



Water

# Application Form



## 1. The Applicant

### 1.1. Name of applicant

Robusto Investments Pty Ltd

### 1.2. Legal identity of applicant

body corporate limited by shares

### 1.3. ACN/ABN

ACN Number (if applicable) *Click here to type.*

ABN Number 75117034545

### 1.4. Address and contact details of applicant

#### Business Address

Street	Lot 51 George Francis Drive		
Suburb	Mount Compass		
State	SA	Post Code	5210

#### Postal Address (if different to Business Address)

Street	PO Box 752		
Suburb	Kent Town		
State	SA	Post Code	5071

Telephone 0411181114

Facsimile *Click here to type.*

E-mail [sconnor@dcapital.com.au](mailto:sconnor@dcapital.com.au)

### 1.5. Contact person on behalf of applicant

Full Name	Stephen Derek Connor		
Title	Director		
Address (if different to applicant address)			
Street	PO Box 752		
Suburb	Kent Town		
State	SA	Post Code	5071

### 1.6. Names and addresses of the officers of applicant

*"Officers" of the application include the applicants directors and secretary and any other persons who make or participate in making decisions that affect a substantial part of the applicant's business.*

Full Name	Stephen Derek Connor		
Date of Birth	08 08 1965		
Title held	Director		
Business Address			
Street	PO Box 752		
Suburb	Kent Town		
State	SA	Post Code	5071

Full Name	<i>Click here to type.</i>		
Date of Birth	<i>Click here to type.</i>		
Title held	<i>Click here to type.</i>		
Business Address			
Street	<i>Click here to type.</i>		
Suburb	<i>Click here to type.</i>		
State	<i>Choose a State.</i>	Post Code	<i>Click here to type.</i>

(attach additional pages if necessary)

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

Full Name	Stephen Derek Connor c/- Chambert Pty Ltd		
Date of Birth	08 08 1965		
Title held	Director		
Business Address			
Street	PO Box 752		
Suburb	Kent Town		
State	SA	Post Code	5071

(attach additional pages if necessary)

### 1.8. Corporate structure

Please attach with this application form details of the corporate or other structure, including:

- details of any related companies within the meaning of the *Corporations Act 2001*
- a diagram of the organisational chart, including composition of the board, management and other key personnel responsible for the key functions of the business.

Robusto Investments Pty Ltd A.C.N. 117 034 545

PO Box 752, Kent Town SA 5071

Australian Proprietary Company

Sole Director – Stephen Derek Connor

Ordinary Shares (2) issued, which are both held by Chambert Pty Ltd:

Chambert Pty Ltd A.C.N. 075 510 226

PO Box 752, Kent Town SA 5071

Australian Proprietary Company

Sole Director – Stephen Derek Connor

Trust – KB Trust

Ordinary Shares (2) issued, which are both held by Stephen Derek Connor.

It is intended that the business operate under the name Compass Springs. This business name has been registered.

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

If the applicant is part of a group of companies, please provide details on the entities within the group. Include all entities controlled by the applicant and the ultimate parent company. Please attach a diagram of this structure.

Not applicable – refer to description in 1.08 above.

### 1.10. Additional details of the structure of the applicant

If the applicant is a part of a group of related companies, and/or party to a partnership, joint venture or alliance agreement with another company, please provide the contractual arrangements (eg alliance contracts, associate contracts and/or establishment contracts) that define relationships within the group – including shared resources, guarantees, revenue flows, obligations and/or responsibilities.

Not applicable.

## 2. The Licence

### 2.1. Type of retail services being sought

- ☒ Potable water
- ☐ Non-potable water
- ☐ Sewerage
- ☐ Recycled water
- ☐ Trade waste

### 2.2. Location of service

Lot 51 George Francis Drive, Mount Compass SA 5210

### 2.3. Number of customers and/or connections

165 currently, with an additional 60 anticipated within a few years.

### 2.4. Type of customers

- ☐ Residential
- ☐ Non-residential
- ☒ Both – residential and non-residential

### 2.5. Capacity of the service

Approximately 145 ML per annum from underground (plus surface water 36 ML)

### 3. Suitability of Applicant to Hold a Licence

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

Has the applicant been found guilty of any criminal offence? If "yes", please provide details.

No

Has the applicant 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*)? If "yes", please provide details.

No

Has the applicant been the subject of disciplinary action? If "yes", please provide details.

No

Has the applicant been the subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence in any industry?

No

Any other information to be disclosed?

No

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

Has any officer or major shareholder been found guilty of any criminal offence? If "yes", please provide details.

No

Has any officer or major shareholder 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*)? If "yes", please provide details.

No

Has any officer or major shareholder been the subject of disciplinary action? If "yes", please provide details.

No

Has any officer or major shareholder been the subject of any past or present administrative or legal actions in relation to an authorisation, authority, or licence in any industry?



No

Any other information to be disclosed?

No

### 3.3. Additional information

Is the applicant a resident of, or does it have permanent establishment in, Australia? If “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 “yes”, please provide further details.

