

APPLICATION FORM FOR THE ISSUE OF A LICENCE BY THE ESSENTIAL SERVICES COMMISSION OF SA UNDER THE WATER INDUSTRY ACT

Application Form

THIS REGULATORY DOCUMENT SHOULD BE READ IN CONJUNCTION
WITH THE FINAL ADVICE



Enquiries concerning the currency of this form should be addressed to:

Essential Services Commission of South Australia

GPO Box 2605

Adelaide SA 5001

Facsimile: (08) 8463 4449

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AMENDMENT RECORD (since MONTH 2012)

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**Application form for the issue of a licence by the Essential Services Commission of SA under
the Water Industry Act 2012**

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INFORMATION FOR APPLICANTS BEFORE FILLING OUT THIS FORM

Purpose of this form

This form is to be completed by persons making an application to the Essential Services Commission of South Australia (the **Commission**) for the issue of a licence to provide a retail service (or undertake any other activity for which a licence is required by the regulations) in the water industry in South Australia.

The Commission may consider joint applications from two or more persons who wish to hold a licence jointly. Persons making joint applications must ensure that each of the applicants completes a separate application form together with a covering letter explaining that the application is for a licence to be jointly held.

Basis for this form

Section 19(1) of the *Water Industry Act 2012* (the **Act**) provides that an application for the issue of a licence must be made to the Commission in a form approved by the Commission. This is the form approved by the Commission.

Use of this form and applicant's responsibility

For the purpose of this application form, a reference to the term "Officer" include the applicant's directors and secretary, and/or other persons who make or participate in making decisions that affect a substantial part of the business of the applicant (e.g. Chief Executive Officer, Chief Financial Officer, General Manager etc.).

Applicants should list the information requested in the spaces provided in this form and enclose additional information when required. Applicants must take all reasonable steps to ensure the information provided in the application form is complete, true and correct and are required to make a declaration to that effect. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the suspension or cancellation of a licence at a later time.

Applicants are responsible for providing the Commission with current, accurate and relevant information. This will ensure that the application is processed promptly and without delay. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, the Commission will request additional information to be submitted before the application is considered further. This may cause delays in the assessment of the application.

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Prior reading

It is essential that licence applicants read the Commission's Water Bulletin – "*Licensing Arrangements for the Water Industry*" before they fill out this form. This Bulletin is available on the Commission's website www.escosa.sa.gov.au under water/licensing. Applicants should also familiarise themselves with the regulatory obligations set out in the Act and the Water Retail Code that will apply to entities that provide retail services.

Licence conditions

Section 25 of the Act requires the Commission to impose certain conditions in licences. The Commission strongly recommends that applicants review these mandatory conditions. Applicants must be familiar with the relevant conditions and be confident that they can comply with the conditions. The Commission will have regard to the scale and nature of the operations undertaken by an applicant in imposing these conditions and will be available to consult with an applicant in this regard.

Consultation and Confidentiality

The Commission will consult with relevant government, industry and consumer groups in the conduct of its licensing functions through a public consultation process. Consequently, applications and/or supporting information will be made available on the Commission's website and in hard copy from the Commission's office for this purpose.

If applicants believe that they are providing confidential information when completing this form they should write "this information is confidential" after any such information. It is the applicant's responsibility to ensure this is clearly highlighted on the form. Applicants should also provide a 'non-confidential' version of the form capable of publication on the Commission's website.

The Commission will use information supplied in applications and in support of applications in accordance with the requirements of Part 5 of the *Essential Services Commission Act 2002*. Applicants claiming confidentiality are encouraged to familiarise themselves with Part 5. Applicants should note that the Commission may be required to disclose confidential information in some circumstances.

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How to lodge an application

Applicants should send their completed application form in writing and electronically.

In writing to: Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

Electronically to: licensing@escosa.sa.gov.au

Application fee

Applicants must also enclose an application fee (which is to be set by the Treasurer) with their application. This fee must be received by the Commission in cleared funds before it can commence assessing an application.

