



# Application Form for the Issue of a Water Licence

By the Essential Services Commission of SA under the Water Industry Act

May 2020

**Enquiries concerning this form should be addressed to:**

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Adelaide SA 5001

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Freecall: 1800 633 592 (SA and mobiles only)

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# Glossary of terms

Commission	Essential Services Commission, established under the Essential Services Commission Act 2002
ESC Act	Essential Services Commission Act 2002
Treasurer	Treasurer for the South Australian Government
Regulator	Technical Regulator

# 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.

## 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.

## Variation of licence conditions

As part of the Commission's licensing function, it has the power to vary (or add to) conditions that are imposed on a licence it has issued. Specifically, under section 28 of the Act, the Commission has the power to vary a licence at any time, subject to statutory procedural requirements, including providing a licensee with reasonable notice of a proposed variation and allowing it the opportunity to make representations on that variation.

There is a broad range of factors that might be potential 'triggers' for the Commission to consider varying a licence, or adding new conditions. These include factors both external and internal to a licensee, and may include (without limitation):

- ▶ material changes in market operations, outcomes or structures;
- ▶ changes to applicable national or State legislation, rules or policy;
- ▶ the findings of a formal inquiry undertaken by the Commission;
- ▶ substantive changes to operations which would have a genuine connection to or impact on the operations authorised under a licence;
- ▶ an application by a licensee to vary its licence (for example, to add or remove retail operations); and
- ▶ evidence of upgrades or material changes to a licensee's business or operational practices relating to operations authorised under a licence.

In considering a potential licence variation, the Commission must consider the factors specified in section 6 of the Essential Services Commission Act 2002 (which sets out the Commission's primary statutory objective and other relevant considerations), the objects of the Act (as set out in section 3 of that Act). It will also be informed by any information submitted by a licensee to which the variation may apply, through public consultation and by engagement with regulatory agencies involved in the electricity supply industry.

## 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.

## How to lodge an application

Applicants should send their completed application form electronically (preferred) or in writing.

Electronically to: [licensing@escosa.sa.gov.au](mailto:licensing@escosa.sa.gov.au)

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

## Application fee

Applicants must also enclose an application fee<sup>1</sup> (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<sup>2</sup> 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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<sup>1</sup> Available at <https://www.escosa.sa.gov.au/industry/water/licensing/licence-fees>

<sup>2</sup> Available at <https://www.escosa.sa.gov.au/industry/water/licensing/licence-fees>



# 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: NWIC Pty Ltd  
Trading as: Northern Water Irrigation Company

## 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.

NWIC Pty Ltd  
ABN: 35 639 392 528

## 1.3 Address and Contact Details of applicant

Business Address: 95 King William Street, KENT TOWN  
State: South Australia Post Code: 5067  
Telephone: 08 8132 1044  
Facsimile: 08 8132 1615  
E-mail: jmitchell@nwic.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.

Full Name: Jason Mitchell  
Title: General Manager  
Business Address: 95 King William Street, KENT TOWN  
State: South Australia Post Code: 5067  
Telephone: 08 8132 1044  
Facsimile: 08 8132 1615  
Email: jmitchell@nwic.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: Jonny Superina

Title: Finance Manager

Business Address: 95 King William Street, KENT TOWN

State: South Australia Post Code: 5067

Telephone: 08 8132 1044

Facsimile: 08 8132 1615

E-mail: jsuperina@nwic.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

**Retail Water Services:**

Provision of recycled (non-drinking) water to a range of customers both commercial and residential

**Water Source:**

Recycled Water from the Department of Health and Wellbeing approved SA Water Northern Adelaide Irrigation Scheme

**Number of Customers:**

Up to 50 Customers

**Location:**

Customers located adjacent to the Northern Adelaide Irrigation Scheme (NAIS) trunk main between Bolivar and Two Wells

Customers located within the vicinity of the NAIS Two Wells Water Storage Facility at Porter Rd, Korunye SA.

### 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 twelve weeks to consider an application, as a public consultation period of several weeks forms part of the Commission's consideration of licence applications.

