Retail Supply Management Plan

flow systems

Document Issue Record

Issue Date	Revision	Issue	Issued To	Prepared By	Approved By
19/12/14	1.0	First	Flow	Felicity Clarke	Stephen McKewen
30/1/15	2	General review	Flow	Felicity Clarke	Stephen McKewen
19/6/15	3	Updated document numbers	Flow	Kirsten Evans	Steve Hall
11/2/16	4	General review	Flow	Candice Suttor / Laura Dixon	Steve Hall

Contents

1 Introduction

1.1 General

Flow Systems (Flow) is an independent water utility providing drinking water, recycled water and sewage management services to greenfield and urban infill communities. Flow's vision is to be a leader in local utility services valued by communities across Australia.

Flow will achieve this vision by providing high quality drinking water, recycled water, sewerage and customer services, in compliance with legal requirements, the Australian Drinking Water Guidelines (ADWG) and the Australian Guidelines for Water Recycling (AGWR).

This document is the Flow Systems' Retail Supply Management Plan (RSMP) as required by the Water Industry Competition Regulation (WICR) 2008 Schedule 1 clause 7A (1)) and forms a part of Flow's:

- commitment to compliance with the Water Industry Competition Act (WICA) 2006
- overall management plan framework for the provision of drinking water, recycled water and sewage management services.

1.1.1 Flow Business Management System (BMS)

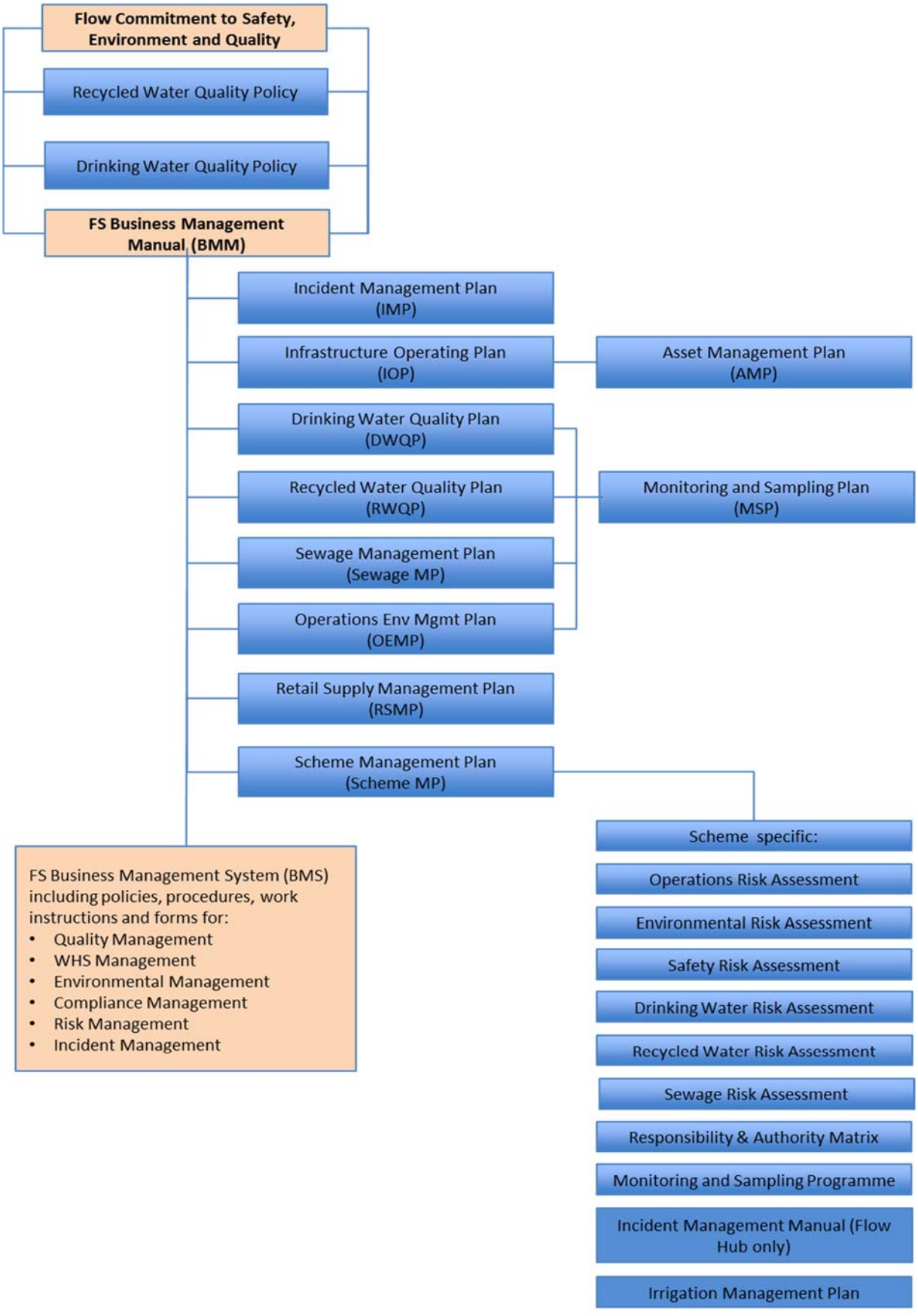
Flow operates to a Business Management System (BMS), an integrated management system addressing the requirements of:

- AS/NZS ISO 9001 Quality Management Systems
- AS/NZS ISO 14001 Environmental Management System
- AS/NZS 4801 Work Health and Safety Management Systems
- AS/NZS ISO 31000 Risk Management - Principles and Guidelines
- AS 3806 Compliance Programs
- PAS 55 Asset Management
- NSW Guidelines for Drinking Water Management Systems (2013)
- Interim NSW Guidelines for Management of Private Recycled Water Schemes (2008)
- Australian Drinking Water Guidelines (ADWG)
- Australian Guidelines for Water Recycling: Managing Health and Environmental Risks (Phase 1) and Australian Guidelines for Water Recycling: Managing Health and Environmental Risks (Phase 2) Stormwater Harvesting and Reuse (collectively referred to as AGWR)
- NSW Health Drinking Water Monitoring Program (2005).

This Retail Supply MP forms part of this system as shown in

Figure 1 Document Map. For further information regarding the Flow BMS refer to the Flow Business Management Plan (BMP).

Figure 1 Document Map



1.1.2 Scope

This document applies to Flow, its wholly owned subsidiaries and infrastructure owned and/or operated by the subsidiaries. Infrastructure wholly owned and operated by Owners' Corporations or the Public Water Utilities is not included in the scope of this RSMP.

1.1.3 Document Control and Review

This document is owned by the Executive Manager - Retail and will be reviewed on an annual basis as a minimum.

1.1.4 Key documents

This document should be read in conjunction with the key documents listed in **Table 1** that form the water quality management system components of the Flow BMS. Hyperlinks are provided for internal readers (click on the title).

Table 1 Key documents

Document	Acronym	Document Reference
Commitment to Safety, Environment and Quality	None	FS-ALL-AUS-CO-GOV-1211
Business Management Manual	BMM	FS-ALL-AUS-MN-GOV-1415
Recycled Water Policy	None	FS-WAT-AUS-PO-OPS-1310
Drinking Water Policy	None	FS-WAT-AUS-PO-OPS-1232
Scheme specific - Scheme Management Plan	Scheme MP	xx-WAT-xxx-PL-OPS-xxx
Drinking Water Quality Plan	DWQP	FS-WAT-AUS-PL-OPS-1241
Recycled Water Quality Plan	RWQP	FS-WAT-AUS-PL-OPS-1311
Sewage Management Plan	Sewage MP	FS-WAT-AUS-PL-OPS-1328

Document	Acronym	Document Reference
Infrastructure Operating Plan	IOP	FS-WAT-AUS-PL-OPS-1279
Asset Management Plan	AMP	FS-WAT-AUS-PL-OPS-1219
Monitoring and Sampling Plan	MSP	FS-WAT-AUS-PL-OPS-1288
Retail Supply Management Plan	RSMP	FS-WAT-AUS-PL-RET-1322
Incident Management Plan	IMP	FS-WAT-AUS-PL-INC-1266
Scheme Specific – Incident Management Manual	None	On Flow Hub
Scheme Specific – Operations and Communications Protocol with High Rise Communities	OCPHRC	xx-WAT-xxxx-PR-RET-xxxx
Home Owners Guide	HOG	FS-WAT-AUS-UG-RET-1569
Responsibilities and Authorities Matrix	RAM	FS-WAT-AUS-FM-OPS-1316

1.2 Responsibilities and authorities

The responsibilities and authorities for implementing the requirements of this plan are documented in the Responsibilities and Authorities Matrix (RAM).