Annual licence fee

Holding a licence incurs an annual licence fee. The licence fees are set by the Treasurer, however, are collected by the Commission. At annual intervals, the Commission, on behalf of the Department of Treasury and Finance, will send to each licensee an invoice for the relevant annual licence fee. Licence fees are to be paid on receipt of an invoice via one of the payment options set out in the invoice.

A licence cannot be issued until the first annual licence fee has been paid.

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1. THE APPLICANT

Applicants must answer all questions in this section.

1.1. *Identity of applicant*

State the full name of the applicant. The applicant should be the person/entity that will be providing a retail service (e.g. retail or distribution operations etc). The Commission can also consider joint applications from two or more persons who wish to jointly hold the licence. Joint applicants should each complete an application form, and submit their application forms at the same time, with a covering letter explaining that a joint application is being made.

Name: Roxby Water

1.2. *Legal identity of applicant*

Provide information about the applicant, (i.e. whether the applicant is a natural person, proprietary limited or public company, partnership or local government body etc). If the applicant is a body corporate, please also state the jurisdiction in which the applicant is registered, and the applicant's ABN/ACN.

Municipal Council of Roxby Downs (Local Government Body)

ABN 68 284 130 046

1.3. *Address and Contact Details of applicant*

Business Address:

6 Richardson Place Roxby Downs

State: SA **Post Code:** 5725

Postal Address (if different to Business Address):

PO Box 124 Roxby Downs

State: SA **Post Code:** 5725

Telephone: 08 8671 0010

Facsimile: 08 8671 0452

E-mail: roxby@roxbycouncil.com.au

1.4. *Contact Person on behalf of applicant*

The full name, title and contact details of a person to whom the Commission can direct enquiries and correspondence about the application.

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Full Name: William James Boehm

Title: Administrator

Business Address:

6 Richardson Place, Roxby Downs

State: SA **Post Code:** 5725

Postal Address (if different to above):

State: **Post Code:**

Telephone: 08 8671 0010

Facsimile: 08 8671 0452

E-mail: roxby@roxbycouncil.com.au

1.5. Contact person for licence fees

The full name or title of the person to whom the Commission can direct enquiries and correspondence about licence fees.

Full Name: Vanja Perovic-Vukotic

Title: Financial Accountant

Business Address:

6 Richardson Place, Roxby Downs

State: SA **Post Code:** 5725

Postal Address (if different to above):

State: **Post Code:**

Telephone: 08 8671 0010

Facsimile: 08 8671 0452

E-mail: roxby@roxbycouncil.com.au

2. THE LICENCE

Applicants must answer all questions in this section.

2.1. *A detailed description of the retail services for which a licence is sought*

For example:

Water: drinking- residential and/or non-residential;

Water: non-drinking – residential and/or non-residential;

Sewerage: residential and/or non-residential; and

Sewerage – trade waste – non-residential.

Applicants should provide detailed information in respect of where the retail services will be provided and to whom (i.e. type and number of customers)

Provision of water, sewerage and sewerage recycling services to the Roxby Downs Township. This includes the following:

- **Water: drinking- residential and/or non-residential;**
- **Water: non-drinking – residential and/or non-residential;**
- **Sewerage: residential and/or non-residential; and**
- **Sewerage – trade waste – non-residential**

Currently there are some 1693 water accounts located within the township that are supplied with water and sewerage services. Pricing wise and service wise there is no distinction between types of customers. The following broad categorisation has been adopted.

Irrigation	1
Vacant Land Residential	48
Vacant Land Business	13
Vacant Land Water	7
Water Business	64
Water Residential	1453
Water Only	107

With the exception of Water Only classification plus 3 others all of the above receive and are charged for a sewerage service

Council also provides sewer reuse water for the Council ovals and Roxby Downs Golf Club. No charge is made for the provision of this reuse water.

