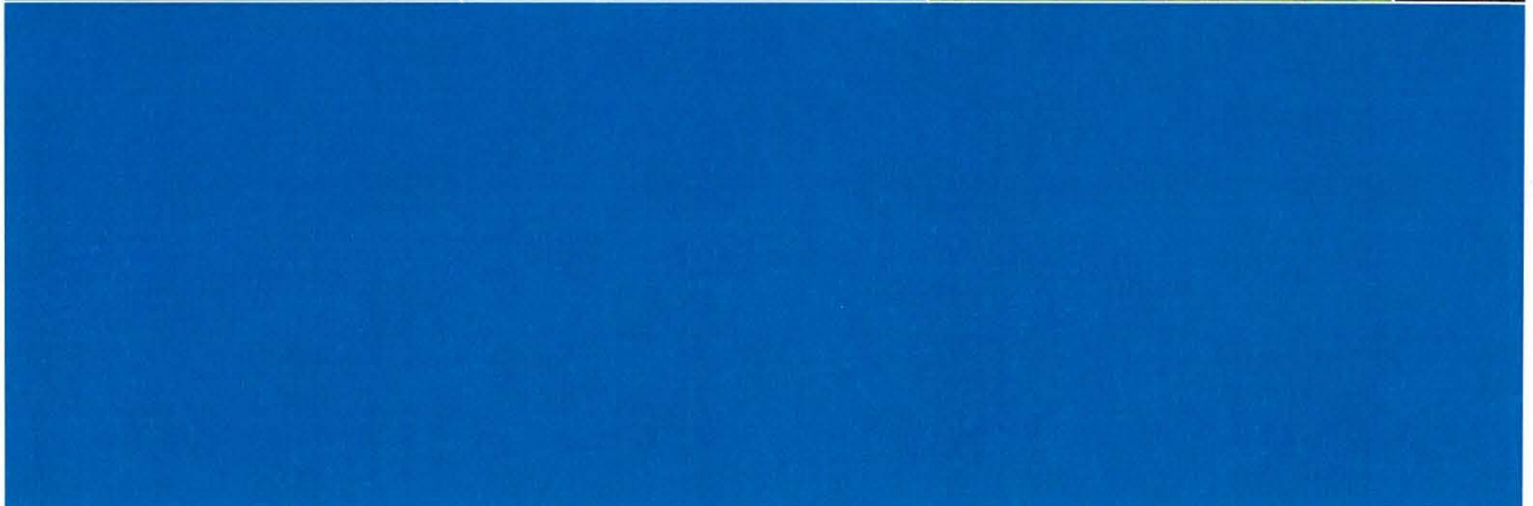


APPLICATION FORM FOR THE ISSUE OF A LICENCE BY THE ESSENTIAL SERVICES COMMISSION OF SA UNDER THE WATER INDUSTRY ACT

Application Form – Alano Utilities



Enquiries concerning the currency of this form should be addressed to:

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
Web: www.escosa.sa.gov.au

AMENDMENT RECORD (since MONTH 2012)

Issue No.	Commencement Date	Pages
AF1/1	AUGUST 2012	

**The Application for the issue of a licence by the Essential Services Commission of
SA under the Water Industry Act**

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.

Alano Utilities Pty Ltd

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.

Proprietary Limited

ABN: 26 118 218 572

1.3 Address and Contact Details of applicant

Business Address:

4B Fisher Street, Port Adelaide

State: South Australia

Post Code: 5015

Postal Address (if different to Business Address):

N/A

Telephone: 08 8240 2733

Facsimile: 08 8447 8122

E-mail: admin@alanowater.com

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: Robert Fontana

Title: Business Manager

Business Address: 4B Fisher St, Port Adelaide

State: South Australia **Post Code:** 5015

Postal Address (if different to above):

N/A

Telephone: 08 82402733 or 0402855446

Facsimile: 08 8447 8122

E-mail: robert@alanowater.com

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: Mark Catalano

Title: Director

Business Address:

4B Fisher St

State: Port Adelaide **Post Code:** 5015

Postal Address (if different to above):

N/A

Telephone: 08 8240 2733 or 0421751985

Facsimile: 08 8447 8122

E-mail: mark@alanowater.com

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)

Applying for the Sewerage residential and non-residential licence.