30th September 2020

## 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); and/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.

NWIC is part of the Leed Group, which has been active in the civil construction sector for the last 19 years. Ownership of Leed has remained within the founding director's group since the company's inception. Over this time we have delivered over \$2 billion of water infrastructure.

All employees within the Leed Group., that employs approximately 135 people, are required to comply with the company Policies and Standards.

Our Policies are based on a set of Core Principles with a commitment to achieving these Principles. The Principles of the Policies are based on providing a safe, inclusive workplace committed to practicing good governance and providing high quality outcomes for our clients. Our Policies are supported by a series of workplace standards and procedures in accordance with our Quality Accreditation. Our Policies are included as *Attachment 3.1* and include the following:

- Environmental and Sustainability
- Work Health and Safety
- Injury Management
- Drug and Alcohol
- Industrial Relations
- Workplace Behaviour
- Information and Communications Technology
- Quality
- Risk Management

NWIC and Leed Group have not been found guilty of any criminal offence, nor been prosecuted under any Territory, State or Commonwealth legislation including the Australian Securities and Investments

Commission Act 2001 or the Competition and Consumer Act 2010, and is not and has not been the subject of any disciplinary or legal actions in relation to an authorisation, authority, or licence in any industry.

**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.

Please refer to our response to Section 3.1 and our associated attachments.

The officers and shareholders of NWIC and Leed Group have not been found guilty of any criminal offence, nor been prosecuted under any Territory, State or Commonwealth legislation including the Australian Securities and Investments Commission Act 2001 or the Competition and Consumer Act 2010, and have not been the subject of any disciplinary or legal actions in relation to an authorisation, authority, or licence in any industry.

**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: **Andrew Millar**

Date of Birth: **22 September 1961**

Office Held: **Director/Secretary**

Business Address: **95 King William Street, KENT TOWN**

State: **South Australia** Post Code: **5067**

Full Name: .....

Date of Birth: .....

Office Held: .....

Business Address: .....

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

*(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: Andrew Millar Nominees Pty Ltd ATF Millar Family Trust

Business Address: 95 King William Street, KENT TOWN

State: South Australia Post Code: 5067

### 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).

The following entities are all ultimately owned by Andrew Millar Nominees Pty Ltd ATF Millar Family Trust and are related entities to NWIC Pty Ltd:

- Leed Holding Pty Ltd – ACN 097 450 943
- Leed Engineering & Construction Pty Ltd – ACN 097 021 728
- GMA Corporation Pty Ltd – ACN 098 355 376

### 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

- ▶ 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.

NWIC PTY LTD is a newly incorporated company. Neither NWIC nor its parent company is required to prepare and submit audited financial statements to the Australian Securities and Investments Commission (ASIC). However, the Leed Group (related entities to NWIC) with Leed Holding as its parent company do submit audited financial statements to ASIC annually. We have attached the Leed Group consolidated audited financial statements for the year ending 30 June 2019 as well as a copy of the NWIC Business Plan as *Attachment 3.7*.

### 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.

NWIC is part of the Leed Group and is a dedicated water retail company. The supply of recycled water to NWIC is by means of the SA Water Northern Adelaide Irrigation Scheme. SA Water will provide the recycled water to the NWIC customer connection point. SA Water has DHW approval for irrigation use of the NAIS recycled water with appropriate regulatory obligations.

Leed has been involved with the Northern Adelaide Irrigation Scheme (NAIS) from inception through to operation. As part of a joint venture with Valoriza Australia, we developed the NAIS Concept Design, Detailed Design and completed construction of all infrastructure associated with the scheme.

The NWIC team draws on the resources of Leed Group and includes access to the largest fleet of excavators in SA and associated civil infrastructure equipment and operators. Our team of over 130 people is available to perform works for NWIC as required.

Our Organisation Chart of Human Resources and associated tasks and skills are provided within *Attachment 3.8*.