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2.2. Date from which Licence is sought

If the applicant seeks to have the licence issued by a certain date, provide this date. Please note that the Commission does not undertake to issue the licence by this date. Applicants should usually allow the Commission a minimum of eight weeks to consider an application, as a public consultation period of several weeks forms part of the Commission's consideration of licence applications.

Currently providing these services in accordance with the provisions of the Roxby Downs (Indenture Ratification) Act 1982 but required to be licences as from 1 January 2013.

3. SUITABILITY OF APPLICANT TO HOLD A LICENCE

Applicants must answer all questions in this section.

3.1. *Standard of honesty and integrity shown by applicant*

In deciding whether the applicant is a suitable person to hold a licence, the Commission may:

- consider the applicant's previous commercial and other dealings, and*
- the standard of honesty and integrity shown in those dealings.*

Please provide information that will assist the Commission in its consideration of this matter. If the applicant:

- has been found guilty of any criminal offence,*
- has been successfully prosecuted under any Territory, State or Commonwealth legislation (such as the Australian Securities and Investments Commission Act 2001 or the Competition and Consumer Act 2010); or*
- has been the subject of disciplinary action,*
- details of such matters must be disclosed. Failure to disclose such information or misrepresent any matter relevant to such information may result in the cancellation of a licence.*

The Commission may use the service of an external expert to assist with the assessment of the applicant's standard of honesty and integrity.

Council has not been found of any criminal offences and hasn't been subject to any disciplinary actions.

3.2. *Standard of honesty and integrity shown by officers and major shareholders (if relevant) of the applicant*

Applicants should address responses to this question in the same manner as 3.1 above.

Council has not been found of any criminal offences and hasn't been subject to any disciplinary actions.

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3.3. *Names and addresses of the officers of applicant*

State the names and addresses of the officers of the applicant. "Officers" of the applicant include the applicant's directors and secretary, or other persons who make or participate in making decisions that affect a substantial part of the business or operations of the applicant that will be licensed.

Full Name: William (Bill) James Boehm (Administrator)
Date of Birth: 24/09/1955
Office Held: Administrator
Business Address: 6 Richardson Place, Roxby Downs
State: SA **Post Code:** 5725

Full Name: Vanja Perovic-Vukotic (Financial Accountant)
Date of Birth: 17/10/1969
Office Held: Financial Accountant
Business Address: 6 Richardson Place, Roxby Downs
State: SA **Post Code:** 5725

Full Name: Lisa Graefe (Water Services Billing Officer)
Date of Birth: 16/04/1986
Office Held: Water Services Officer
Business Address: 6 Richardson Place, Roxby Downs
State: SA **Post Code:** 5725

Full Name: Trevor Kroemer (Water & Sewerage Manger)
Date of Birth: 20/02/1949
Office Held: Water & Sewerage Manager
Business Address: 6 Richardson Place, Roxby Downs
State: SA **Post Code:** 5725

Full Name: Damien Condon (Water & Sewerage Officer)
Date of Birth: 22/08/1969
Office Held: Water & Sewerage Officer
Business Address: 6 Richardson Place, Roxby Downs
State: SA **Post Code:** 5725

(attach additional pages if necessary)

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3.4. *Names and addresses of major shareholders of applicant (not relevant for local council applicants)*

State the full names and addresses of the major shareholders of the applicant.

Not Applicable

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3.5. Details of the group members (not relevant for local council applicants)

This is information about entities controlled by the applicant, or by the ultimate parent entity of the applicant (if applicable).

Not Applicable

3.6. Additional information

Please answer the following questions.

- *Is the applicant a resident of, or does it have permanent establishment in, Australia? If the answer to this question is "no", please provide further details.*

Yes

- *Is the applicant under external administration (as defined in the Corporations Act 2001) or under a similar form of administration under any laws applicable to it in any jurisdiction? If the answer to this question is "yes", please provide further details.*

No. Not Applicable.

