APPLICATION FOR A WATER OPERATING LICENCE

NON-CONFIDENTIAL

LANCELIN SOUTH PTY LTD

Section A: Applicant Details

All applicants must complete Section A.

Applicant Details	
Name	Lancelin South Pty Ltd
Registered office (if a Corporation)	Abbott Solutions, 3 Alvan Street , Mount Lawley WA 6050
Principal Place of Business (if different from Registered Office)	Lot 9505 Lancelin Road, Lancelin WA 6044
Contact Details	
Primary contact name	Samuel Williams
Mail Address	PO Box 60 Lancelin WA, 6044.
Email	samwilliams@westnet.com.au
Telephone	0418 116 216
Mobile	0418 116 216
Company Structure	
ABN or ACN	18 152 331 238
Legal structure of applicant	Company Owner: Joseph Matthews Director/Secretary: Samuel Williams Director: Maximilian Eich

Place of incorporation	Abbott Solutions, 3 Alvan Street, Mount Lawley WA 6050
Company Directors or Principals	Director/Secretary: Samuel Williams Director: Maximilian Eich
A description of the entity's core business	Land development
Brief description of the applicant's business structure and key organisational relationships including associated and/or controlled entities	Company Owner: Joseph Matthews Director/Secretary: Samuel Williams Director: Maximilian Eich There are no entities controlling Lancelin South Pty Ltd, and no entities controlled by Lancelin South Pty Ltd.

Section B: New Licence

Applicants applying for **a new licence** must complete Section B.

Licence Classification

Electricity Licence		
Type of licence application	☐ Generation ☐ Transmission ☐ Distribution ☐ Retail ☐ Integrated Regional	
For Generation and Integrated Regional Licences	Installed capacity	megawatts
For Transmission and Integrated Regional Licences	Transmission system length	kilometres
For Distribution and Integrated Regional Licences	Distribution system length	kilometres
For Retail and Integrated Regional Licences	Number of large use customers	
For Retail and Integrated Regional Licences	Number of small use customers	
Gas Licence		
Type of licence application	☐ Distribution ☐ Trading	
For Distribution Licences	Distribution system length	kilometres
For Trading Licences	Number of small use customers	
Water Licence		
Type of licence application	☒ Water Supply (potable) ☒ Water Supply (non-potable) ■ Drainage services ■ Irrigation services ☒ Sewerage services	
For all Water Licence Classifications	Water system length	<2.5 km
For all Water Licence Classifications	Number of standard terms and conditions customers	7 currently, will increase as land is developed
For all Water Licence Classifications	Number of non-standard terms and conditions customers	Zero currently

Section C: Amendment of Licence

Not applicable

Section D: Renewal or Transfer of Licence

Not applicable

Section E: Surrender or Cancellation of Licence

Not applicable

Section F: Certification

All applicants must complete Section F.

Certification – Acknowledgement of commitment

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the *Electricity Industry Act 2004*, *Energy Coordination Act 1994*, or *Water Services Act 2012* for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant.

[If the applicant is a company, this certification must be signed by director(s) / company secretary (as applicable) unless a relevant authority to bind the applicant is provided with this application]

Name	_____	Name	_____
Position	_____	Position	_____
	Director		Director / Company Secretary
Signed	_____	Signed	_____
Date	/ /	Date	/ /

INFORMATION

IN SUPPORT OF

APPLICATION FOR WATER OPERATING LICENCE

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1 Attachments and Reference Documents

The following information has been attached to support this ERA licence application for water operating services.

1. Letter of Approval from the Western Australian Planning Commission regarding Lancelin South Structure Plan
2. Gazette No. 60 12 April 2011
3. Drinking Water Source Protection Plan Letter of Endorsement
4. Form 4T for the Transfer of Water Licence from Water Corporation to Aquasol
5. Memorandum of Understanding
6. Liquid Waste Receival Agreement between the Water Corporation, Lancelin South Pty Ltd and Aquasol
7. Consent to Become a Member of the Ombudsman
8. Public Consultation History Memorandum from Taylor Burrell Barnett
9. Certificate of Registration of a Company
10. Australian Securities & Investments Commission Form
11. Company Director Statutory Declarations
12. Corporate Declarations under Chapter 2M of Corporations Act
13. Auditor's Declaration Letter
14. Lancelin South Pty Ltd Plant Lease
15. Lancelin South Pty Ltd Projected Financials
16. Lancelin South Pty Ltd Financial Policy
17. Lancelin South Pty Ltd Financial Hardship Policy
18. Water Reserve Drinking Water Source Protection Plan
19. Water Treatment System Schematic
20. Hydramet contract proposal
21. Hydramet Experience Listing and Capability Statement
22. Operating Area

The following **Reference Documents** are provided separately to support this ERA licence application for water operating services.

23. Lancelin South Asset Management Plan; GHD, 2016
24. H3 Level Hydrogeological Assessment for 5C Licence Application – Lancelin South Development. Report to Mr J.B. Matthews; URS; 2010

2 Introduction

The Lancelin South development is located approximately 130 km north of Perth and 2.2 km south of the town of Lancelin, in the Shire of Gingin. The development will result in the creation of approximately 1,000 residential lots and associated community infrastructure over approximately 176 ha, with the potential for the future creation of a further 3,000 residential lots (subject to planning approvals).