### 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.

#### **Background**

The Northern Adelaide Irrigation Scheme (NAIS) is an initiative developed under the Northern Adelaide Plains (NAP) Agribusiness Initiative led by Primary Industries and Regions SA. The purpose of the scheme is to expand the beneficial use of recycled water through the augmentation of the Bolivar Wastewater Treatment Plant, including water treatment, winter water storage capacity and developing a new distribution network for horticultural irrigation in the Northern Adelaide Plains. The NAP Agribusiness Initiative aims to achieve growth in agricultural industries through increased access to water resources. PIRSA and SA Water worked together as joint partners to attract investment in the development of NAIS.

In 2015, SA Water engaged a consortium including Leed Engineering and Construction and Valoriza Agua to examine the feasibility of providing recycled water from the Bolivar Wastewater Treatment Plant as proposed under NAIS. In August 2017, Leed-Valoriza Joint Venture was engaged to develop a concept design of the NAIS infrastructure which was completed in December 2017.

In 2018, the Leed-Valoriza Joint Venture was engaged to detail design and contract the NAIS infrastructure. Construction and operation of the NAIS scheme was completed and handed over to the operation in early 2020. NWIC has been set up by Leed as a recycled water retail services provider distributing water from the NAIS project.

#### **General**

Leed Engineering & Construction is a privately-owned civil engineering and construction company, specialising in complex infrastructure projects. Founded in 2001, Leed is now a national civil infrastructure contractor with offices in South Australia, Victoria and New South Wales delivering projects throughout metropolitan, regional and remote areas of Australia.

Leed has around 135 staff and an extensive fleet of plant and equipment that allows us to 'self-perform' on most of our projects. Our project delivery team includes skilled and experienced project managers, site engineers, superintendents, safety, quality and environment specialists and construction staff.

The NAIS infrastructure was constructed by Leed utilising the self-performance model with support from key subcontractors and included the construction of the following infrastructure:

1. Treatment Plant Site  
Earthworks, pipe and conduit installation, pump stations, concrete water retaining structures, buildings, electrical and mechanical equipment fits outs, pavements and fencing. Commissioning and Operation. Design and construction of a Managed Aquifer Recharge (MAR) system of approximately 3 GL/year capacity.
2. Pump Station Sites  
Civil Works, concrete works, pipeline and pumps, and mechanical and electrical fit out to both Greenfield and brownfield sites.



3. Pipelines  
Design and Construction of more than 15 km of treatment plant and MAR bore field pipelines within Bolivar WWTP, the NAIS Trunk Main of 30 km length between Bolivar and Two Wells.
4. Storages  
Design and Construction of two 200 ML lined earthen bund storages with associated interconnecting pipelines, roadways, drainage and pump stations and pressure control stations.
5. Distribution Pipelines  
Design and Construction of distribution pipelines from NAIS infrastructure up to and including customer connections at property boundaries.

Water Infrastructure is Leed's core business and we have technically qualified staff capable of management in all aspects of water delivery. In addition to the Organisation Chart provided in *Section 3.8* we provide the following summary of systems and processes in order to manage the NWIC business:

### **Operations and Maintenance**

The day to day operation of the NWIC water supply system will be the responsibility of the General Manager. The General Manager, who has been involved with the NAIS project from start to finish will operate in a part time capacity and is located within our Kent Town office. The General Manager will be supported by a Finance Manager and support staff from Leed.

During any construction activities, the works will be undertaken under the direction of project specific engineer with construction verification by means of audits, inspections and the use of Inspection and Testing Plans (ITPs) through to the commissioning of the network infrastructure. A project team will be developed for these activities and will be suitable resourced from existing Leed works crews. Maintenance will also be undertaken by Leed work crews as required including plumbers for specific tasks. All employees are suitably qualified to their relevant position and duties. To maintain their skill base employees receive regular training and education in their field of expertise and Leed policies and procedures.