- *Is the applicant immune from suit in respect of the obligations under the Water Industry Act 2012? If the answer to this question is "yes", please provide further details.*

Most likely no but if there is any inconsistency with respect to the provision of the Roxby Downs (Indenture Ratification) Act 1982 (Indenture) then the provisions within the Indenture prevail

- *Is the applicant capable of being sued in its own name in a court of Australia? If the answer to this question is "no", please provide further details*

Yes

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3.7. Financial resources available to the applicant

Provide information about the financial resources available to the applicant which provides sufficient evidence of the current and ongoing financial capacity of the applicant to effectively provide the relevant retail services (e.g. bank guarantees, credit history and business continuity arrangements).

If the applicant is a company, please enclose a copy of the audited (and Board approved) profit and loss statement and balance sheet for the previous two financial years, including the director's report and the audit opinion. If the applicant is a subsidiary company, please also provide a copy of the audited profit and loss statement and balance sheet of the applicant's parent company for the previous two financial years.

If an applicant is a local council, please enclose a copy of the audited profit and loss statement and balance sheet for the previous two financial years.

Applicants should also submit copies of business plans which detail the strategic direction of the applicant, including its objectives, identified opportunities in the market place and forecast results.

Audited Reports provided in the attachment (Appendix1). Roxby Water operates as Business Unit of the Roxby Downs Council in part to fulfil the funding provisions contained within the Indenture. Copy of Council's Strategic Management Plan (Appendix 2) and 2012/13 Annual Business Plan and Budget (Appendix 3) are attached.

3.8. Human resources available to the applicant

Provide information about the human resources available to the applicant, for example, the number of employees and the experience of these employees in providing the services for which the licence is sought. If the applicant will employ contractor/s to assist with the licensed operations, please provide the name of that contractor/s, and details about the experience of the contractor/s in such operations and details of the processes in place to ensure the contractor/s will comply with the regulatory obligations imposed by the licence.

Roxby Water has 3 full time staff working directly for in the provision of water and sewerage management and billing services to customers. However Council has 27 staff many of which have other supporting roles directly connected to the operations.

Council also uses a suite of external technical and management consultants for its operations. Most of the senior officers and consultants used would have at least 20 -25 years experience within the relevant industries. Council's Water and Sewerage Manager has had over 40 years experience, 23 years within Roxby Downs. Council's principal technical consultant, Richard Gayler from Gayler Services has also had over 40 years experience within the Industry and is currently used regularly by much of Local Government.

New infrastructure for any new developments including headworks upgrades are provided by BHP Billiton and designed by experienced industry specialists. Council has no external staff with all works undertaken by external contract by experienced contactors.

3.9. Technical resources available to the applicant

Applicants are asked to provide details about the availability of technical resources to be used in carrying out the services for which a licence is sought. The information should include details about the technically qualified staff available to the applicant and (if relevant) of experience gained in similar operations.

Applicants must also provide sufficient details of the systems and processes to be used to market and/or communicate with customers, to provide bills, to follow up payments and process customer move-ins and move-outs and deal with customer enquiries and complaints.

Refer to section 3.8 but also note the following:

STAFFING / MANAGEMENT

Administrator

Bill Boehm has had 32 years experience within Local Government in the engineering, planning and management areas with 13 years as Council Administrator. Bill has a Bachelor in Civil Engineering, Graduate Diplomas in Municipal Engineering, Building Surveying and Local Government Management and is a fellow of the Australian Rural Leadership Foundation. Bill performs the role of Chief Executive Officer / Director of the Board for Roxby Water's Operation but also has an oversight role in budgetary management and long term financial planning. Under the provisions of the Indenture the position of Administrator is "The Council."

Financial Accountant

Council's Financial Accountant Vanja Perovic-Vukotic, has 20 years of international and Australian experience in financial operations and management; the last 2 years with Roxby Council. Vanja has a PhD, Master and Bachelor Degree in Economics, and is currently enrolled in CPA Australia professional level. Vanja performs is responsible for implementing Council's Financial Management functions and preparing financial reports for scrutiny by Councils' Auditors. Vanja also oversees the performance of finance and customer service staff including direct management of Councils Water Services Officer.