1.3 Flow Schemes

Flow typically provides drinking water, recycled water and sewage management services to its communities.

Flow operates two types of schemes:

- Land and Housing (LH)
- High Rise (HR)

LH schemes service new land release projects where residential and often retail and commercial entities are on separate torrens title and the reticulation is predominantly in

public streets dedicated as part of the subdivision's land registration. The local water centers (LWC) that treat the sewage and produce recycled water in LH schemes are typically free-standing buildings on separate torrens title.

HR schemes service a number of buildings that comprise residential, retail and commercial entities often on strata title. In this case, most of the reticulation assets remain the ownership of the bodies corporate for the buildings but will often include some assets owned by Flow to connect the buildings to each other and to the LWC. The LWC in HR schemes may be either a free-standing building on separate title or may be formed by equipping part of the basement of one of the buildings in the development.

For a more detailed overview refer to the IOP and for a full scheme-specific description refer to the relevant Scheme Management Plan (Scheme MP).

1.4 Legal and Other Requirements

1.4.1 Water Industry Competition Act (WICA) and Regulations (WICR)

The WICA 2006 establishes a licensing regime for private sector entrants to the water and wastewater industries to ensure the continued protection of public health, consumers and the environment.

The WICR 2008 sets out the matters a licence application must address, standard licence conditions, information to be contained on the register of licenses and the retailer of last resort provisions.

There are two types of licenses:

- Network operator's licence - A network operator's licence must be obtained to construct, maintain or operate water industry infrastructure.
- Retail supplier's licence – A retail supplier's licence must be obtained to supply water (drinking water or recycled water) or provide sewerage services by means of water industry infrastructure.

1.4.2 Licenced Retailer and Network Operator

Under the WICA (2006):

- Flow holds a retail supplier's licence authorising Flow to supply water or provide sewerage services by means of water industry infrastructure.
- Flow and its subsidiaries hold network operator's licences authorising Flow and its subsidiaries to construct, maintain and operate specified water industry infrastructure for the purposes identified in the licence.

These responsibilities are communicated via this DWQP to all employees, as outlined in Section 2.1

The schemes are operated and maintained to comply with the relevant codes of conducts as per Water Industry Competition (General) Regulation 2008, Schedule 1 cl. 5.

1.5 Purpose of the RSMP

This Retail Supply Management Plan (the "Plan") is developed for the following purposes:

- To identify those events or circumstances which may affect the supply of Services, and to assess the probability of the such events or circumstances
- To implement appropriate back-up procedures including arrangements for alternative supply in response to such incidents
- To outline the policies and procedures to ensure compliance with Flow Systems group's codes of practice in relation to:
  - customer complaints
  - missed payments and debt recovery
  - marketing and transfer

2 Customer Services

2.1 Customer Contact

Flow Systems provides customer services and support through its web-based Customer platform. Customers will have online access to all relevant information relating to:

- Connections
- Billing and general Customer account information
- Diagrams and site maps relating to the Customer's property

In addition, Flow Systems will offer phone and on-line e-mail support ensuring all Customer enquiries and complaints are dealt with efficiently.

2.2 Customer Enquiries and Complaints

Flow Systems has developed a Code of Practice for Customer Complaints which is consistent with the Australian Standard for complaints handling AS ISO 10002—2006. Flow Systems is committed to treating complaints promptly, fairly, equitably, confidentially and professionally and at no cost to the customer. Flow Systems has also worked with NSW Health to develop a water quality complaints process.

It is Flow Systems' intention to incorporate and implement the relevant water industry code of conduct once is it finalised. Flow Systems' Code of Practice for Customer Complaints is available on Flow Systems' website. Customers are able to review this before they agree to be bound by Flow Systems' standard Customer Contract, which governs the terms and conditions on which Customers receive the Services.

Customers are generally the owners of the property to which Services are supplied. However, in the case where owners are not the occupiers of the property, Flow Systems' Code of Practice for Customer Complaints will apply equally to the treatment of any enquiry or complaint by the tenant despite the tenant not being a Customer

2.3 Missed Payments and Debt Recovery Code of Practice

Flow Systems is committed to assisting Customers in relation to timely bill payment but recognises there may be circumstances where timely payment is compromised (including financial hardship and other factors beyond a Customer's control).