Lancelin South Pty Ltd, the entity responsible for the development and sale of lots in the Lancelin South area, contracted Aquasol Pty Ltd to provide potable water and sewage services to the Lancelin South development. A water supply and wastewater service scheme has been established and a Water Service Operating licence (WS42) has been awarded to Aquasol Pty Ltd by the Economic Regulation Authority for operation of the proposed scheme.

Mr Joseph Matthews, through his company Matthaus Limited Partnership (Matthaus - refer Section 3.3.4 demonstrating Matthaus financial viability) is the entity behind the Lancelin South development. Mr Matthews has a strong connection with not only the Lancelin South development, but the Lancelin locality. [redacted]

Lancelin South Pty Ltd is applying for the Water Service Licence for Lancelin South, independent of the current licence holder, as it has a vested interest in ensuring high quality provision of water services, prolonging the life of the water assets, allowing for the best possible use of the assets and ensuring the water services provided are safe and reliable. [redacted]

In ensuring the financial viability of Lancelin South Pty Ltd, Matthaus will make available the necessary funding for any future plant and operating costs for water services. This commitment from Matthaus in favour of Lancelin South Pty Ltd is confirmed by the executed Water Services Funding Agreement (refer to Confidential Document) and the provision of a bank guarantee (refer to Section 3.3.10). [redacted]

Lancelin South Pty Ltd intends to engage Hydramet, a specialist water treatment provider, on a contractual basis for the operations of the Lancelin South Pty Ltd water treatment and water supply

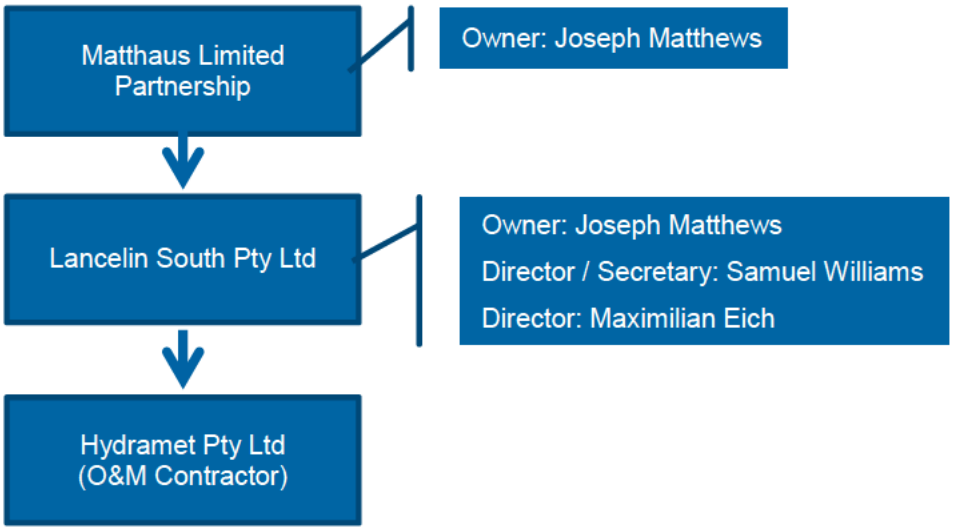
facilities and assets (refer the Hydramet Contract Proposal in Attachment 20 -). The Aquasol Essential Services Agreement came into effect on 24 October 2012, and is renewed on this date annually. Lancelin South Pty Ltd intends to transition the service provision smoothly from Aquasol to Hydramet.

3 Application Details

3.1 Application Summary

3.1.1 Company Structure

Lancelin South structure and key organizational relationships



3.1.2 Service Model

Description of the Lancelin South service(s) and service model intended

Current Model

The Lancelin South development is currently outside of the area to which Water Corporation provides services. To support early growth within the Lancelin South development, Lancelin South Pty Ltd contracted Aquasol Pty Ltd to design, build and construct appropriate water and wastewater infrastructure to service the area. The current Economic Regulatory Authority (ERA) Water Services Operating licence number 42, covering potable water services, non-potable services and sewerage services, is currently held by Aquasol Pty Ltd.

Lancelin South's Motivation

This model enabled establishment of water services in Lancelin South but is not considered to provide a sufficient level of accountability moving forward. Lancelin South Pty Ltd has a vested interest in ensuring high quality provision of water services, prolonging the life of the water assets, allowing for the best possible use of the assets and ensuring the water services provided are safe and reliable. Any failure in the provision of safe and reliable water services could be dangerous for Lancelin South residents and tarnish the Lancelin South brand. With Lancelin South holding the operating licence, there is capability to contract any works required to any entity, providing significant flexibility and also introducing competition between potential service providers.

In the current arrangement, Aquasol is both the licence holder and sole contractor [redacted].

By establishing a water and waste water licence under Lancelin South Pty Ltd, the development will have more control in regulating the quality of service being provided by the company chosen to operate and maintain the plant.