Currently, providing a sewerage service for residents at North Beach Wallaroo, SA 5556. The number of customers is approximately 211.

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.

Currently, Alano Utilities is providing a sewerage service for the residents at Wallaroo. Thus, if possible we would like to obtain a license as soon as practically possible.

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.

Alano Utilities has not been found guilty of any criminal offence.

Never been prosecuted under any Territory, state or Commonwealth legislation or been the subject of disciplinary action.

Alano Utilities welcomes any further investigation if required 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.

All applicants both officers and major shareholders have not been found guilty of any criminal offence.

All applicants have not been prosecuted under any Territory, state or Commonwealth legislation or been the subject of disciplinary action.

Alano Utilities welcomes any further investigation if required by the Commission.

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: Mark Catalano

Date of Birth: 06/05/1977

Office Held: Director

Full Name: Tony Catalano

Date of Birth: 06/01/1950

Office Held: Director/ Secretary

Full Name: Robert Fontana

Date of Birth: 03/05/1972

Office Held: Alano Water *Business Manager* (Management of general business, billing, & customer relations for Alano Utilities)

Full Name: Matt Ball

Date of Birth: 04/04/1982

Office Held: Alano Water *Technical Officer & Manager, Projects & Construction* (Management of Alano Utilities Operations)

Full Name: Chris Brown

Date of Birth: 26/11/1955

Office Held: Alano Water *Environmental Specialist, Operations and Planning.* (Management of Alano Utilities risk management)

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: Tony Catalano

Date of Birth: 06/01/1950

Office Held: Director / Secretary

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).

N/A

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 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 any business plans which detail the strategic direction of the applicant, including its objectives, identified opportunities in the market place and forecast results.

No Bank guarantee limit and no overdraft limits are currently in place.

Please view P&L Statement and Balance Sheet at Appendix 1.

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.

Alano Utilities – the applicant

Name: Mark Catalano

Role: Director

Qualifications: Bachelor of Management (Marketing)

Experience: Mark has considerable experience in company development and management, enabling Alano Water to be recognized as a market leader in water and waste water treatment in South Australia. Over 8 years' experience in the water and wastewater treatment industry. Supervised the construction of 18 waste water treatment plants in local and regional council areas. Mark is also a member of the Australian Institute of Company Directors.

Name: Tony Catalano

Role: Director / Secretary

Qualifications: Bachelor of Engineering (Civil) with Honours, University of Adelaide. Bachelor of Science (Micro-Biology), University of Adelaide. Diploma of Financial Services, TAFE SA

Experience: Experience: Tony is the Senior Engineer at Alano Water and manages the company's Design and Systems Operation Team. He has over 40 years' experience in water and wastewater engineering. Prior to establishing Alano Water, he worked at SA Water in various disciplines of design, construction, operation and maintenance.

In addition, he Lectures at the University of South Australia on the subject of water and wastewater treatment.

Alano Water – the subcontractor

Alano Utilities employs Alano Water to undertake:

- Administration Activities, and
- Maintenance & Operations Activities.

Mark Catalano (Director of Alano Utilities) is also a Director of Alano Water.

Tony Catalano (Director/Secretary of Alano Utilities) is a shareholder of Alano Water.

The number of employees for Alano Water totals 17. Some key staff of Alano Water that is available to Alano Utilities:

Name: Robert Fontana

Role: Business & Operations Manager

Qualifications: Bachelor of Arts & Bachelor of Management (Marketing).

Experience: Over 7 years' experience in various management roles.

Name: Angela Catalano

Role: Director/Secretary of Alano Water. Administration Manager of Alano Water.