Financial Advisor

Cleve Coyle has experience in Commonwealth, State and Local Governments with the last 24 years in financial and management positions in Local Government in Australia and overseas. Cleve has a Bachelor in Accounting, a Graduate Diploma in Business Administration and is a Fellow of CPA Australia. Cleve performs the role of Financial Advisor, on a part time basis, performing Finance Director level duties and providing financial expertise assistance to the Administrator.

Management Advisor

Dr Wayne Coonan has over 40 years experience as a CEO and Business Strategist and Management Consultant in both the Public and Private Sector. Wayne has developed a special interest in Local Government and has a wide range of Local Government Clients. He has been involved in several successful Council amalgamations and numerous LG organisational reviews as well as major strategic reviews including Local Waste Management Authorities and Water Pricing Principles. He is a Board Member of four organisations including three private companies and the Cruising Yacht Club of SA. Wayne performs a wide ranging role with Council as Management

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Advisor. This includes strategic development, staff management, workplace relations, OHS, all or part of which relate to Roxby Water's operations.

Technical Advisor

Richard Gayler has had 42 years' experience as a qualified Civil Engineer (BE Civil, Adelaide 1969) in State Government (SA Water), Local Government as Manager Engineering Services, and private Consulting Engineering (own company since 2000). Richard's detailed first-hand experience includes 25 years as a CWMS (wastewater) Engineer (design, specification, construction supervision, policy advisor and fund administrator). Richard is the Program Manager for subsidy funding for Local Authority wastewater and integrated stormwater schemes for the Local Government Association (past seven years), and sits on the Department of Health Waste Water Advisory Group as the LGA's representative. He is a Chartered Professional Engineer and Member of the Institution of Engineers, Australia.

Water & Sewerage Manager

Trevor Kroemer has had over 40 years experience within local government engineering including operation and management of the water, sewerage the last 23 years in Roxby Water. Trevor has attained intimate knowledge of Council's operations and is the primary manager of all water and sewerage works operations in conjunction with some input from Councils' Technical Advisor. Trevor is also responsible for preparation, implementation and reporting on of Roxby Water's works budget and asset maintenance operations.

Trevor's main duties include overseeing the operation of Councils water, sewerage and wastewater recycling systems including reticulation, pumps, and lagoons and dosing control systems, arranging for repairs and maintenance; supervise contractors, order materials, undertake sampling and monitor operation to ensure that health and EPA requirements are met, preparing works contracts and oversee design and construction of capital upgrades and investigate problems and design options for improvements to operations and systems.

Water & Sewerage Officer

Damien Condon has obtained over 25 years of experience with over 5 years as Roxby Water's Water & Sewerage Officer and is primarily responsible for most day to day .outside operations. Main duties include arranging for and supervising external contractor works and for repairs and maintenance on Council's water and sewerage infrastructure, water sampling to ensure health requirements are met, investigating problems complaints and initiating design options for improvements to operations and systems. Works also include undertaking customer water meter readings as part of a team arrangement and collecting water usage statistics of town water supply.

Water Services Payroll Officer

Lisa Graefe has around 10 years workplace experience with 7 years with Council, initially in Customer Service and Development Administration and later some 4 years as Council's Water Service / Payroll Officer. Lisa also undertakes relief duties Electricity Billing Officer. Lisa is also familiar with ESCOSA electricity retail code requirements.

Lisa's main duties include maintaining customer records for water billing, following up accounts and initiate arrangements to recover outstanding debts, attending to customer enquiries , processing monthly and quarterly credit card auto payments, coordinating quarterly billing, input data, run test water billing and raise accounts, printing, collating and postage of water accounts, input meter

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readings into database to reflect property settlements (i.e. change of ownership), issue reminder and final notices, monitor outstanding accounts and follow up debt recovery.