### **Safety, Environment and Quality Management**

We have a range of Management System procedures that enable NWIC personnel to identify, assess, control and review hazards as they relate to Safety, Environmental and Quality. These are described below:

1. At the commencement of each project (in this case the NWIC water supply) a range of areas are considered and specific Management Plans developed and approved to address these areas. The following list of plans are in development for the NWIC water supply business:
  - a. Work Health and Safety Management Plans
  - b. Environmental Management Plan
  - c. Customer and Stakeholder Management Plan
  - d. Emergency Response Plan
  - e. Compliance Management Plan
  - f. Design Management Plan
  - g. Commissioning Plan

2. Work Health and Safety legislation and regulations applicable to either state, territory and federal specific are reviewed when projects are being undertaken. Employees have ready access to work health and safety legislation and regulations
3. Our Hazard and Risk assessment process is used as a key hazard identification and control process for the management of project, safety and environmental issues. The Risk Register is utilised and reviewed regularly to record action taken to implement controls.
4. Construction Method Statements (CMS) are prepared for work activities in consultation and are used in conjunction with Safe Work Method Statements (SWMS), which detail the specific hazard associated with each job step, the risks and any required controls.
5. Safe Work Method Statements (SWMS) are developed by the work crew undertaking the task also referencing the CMS. Environmental controls are included as well.
6. HSE Activity Schedule. This process is designed as an internal planning and reporting tool reporting on preventative safety and environment actions for the business.
7. Hazard reporting and corrective action. Any hazard identified is made safe and actions to eliminate or control the hazard are recorded in the Safety Reporting System
8. A minimum standard Personnel Protective Equipment (PPE) requirement is part of the Safety System. Additional PPE requirements are identified through Hazard and Risk Assessments, CMS, SWMSs, SDS requirements and management procedures.
9. Our Safety Management System includes a range of detailed procedures and policies dealing with task specific activities, including; drugs and alcohol, excavations and penetrations, manual handling, hazardous substances, lifting operations, asbestos, noise control, electrical equipment, plant and equipment, working hours & environment, subcontractor management, traffic management and emergency preparedness.
10. Incident management. All personnel and subcontractor employees are required to report all incidents, near misses, dangerous occurrences. To aid in this process we have a clear incident reporting process that all personnel are familiar with.

Leed holds Federal Safety Accreditation in accordance with the Australian Government building and construction WHS Accreditation Scheme. We also hold certificates of compliance for the following:

- AS/NZS 4801 Occupational Health and Safety Management Systems
- OHSAS 18001 Occupational Health and Safety Management Systems
- AS/NZS ISO 31001 Risk Management
- ISO 9001 Quality Management Systems
- ISO 14001 Environmental Management Systems

### **Customer Enquiries and Complaints**

In line with our systems and processes NWIC will be subject to a specific Customer and Stakeholder Management Plan (CSMP). This plan describes how NWIC will manage customers, communications and stakeholder engagement throughout the NWIC water supply business. The plan identifies the processes of dealing with customer enquiries, connections and complaints. In addition the plan described the identification of associated stakeholders and any impacts that the activities of NWIC may have on the community.

## **Privacy Practices**

Our Privacy Practices comply with the Privacy Act 1988 and the Australian Privacy Principles contained within the Act. We do this by means outlined within our Privacy Policy. This policy outlines the type of personal information that the Leed Group collects, how it is used and how it is stored. A copy of this policy is available upon request.

## **Meter and Billing of Customers**

As part of our connection works, each customer connection will include the supply and installation of a water meter that complies with appropriate installation standards, testing, accuracy and provision of metering data. We have an arrangement with SA Water to underrate meter readings on a quarterly basis.

Customers will be billed by NWIC through the use of a NWIC business-specific invoicing system. The issuing of bills will be upon connection and then on a regular basis as agreed with the customer. The billing of each customer will be physically completed by existing Leed resources that currently process approximately 30,000 invoices per year. It is expected that NWIC invoices will be of the order of several hundred per year.

### **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.

Northern Water Irrigation Company (NWIC Pty Ltd) has entered into a Water Supply Agreement with South Australian Water Corporation (SA Water) to purchase recycled water from the Northern Adelaide Irrigation Scheme (NAIS) for sale to retail customers.