Experience: Angela has a total of 40 years of administration management.

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 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.

Alano Utilities (through Tony Catalano & Mark Catalano) has had extensive experience in the design, construction, operation & maintenance of wastewater systems.

Also readily available to Alano Utilities is the resource of Alano Water, who has the capabilities through staff and equipment to:

We provide custom solutions in engineering, design and civil construction:

- *Pipelines and Network design*
- *Facultative Treatment and storage Lagoons*
- *A & B Class Treatment Plants*
- *Package Desalination Plants*
- *Potable Water Treatment Plants*

Alano Water also offers a full service in the operation and maintenance of water and waste water systems. Services range from:

- *Mains pressure flushing*
- *Pump/pump station maintenance and repairs*
- *Treatment systems monitoring and operation*

In addition to the services listed above, Alano Utilities (with the use of Alano Water), can provide plumbing services including:

- *Pipelines repairs*
- *Fusion and poly-pipe welding*
- *Rising main installations*

The most experienced employees relevant in providing the service for which this licence is sought:

Name: Tony Catalano

Role: Director/Secretary of Alano Utilities. And Shareholder & Senior Engineer of Alano Water.

Qualifications and Experience: Previously mentioned in 3.8

Name: Hans Gielen

Role: Process Engineer

Qualifications: Bachelor of Science, University of South Australia. Masters' Degree in Water Resources Management, University of South Australia.

Experience: Hans has experience in the design and operation of water and wastewater treatment systems.

At present manages the operations of some 14 treatment plants throughout South Australia including the Class A tertiary plant for Tea Tree Gully.

Major achievement was the design, construction, commissioning and presently operation & maintenance of the Tea Tree Gully plant.

Name: Matt Ball

Role: Technical Officer and Manager, Projects and Construction

Qualifications: Currently studying Bachelor of Engineering (Civil and Water Resource Management), University of South Australia -2010 to present. Plumbing & Gasfitting Contractors Licence, Regency Institute of TAFE. PreVocation Plumbing & Gasfitting, Regency Institute of TAFE.

Experience: Matt has extensive experience in hydraulic pipework, storm water, sewer drainage and civil works in medium to large construction. He began his career in the plumbing construction industry and now has over 12 years' experience in the water and waste water industry.

Name: Chris Brown

Role: Environmental Specialist, Operations and Planning

Qualification: Bachelor App.Sc (Environmental Management)

Experience: Chris has extensive experience in Industrial Microbiology, industrial liquid waste management. Has an excellent understanding with regulatory framework that operates in SA for pollution management and control.

Systems & Processes:

Alano Utilities have created a website which enables the business to interface with the consumers. Website address: www.alanowater.com

Customers are able to contact Alano Utilities via the following channels:

Email - admin@alanowater.com

Telephone - 08 8240 2733

Address - Either in person at 4B Fisher Street, Port Adelaide, SA 5015

Via mail - Post Box 19 West Beach SA 5019 or 4B Fisher Street, Port Adelaide SA 5015

Fax - 08 84478122

Currently Alano Utilities have a system in place which bills customers in a timely manner and on a quarterly basis. The bill contains the following information:

- sewerage rate charges
- customer name & property address
- date of issue and due date
- total amount due
- customer account number & unique invoice number for each quarter
- payment options available
- Alano Utilities contact details

Customer move-ins and move-outs are managed through conveyances via email

confirming change of ownerships.

Customer enquiries and complaints are addressed in a professional manner. Further detail is provided in the compliance report. Please note at all times Alano Utilities respect customer needs and endeavors to deliver exceptional service to ensure customer satisfaction.

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.

Please view Appendix 2, which details the Insurances, welcome letter and billing structure.

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 binding arrangements that are (or will be) in place with the owner of the infrastructure in regards to the use of the infrastructure.

Alano Utilities owns the gravity network, pump stations and WWTP.