Flow Systems has developed a Code of Practice for Missed Payments and Debt Recovery. The Code specifies steps that Flow Systems will take in relation to overdue bills, unpaid bills and disputes. For instance, a short term payment plan will be available for Customers suffering financial hardship.

The Code of Practice for Missed Payments and Debt Recovery is available on Flow Systems' website and customers will be made aware of the Code prior to commencement of supply.

In no event will an essential service to a Customer be disconnected as a result of non-payment. In exceptional cases, such as willful damage to our water supply system or a serious health or environmental risk caused by backflow of any substance from a Customer's

water supply system into our water supply system, Flow Systems reserves its right to either manage pressure levels in the delivery of Services or disconnect. If Flow Systems restricts the supply of Services, it will provide both the Customer and the tenant (in the case where our Customer is the landlord) with reasonable notice that it intends to restrict supply and continue to provide a reasonable flow for basic health and hygiene purposes.

3 Incident Identification and Responses

3.1 Incident Identification and Responses

Flow Systems is committed to the uninterrupted supply of Services to its Customers to the extent practically possible in the event of any incidents in the network being operated and maintained by Flow and on which Flow Systems relies for the provision of Services to Customers. The Network has been designed to ensure that in the event of any incident the chance of interruption to the supply of Services is minimised by virtue of redundancy and back-up/ stand-by features in the Network.

Flow Systems has identified those incidents which may occur below; it has assessed the probability of their occurrence and has listed its response.

Flow Systems is committed to minimising any inconvenience to the Customer in the event of the occurrence of any incident.

3.2 Water Sources

Refer to the scheme specific Scheme Management Plan.

3.3 Water Demands

Refer to the scheme specific Scheme Management Plan.

3.4 Risk Assessment

A series of Risk Assessment workshops have been conducted to identify and establish processes to mitigate any health and environmental risks and to ensure that interruptions are minimised. Workshop participants included representatives from Flow Systems and key partners and suppliers in connection with the Network.

Output from the workshops included a detailed risk assessment and an Incident and Emergency Response Management Plan for the Network. Flow Systems will review both the risk assessment and the Incident Management Plan annually in order to identify and incorporate any necessary changes.

3.5 Interruption Due to Incidents or Operational Problems

Design of the Network includes a level of redundancy to ensure that it can operate reliably and loss of supply due to operating problems will be rare.

In all LH schemes allowance has been made to connect a temporary generator at the recycled water facility in the event of a long term power outage. At all HR schemes UPS systems are installed to supply back up power to vital control systems for a limited period of time however water supply to HR buildings is reliant on building booster pumps which are owned and operated by body corporates, therefore typically water supply would not be restored until power is restored.

The recycled water facility has full redundancy in the major process trains, i.e. pumps, tanks, MBR membranes, UV systems, blowers etc.

The Network delivery system includes a flow balance storage tank regulating delivery of sewage into the recycled water facility, as well as recycled water storage tanks to smooth out supply fluctuations.

Where applicable, drinking water is supplied to Flow under an inter-utility services agreement with a bulk drinking water supplier.

The following contingencies have been put in place to mitigate the risk of breakage on the Network's reticulation infrastructure:

The Network is monitored on a 24 hour basis, seven days per week with early warning alarms and equipment condition tested through monitoring of critical control points.

Early warning alarms allow Flow to identify and follow any short term trend and take appropriate corrective action to rectify any water quality or supply issues and avoid interruption to supply.

Maintenance regimes have been put in place by Flow Systems and its suppliers to ensure that the Network operates continually and reliably. Planned maintenance that necessitates a partial or full shutdown of equipment will be scheduled in periods of low demand so that supply can be maintained wherever possible.

To the extent that there are interruptions due to operating problems, these issues will be temporary and corrected by Flow as specified in the infrastructure operating plans as submitted in connection with Flow's Network Operator's Licence application

In the event that any part of the recycled water Network is damaged by any party or a force majeure event, then supply may need to be interrupted while the damage is repaired.

Reasonable precautions have been taken to prevent such occurrences such as registration of all Network master plans with Dial before you Dig, mechanical protection such as bollards have been built around critical supply infrastructure, continuous Network surveillance is also in place via telemetry.