NWIC has entered into a contract with WGA Pty Ltd to provide design consultancy for pipelines, customer connections and associated infrastructure.

Leed Engineering and Construction (part of the Leed Group) will provide construction and maintenance services for pipework, connections and associated infrastructure to provide water to customers.

These contracts are available to view upon request.

### **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.

Recycled Water supplied by NWIC to its customer will be via supply and transport through SA Water's Northern Adelaide Irrigation Scheme. NWIC have a Water Supply Agreement in place for the supply of this recycled water. Refer to *Section 3.10 Contracts*.

Recycled water is treated at the NAIS Advanced Water Recycling Plant (AWRP) located at Bolivar. The AWRP has a capacity of approximately 17.5 ML/day (6 GL/year) with capacity to upgrade to 12 GL/year. The recycled water has a target salinity of 1165 mg/L and is intended for crop irrigation with the highest level of treatment being suitable for commercial food crops consumed raw or unprocessed. The recycled water complies with the Australian Guidelines for Drinking Water and is approved for by the Department of Health and Wellbeing.

### **Water Treatment**

The water is sourced from treated effluent downstream of the Bolivar secondary treatment clarifiers and is treated with the following processes:

- Physical pre-treatment: Coagulation and flocculation followed by sedimentation in a lamella clarifier. Flocculation is by means of a polymer dosing system and a sludge removal system is incorporated into this stage of the process.
- Pressure Media Filtration: In order to deal with high salinity and algae counts a pressurised media filtration system is used. Filtration is by means of sand and then anthracite filter media through six interconnected vessel. Backwash water at this stage is then discharged to existing Bolivar Lagoons.
- Disinfection and Chemical Dosing: The treated water undergoes a two stage disinfection process. Initially the filtered water is passed through a series of UV disinfection units then pH balancing by means acid dosing. As the water reaches the treated water tank the post treatment disinfection is completed by dosing with Sodium Hypochlorite.
- Water Blending: In order to ensure that the product water salinity to irrigators is managed within the specified limits the AWRP product water is capable of being blended with potable water from within the Bolivar plant.

The NAIS treatment system is capable of being upgraded to twice its current capacity should demand require additional water and the system is designed to be retrofitted with Reverse Osmosis should this be required in the future.

### **Pump Stations**

The NAIS system is served by a number of pump stations, all remotely controlled and automated, each pump station has in built redundancy by means of standby pumps.

- AWRP pumps: The AWRP has several standalone pump stations are located within the Bolivar site. These include the Raw Water pump station to extract water from the clarifier outlet channel, sludge handling pumps, low pressure pumps to feed water into the media filters and backwash pumps to discharge water from the media filters.
- Recycled Water Transfer Pump Station: This pump station transfers irrigation water from AWRP product water tank to the Two Well storage site. The pump station is also capable of meeting the varying demands of users on the NAIS Trunk Main
- DAFF Pump Station: The DAFF Pump station takes water from the existing Bolivar DAFF plant and transfers this water to the AWRP treated water tank. DAFF water is used as required as part of the NAIS water balancing system.

- Recycled Water Distribution Pump Station: This pump station is located at the Two Wells storage and performs two functions; one to transfer water back towards the AWRP and provide water on demand to the NAIS customers along the trunk main and the second to provide water to customers located upstream of the Two Well storage site.

### **Water Storage**

The NAIS system has several water storage sites to provide adequate buffer capacity to meet the demand of irrigation customer's daily needs. At the AWRP site a 2.5 ML steel reinforced glass fibre tank stored the treated and blended water for transfer by the recycled water transfer pump station. The Bolivar site also contains a new NAIS specific Managed Aquifer Storage (MAR) of 3.5 GL capacity. The MAR system allows for treated water to be stored over the winter period for use in peak irrigation periods.

Treated water is transferred from the Bolivar AWRP site to the Two Wells water storage facility located at Porter Rd Korunye. The water is stored in two 200 ML lined earthen bund storage dams and at peak capacity provides approximately two weeks of stored water.

