

**From:** [REDACTED]  
**To:** [REDACTED]  
**Subject:** Licence Exemption - Adelaide Hills Berry Farms  
**Date:** Sunday, 29 May 2016 2:02:45 PM

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Dear Julie,

Thank you for your notification of the exemption application.

Please consider the following as my submission toward your considerations.

(This section should not be made public)

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(The remaining text can be made public)

Previous Supplier – Topline Plant Co.

Topline Plant Co. was the previous supplier of the water. Although the water scheme has been in operation for many years, my understanding is that the property owners in Willsmore Place covered the infrastructure costs when the supply was established. Topline Plant Co. was approached by ESCOSA in 2014 in relation to their requirement to hold a water retailers licence resulting in an application for a licence. To my knowledge, a licence was never issued or exemption granted to Topline.

In the last quarter of 2015, a circular was sent out by AHBF explaining that they had acquired the property and business of Topline Plant Co and that there would be no changes to the supply arrangements. Therefore, it should have been of no surprise to AHBF that a water retailers licence or exemption was required to continue the business of supply to the connected properties.

#### Inability to Continue Supply Under Regulatory Control

Notwithstanding due diligence when acquiring the Topline business, AHBF are claiming that “Full regulatory regime and its obligations would make it economically unviable to continue to provide the township with a reliable water source”. This raises the following questions:

- Has AHBF provided an estimate for the additional costs associated with complying to a “full regulatory regime and its obligations”?
- Can ESCOSA validate any such estimate if it were provided?
- Can any additional compliance costs be absorbed in or appended to the new and unprecedented supply charges?
- Will the 78 connected property holders be given an opportunity to contribute to covering additional compliance costs to ensure continuance and regulation of the supply?

There is no doubt that the water supply in question is appreciated and valued by all those connected to it. However, the Water Industry Act 2012 sets out to protect the rights of consumers and suppliers alike and it would be unacceptable for those protections not to be afforded to all stakeholders by way of exemption.



Regards

Mark Musolino