3.6 Interruptions to Sewage Service

In the event that there is any material incident in relation to the sewerage delivery part of the Network, wastewater may be diverted from the recycled water facility via by-pass to the adjacent water utilities sewerage system, where available and agreed with the operator of the adjacent sewerage system. Accordingly, in these circumstances Customers will continue to receive uninterrupted sewage service supply.

The following incidents have been identified as a possible cause for interruption to wastewater supply to the recycled water facility: nil supply due to breakages in the reticulation system leading to overflows or leakages. The probability of each of these incidents has been identified as low. In each case Flow has both systems and redundancy

measures in place to prevent or minimise the disruption of supply. Early detection systems include remote telemetry alarms and notification by Customers.

Through Flow's Incident Management plan, a wastewater event would be triggered; this triggers an emergency response call out team under arrangements with appointed contractors. Further, Flow can isolate the incident and switch to Network redundancy; spare parts and or arrange alternative supply of services via pump outs/cartage are further aspects of our back-up arrangements to minimise disruption in delivery of Services to Customers.

3.7 Interruptions to Recycled Water Supply

The recycled water facility itself and associated reticulation Network infrastructure has been designed such that it can operate reliably and consistently to supply recycled water to the required specification so that the probability of interruption due to supply issues is low. The following incidents have been identified as a possible cause for interruption to recycled water supply: nil supply due to wastewater supply Network incidents, leakage, and water quality. The probability of each of these incidents has been identified as low.

In each case Flow has both systems and redundancy measures in place to prevent or minimise the disruption of supply. Early detection systems include, telemetry alarms and notification by Customers. Through Flow's Incident Management Plan, a recycled water event would be triggered.

The recycled water facility is configured so that drinking water can be used as a backup supply to recycled water.

3.8 Interruptions to Drinking Water Supply

Under the inter-utility services agreement with the bulk drinking water supplier (where applicable), the bulk drinking water supplier will work with Flow to restore the service as quickly as possible. Flow will provide as much information as practicable on the Flow website. The service will advise you how long the interruption is likely to last, and how to obtain supplies of water, where applicable.

Flow will work with the bulk drinking water supplier to provide access to emergency supplies of water where reasonable and necessary having regard to the particular circumstances.

3.9 Disruptions to Customer Centre

In the event that there is an internet failure and Customers are unable to use the Customer Centre, Customers will be able to use the 1300 enquiries telephone number.

3.10 Explanation of Terms

Network redundancy – Sewage and recycled water mains have redundancy built into the Master plan design for the Network. Different routes can be utilised to bring sewage to the recycled water facility and to deliver recycled water to Customers, should a main be affected or out of service for any reason.

Systems redundancy – Smaller systems such as pump sets, blowers, tanks, UV systems etc., have been duplicated. If one unit becomes unavailable, then standby equipment is available to use to keep the process running.

Drinking water top-up – this will be used should the recycled water facility be unable to meet the recycled water demand (e.g. insufficient sewage, or facility shutdown). The facility is configured so that drinking water tops up the recycled water storage tanks and is delivered through the recycled water mains network. Should the recycled water main become unavailable, a maintenance contract is in place to immediately repair the pipes on a 24 hours, seven day/week basis.

4 Evaluation and Auditing

Flow Systems has an evaluation program to enable the adherence to its Code of Practice for Customer Complaints, Debt Recovery, the Marketing Code of Conduct and the Transfer Code of Conduct. Evaluation is undertaken internally by management whilst periodic auditing is conducted by an independent third party on behalf of IPART.

Furthermore evaluation is used in planning and overall system improvement. In summary the key deliverables from the evaluation process are as follows:

4.1 Evaluation

Through the assessment of long term (i.e. 12 months or greater) data:

- Assess long term performance against Flow Systems' various Customer code objectives
- Identify emerging issues.
- Plan and or identify process improvements.

In order to ensure the long-term adherence, Flow Systems processes are monitored to proactively identify problems, the following is implemented:

Once per year, the Retail KPI performance is presented, allowing discussion, review and forward planning. The following is included in the presentation:

4.2 Key performance data trends over the year

- Summary of incidents, causes and remediation actions
- Any changes to Services over the year, requiring updates to the RSMP.

4.3 Auditing

To ensure that Flow continues to meet its quality performance standards and its obligations under its Customer Codes, Flow Systems will periodically perform audits of:

- the Customer Relationship Management system
- operational and customer communications activities
- the effectiveness of incident and emergency response or other specific aspects of water quality management

Flow Systems performs internal evaluations regularly, with external audits performed periodically at IPART's direction. The external audits have a specific focus on:

The adequacy and effectiveness of measures taken by Flow to maintain those quality and performance standards referred to in the licence over the period from the previous audit.