SYSTEMS & PROCESSES

Council's appointment as a Water Distribution and Sewerage Authority for the Roxby Downs Township arises as a result of clause 13 of the Indenture. This Section requires Council to comply with standards normally applicable to SA Water, specifies that Council should take practical efforts in sewerage effluent wastewater re-use, specifies how much Council can pay for water and also confirm that Council's water services may operate at a profit.

Council operates water and sewerage services under the ROXBY WATER banner as a separate business unit.

Water meters are read concurrently with electricity meters on a quarterly basis at the end of June, September, December and March each year. Some 1,693 accounts for water and sewerage are sent out early the following month. Reminders are set out and further follow up actions taken. Customers have a number of payment options including options to pay by cash, cheque, credit card, or EFT from direct debit from a nominated bank account. BPay payments for rates have recently been introduced with water and electricity to follow.

Broadly speaking with few exceptions Council voluntarily follows the same provisions as that required for its electricity operations which conform to ESCOSA's Electricity Retail and Distribution Licence.

Council's financial management system is one developed for Local Government. It was installed in 1999 and has been adapted to suit electricity and water operations with separate add on modules. Its integrated nature is essential with 3 separate customer bases being stored, all related back to a single property assessment. It has been periodically upgraded and fulfils all of the basic tasks to a reasonable level but until recently the ability to present a customer account in a desirable form has been compromised.

Council provides a range of communications to customers as well as regularly weekly updates of all of Council's operation via the Council page in the Monitor Community Newspaper which is delivered free to all residents and regular sessions on the local RoxFM Community Radio Station. Regular Customer Flyers are also regularly provided.

Council also operates under the provisions of the Local Government Act 1999 including handling complaints via a review of Councils decisions under section 270 of the Act as well as meeting records management, OHW&S including incident reporting and Emergency Management. Council has an afterhour's emergency call out service and has relevant information contained on its website.

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3.10. Contracts

Applicants must provide reasonable evidence that they are able to meet reasonably foreseeable obligations under contracts for the sale and supply of water or the sale or supply of sewerage services (or both) as the case may be. Such contracts would include contracts whereby the applicant is reliant on a supply of water or specific sewerage service from a third party which is intends to on sell to its customers.

Roxby Water is provided with water from BHP Billiton in accordance with the provisions of the Indenture. Funding generated from sales meets all relevant operational costs. Cashflow for the Council as a whole is never an issue. Council does not on sell its recycling water, that is provided for reuse on Council land (ovals and golf course)

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3.11. *Suitable and appropriate infrastructure*

The Commission may not issue a licence unless it is satisfied that the infrastructure to be used in connection with the relevant service is appropriate for the purposes for which it will be used.

Applicants are therefore asked to provide a detailed description of the infrastructure that will be utilised by the applicant in providing the retail services for which the licence is sought and verify that the infrastructure has been (or will be) developed in accordance with relevant Australian Industry Codes and Australian Standards with reference to technical specifications or reports.

If an applicant does not own the infrastructure to be used in delivering the relevant retail services, the applicant must provide information regarding the appropriateness of that infrastructure and of the binding arrangements that are (or will be) in place with the owner of the infrastructure in regards to the use of the infrastructure.

All of Councils water and sewerage infrastructure was initially provided by BHP Billiton / WMC Resources under the provisions of the Indenture and was constructed to in accordance with the relevant Australian Industry Codes and Australian Standards. The town is only some 24 years old with infrastructure relatively young in age.

Overall Council's operations meet all licensing requirements of the Environment Protection Authority and Health Commission and are operate satisfactorily and are fit for purpose.

Water Overview

Water for Roxby Downs, Olympic Dam and the mine site is sourced from the Great Artesian Basin near the southern and eastern areas of Lake Eyre. Pumped some 200 km south to a desalination plant on the BHP Billiton mining lease, water is then cooled, desalinated and stored for later distribution. Water for the township is then pumped some 10km to a covered water supply dam on the outskirts of town.

Roxby Water then purchases water from BHP Billiton at a predetermined price set out in the *Indenture*. Council distributes, checks the quality against water quality standards and if needed, chlorinates the water at our pump station before pumping to residents within the township via approximately 35 km of pipe work.