No

Is the applicant immune from suit in respect of the obligations under the *Water Industry Act 2012*? If “yes”, please provide further details.

No

Is the applicant capable of being sued in its own name in a court of Australia? If “no”, please provide further details

Yes

### 3.4. Financial resources available to the applicant

Please provide information about the financial resources available to the applicant, including:

- copies of all audited profit and loss statements and balance sheets for the last three financial years (including all notes)
- director’s declaration that the financial statements comply with accounting standards, give a true and fair view, have been made in accordance with the *Corporations Act 2001* and that there are reasonable grounds to believe the company/entity will be able to pay its debts as and when they fall due.
- the Directors report and the audit opinion

If the applicant is a subsidiary company, please also provide:

- copies of all audited profit and loss statements and balance sheets of the applicant’s parent company for up to the last three financial years

The applicant should also submit copies of:

- its business plan, including strategic direction and objectives, identified opportunities in the market place and forecasted results
- evidence of capital and liquidity support in place, including any bank or cross guarantees, to support the business and evidence of negotiations with the network service provider

concerning credit support arrangements.

**Please refer to the Annexure for responses to this question. Confidential**

### 3.5. Human resources available to the applicant

Please provide details about the human resources available to the applicant, including:

- number of employees
- experience and qualifications of those employees

If the applicant will employ a contractor/s to assist with the licensed operations, please provide:

- name of the contractor/s
- details about the experience of the contractor/s in such operations
- details of the processes in place to ensure they will comply with the regulatory obligations imposed by the licence.

The existing business is being acquired from Hillrise Investments Pty Ltd by Robusto Investments Pty Ltd.

Stephen Connor, Managing Director of the company will manage the business, with wife Tiffany Connor available as a backup management resource.

Stephen's qualifications include an Honours Degree of Bachelor of Engineering (Civil), a Graduate Diploma in Property Development and a Masters of Applied Science (Project Management).

Stephen has owned and operated businesses since 1992 and has extensive experience in civil engineering projects including residential subdivisions involving water and sewer systems.

Accounting services will be provided by Matthew Smith of Burden & Co, who has advised and acted for Stephen's various businesses since 1992. Matthew holds a Bachelor of Economics, a Graduate Diploma in Applied Finance and Management and is a Member of the Institute of Chartered Accountants of Australia.

Legal services will be provided by DW Fox Tucker (Lisa Harrington and Brendan Golden) in facilitating the transition of all supply agreements. The current agreements will all be replaced with new agreements that are generally in line with the standard agreement proffered by ESCOSA.

Administrative support (invoicing, debtor management, reporting) will be provided by Anita Stokes, who is the current book keeper / administrator for Hillrise Investments Pty Ltd. Anita is based at the Mount Compass Golf Course office, which will remain as the administrative centre for the business.

The system is currently based in MYOB. This will be transitioned to Xero immediately.

There are 15 employees that will transition with the affiliated golf course business that can assist in administrative and on-site requirements.

Of these personnel the following are currently responsible for the day to day operation of pumps, bores, tanks and the like, and will continue in those roles:

- Philip Tripodi (Course Superintendent)
- Cameron Semple (Greenkeeper)
- David Roser (Greenkeeper)
- Abram Nieuwenhaus (Greenkeeper)

Meter reading will be performed by a contractor or staff as need be.



As noted above, all key personnel currently involved in operating the Hillrise Investments Pty Ltd business are being retained to maintain continuity of operational, maintenance and administrative performance.

Hillrise Investments Pty Ltd is a family owned business (currently managed by Rosemary Bennetts and previously her father Allan Bennetts) who established the operation in the late 1990's.

### 3.6. Technical resources available to the applicant

Provide details about the availability of technical resources to be used in carrying out the services for which the licence is sought, including:

- details about the technically qualified staff available to the applicant and (if relevant) of experience gained in similar operations.
- details of the systems and processes to be used to market and/or communicate with customers, to provide bills, to follow up payments, process customer move-ins and move-outs and deal with customer enquiries and complaints

Where applicants are relying on a third party to provide staff and resources to meet the technical requirements of the license, please provide:

- a list of all functions and activities being proposed to outsource
- details of any formal agreement/s to provide services, including confirmation that the third party possess relevant technical competencies to conduct the proposed activities
- a summary of the third party's technical capacity to meet relevant obligations, including the relevant accreditations
- a summary of the third party's experience and knowledge in the area.

Accounting services will be provided by Matthew Smith of Burden & Co, who has advised and acted for Stephen's various businesses since 1992.

Legal services will be provided by DW Fox Tucker (Lisa Harrington and Brendan Golden) in facilitating the transition of all supply agreements and dealing with ongoing matters.

Debt collection services will be managed in house as far as possible, with legal services to be provided by DW Fox Tucker, noting compliance requirements as stated in ESCOSA documents.

