▼ each key risk identified, including a general risk type (eg, Product liability – water; Financial risks; etc) and a more detailed description of the risk or the risk scenario identified (eg, product causing property damage or personal injury; failure of critical equipment; inadequate funds available resulting in licensee’s bankruptcy; etc)
- ▼ your assessment or evaluation of the consequences of each key risk, including your risk rating (eg, this will be numbers and/ or descriptors, as described in Schedule B)
- ▼ an indication of whether or not the key risk is insurable or not (eg, yes/no/partially)
- ▼ an indication of what the applicable insurance or insurances for that key risk would be (ie, the policy type)
- ▼ an indication of whether the key risk is in fact insured (eg, yes/no/partially)
- ▼ any further insurance comments on the insurance cover for the risk (eg, extent of the cover) and the appropriateness of that cover (eg, This exposure will be picked up under the property policies of the asset owner; Generally the combined liability policy will provide cover for these risks, except in relation to...; etc)

*[Insert page break]*

## **SCHEDULE D: Wholly or partially uninsured risks**

*For each key risk that is currently wholly or partially uninsured, the following information should be set out in table form:*

- ▼ a description of each wholly or partially uninsured risk (eg, Legislative non-compliances of WHS, environmental, etc; Asset damage; Inadequate funds available resulting in licensee's bankruptcy; etc)
- ▼ whether there is an available insurance solution (eg, Yes, No, Partial or an explanatory comment such as: 'A statutory liability policy is available to provide cover for innocent non-compliances of legislation', etc) and
- ▼ comment as to why the risk is wholly or partially uninsured, and why this does not affect the certification given in this report (eg, A commercial decision has been made to self insure these exposures, and it is not considered a material risk exposure with respect to the licensee's project; Responsibility for insurance of the asset rests with the owner of the asset, not the licensee; Such cover is not typically purchased due to the high cost of obtaining such cover and therefore the licensee's insurance arrangements are considered standard industry practice; etc).

*[Insert page break]*

## **SCHEDULE E: Certificates of currency**

*The insurance broker may attach certificates of currency to the report where the insurances are already in place. If the certificates of currency are not attached to the report, the licensee must separately provide them to IPART before commencing commercial operation or supply of services.*