Water is very soft, of high quality, has a small amount of natural fluoride and is low in dissolved solids. Water has been tested and compared against a range of other urban water supplies and bottled water with favourable results but is notoriously aggressive for copper pipes and fittings.

Sewerage Overview

Roxby Water also provides a full sewerage system to all properties within the township. Sewage and sullage are transported through some 35km of sewerage mains, manholes and 8 pump stations and pumped to a series of lagoons to the west of the township.

In addition, rainfall run-off in the township's catchment area of some 5 sq km is separately collected and pumped via the latter stage of the sewerage system to the town's sewerage effluent lagoons. When the facultative treatment process is completed, treated effluent water is then pumped to the town's two ovals and golf club for re-use as irrigation.

Water intended for re-use (i.e. irrigation purposes of the golf course and oval) is pre-treated to meet guidelines for re-use of water. Regular testing is carried out in accordance with the EPA licence requirements.

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Details of infrastructure used are shown in the Councils Asset report list as attached in Appendix 4.

3.12. Risk management

Provide confirmation and reasonable evidence that the applicant's management has identified the risks associated with the retail services it intends to provide and has established, utilises and relies upon risk management systems and processes which are adequate, accurate and current to address those risks. A copy of the applicant's risk management strategy should be submitted.

Council has a large suite of management, environment health and safety policies as indicated in the attached Appendix 5 that it operates under and is insured through the LGA's self assurance scheme.

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Licences held by the applicant in other Australian jurisdictions

If the applicant holds, or has previously held, a retail services licence or equivalent in other Australian jurisdictions please provide details. If a licence previously held has been suspended or cancelled, please provide details.

Council holds a retail and distribution licence issued by the Commission for the provision of electricity services to the Roxby Downs Township.

3.13. Previous unsuccessful licence applications in other Australian jurisdictions

Please state whether the applicant has applied for a water retail licence or equivalent in another Australian jurisdiction and not been issued with a licence, and provide relevant details.

Not Applicable

3.14. Licences held by associates of the applicant

If an associate of the applicant (within the meaning of the Corporations Act) holds a water retail licence in South Australia or in other Australian jurisdictions, please provide details.

Not Applicable

3.15. Compliance program

Applicants are required to submit a copy of their Compliance Program which details what compliance systems the applicant has (or will have) in place and a description of how these systems will ensure compliance with the applicable regulatory obligations imposed by a licence and the Water Retail Code. The Commission expects that a Compliance Program will, as a minimum, document:

- the obligations that will apply to the applicant;*
- the processes that are (or will be) in place to ensure the applicant's compliance with obligations;*
- details on how compliance is monitored;*
- details of how non-compliance will be reported and rectified; and*
- details of any internal audit programs in place that review (or will review) the effectiveness of the Compliance Program from time to time.*

3.16. Additional information

The Commission encourages applicants to provide any additional information they consider would be of assistance in supporting the application. Please provide below.

Refer to Submission to the Essential Services Commission of South Australia "Water & Sewerage Licensing in Roxby Downs - August 2012" that has been previously forwarded (Appendix 6). Council believes that it is essential that as outlined in the submission the Commission is able to tailor Retail Licence conditions that suit Council's unique operational requirements. In this regard it is essential that any licence conditions be adapted to suit. Eg application of a retail code specific to Roxby Downs.

4. FACTORS SPECIFIED IN THE ESSENTIAL SERVICES COMMISSION ACT 2002

In considering a licence application, the Commission must have as its primary objective the protection of the long term interests of consumers with respect to the price, quality and reliability of essential services, and must also have regard to the need to:

- a) promote competitive and fair market conduct;*
- b) prevent misuse of monopoly or market power;*
- c) facilitate entry into relevant markets;*
- d) promote economic efficiency;*
- e) ensure consumers benefit from competition and efficiency;*
- f) facilitate maintenance of the financial viability of regulated industries and the incentive for long term investment;*
- g) promote consistency in regulation with other jurisdictions.*

If the applicant believes that information about their application would assist the Commission in its consideration of these factors, the applicant should provide such information below.