Other technical resources will be provided in the following areas from selected contractors drawn from a panel of service providers including but not limited to:

#### Bores and Pumps

- Kangarilla Drilling
- Aldgate / Woodside Pump Sales & Service
- Southern Bore & Pump Services

#### Water testing

- Kangarilla Drilling
- Aldgate / Woodside Pump Sales & Service
- Southern Bore & Pump Services

#### Civil works – contractors – panel

- ARM
- Fleurieu Civil

- Other TBA

Connections (meters, new services)

- ARM
- Martins Pump Shop
- Fleurieu Civil

### 3.7. Ability to meet contractual obligations

Will the applicant be able to meet reasonably foreseeable obligations under the contracts for the sale and supply of water and/or the sale and supply of sewerage services?

This includes contracts where the applicant is reliant on a supply of water or specific sewerage service from a third party which it intends to on sell to customers.

Please provide a list of supply agreements/contracts and relevant information such as:

- quantity and quality
- supply frequency
- contingency measures

The applicant is taking over a supply business that has been operating for approximately 20 years. We have a high degree of confidence in our ability to meet existing (165) and proposed new additions (60 in the short term).

### 3.8. Suitable and appropriate infrastructure

Please describe a detailed description of the infrastructure that will be utilized by the applicant in providing the retail services for which the license is sought. This should include:

- source/s of water
- distribution of network/s
- collection services
- treatment system/s (incl. technology type)
- storage systems

Applicants should also verify that the infrastructure has been (or will be) developed in accordance with the relevant Australian Industry Codes and Australian Standards with reference to technical specifications or reports.

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

The applicant is taking over a supply business that has been operating for approximately 20 years. All required infrastructure is in place.

Water is sourced from bores, pumped to holding tanks and then gravity fed by underground pipeline to the customers located around the periphery of the golf course. More detail can be provided on request.

The water is untreated, fit for consumption, and is tested on a regular basis.

### 3.9. 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. Please provide a copy of the applicant's risk management strategy.

Key risks that have been identified and addressed include:

- Water quality problems;
- Water supply problems;
- Equipment breakdown;
- Data loss;
- Financial failure;
- Personnel loss.

Please see the attached Risk Management Plan (Annexure) which articulates our response plan for each of these.

### 3.10. Licences held by the applicant in other Australian jurisdictions

Does the applicant hold, or has previously held, water retail licences in other Australian jurisdictions? If “yes”, please provide details. If a licence previously held has been suspended or cancelled, please provide details.

No

### 3.11. Previous unsuccessful licence applications in other Australian jurisdictions

Has the applicant applied for water licences or equivalent in another Australian jurisdiction and not been issued with a licence? If “yes”, please provide details.

No

### 3.12. Licences held by associates of the applicant

Does any associate of the applicant (within the meaning of the *Corporations Act 2001*) hold water licences in South Australia or in other Australian jurisdictions? If “yes”, please provide details.

No

### 3.13. Compliance program/plan

Please provide a copy of your compliance program / plan which details what compliance systems the applicant has in place and a description of how these systems will ensure compliance with the applicable regulatory obligations imposed by a water retail licence. Please ensure this document outlines:

- the obligations that will apply to the applicant
- the processes that are (or will be) in place to ensure the applicant’s compliance with these obligations
- details on how compliance is monitored

Please see the attached Compliance Program / Plan (Annexure) which articulates our response to this.

### 3.14. Additional information

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



### 3.15. 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:

- promote competitive and fair market conduct;
- prevent misuse of monopoly or market power;
- facilitate entry into relevant markets;
- promote economic efficiency;
- ensure consumers benefit from competition and efficiency;
- facilitate maintenance of the financial viability of regulated industries and the incentive for long term investment;
- 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.

As stated above Robusto Investments Pty Ltd is acquiring an existing supply business from Hillrise Investments Pty Ltd.

The applicant will be converting all customers to supply contracts that are generally consistent with ESCOSA's preferred format. This will be done progressively with the 165 existing retail customers and any new customers. We aim to have this completed within the first 3 months of taking over the business.

The applicant will be working closely with Mr Richard Webster, Manager Regulatory Reporting, ESCOSA in determining its ongoing fee structure with a view to ensuring the ongoing sustainability and viability of the business.

## 4. 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.

A fee of \$1,000 has been determined for this transfer which will be paid upon receipt of invoice.



## 5. Declaration

All information in this application must be verified by a Statutory Declaration of the applicant, in accordance with the provisions of the *Oaths Act 1936 (SA)*<sup>1</sup>, 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.<sup>2</sup>

### Statutory Declaration

I Stephen Derek Connor

Of Robusto Investments Pty Ltd

do solemnly and sincerely declare that the information contained in this application 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 17 May 2016

Signature [Signature]

(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: Adelaide this 17 day of May 2016

Before me: [Signature]

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

**David Paul McGargill**  
**No. 22096**  
**A Justice of the Peace**  
**for South Australia**

<sup>1</sup> Or equivalent legislation in other Australian jurisdictions.

<sup>2</sup> 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.