Transition Plan

Lancelin South Pty Ltd will engage Hydramet, a specialist water treatment provider, on a contractual basis for the operations of the Lancelin South Pty Ltd water treatment and water supply facilities and assets (refer the Hydramet Contract Proposal in Attachment 20). The Essential Services Agreement, between Lancelin South Pty Ltd and Aquasol, came into effect on 24 October 2012 and is renewed on this date annually. The ESA provides the option for this renewal to be terminated with three months' notice prior to the anniversary of the execution date of the agreement. It is intended that, subject to the water service licence being issued by the Economic Regulation Authority, Lancelin South Pty Ltd will advise Aquasol of the termination of the agreement within the required timeframe.

When Lancelin South Pty Ltd takes control of the provision of water services, Lancelin South's water operations and maintenance contractor, Hydramet, will seamlessly take over the operations from Aquasol. At the time of preparing this application, Lancelin South's water maintenance contractor has viewed the plant, are aware of the operational requirements and have the technical ability to run the plant.

Services

This application for a Water Services Operating Licence pertains to the groundwater abstraction, non-potable water supply, potable water supply and sewerage service infrastructure [redacted] and servicing the Lancelin South development. Lancelin South Pty Ltd will [redacted]

[redacted] supply Non-Potable (irrigation) water, Potable Water and Sewerage services to each individual lot in the Lancelin South development.

The non-potable water supply scheme utilises groundwater abstracted from the Leederville aquifer, treats the water and supplies the produced non-potable water to consumers.

The potable water supply scheme utilises part of the groundwater abstracted from the Leederville aquifer already treated to non-potable quality, further treats and chlorinates the water and supplies the produced potable water to consumers.

Sewerage reticulation has been installed but, due to the small number of users at time of preparation of this report, all collected sewage is transported by truck to the Water Corporation's Sewage Treatment Plant in Lancelin. This is in accordance with the Liquid Waste Receival Agreement between Water Corporation, Aquasol Pty Ltd and Lancelin South Pty Ltd in Attachment 6 - . A sewage treatment plant has been designed to service Lancelin South and this will be constructed when there are sufficient customers to viably operate the plant.

[redacted]

[redacted]

[redacted]

3.1.3 Service Infrastructure and Works

Description of the service infrastructure/works involved

The service infrastructure comprises:

- A groundwater abstraction bore;
- A water treatment plant with associated water storage tanks within a fenced compound;
- A non-potable water below ground piping reticulation network;
- A potable water below ground piping reticulation network; and
- A sewerage below ground piping reticulation network.

3.1.4 Other Regulatory Approvals

Information on the status of other essential regulatory approvals required

Approval, Permit or Licence	Authority	Status
Planning Approval-Rezoning of the land to Urban Development	Shire of Gingin	Previously published in Gazette No. 60 12 April 2011, page 1337, PL401. No changes.
Planning Approval-Structure Plan	Western Australian Planning Commission	Development plan approved.
Drinking Water Source Protection Plan	WA Department of Water	Previously endorsed by DoW; no changes.
Water Licence	WA Department of Water	Current licence GWL172882 held by Aquasol Pty Ltd. DoW has advised that the licence can be transferred to Lancelin South Pty Ltd on application.
Memorandum of Understanding	WA Department of Health	DoH has advised that the current MoU (with Aquasol) dated June 2013 will be transferred to Lancelin South on application.
Waste Disposal Agreement	Water Corporation	Currently agreed between Water Corporation, Lancelin South Pty Ltd and Aquasol
Sewerage Works Approval and Licence	WA Department of Environmental Regulation	On hold until a new sewerage management plan is proposed. Will be progressed and submitted then.
Water Ombudsman Member	Energy and Water Ombudsman WA	Membership will only be approved once the Water Operating Licence has been granted by the ERA.

Please refer to the Planning Approval Letter from the Western Australian Planning Commission regarding Lancelin South Structure Plan, which approved of the original Structure Plan for the area, Attachment 1. Refer to Attachment 2 for the Gazette No. 60 12 April 2011 for the planning approval for rezoning of the land to urban development, by the Shire of Gingin.

Refer to Attachment 3 for the letter of endorsement for Lancelin South Pty Ltd current Drinking Water Source Protection Plan, as provided by the Department of Water. No changes are planned with regards to this protection plan.

Refer to Attachment 4, Form 4T, for the Transfer of Water Licence from Water Corporation to Aquasol. The Department of Water have advised that this licence can be transferred to Lancelin South Pty Ltd and approved once the Water Operating Licence has been approved and issued by the ERA.

Refer to Attachment 5 for the Memorandum of Understanding between the Department of Health and Aquasol. The Department of Health has advised that this will be easily transferrable to Lancelin South Pty Ltd.

Refer to Attachment 6 for the Liquid Waste Receival Agreement between the Water Corporation, Lancelin South Pty Ltd and Aquasol. This is the current arrangement for sewerage disposal from Lancelin South, and will be amended to remove Aquasol from the agreement once the ERA water operating licence for Lancelin South Pty Ltd is approved. This agreement will continue to be the agreement until such a time when a new sewerage management plan is proposed.

Refer to Attachment 7 for the Ombudsman application form which was submitted prior to the ERA Water Licence submission. The date of this approval is to coincide with the date of the ERA Water Operating Licence approval.