### **Water Balance**

To maintain both consistent water supply and quality to the water user, the NAIS has several inbuilt water balancing capabilities and sources.

- Water Sources: The primary water source to NAIS is by means of a diversion weir installed within the secondary clarifier outlet channel. The treatment plant is designed to treat this source water; however at times when the clarifier water may cause out of specification treated water the NAIS system also has a water blending system supplemented by potable water to maintain correct salinity.

The NAIS system is also capable of sourcing treated water from the Bolivar DAFF plant; this allows balancing of water output from both the AWRP and DAFF plant.

The third source of water available to the NAIS system is treated and stored water from the MAR scheme. The MAR scheme allows for the storage of treated water during winter at time of low irrigation demand. As demand for irrigation water increases in summer, additional water can be drawn from the MAR scheme to supplement the treated water from the AWRP.

All water available to the NAIS scheme is directed to the balancing tank at Bolivar and then pumped via the trunk main to the Two Wells storage location.

- Water Balance and Flow: The NAIS project is designed and constructed such that water can be transferred between water sources and storage locations independently. As an example either DAFF, AWRP, MAR or potable water can be transferred to the Two Wells storage to meet irrigation demands. Additionally this water can also be transferred back to Bolivar or to the MAR scheme for storage.

### **Water Distribution**

The NAIS system provides water to customers in a number of ways that are configurable to maintain flexibility of delivery. The trunk main from Bolivar to Two Wells serves customers on demand by means of variable speed pumps that match flow to that required by users. The system is capable of pumping to customers while simultaneously transferring water to the Two Wells storage. Customers upstream of the Two Wells storage are provided with water from the Distribution Pump Station. The Distribution Pumps Station operates an on demand water supply and is capable of varying flow. Additionally this pump station can also send water back from Two Wells to Bolivar and act as a Transfer pump station.

### **Operations and Integration to SA Water network**

The NAIS treatment plant can operate automatically meeting water quality requirements through a series of continuous on-line monitor stages and dosing systems. The call to start the AWRP is governed by the requirement for water either by users along the trunk main or by water level at the Two Wells storage. The Recycled Water Pump Station at Bolivar will then start and transfer water, matching demand at Two Wells and along the trunk main. Similarly the start-up of the Distribution Pump Station is governed by water use upstream of the storages. Operation is automatic as is the back-up generator located at this site.

Should the system require water to be pumped or extracted from the MAR scheme, automated start-up of the bore pumps will occur. Automated valves at each bore control the flow direction of recycled water to or from the MAR scheme.

All infrastructure associated with the NAIS system is designed and constructed in accordance with SA Water Standards and Guidelines. The system is automated and remotely controlled with PLC programming and HMI units located at each piece of key equipment. The control system is linked by radio connection at each location and overarching control of the scheme is by means of a NAIS specific SCADA system. The NAIS SCADA system is integrated with the SA Water SCADA system and reports to and can be controlled within most SA Water sites.

Our Process Flow Diagram is included at *Attachment 3.11* for reference.

### 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.

NWIC's risk management processes are incorporated into our Integrated Management System which follows the principles of following Australian and international standards:

1. ISO 31000 Risk Management principles and guidelines
2. AS/NZS 4801 and OHSAS 18001 Occupational health and safety management systems
3. AS/NZS ISO9001 Quality management systems
4. AS/NZS ISO14001 Environmental management systems.

Risk management is incorporated into all of our Management Plans. A specific Management Plan is currently being drafted to provide a framework for successful delivery of the recycled water to customers. We will undertake a site-specific risk assessment to finalise the risk schedule for the project and identify mitigation strategies and the methodology by which identified risks will be mitigated.

Our approach to identifying risks includes five key elements:

1. Risk criteria determination—the terms of reference by which the significance of risk is assessed. This allows risks to be ranked and management and mitigation efforts to be tailored to reflect the significance.
2. Risk identification—a systematic recognition of hazards to achieving objectives. Risk identification will consider project, business and life cycle risks.
3. Risk analysis—understanding the nature of (likelihood and consequence) and to deduce the level of risk.