Refer to Submission to the Essential Services Commission of South Australia "Water & Sewerage Licensing in Roxby Downs - August 2012" that has been previously forwarded (Appendix 6).

Executive Summary

Application of requirements to licence Roxby Council for the provision of Council's water and sewerage obligations under the *Water Industry Act 2012* by the Essential Services Commission (the Commission) will involve complex legislative and operational issues which will impact on the precise role the Commission takes.

Primarily this is due to the provisions of the *Roxby Downs (Indenture Ratification) Act 1982* (the Act), which is an overriding piece of legislation which could render aspects proposed by the Commission to be inconsistent with the provisions of the Indenture, particularly in relation to the Commission's powers relevant to pricing determination where such inconsistency occurs the Indenture will prevail.

It is also, however, heavily impacted by the unique role and function of the Council, its obligations to the community, Councils financial constraints due to the State Government's management of its funding obligations to Council under the Indenture and uncertainty in relation to the expansion of the Olympic Dam Mine and Town which, as recently as 22 August 2012, was deferred.

As a result it is the Councils demonstrated view that the Commissions role in the area of Price Monitoring, if any, be restricted to overseeing the level and justification of Council's policy approach to its obligations generally. Already Council is arguably well advanced in meeting National Water Initiative (NWI) pricing principles; even though it is arguable whether they are applicable to local government generally and Roxby Downs in particular.

Application form for the issue of a licence by the Essential Services Commission of SA under the Water Industry Act 2012

Application Form

Roxby Council is supportive of the Commissions current role in relation to regulating Councils Electricity operations believes that it can complement the Commissions new role under the Water Industry Act.

However, Council believes that it is essential that as outlined in the submission the Commission is able to tailor Retail Licence conditions that suit Council's unique operational requirements.

Following recent constructive discussions about such licence conditions with Senior Commission staff, Council believes that this productive partnership approach will make it possible to achieve a 1 January 2013 start date for a licence.

Application form for the issue of a licence by the Essential Services Commission of SA under the Water Industry Act 2012

Application Form

5. APPLICATION FEES

Applicants for a licence must pay the Commission an application fee which is fixed by the Treasurer. Please enclose this fee with the application. An application cannot be considered until this fee has been received.

No application fee is payable as Council is providing water / sewerage retail services as at 30 June 2012.

WATER
SEWERAGE

6. DECLARATION

All information in this application for the issue of a licence to authorise the provision of retail services in the water industry in South Australia must be verified by a Statutory Declaration of the applicant, in accordance with the provisions of the *Oaths Act 1936 (SA)*¹, stating that the information contained in the application is true and correct to the best of the applicant's knowledge, information and belief.

In conjunction with this declaration, evidence of the relevant authority of the declarant to sign on behalf of the applicant must also be provided to the Commission.²

Statutory Declaration

I, William James Boehm Administrator of the Municipal Council of Roxby Downs as the legal entity of Council's Roxby Water Business Unit

do solemnly and sincerely declare that the information contained in this Application for the issue of a licence to authorise the provision of retail services in the water industry in South Australia is true and correct to the best of my knowledge information and belief.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Date 24/10/12

Signature 

APPROVED
ADMINISTRATOR

(Where the applicant is a body corporate, the declaration must be made by a person authorised by body corporate to sign on its behalf)

Declared at: Roxby Downs this 24th day of Oct 2012

Before me: Commissioner

(Signature of Justice of the Peace or other person authorised under the Oaths Act 1936)

Kathryn Anne Messner, J.P., # 31288
A Justice of the Peace
for South Australia

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- 1 Or equivalent legislation in other Australian jurisdictions.
 - 2 The Commission will accept a copy of a Board or Council minute (or circulating resolution) giving approval for the declarant to sign on behalf of the applicant as evidence of the relevant authority.



THE ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

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