See the table below for pre-approved regulatory approvals, and the forecast schedule for approval of others.

Scheduled application date
Expected approval date

Dates	Pre July 2016	Week 1*	Week 4*	Week 8*
Water Operating Licence				
Planning Approval				
Drinking Water Source Protection Plan				
Water Entitlement Licence				
MoU				
Liquid Waste Receival Agreement				
Water Ombudsman member				

*Note: Number of week after submission of application to ERA for Water Services Operating Licence

The number of current and previous subdivision approvals are below.

Financial Year	2013 - 14	2014-15	2015-16	2016-2017
Land Zoned for Urban Development and Light Industrial (defined by number of Lots)	1118	1118	4118	4118
WAPC Structure Plan Approval	1000	1000	4000	1,350
WAPC Subdivision Approval	251	0*	0*	TBC
Lots Constructed	51	51	51	TBC
Constructed Lots Sold	12	19	21	TBC
Constructed Lots Remaining to be sold	39	32	30	TBC

*Note: Where figure of 0 is provided, it indicates the Subdivision Approval has lapsed.

3.1.5 Public Consultation

Description of any public consultation or stakeholder engagement processes undertaken concerning the licence project

Refer to Attachment 8 for the Public Consultation History Memorandum from Taylor Burrell Barnett.

3.2 Corporate Information

For more information, please refer to Attachments 9 and 10 for the Certificate of Registration of a Company and the Australian Securities & Investments Commission Form for registered companies.

3.2.1 Corporate Identity

Information on the identity of the applicant, including:

a) The legal entity name and trading name; and

b) Relevant ABN or ACN (as relevant);

Legal Entity and Trading Name	ACN	ABN
Lancelin South Pty Ltd	152 331 238	18 152 331 238

3.2.2 Address and Contact Details

The address and contact details of the applicant;

Address	Contact Details
PO Box 60 Lancelin WA, 6044.	Samuel Williams: 0418 116 216

3.2.3 Primary Contact

The name and contact details of the primary contact person whom the Authority can contact for licensing matters;

Lancelin South
Samuel Williams: 0418 116 216

3.2.4 Company Description

A description of the company including:

a) The entity's profile, including the date the entity was founded, the entity's history, employee numbers and a description of the entity's core activities;

Founding Date	1/8/2011
Entity History	Have carried out and completed Stage One Outline Development Plan for urban development, as per document Lancelin South (Stage One) Outline Development Plan: - Created 51 residential lots - Rezoned a further portion of land for 3,000 residential lots for the eventual expansion of Lancelin South - Completed and lodged a Structure Plan to facilitate future development
Employee Numbers	3
Core Activities	Land development

b) Company type;

Lancelin South is a proprietary company limited by shares.

c) The proportions of equity held by the individuals involved;

Currently, the company is 100% owned by Joseph Matthews (refer to Attachment 10 for the Australian Securities & Investments Commission Form).

d) A list of any associated and/or controlled entities, and including where relevant any parent companies; and

Lancelin South Pty Ltd does not have a parent company or any controlled entities.

e) Copies of any relevant articles of association and company registration details for the applicant and any associated or controlled entities

Refer to Attachments 9 and 10 for the Certificate of Registration of a Company and the Australian Securities & Investments Commission Form for registered companies.

3.2.5 Control of Lancelin South Pty Ltd

A description that specifies any degree of control exercised by associated entities over the applicant and how that control is exercised. The application should include detailed information on any other entity the applicant intends to rely on to provide staff, services or resources to the licensed service.

Lancelin South Pty Ltd is 100% owned by Joseph Matthews.

Samuel Williams and Maximilian Eich are the only two directors. No other company or individual has direct control of the business activities of Lancelin South Pty Ltd.

Refer to Attachments 9 and 10 for the Certificate of Registration of a Company and the Australian Securities & Investments Commission Form for registered companies.

3.2.6 Company Directors

A list of all company directors or principals of the applicant;

Role	Person
Director/Secretary	Samuel Williams
Director	Maximilian Eich

Refer to Attachment 10 for the Australian Securities & Investments Commission Form for registered companies.

3.2.7 Corporate Disqualifications

A statutory declaration from the company directors or principals of the entity declaring that they have not been or would not be disqualified under the Corporations Act 2001 (Cwlth) from managing corporations.

Refer to Attachment 11 for the Company Director Statutory Declarations.

3.3 Financial Information

3.3.1 Recent Audited Financial Report

Refer to Confidential Document.

3.3.2 Audited Financial Reports

Refer to Confidential Document.

3.3.3 New Entity Information

N/A

3.3.4 Parent Company Information

Refer to Confidential Document.

3.3.5 ASIC Requirements

A copy of any other document, record or information that the applicant has been required to submit to ASIC under chapter 2M of the Corporations Act 2001 (Cwlth) over the past three years.

