

# 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



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UNDER THE WATER INDUSTRY ACT

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Essential Services Commission of South Australia  
GPO Box 2605  
Adelaide SA 5001

Facsimile: (08) 8463 4449  
Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [licensing@escosa.sa.gov.au](mailto:licensing@escosa.sa.gov.au)  
Web: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

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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](http://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](mailto: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.



## 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:** District Council of Ceduna .....

.....

### 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.*

A body corporate under the Local Government Act 1999 established by  
proclamation on 20<sup>th</sup> June 1925 District Council of Ceduna ABN 95 064 946 791 .....

### 1.3. Address and Contact Details of applicant

**Business Address:**

44 O'Loughlin Tce .....

Ceduna.....

**State:** South Australia..... **Post Code:** 5690 .....

**Postal Address (if different to Business Address):**

PO Box 175, Ceduna .....

**State:** South Australia..... **Post Code:** 5690 .....

**Telephone:** 08 8625 3407 .....

**Facsimile:** 08 8625 3435 .....

**E-mail:** council@ceduna.sa.gov.au .....

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**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.*

**Full Name:** Grant Kenneth Drummond .....

**Title:** General Manager Operations .....

**Business Address:**

44 O'Loughlin Tce.....

Ceduna .....

**State:** South Australia ..... **Post Code:** 5690.....

**Postal Address (if different to above):**

PO Box 175, Ceduna.....

**State:** South Australia ..... **Post Code:** 5690.....

**Telephone:** 08 8625 3407 .....

**Facsimile:** 08 8625 3435 .....

**E-mail:** gdrummond@ceduna.sa.gov.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:** Ben William Taylor.....

**Title:** Manager Finance.....

**Business Address:**

44 O'Loughlin Tce, Ceduna .....

**State:** South Australia ..... **Post Code:** 5690.....

**Postal Address (if different to above):**

PO Box 175, Ceduna.....

**State:** South Australia ..... **Post Code:** 5690.....

**Telephone:** 08 8625 3407 .....

**Facsimile:** 08 8625 3435 .....

**E-mail:** btaylor@ceduna.sa.gov.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)*

Water: drinking – residential and non residential

Application is for a licence that will authorise Ceduna Koonibba Water Scheme  
provided by the District Council of Ceduna. The water scheme services both  
residential and non-residential customers, with a total of 171 properties  
connected.

.....

### 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.*

From 1<sup>st</sup> 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.*

The Council has not been convicted of any criminal offence. The Council has never been prosecuted under any State or Commonwealth legislation. The Council welcomes any further investigation by the Commission

#### 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.*

The Council elected members, General Manager Operations and Chief Executive Officer have not been convicted of any criminal offence. The Council elected members, General Manager Operations and Chief Executive Officer have never been prosecuted under any State or Commonwealth legislation. The Council welcomes any further investigation by the Commission



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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:** Allan John Suter .....

**Date of Birth:** 26/09/1948 .....

**Office Held:** Mayor .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Lynton Alan Brown.....

**Date of Birth:** 20/02/1957 .....

**Office Held:** Deputy Mayor .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Ian Phillip Bergmann .....

**Date of Birth:** 26/04/1953 .....

**Office Held:** Councillor .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Peter Colin Codrington.....

**Date of Birth:** 19/05/1952 .....

**Office Held:** Councillor .....

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**Business Address:**

44 O'Loughlin Tce.....

**State:** South Australia ..... **Post Code:** 5690.....

**Full Name:** Phil Lance Gregory.....

**Date of Birth:** 25/07/1944.....

**Office Held:** Councillor.....

**Business Address:**

44 O'Loughlin Tce.....

**State:** South Australia ..... **Post Code:** 5690.....

**Full Name:** Bethney Mozol .....

**Date of Birth:** 09/12/1963.....

**Office Held:** Councillor.....

**Business Address:**

44 O'Loughlin Tce.....

**State:** South Australia ..... **Post Code:** 5690.....

**Full Name:** Marlene Janice Shipard .....

**Date of Birth:** 16/05/1945.....

**Office Held:** Councillor.....

**Business Address:**

44 O'Loughlin Tce.....

**State:** South Australia ..... **Post Code:** 5690.....

**Full Name:** Michael Anthony Ross .....

**Date of Birth:** 14/12/1937.....

**Office Held:** Councillor.....

**Business Address:**

44 O'Loughlin Tce.....



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**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Geoffrey Alexander Ryan .....

**Date of Birth:** 30/12/1955 .....

**Office Held:** Councillor .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Craig Sydney Wilson.....

**Date of Birth:** 11/07/1947 .....

**Office Held:** Acting Chief Executive Officer.....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Grant Kenneth Drummond .....

**Date of Birth:** 15/02/1958 .....

**Office Held:** General Manager Operations .....

**Business Address:**

44 O'Loughlin Tce **State:**..... South Australia

**Full Name:** Ben William Taylor .....

**Date of Birth:** 08/08/1985 .....

**Office Held:** Manager Finance .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia..... **Post Code:** 5690 .....

**Full Name:** Mark Hewitson.....

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**Date of Birth:** 26/02/1962.....