The Binding agreement between the developer (TGB) and Alano Water can be viewed at Appendix 3. Also view the Construction Drawings of the network and system at Appendix 4.

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.

Please View Appendix 5

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.

No previous license as neither been applicable nor been held.

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.

Has not applied for any previous licences

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.

No other associate holds a license

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.

Alano Utilities has initiated a customer Charter which details our commitment to our customers and to provide exceptional quality.

“Alano Utilities is committed to delivering a high level of service and respecting the rights of customers. Alano Utilities is committed to the Water Retail Code & the Water Industry Act”.

Complaint handling and dispute resolution:

Alano Utilities believes that complaint handling and resolution play a pivotal role in the businesses constant improvement development

Complaints can be made in the following manner:

Via telephone on 08 8240 2733

Via email at admin@alanowater.com

In writing and sent to 4B Fisher Street, Port Adelaide, SA, 5015

In person at our head office address – 4B Fisher Street, Port Adelaide, SA 5015.

Our goal is to resolve complaints within 5 working days. If a customer is dissatisfied with the outcome, the complaint will be escalated to the Director (Mark Catalano) at Alano Utilities. If the complaint is still not able to be resolved at this stage, the customer will be provided with the details of an external independent party – Energy & Water Ombudsman SA (EWOSA) for resolution.

Billing:

Alano Utilities bills sewerage rates on a quarterly basis.

Current sewerage rates are based on the capital value of the property determined by the State Valuation Office and the Valuer-General on 1st July each year.

Country sewerage rates are calculated as percentage of the capital value of the property or the declared minimum rate, whichever is the greater.

Where a customer disputes a bill, Alano Utilities will undertake an internal review to confirm if the bill was found to be incorrect. After the investigation if it is discovered that a bill was incorrect. Alano Utilities will reimburse the amount via cheque or direct debit or provide a credit on the customer's account, whichever is best suited for the customer.

Payment and payment difficulties:

Alano Utilities have implemented a variety of payment options which enables all customers to have access to a range of easy payment options. Alano Utilities does not charge customers an extra fee when making any payment option.

Alano Utilities has established a minimum payment period of 14 days, once the date of the issued invoice has been created, which provides the customer with time to plan on making arrangements to pay the invoice.

Alano Utilities has procedures in place which enables flexible payment options, such as, payments in advance can be made and bill forwarding to another party upon demand at no charge to the customers.

Alano Utilities also have payment flexibility for customers who are experiencing payment difficulties. For example, not charging late fees or placing customers on payment plans, as low as \$10 per fortnight.

Alano Utilities have developed a Hardship Program for customers experiencing more long term financial strain.

Financial hardship can occur when a customer does not have the capacity to pay their bills. This may be due to a variety of factors which may include:

Loss of employment, natural disaster, family problems, illness or a death in the

family.

Alano Utilities understands and acknowledges that business have an important role to assist customers who are facing financial hardship. Alano Utilities will certainly work within the regulatory framework to assist such customers.

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.

The Alano Utilities North Shore Sewerage System has been effectively operating for the past 6 years.

This includes from initial design, to construction, to currently ongoing billing and customer relations, and operations of the WWTP & network.

There have been no incidents reportable to relevant authorities including the EPA or Department of Health.

Alano Utilities policy is to “peg” its sewer rates against that of SA Water billing structure. This has been positively accepted by the clients.

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.

Alano Utilities is currently working on a joint project with various industry bodies to upgrade the wwtp facilities to new energy efficient technologies. Which if implemented will deliver benefits to the customer through more cost effective sewerage service options.

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.

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.

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

of.....

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

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:this day of20....

Before me:.....

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

Appendix Content

- 1: “Financial Accounts for the year ended 30th June 2011”**
- 2: “Insurance Documentation, Welcome Letter, Billing Information.**
- 3: “North Shore Development Encumbrance”**
- 4: “Construction Drawings of the Network and System”**
- 5: “Risk Management Plan”**