Lancelin South has not been required to submit any document, record or information to ASIC under chapter 2M of the Corporation Act 2001 (Cwlth) over the past three years, as of May 2016. Refer to Attachment 12 for the relevant Corporate Declarations

3.3.6 Financial Institution Declaration

A written declaration from an independent auditor or the applicant's principal financial institution stating that:

a) An insolvency official has not been appointed in respect of the business or any property of the business;

b) No application or order has been made, resolution has been passed, or steps have been taken to pass a resolution to wind up or dissolve the business; and

c) The applicant is unaware of any other factors that would impede their ability to finance the activities required by the licence.

Refer to Attachment 13 for the Auditor's Declaration letter.

3.3.7 Risks to Financial Position

Information about any risks to the applicant's financial position (such as any potential contingent liabilities, any litigation as a plaintiff or defendant) and measures to manage those risks (see also Section 3.3.15).

Lancelin South has no risks to its financial position, including potential contingent liabilities or litigation. Refer to Attachment 13 for the relevant Corporate Declarations.

3.3.8 Financial Obligations

A description of the extent to which any financial obligations of the applicant are guaranteed by other group companies. Copies of any guarantee agreements should be attached to the application.

Lancelin South has no financial obligations guaranteed by other group companies. Refer to Attachment 13 for the relevant Corporate Declarations.

3.3.9 Contractual Arrangements

A description of any contractual arrangements that define relationships within the group including shared resources, guarantees, revenue flows, obligations and/or responsibilities. Where available, copies of executed and proposed agreements should be provided.

Joseph Matthews is the sole 100% owner of Lancelin South Pty Ltd. Samuel Williams is the Director Secretary and Maximilian Eich is the Director. Refer to Attachment 10 for the Australian Securities & Investments Commission Form.

Financing

3.3.10 Financial Support

Refer to Confidential Document.

3.3.11 Financing Assets

Refer to Confidential Document.

Financial projections

3.3.12 Related Business Activities

Details of the intended services and related business activities that are, or will be undertaken by the applicant, including information about the markets the applicant will actively participate in.

Lancelin South Pty Ltd will:

- Hold all licences associated with the provision of potable water;
- Hold all licences associated with the provision of sewerage services;
- Manage all assets;
- Organise the cartage and transfer of sewerage from a gravity fed collection point to the Water Corporation ponds until their own evaporation pond, pressure main and pump station are created;
- Provide meter reading and customer billing services for the first stage of development, up to approximately 50 lots.

Lancelin South Pty Ltd will contract external organisations for the provision of other services, including:

- Operation of water and wastewater assets;
- Maintenance of water and wastewater assets;
- Provision of 24-hour customer contact service; and
- Meter reading and customer billing services once development exceeds 50 lots

Lancelin South Pty Ltd will, through its proposed primary operations and maintenance contractor (Hydramet):

- Run the current treatment plant to provide potable and non-potable water
- Provide future potable water only to additional stages of Lancelin South
- Run the sewerage system, including an evaporation pond and associated pump station, for Lancelin South Pty Ltd once Lancelin South Pty Ltd has built their own sewerage system.

Refer to Reference Document 25 for the Lancelin South Pty Ltd Asset Management Plan.

3.3.13 Projected Revenue

Projected revenue and expenditure figures for at least 5 years, or over the life of the project, for the provision of services. This projection should demonstrate the financial security and feasibility for the activities to which the licence relates, as well as highlight all key assumptions and risks, along with all relevant risk management strategies. This should preferably be provided in a Microsoft Excel spreadsheet.

Refer to Attachment 15 for the Microsoft Excel spreadsheets:

- Lancelin South Water Supply – Cash flows
- Lancelin South Wastewater Supply – Cash flows

Refer to Section 3.1.4, status of regulatory approvals required, for the current and previous subdivision approvals.

Projected Financial Standing

[redacted]

Clarifications on the Financial Projections

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

3.3.14 Price Determination

Methods and/or principles that Lancelin South propose to apply in determining its prices or charges.

Lancelin South charges for non-potable water, potable water and sewerage services will be based on achieving a return on capital investment and cover operating and maintenance costs. Charges will be commensurate with those of Water Corporation, Aqwest and Busselton Water.

Rates will be reviewed periodically. Customers will be advised of any rate change at least one billing cycle ahead of the change being implemented.

Water charges for both potable water and non-potable (irrigation) water services to residential and commercial customers will include:

- A Base Water Service Charge for operating the water system.
- A Water Usage Charge is applied to the volume of water used by an individual customer.

Charges for sewerage services consist of an annual Base Sewerage Service Charge only.

Base Service Charges for potable water and sewerage services will apply to all lots to which a service can be connected, whether or not any building exists on the lot.

Financial policies

3.3.15 Financial Policies

Copies of the applicant's financial policies, including the applicant's accounting policies, internal and external auditing policies, risk management policies and internal control procedures.

Refer to Attachment 16 for Lancelin South Pty Ltd Financial Policy.

3.3.16 Lancelin South's Pricing Policies, Methods and Procedures

General

Lancelin South Pty Ltd will supply Non-Potable (irrigation) water, Potable Water and sewerage services to each individual lot in the Lancelin South development. Residents at each lot will be able to select:

- Single water application fee per Lot - either Non-Potable (irrigation) water or Potable Water connection.
- Dual application fee per Lot - Non-Potable (irrigation) water and Potable Water connection.