**Office Held:** Manager Governance .....

**Business Address:**

44 O'Loughlin Tce .....

**State:** South Australia

**Post Code:** 5690

*(attach additional pages if necessary)*



*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.*

**Full Name:** Not Applicable.....

**Date of Birth (if applicable):**.....

**Office Held:** .....

**Business Address:**  
.....

**State:** ..... **Post Code:** .....

**Full Name:** .....

**Date of Birth (if applicable):**.....

**Office Held:** .....

**Business Address:**  
.....

**State:** ..... **Post Code:** .....

**Full Name:** .....

**Date of Birth (if applicable):**.....

**Office Held:** .....

**Business Address:**  
.....

**State:** ..... **Post Code:** .....

*(attach additional pages if necessary)*

### 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.....

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.....

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### 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.*

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.*

No .....

.....

- *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 .....

.....



### **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.*

#### **Copies Attached:**

Audited Financial Statements 2011/12 and 2010/11

Adopted Annual Business Plan and Budget

Strategic Management Plan

Water West, Business Unit Financial Plan

District Council of Ceduna - Fees & Charges – Effective 1 July 2012

#### **Policies:**

Designated Water District – Ceduna Koonibba Water Scheme

Connections to CKWS

Service Entitlements – CKWS

Pressure & Flow Devices – CKWS

Backflow Prevention – CKWS

Water Leakage

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**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.*

Grant Kenneth Drummond, General Manager Operations, 27 years working in Local Government, overall responsibility for systems, controls business unit financial plan, major projects and works scheduling.....

Kym Anthony Marks, Supervisor Water Services, former SA Water employee, has worked in current role with the District Council of Ceduna since 24/2/2003.....

Peter Shane Collins commenced with the District Council of Ceduna as a Water Services Worker on 28/04/2008 .....

Stephen Wilkins commenced with the District Council of Ceduna as a Water Services Worker on 7/02/2011.....



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### **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 3.8 .....

Copies Attached:

Rates Notice 2012/2013

Rates and Charges, Important Information for year ending 30<sup>th</sup> June 2013

Standard Letter – Outstanding Water Account

Debtors, Procedure

Council has an obligation to maintain Assessment Records under section 172 of the Local Government 1999, which includes details of every piece of land in the council area to which water and sewerage rates and or service charges attaches and the person who is liable to pay the service rate or charge, thereby constituting a record of Council's water and service charge customers

Council Member, Complaint Handling Policy

Records Management, Policy & Procedure

Safety, Health and Environment, Policy

Accident, Incident Reporting, Procedure

Emergency Management, Procedure

Water Services Supervisor, Position Description

District Council of Ceduna Enterprise Bargaining Agreement No 6, 2011

District Council of Ceduna website – [www.ceduna.net](http://www.ceduna.net)

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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.*

The Council, as a statutory authority, has powers under the Local Government Act 1999 to impose and recover rates and / or charges for providing prescribed services to meet the costs of establishing, operating, maintaining, improving and replacing (including future capital works and taking into account the depreciation of assets) these services.

Council provides and extension to the SA Water potable water service to supply properties and communities to the west of Ceduna and to properties within the Smoky Bay Aquaculture Park.

.....



### 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.*

The Commission is referred to the Council response at 3.7 above, in particular its Management Plans.....

#### **Ceduna Koonibba Water Scheme (CKWS) Overview**

The scheme complies with all relevant Australian Standards and is currently providing a reliable service in the delivery of potable water.

The CKWS Water West pipeline commences at a SA Water meter at the intersection of Denial Bay Rd and the Eyre Highway. Existing SA Water system pressure delivers water to 18 rural living properties, a car race club, 2 aboriginal homelands and 80 residential properties. This pipeline also feeds the Denial Bay Pump Station.

The Denial Bay Pump Station boosts the pipeline pressure and delivers water out to a total of 49 farms and into a header tank 41 kilometres from Ceduna at Bill Hill.

Bill's Hill tank provides gravity back-feed should the Denial Bay Pumps be off-line and also gravity feed the pipeline that extends a further 23 kilometres west.

Koonibba Pump Station takes a feed off the main line between Denial Bay and Koonibba and boosts the pressure to deliver water along a 23 kilometrepipeline into a header tank above the Koonibba Aboriginal Community.

Koonibba Community header tank provides water to an old SA Water line back towards Ceduna, some 6 kilometres north but parallel to the main pipeline. This tank also provides a water resource for the Koonibba Aboriginal community who either draw from this tank or a series of tanks that are filled from a stormwater catchment area.

A small solar pump at Bill's Hill tank provides a small quantity of water to three farmers some distance from the pipeline.

