

21 May 2008

Water Industry Competition  
Department of Water and Energy  
GPO Box 3889  
SYDNEY NSW 2001  
[info@waterforlife.nsw.gov.au](mailto:info@waterforlife.nsw.gov.au)

Re: Water Industry Competition Regulation, 2008

Clearwater Technology Pty Ltd (Clearwater) is committed to a future of sustainable water infrastructure, which enhances recycling and reuse of water in all situations. We are pleased to see the development and implementation of the Water Industry Competition Act (2006) (WICA), and the proposed Water Industry Competition Regulation (WICR).

Some of the aspects that are presented in this draft that have positively developed from previously issued versions include:

- The ability for one application to be made when the Network Operator and Retailer are the one body;
- The exemption proposed for water or sewerage infrastructure that is wholly owned on premises owned by the one person or body, thus removing the burden on premises such as golf courses, caravan parks and the like (Clause 18, Part 2, section d);
- The reference in all Parts to the Australian Drinking Water Guidelines (ADWG) for water infrastructure and the Australian Guidelines for Water Recycling (AGWR) for sewerage infrastructure, recognising these as the peak reference documents for water quality;
- The ability to prepare and deliver all required Plans, under one corporate Plan (Clause 14), which will reflect the manner in which many commercial entities operate, and that this can be done after License application but prior to commissioning;
- The reference made to the Plumbing Codes and other codes of conduct to be prepared, to ensure a consistent but flexible framework.

Some further recommendations which we feel would enhance the Regulation include:

- Reference to relevant standards as peak documents (similar to the consideration given to the ADWG and the AGWR). These could include ISO 9000 for quality management, ISO 14000 for environmental management, HACCP for critical control point analysis and ASNZS 4360 for Risk Management. We would propose that these be referred to as 'guiding documents' for Plans to be based upon, rather than requiring certification;
- Where Ministerial approval is required for the License, and then later the Plans, that timeframes are regulated on the Minister to provide such approval. This can impact project delivery timeframes significantly if not deemed.



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We also seek clarification regarding the following matters:

- Clause 18, Part 2, section d, where wholly owned premises are license exempt. We need to confirm or otherwise that both the Network Operator and Retailer licenses are exempt under this Clause;
- Schedule 2, Part 1, Section 2 – implementation of government policy with respect to social programs. It is not clear what form and cost this may impose on a license for a given scheme. We seek to clarify that this would be clearer at the time of license application such that it is fully considered and costed at that time.

With respect to your request for submissions to estimate the additional cost that may be experienced by the WICR, we have determined the following business impacts:

- Most of the required Plans fall within our usual business practices, as part of our commitment to an Integrated Management System. However there are some which will require additional work to meet all the specified needs, and some that do not exist. In summary, we feel that to get to an improved corporate minimum will cost around \$10,000. This can be passed to clients via our project fees and ongoing service contract fees.
- Monitoring needs being in keeping with the AGWR represent business as usual for us. These costs are fully passed to our clients via the service contract.
- The enhanced requirements on the website will be an IT and web delivery upgrade for us, for which it is more difficult to estimate. However it is likely to be around \$20,000. This may be more difficult to recoup from clients and projects.
- We feel there will be some administrative impact due to the liaison and submission process for both the license and then later the plans. This can be passed on to clients via project fees and ongoing service contracts. We would estimate approximately \$5,000 per new project and an ongoing additional cost of around \$500 per annum.
- One significant additional cost will be the need for an accompanying auditors report for every Plan. This should be returned via client fees, but will also have an administrative burden. We would estimate administrative effort and auditor fees to be approximately \$7,000 per new site.
- Due to our lack of clarification with regard to commitments to social programs, we are unable to cost this possible financial impact.
- Due to the contract commitments for service contracts, we will need to enhance our current Service Agreement to reflect the proposed needs of WICR. This is estimated to be essentially a one-off cost to establish a corporate template of around \$5,000, then potentially another \$1,000 per project to finalise a site specific agreement.

Summarised, these costs equate to around \$15,000 per new site at project award, and an ongoing increased service fee of around \$1,500 per annum.

We congratulate the Department on its efforts to date to promote water recycling opportunities, with the implementation of the WICA and proposed WICR, and other plans and policies. We are more than happy to contribute further comment where required on the above areas, or to participate wherever possible in round table discussions with industry.



Yours truly,

DR THERESE FLAPPER  
Technical Director