The Non-Potable water option is only available for the Stage 1 development. From the Stage 2 development onwards (52 lots onwards), only a Potable Water connection will be supplied.

Additional charges may apply for:

- Non-standard size connection; and
- Disconnection of water service.

Resident's accounts will be issued regularly (nominally every 3 months) and detail applicable charges for services provided:

- A fixed service charge and a variable charge for Non-potable (irrigation) Water consumption,
- A fixed service charge and a variable charge for Potable Water consumption
- A fixed service charge for Sewerage services

Lancelin South charges for non-potable water, potable water and sewerage services will be based on achieving a return on capital investment and cover operating and maintenance costs. Charges will be commensurate with those of Water Corporation, Aqwest and Busselton Water.

Rates will be reviewed periodically. Customers will be advised of any rate change at least one billing cycle ahead of the change being implemented.

Financial Hardship

Financial hardship involves an inability of the resident to pay bills, rather than an unwillingness to do so. Lancelin South Pty Ltd Financial Hardship Policy is attached in Attachment 16.

Lancelin South Pty Ltd will offer flexible payment options to customers identified as being in financial hardship and can provide fair and reasonable assurance that they are willing and able to meet the requirements of the plan. The flexible payment plan offered will:

- State the period over which the resident will pay the agreed amount;
- Specify an amount to be paid in each period;
- Be able to be re-negotiated at the request of a resident if there is a demonstrable change in their circumstances; and
- Be confirmed in writing to the resident prior to or as soon as practicable after the flexible payment plan has commenced.

Restriction of Service

Lancelin South Pty Ltd may discontinue non-potable water supply or restrict potable water supply to a customer if water service charges remain unpaid for 30 days after they become due.

Prior to stopping or restricting water supply, Lancelin South Pty Ltd will use its best endeavours to inform the customer by phone, by email, by letter or in person of its intention to do so.

Lancelin South Pty Ltd will not stop or restrict water supply services if:

- The amount owing is less than $200;
- The customer is being assessed by a provider to determine if they are experiencing payment difficulties or financial hardship;
- The customer has made a complaint in relation to water services charges that is not resolved;
- After 3:00 pm on a Friday or anytime on a Saturday, Sunday public holiday or the day before a public holiday;
- The occupier is a tenant and the owner is liable to pay the amount owing;
- The customer needs water to operate a life support machine or have been assessed by the provider as requiring water for a special need;

If a flow restriction to a potable water service is applied, Lancelin South Pty Ltd will maintain potable water supply to a minimum of 2.3 litres per minute.

3.4 Technical Information

Assets

3.4.1 Physical Environment

Description of the physical environment of the proposed activity and its immediate vicinity, including all land and areas affected by the proposed application.

The Lancelin South development is located approximately 130 km north of Perth and 2.2 km south of the town of Lancelin, in the Shire of Gingin. The development will result in the creation of approximately 1,000 residential lots and associated community infrastructure over approximately 176 ha, with the potential for the future creation of a further 3,000 residential lots (subject to planning approvals). A water supply and wastewater service scheme has been established and a water service provider licence has been awarded to Aquasol Pty Ltd by the Economic Regulation Authority for operation of the proposed scheme.

Hydrogeological investigations have previously been undertaken by URS to establish the suitability of the Leederville aquifer as a supply source for the proposed scheme. A production bore (3/09) has been constructed and a H3 level hydrogeological investigation has been conducted and reported on previously by URS[1], (refer to Reference Document 26). The production bore is located within the proposed Lancelin South Water Reserve, located approximately 250 m east of the Lancelin South development, and approximately 100 m north of Lancelin Road. A Drinking Water Source Protection Plan (DWSPP) as required for the source by the Department of Health as part of their Memorandum of Understanding with the licenced water service provider has been prepared[2].

Current and proposed land uses in the area include grazing, natural bushland, lime sand mining, semi-rural development and urban residential development. The surrounding land uses pose minimal risk to the water supply due to the confined nature of the source aquifer system, provided bore construction is in accordance with Minimum Construction Requirements for Water Bores in Australia (3rd Edition) (National Water Commission 2012).

Refer to Attachment 18 for Lancelin South Water Reserve Drinking Water Source Protection Plan; RPS Environment and Planning Pty Ltd, 2012.

[1] *H3 Level Hydrogeological Assessment for 5C Licence Application – Lancelin South Development*. Report to Mr J.B. Matthews; URS; 2010

[2] *Lancelin South Water Reserve Drinking Water Source Protection Plan, Lancelin South Town Water Supply*; RPS, 2012.

3.4.2 Methods for Service Provision

Description of the methods or principles that the applicant proposes to apply in the provision of the service

Lancelin South Pty Ltd will take over the operation of the currently running system and operate it as follows.

Groundwater will be abstracted from a local bore, and treated in two stages:

- Stage 1, comprising chemical oxidation and media filtration, to produce water suitable for non-potable (irrigation) service; and
- Stage 2, comprising (in addition to Stage 1), activated carbon filtration, UV sterilization, reverse osmosis desalination and disinfection with chlorine, to produce potable water.

