



Application Form for the Issue of a Water Licence

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



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: FACTOR UTB

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.

SELECT UTILITIES Pty Ltd trading as FACTOR UTB

ABN: 27 672 733 685

Registered in South Australia

1.3 Address and Contact Details of applicant

Business / Postal Address: Level 2, 89-92 South Terrace, Adelaide

State: South Australia Post Code: 5000

Telephone: (08) 8271 6044

Facsimile: N/A

E-mail: enquiry@factorutb.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: Malcolm Long

Title: Director

Business / Postal Address: Level 2, 89-92 South Terrace, Adelaide

State: South Australia Post Code: 5000

Telephone: [REDACTED]

Facsimile: N/A

Email: [REDACTED]

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: **Malcolm Long**

Title: **Director**

Business / Postal Address: **Level 2, 89-92 South Terrace, Adelaide**

State: **South Australia** Post Code: **5000**

Telephone: [REDACTED]

Facsimile: N/A

E-mail: [REDACTED]

Full Name: **Trent Cadman**

Title: **Engineering Manager**

Business / Postal Address: **Level 2, 89-92 South Terrace, Adelaide**

State: **South Australia** Post Code: **5000**

Telephone: [REDACTED]

Facsimile: N/A

E-mail: [REDACTED]

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

SERVICE

Water Drinking – Treatment and delivery to Residential and/or non-residential use.

Sewerage - Residential Sewage Collection, Pumping and Treatment.

DESCRIPTION

FACTOR UTB are working with the South Australian Department of Environment and Water (DEW) to agree arrangements for **FACTOR UTB** to undertake management and operation of the existing sewage treatment plant (STP) at the Cape Jaffa Anchorage Marina (CJAM), and to design and install a reverse-osmosis membrane potable water treatment plant (WTP). Ongoing operations, maintenance, testing and reporting services of the WTP are also include in **FACTOR UTB**'s proposal.

FACTOR UTB propose to undertake operation of the Sewage Treatment Plant, including day to day operations and attendance and response on alarm from the date of contract signing.

Enclosed in **Appendix A** is **FACTOR UTB**'s formal offer for the works to DEW. It provides additional information and background regarding the scheme and the development.

CUSTOMER NUMBERS

Currently there are 114 allotments constructed within the development, of which 50 are built on. Twenty of these are permanently occupied with the remaining used as holiday homes or rentals. A map of the scheme is included at **Appendix B**.



Figure 1 – Cape Jaffa Anchorage Marina

2.2 Date from which Licence is sought

The license is required as soon as practically possible, noting that **FACTOR UTB**'s proposal is currently under consideration by DEW and the State with a decision expected in the new year.

Pending agreement by the State and license variation approval, sewerage services are expected to be able to be provided immediately, and drinking water services provided following completion of works including installation of a new water treatment plant, expected mid-2025.

The sewage treatment plant has a current SA Health approval, licence reference WCS2630 dated 19th September 2008. A copy of the licence is included as **Appendix C**. The treatment plant has a maximum hydraulic capacity of up to 99kL/day, in conjunction with an average daily BOD₅ removal of up to 35kg.

A licence from SA Health will be sought for the water treatment plant. Preparation of the application to SA Health will undertaken January 2025, submission February 2025. It is anticipated that approval will take 4 – 6 months from submission.

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.

The applicant, Select Utilities Pty Ltd, has not been found guilty of an offence, been 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 been the subject of disciplinary action.

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.

No officers and major shareholders of Select Utilities Pty Ltd, have been found guilty of an offence, been 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 been the subject of disciplinary action.

ASIC company extract for Select Utilities included as **Appendix D**.

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: **Malcolm Long**
Date of Birth: [REDACTED]
Office Held: **Company Owner & Director**
Business Address: **Level 2, 89-92 South Terrace, Adelaide**
State: **South Australia** Post Code: **5000**

A list of professional referees that can attest to Malcolm Long, Company Owner and Director of Select Utilities Pty Ltd, as being suitable to hold a licence is included below.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Full Name: **Trent Cadman**
Date of Birth: [REDACTED]
Office Held: **Engineering & Design Manager**
Business Address: **Level 2, 89-92 South Terrace, Adelaide**
State: **South Australia** Post Code: **5000**

Full Name: **Andrew Witts**
Date of Birth: [REDACTED]
Office Held: **Chief Finance Officer**
Business Address: **Level 2, 89-92 South Terrace, Adelaide**
State: **South Australia** Post Code: **5000**

- *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.

The financial resources of **FACTOR UTB** remain unchanged from the original license application, approved 4th December 2024.

The finalised business model for the proposed Cape Jaffa scheme is currently being prepared and will be issued to ESCOSA shortly.

The business model including funding, financial control and a project cost which models the life cycle of the project from the initial stages of design and construction through to the completion. The model considers the different phases over a period of 20 years.

The phases include:

- Income
- Build Costs (WTP + STP modifications)
- Operating Costs
- Maintenance and Improvement Costs

The income is split into two streams, including connection fees and general rates for service(s) supply and the supply of water to the residences.