A small system has also been provided at the Smoky Bay Aquaculture Park consisting of a storage tank that is fed from a 20 mm SA Water Meter, a dual pump-set and around 800 meters of pipeline supply potable water to aquaculture processing facilities. Supply system has been sized to meet requirements of the Smoky Bay aquaculture industry.

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### 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.*

The SA Water supplies are provided at potable water standards and requires no additional treatment.

Sampling of water at Bill's Hill Tank is undertaken every two months and forwarded to a NATA accredited laboratory for testing.

Since the commissioning of the CKWS there have never been any issues with water quality.



### 3.13. *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.*

Not Applicable .....

.....

.....

.....

### 3.14. *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 .....

.....

.....

### 3.15. *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 .....

.....

.....

### 3.16. *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:*

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- *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.*

District Council of Ceduna undertakes two monthly monitoring of water quality at Bill's Hill Tank.

Pump stations have alarm diallers and pump stations and tanks are physically inspected weekly.

Recent upgrades to the Koonibba Pump Station included an improved alarm system and monitoring of Koonibba tank levels.

Additional upgrade to the alarm system at Denial Bay Pump Station and Bill's Hill tank are programmed.

### **3.17. Additional information**

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

Before the water supply from the Southern Basins was shandied with River Murray water provided by the recent pipeline extension, reticulation pipes would regularly clog up with calcium sulphate and this, in the past, has increased maintenance costs and caused some problems for farmers who maintain many kilometres of pipeline after the CKWS supply point.

There is one SA Water meter at the turnoff to Denial Bay. Council uses the SA Water system pressure to provide connections along that line and to the Denial Bay community. The pressure is then boosted to send the water further west; and there is also a branch to the Koonibba community, which also has a rainwater harvesting system. The Koonibba community is shandying this water after running it through a UV treatment process with the piped water.

The line continues from there to Bill's Hill Tank which is the header tank for the system (if the pumps go off the water flows back providing sufficient pressure to maintain supply.



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Council managed to construct this system well under budget and managed to construct additional pipeline to go within eight kilometres of Penong with the funding allocated. The system was designed to service Penong as well as Scotdesco.

A constant annoyance to the Council is the fact that SA Water delivers its water in bulk; Council does all the work after that but SA Water still charges 'full tote odds'. They pay the same price that Council pays plus 30c/kL (the cost of servicing and maintaining the system and delivering the water). The cost to the farmers of the water is therefore \$3.75/kL which is very high. The Council is pushing for a discount from SA Water of at least 30c/kL.

SA Water is taking over responsibility for water supplied to the Koonibba community so now Council buys the water from SA Water which buys it back again to supply the Community. Ownership of the water in between is unclear, but if there is a leak the Council has to pay for it. The cost to the users at Koonibba is reduced somewhat because money was put into a trust that earns interest to pay for the water supply. The Koonibba community is paying the same price to SA Water as all other country water users.

Council's supply agreement with SA Water requires that it seek alternative supplies for the 120ML water used in the Water West system. Yet, every time the Council tries to get an alternative supply such as the F-Cubed solar desalination project SA Water creates obstacles.. it is hoped that the recently proclaimed *Water Industry Act* will assist in the process of forcing SA Water to be more cooperative in sharing its supply network with other suppliers. The other issue on Water West is that there is a capacity to feed back into the town. This means that if F-Cubed goes ahead there will be the capacity to feed water back to the town using water supplied from a desalination plant. At present the majority of the Peninsula is dependent on the Southern Basins for its water supply. The health of that water source is not improving. There is a danger that it could fail in the future. SA Water was asked what its plans were in the event that it did fail and its reply was: "bottled water". It would be very expensive supplying sheep with bottled water.

People in Ceduna pay SA Water \$3.45/kL (second tier price). SA Water sends the bill to each household or company connected to the reticulated system. The Council also pays \$3.45/kL for the Water West system and has to charge the farmers and other users of Water West an additional amount to cover the billing, pumping and delivery of that water (presently 30c/kL). There are two components to this additional charge: a charge on the land (supply charge) and a charge based on usage.



## 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.*

Most of the townships in regional South Australia are provided with water services by SA Water. The District Council of Ceduna chose to become involved in the provision of water supply when SA Water was unable, unwilling or uncompetitive in providing this service.

.....



## **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 by the applicants that were providing water / sewer retail services as at 30<sup>th</sup> June 2012

## 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)*<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 ..... CRAIG SYDNEY WILSON .....

of...District Council of Ceduna .....

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.

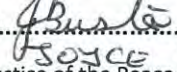
And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Date ..... 31-10-2012 .....

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: ..... CEDUNA ..... this 31<sup>st</sup> day of OCT. 2012.....

Before me: .....  ..... JP 10712 .....  
(Signature of Justice of the Peace or other person authorised under the Oaths Act 1936)

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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

Level 8, 50 Pirie Street Adelaide SA 5000

GPO Box 2605 Adelaide SA 5001

T 08 8463 4444 | F 08 8463 4449

E [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au) | W [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