The groundwater abstraction bore and water treatment plant will operate automatically under control of a programmable logic controller (PLC) to maintain sufficient water levels in the non-potable and potable water storage tanks to ensure supply to customers.

Non-potable water is pumped from the non-potable water storage tank through dedicated reticulation pipework to each lot. Volumetric metering will occur at point of supply and at the boundary of serviced lots. Pressure monitoring will occur at point of supply.

Potable water is pumped from the potable water storage tank through dedicated reticulation pipework to each lot. Volumetric metering will occur at point of supply and at the boundary of serviced lots. Pressure monitoring will occur at point of supply.

Potable water quality will be regularly tested by means of:

- Continuous on-line analysers;
- Sampling and on-site analysis; and
- Sampling with submission to a NATA[3] certified laboratory.

Water quality testing will be undertaken to ensure the provision of water continuously meets the requirements of the WA Department of Health and the Australian Drinking Water Guidelines (2011).

Sewerage reticulation will be connected to each lot. Initially, sewage will be collected and transported by truck to the Water Corporation's Lancelin Sewage Treatment Plant. Lancelin South Pty Ltd will construct a Wastewater (Sewage) Treatment Plant to service the Lancelin South area in the future.

Lancelin South Pty Ltd will contract the services of an appropriate company to operate and maintain the water treatment plant and, in the future, the wastewater treatment plant.

[3] NATA – National Association of Testing Authorities

3.4.3 Infrastructure

A description of the infrastructure and any interconnected infrastructure systems (proposed to be) used to deliver the services to be covered by the licence.

Refer to Attachment 19, Water Treatment System Schematic.

Ground water system

Groundwater is abstracted from one production bore drilled into the Leederville aquifer. Additionally, two monitoring bores, one in the superficial aquifer and one in the Leederville aquifer, have been installed. All bores have been installed in accordance with the Water Corporation standards and to support the application for a 5C Groundwater Well licence.

The production bore is equipped with a submersible pump set, riser pipe and headworks suitable for the supply of 0.96 kL/day (11.1 L/s) of groundwater, suitable for supply of non-potable and potable water for 1,000 lots.

Non-Potable water system

Non-potable water is produced from supplied groundwater by:

- Addition of chlorine solution to facilitate precipitation of dissolved iron and manganese from the water; and
- Media filtration.

The non-potable water is stored in a 100 kL polythene lined, galvanised steel tank, complete with roof, access hatches, inlet and outlet nozzles and appurtenances. Two 52 kL polythene lined, galvanised steel tanks are installed to store backwash water from the filtration plant. A pump set, equipped with a flow monitor, supplies non-potable water to the non-potable water reticulation system servicing Lancelin South.

This non-potable water storage tank supplies water to the water treatment plant for production of potable water.

Potable water system

Potable water is produced from non-potable water by treatment, including:

- Activated carbon filtration;
- Cartridge filtration (nominal 1 µm particle retention);
- In-line ultraviolet (UV) light sterilisation;
- Reverse osmosis desalination; and
- Addition of chlorine solution for disinfection.

The potable water is stored in a 300 kL polythene lined, galvanised steel tank, complete with roof, access hatches, inlet and outlet nozzles and appurtenances. A pump set, equipped with a flow monitor and residual chlorine monitor, supplies potable water to the potable water reticulation system servicing Lancelin South.

WTP Location

The production bore, two monitoring bores, tanks, water treatment facilities and pumps are co-located at a 600 m^2 (30 m x 20 m) hardstand area adjacent to Lancelin Road. The site is fenced and all water treatment equipment is housed within a modified shipping container.

Sewerage system

No sewerage treatment assets are installed at present (2016).

Lancelin South intends to install a pond based sewage treatment plant when 50 lots have been sold.

The current proposed sewage treatment plant will be based upon an anaerobic and aerobic pond system to treat the collected wastewater. The treated wastewater will flow to an evaporation pond.

As the population of Lancelin South increases, the sewer system will be extended and installation of wastewater pump stations will be necessary.

Reticulation Piping

Reticulation piping for non-potable and potable water supplies from the water treatment plant to individual lots is installed within road reserves. All pipe is installed below ground. The pipe design is as follows:

- Non-potable water reticulation – approximately 1,600 m of various diameter (DN63 – DN200) HDPE and PVC pipe;
- Potable water reticulation – approximately 1,600 m of various diameter (DN63 – DN200) HDPE and PVC pipe; and
- Sewer reticulation – approximately 1,600 m of various diameter (DN150 – DN300) PVC pipe.

Reticulation pipework for non-potable and potable water services includes air valves, scour valves and isolation valves with associated access chambers.

3.4.4 Schedule of Activities

A detailed construction schedule of all proposed construction activities including proposed commencement and completion dates of the construction activities and commissioning of works. Construction activities must specify the location of any areas that will be temporarily or permanently affected by the activities.

Construction of all assets associated with the non-potable and potable water services for Stage 1 of the Lancelin South development are complete, commissioned and operating.

Construction of sewer reticulation for Stage 1 of the Lancelin South development is complete, commissioned and operating. Development of the Lancelin South Wastewater Treatment Plant will occur when:

- A sufficient number of lots have been sold to technically and commercially warrant the new plant;
- The Water Corporation is no longer able to accept wastewater from Lancelin South; or
- Other reasons.