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.

The details of the human resource capability of **FACTOR UTB** are set out in **Appendix E**.

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.

A technical capability statement with is contained at **Appendix F**.

FACTOR UTB designs, constructs and operates environmental infrastructure including Sewage Treatment Plants, Wastewater Treatment Plants, Water Treatment Plants and other industrial and municipal infrastructure for Councils, State Governments, Water Authorities and industry. **FACTOR UTB** has progressively developed its capabilities from its base here in South Australia, delivering plants from Western Australia to New Zealand and from Tasmania to Far North Queensland.

The **FACTOR UTB** team since 1999 have designed and constructed treatment plants varying in size from <100 kL/day to more than 5 ML/day. Our experienced and technically capable team have delivered 36 treatment plants as at the end of 2023. Fourteen of them have been installed here in South Australia.

FACTOR UTB have recently expanded their operations to provide retail sewerage services to customers in Angle Vale, South Australia, and will extend those customer service systems and processes to undertake the retail sewerage and water services in Cape Jaffa.

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.

FACTOR UTB propose to undertake ongoing management and operation of existing infrastructure at Cape Jaffa to deliver sewerage and drinking water services. To do so, **FACTOR UTB** require a contract with the State / DEW as the entity responsible for the infrastructure/site to divest DEW of the scheme. Consultation and negotiations are underway to formalise the arrangements with DEW through a contract, expected to be finalised in January 2025.

The details of the proposed arrangements are included in the DEW proposal at **Appendix A**.

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.

SEWERAGE

FACTOR UTB designed and constructed the Sewage Treatment Plant at Cape Jaffa in 2009, which has been operated by a third party in the interim period.

Operational difficulties due to low load from the Cape Jaffa development have historically affected plant performance. For most of the year there is insufficient load to sustain a biological based Reactor. Peak times including Christmas and Easter there is an increased load but this is only temporary and not sufficient to enable the plant to establish and maintain a functional bio-mass. There are management tools available, some of which are already built into the system (ie setpoints) which, in conjunction with new equipment, can be utilised to effectively manage the plant at low load.

Plant operations under **FACTOR UTB** will be better managed than under previous operators, improving operations and ensure effluent quality is compliant with licence conditions. Modification of the process utilising a combination of SCADA setpoints and PLC code changes will be completed. Multi-staged filtration to manage solids carryover due to low load conditions and replacement of faulty or worn equipment will be completed as part of our offer to DEW. Plant capacity effectively has to be 'turned down'. Setpoint changes and modification of the underlying PLC code will achieve this.

The storage dam and disposal path (ie irrigation) were under separate approval when the STP was constructed in 2009, and neither the dam nor irrigation area proceeded. However, for infrastructure to be considered appropriate, wet weather storage and the irrigation disposal area is necessary. **FACTOR UTB** have included the design, approval (RMP) and construction of an irrigation disposal system in the proposal to DEW, at **Appendix A**.

Drawings describing scheme (water and sewage) infrastructure and processes is included at **Appendix G**.

WATER TREATMENT AND DELIVERY

The water supply at Cape Jaffa became non-drinking February 2022 due to fluoride concentrations exceeding Australian Drinking Water Guidelines.

In short, the Water Treatment Plant (WTP) is no longer functioning as a WTP. It is a simple bore water pump station, with storage tanks accepting bore water and supply pumps pressurising the community's supply. The chlorination and filtration plants are no longer used. There is no telemetry for the control system to the bore site and no remote telemetry for any sort of SCADA.

To ensure the infrastructure at the site is appropriate, **FACTOR UTB** propose to design and install a new Reverse Osmosis (RO) membrane water treatment system which has the capability of delivering a potable water that meets the strict requirements of the Australian Drinking Water Guidelines. It will completely remove the naturally occurring fluoride from the bore water. The treatment system and storage will undergo the comprehensive SA Health review processes.

The system will be constructed inside a weatherproof, insulated transportable building, fixed to a concrete slab on site. Construction of the treatment system inside a transportable building reduces construction risk and allows for most commissioning activities to be completed prior to mobilisation to site. Existing tankage and the reticulation pumping system will be utilised in the new system where possible. Operation of the reticulation pump system, and where possible control, will be integrated onto the new control system for the treatment plant.

BINDING ARRANGEMENTS

FACTOR UTB's proposal to DEW include the binding arrangements that DEW will divest the existing infrastructure, with **FACTOR UTB** assuming ownership responsibilities. The arrangement includes the handing over of approximately 6.6ha of land to **FACTOR UTB**, which includes the treatment area (water and sewage) and disposal area for application of the recycled wastewater.

FACTOR UTB propose to undertake operation of the Sewage Treatment Plant, including day to day operations and attendance and response on alarm from the date of contract signing with DEW, as the agency responsible for the long-term arrangements for essential service provision (drinking water and sewerage) at Cape Jaffa.

Following construction and commissioning of the new WTP and variation of **FACTOR UTB's** water licence to include potable water services, **FACTOR UTB** will assume complete operations and management of water treatment and reticulation services and sewage collection, treatment and disposal for the Cape Jaffa Anchorage Marina.