A dedicated audit report is presented by the external auditing party. This is distributed to the relevant stakeholders. All actions are transferred across into the monthly internal management report for tracking, including:

- Action
- Responsibility

- Progress
- Due date

Any outstanding actions are transferred across to the yearly regulatory/stakeholder report, with an inclusion on the reasoning for the action outstanding. A summary of the results from the audit is included in the yearly regulatory/stakeholder report.

4.4 IPART notification process

IPART will be informed within a timely manner of changes to the services it provides. The following are triggers for changes:

- Changes in the services Flow Systems provides, i.e. any services to industrial customers within the catchment
- Changes in the corporate structure within Flow Systems
- Changes in inter-utility water supply agreements
- Changes in the risk assessment based on updated information

5 Review and Improvement

Feedback from the following stakeholders is used to continuously update this Plan:

- Flow Systems' board of directors, management and operators
- Customers
- Local Council
- Community groups
- Regulators
- Contractors
- Suppliers
- Service providers

The results from the review and auditing processes are used to update and improve the Plan as required.

5.1 Quality assurance

As part of Flow Systems' commitment to ensure the complete management plan remains up-to-date, remains relevant and effectively documents the management of the risks associated with retail supply of Services pursuant to its retail supplier's licence, the triggers for a Plan review include:

- Changes in regulatory requirements (as monitored by Flow Systems)
- Changes to the Services supplied
- Changes required by the management of Flow Systems
- Changes requested and approved by relevant stakeholders.
- Changes to the operational structure of Flow Systems
- 12 months has passed since a risk review has been completed.

5.2 Training

Flow Systems has developed its own in-house company-specific training programs for all Customer Services staff, supplemented with training delivered by a 3rd party training services providers from time to time. Flow Systems regularly reviews staff records to ensure that they are adequately trained to effectively and efficiently fulfil the required role. The following approach will be used for the review:

After a maximum period of 12 months Flow Systems will review training records to ensure requirements are adequately covered and the necessary information included after any incident, which may be linked to staff fault, Flow will review the training requirements of the Retail staff.

5.3 Marketing Code of Conduct

Flow Systems is committed to following the Marketing Code of Conduct as set out in the Water Industry Competition (General) Regulation 2008.

Accordingly we will:

- not engage in misleading, deceptive or unconscionable conduct, whether by act or omission;
- not exert undue pressure on a Customer, nor harass or coerce a Customer;
- ensure that information provided to Customers is truthful and in plain language;
- ensure that information provided to individual Customers is relevant to that Customer's circumstances; and
- provide only timely, accurate, verifiable and truthful comparisons.

5.4 Transfer Code of Conduct

Flow Systems is committed to following the Transfer Code of Conduct as set out in the Water Industry Competition (General) Regulation 2008.

5.5 Compliance

Flow Systems recognises that it is obliged to systematically manage and regularly review its risk profile at a strategic, operational, and project level. Flow Systems has developed risk management and compliance management procedures that determines the process and identifies tools for realising its objectives.

Flow Systems is committed to:

- Conducting all of its business operations and dealings in full compliance with the law, and ensuring that all its employees understand what they must do so that Flow Systems achieves full compliance

- In order to deliver on its commitment to full compliance with the law, Flow Systems will:
  - Establish and maintain governance structures, management systems and controls and reflect the nature of the obligations and associated compliance risks
  - Foster and maintain a culture that values and supports compliance through strong leadership, participation, training and development
  - Monitor the regulatory environment and record and administer applicable obligations
  - Assign responsibility for managing compliance with every obligation to responsible managers
  - Monitor compliance performance including requiring periodic assurances as to compliance from responsible managers
  - Engage in periodic audits and reviews of compliance and compliance systems which may be self-instigated or required by regulators
  - Coordinate the preparation of both internal and external reports regarding compliance
  - Receive, investigate and respond to complaints and reports of compliance issues
- Flow Systems has developed its management infrastructure, operating systems, procedures and policies, to enable it to comply with relevant industry specific regulations and codes.
- The compliance management systems are overseen by Flow Systems' Executive Risk Management Compliance Committee.