4. Risk evaluation—comparing the level of risk against risk criteria.
5. Risk mitigation—the selection and implementation of appropriate options for dealing with risk. Method Statements and Safe Work Method Statements (SWMS) will be produced for key activities. During construction Daily pre-start meetings will be undertaken to ensure that all workers understand the activities to be undertaken that day including the key risks and the mitigation methods
6. A copy of our Risk Assessment and Management Matrix is attached for reference.
7. In addition to the base Risk Management Plans we also have in place a COVID-19 Management Plan. Both of these plans are included in *Attachment 3.12*.

### 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.

Nil

### 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.

Nil

### 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.

Nil

### 3.16 Compliance plan

Applicants are required to submit a copy of their Compliance Plan 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.

NWIC has developed a Compliance Plan in line with the requirements listed above. A draft of this Compliance Plan is included as *Attachment 3.16*. Upon receipt of applicable regulatory obligations imposed by a licence the plan will be updated and issued for use.

**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.

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## 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.

NWIC Pty Ltd is a wholly South Australian-owned company that is part of the Leed Group which is also 100% South Australian owned. Leed has designed and constructed in excess of \$2 billion of water infrastructure. Through NWIC we are diversifying into water sales sector and based on our knowledge and ability to construct water infrastructure we are able to provide competitive water services to a select area of the retail water market.

- a) Our pricing model is based on fixed water charges and connection fees based on customer water use and locations. Being sister to a construction company we provide competition and efficiency as the cost for connection infrastructure can be amortised between connections rather than using a standard “one size fits all” cost model. This provides a direct benefit to consumers of water through reduced costs.
- b) The NAIS infrastructure is owned and operated by SA Water and SA Water is also the sole water supplier to areas served by NAIS. NWIC will add an additional supplier in to the market served by NAIS and as a result reduce the market power of a monopoly water retailer in this area. The entry of NWIC into this market sector allows a customer to select the most suitable provider of retail water services to suit their particular needs. Ultimately this will provide benefit to consumers of water.
- c) We understand that the water retail services provided by NWIC as part of the overall NAIS are unique in South Australia. Noting that the use of recycled water has increased in recent years and is expected to increase in the future, the increase in water retailers to this market will increase competition. The process followed by NWIC in opening up retail services in this market area can be translated to other water projects and retail markets.
- d) Based on NWIC providing competitive costing for water services to the retail market, gains in economic efficiency are expected to be realised by consumers having access to more capital compared to a single source of water supply. This allows the consumer to invest in more productive areas of their business, increasing the value for dollar invested.

- e) The NWIC advantage in the water sector is the ability to provide connections to water services at a cheaper cost than typical of the market place. By providing similar services at a cheaper rate, the water consumers will directly benefit from the competition and efficiency that NWIC bring to this market sector.
- f) NWIC is owned by one of the largest construction companies in South Australia; we have been involved in construction treated water infrastructure since our inception and as a result have a wide range of clients that require recycled water infrastructure and services. In following the NWIC model and involving our clients there are numerous opportunities to increase the supply of recycled water to other areas of SA. Developing these opportunities will provide an incentive for long term investment in the water treatment and supply sector.
- g) As noted in the sections above, the increase in participants within the water sector will increase consistency of supply to consumers through the increase in competition within the market.

## 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.

We confirm that the application fee has been paid and the receipt attached as *Attachment 5*.

## 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>3</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>4</sup>

### Statutory Declaration

I **Jonathan Superina** of **South Australia**

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 17/7/20

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: NORWOOD.S.A this 17 JUL 2020 day of .....20....

Before me:  NORWOOD SOUTH AUSTRALIA

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

**Sudhir Thakur ID 32465**  
**A Justice of the Peace in and for**  
**the state of South Australia**

<sup>3</sup> Or equivalent legislation in other Australian jurisdictions.

<sup>4</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.



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