Details of the binding arrangements are detailed in the DEW proposal at **Appendix A**. AS4902-2000, General Conditions of Contract for Design and Construct will be adopted as the form of contract for delivery of the works.

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 identification and management of risk by **FACTOR UTB** is via their existing Risk Management System which will also be applied to the Cape Jaffa operations. It includes:

- Identification and Analysis
- Evaluation
- Resolution and Treatment
- Implementation
- Continuous Monitoring
- Communication
- Improvements

FACTOR UTB employ a range of strategies and processes to ensure risks are managed appropriately and effectively during the course of its operations. These include, but not limited to:

- Maintaining a Project Risk & Opportunity Register to understand risk origin, mitigation actions, monitoring methods and performance across all aspects of the business from business continuity to environmental compliance to damage to public property.
- Maintaining an ISO45001 certified Safety Management System, applicable to the operation and maintenance of water and wastewater treatment plants, installation and construction of system control and data acquisition and communications infrastructure and associated activities, and more. See **Appendix H** for certification evidence.
- Maintaining an ISO9001 certified Quality Management System, applicable to the operation and maintenance of water and wastewater treatment plants, installation and construction of system control and data acquisition and communications infrastructure and associated activities, and more. See **Appendix I** for certification evidence.

FACTOR UTB have developed a comprehensive Risk Management Plan, submitted as part of **FACTOR UTB's** retail license application granted December 2024.

While many risks associated with the provision of drinking water and sewerage services at Cape Jaffa will be addressed through the existing plan, **FACTOR UTB** has updated its Risk Management Plan to reflect relevant new risks and appropriate treatments, which will be implemented upon reaching formal agreement with DEW. These updates include the requirement to develop a Drinking Water Quality Management Plan which will be designed to meet the SA Health risk management obligations in place for drinking water providers in South Australia. This is provided at **Appendix J**.

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.

None

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.

None

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.

Select Utilities trading as **FACTOR UTB** was granted a Water Industry Retail Licence on 4th December 2024 to provide sewerage services to a maximum of 4,500 connections in Angle Vale, with associated infrastructure, including residential and non-residential customers.

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.*

FACTOR UTB have developed a comprehensive Compliance Plan, submitted as part of **FACTOR UTB's** retail license application granted December 2024.

While many elements of compliance associated with the provision of drinking water and sewerage services at Cape Jaffa will be addressed through the existing plan, **FACTOR UTB** has updated its Compliance Plan to reflect relevant new compliance obligations associated with the provision of drinking water. These primarily relate to the SA Health requirements for drinking water providers in South Australia. The updated compliance plan is provided at **Appendix K**.

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.

Nil.

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.

Consumers are currently facing a lack of certainty around long-term arrangements for the provision of water and sewerage services following the withdrawal of the previous operator at Cape Jaffa, Cape Jaffa Anchorage Essential Services (CJAES), and surrender of its water retail licence in October 2022.

While SA Water are providing interim services, drinking water does not meet the Australian Drinking Water Guidelines and remains unsuitable for consumption. It is understood that SA Water are not in a position to provide ongoing services.

The proposal put forward by **FACTOR UTB** to provide water and sewerage services at Cape Jaffa will not only provide benefits to consumers from long term certainty, improved infrastructure and management, but will also facilitate further economic development and growth in the area which is currently not viable due to the lack of services.

FACTOR UTB proposes a sewerage fee structure and pricing approach that, while to be confirmed following agreement with DEW on the arrangements for operation and management of the infrastructure, follows the same pricing principles used in **FACTOR UTB**'s other retail operations. Supply of potable water to the properties will follow a similar charging regime. Charges include a fee per connection per quarter, independent if there is a house constructed on the property. In addition, the rate per kL consumption is to be confirmed but will likely be similar to the most recent CJAES charges.

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.

6 Declaration

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

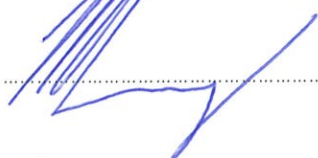
In conjunction with this declaration, evidence of the relevant authority of the declarant to sign on behalf of the applicant must also be provided to the Commission.²

Statutory Declaration

I MALCOLM LONG, Director of Select Utilities Pty Ltd trading as FACTOR UTB 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 20/12/24

Signature 

Declared at: ADELAIDE this 20 day of DEC 2024.

Declared at: ADELAIDE this 20th day of December 2024.

Michael David Gray, J.P. #31408
A Justice of the Peace for South Australia

Before me:

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



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.

APPENDICES

- A. Offer to DEW 9/10/24 Ref 240902-02A.
- B. Development Map.
- C. SA Health STP Approval WCS2630.
- D. Select Utilities ASIC Extract.
- E. Human Resources.
- F. Capability Statement.
- G. Project Drawings.
- H. ISO45001 Certification.
- I. ISO9001 Certification.
- J. Risk Management Plan.
- K. Compliance Plan.



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