3.4.5 Nature and Extent of Construction

The nature and extent of the construction, alteration, operation or maintenance of a distribution system for the transportation of gas (gas distribution licence applications only).

N/A

3.4.6 Supply Connection to Customers

Where applicable, information about supply connection to networks or customers, including details of the network connection and actual or estimated number of customers by type.

Stage 1 of the Lancelin South development currently covers an area of approximately 176 ha and includes the construction of:

- Approximately 1,000 residential lots.
- Approximately 118 Mixed Business/Light Industrial lots

The structure plan for the initial 1,000 lot development comprises residential densities ranging from R2.5 to R20/40, as well as a 54 ha Mixed Business/Light Industrial zone, a 3.6 ha Village Centre commercial area, and five Local Centres (small retail hubs intended to service the daily needs of residents) totalling 1.58 ha.

[redacted]

3.4.7 Meter Arrangements

Where applicable, details of the actual or proposed metering arrangements for the proposed service(s), including:

a) forecasts of annual maximum demand for each of the next 5 years;
b) agreements with network service providers;
c) agreements with metering agents; and
d) arrangements for dealing with metering complaints and queries.

Water usage is based upon:

- Drinking water consumption of 120 L/person/day, with an occupation rate of 2.9 persons per lot (348 L/lot/day); and
- Irrigation water consumption of 420 L/lot/day.

Based on the above estimates, drinking water consumption amounts to approximately 348 kL/d and irrigation water demand amounts to approximately 420 kL/day.

[redacted]

Volumetric metering of non-potable water and potable water services occurs at the water treatment plant discharge and at the boundary of each individual lot. Lot boundary metering will be used for customer billing purpose.

Lot meter reading will initially be undertaken by Lancelin South Pty Ltd but may be sub-contracted in the future as the development grows.

Customers will be able to lodge queries or complaints through a continuously (24 hours/day, 7 days/week) available customer service phone number or by mail, email or fax. Hydramet Pty Ltd, as the water treatment plant operation and maintenance contractor, will provide customer contact service.

Lancelin South Pty Ltd will be responsible for addressing customer queries and complaints within the required time frame.

3.4.8 Methods for Supply

Methods or standards proposed to apply in the supply of gas (gas licence applications only)

N/A

3.4.9 Asset Management System

A detailed description of the asset management system, including:

- ***a) the measures to be taken by the applicant for the proper maintenance of assets used in the provision of the electricity supply, gas supply or water services, and for undertaking maintenance and operation of any works;***
- ***b) a description of the existing or proposed asset registers, risk assessments, asset management plans, quality management systems, construction standards, maintenance manuals/plans/schedules, asset management information systems and data management; and***
- ***c) detailed information about the key processes that should be addressed in an asset management system can be found in the Authority's Audit Guidelines, in particular Appendix 4.***

Refer to Reference Document 25, Lancelin South Asset Management Plan, including. Asset Management Procedures

The assets are owned by Matthaus, and are leased on a long term agreement to Lancelin South Pty Ltd. Refer to Attachment 14 for the Plant Lease.

3.4.10 Standard Form Contract – Electricity

N/A

3.4.11 Standard Form Contract – Gas

N/A

3.4.12 Standard Terms and Conditions

If the applicant proposes to supply water services, a copy of the applicant's standard terms and conditions for the provision of the service.

Lancelin South Pty Ltd

Standard Terms and Conditions

Lancelin South Pty Ltd provides potable water, non-potable (irrigation) water and sewerage services to the Lancelin South area.

If a potable water, non-potable (irrigation) water and sewerage connection is available at your property and the requested service can be provided, Lancelin South Pty Ltd will process your request as a **standard water service connection.**

A standard water service connection will normally be made within 10 working days of completion of an application.

The following terms and conditions apply:

- A connection will not be made until all fees associated with this application have been paid.
- You will need to provide appropriate property details to Lancelin South Pty Ltd and pay the applicable fees.
- Any alterations you wish to make to ground levels must be made before you apply for the service connection.
- You can nominate your preference for location of the water service connection and meters and Lancelin South Pty Ltd will attempt to meet your requests insofar as is possible. However, the final location of the connection and meters will be determined by Lancelin South Pty Ltd.
- Any relocation of the service at your request will be at your cost. Note however, relocation may not be possible due to the position of other services or other obstacles.
- Your potable water, non-potable (irrigation) water and/or sewerage connection must be made by a licensed plumber.
- The area around the potable water and non-potable (irrigation) water meters is to be kept clear of obstructions at all times to allow installation, meter reading and maintenance.
- You accept ownership and responsibility for all internal reticulation on your side of the meter.
- Once a meter is installed, you will be responsible for water usage charges.
- On your **potable water service connection**, you must purchase and have a licensed plumber install an approved **backflow prevention device**. The backflow prevention device must be installed on your side of the meter and as close as practicable to the property boundary.
- You are required to comply with the relevant Acts and By-Laws, and any special conditions that may apply to your connection.

3.4.13 Non Standard Terms and Conditions

Proposed non-standard terms and conditions for the provision of water services (where applicable)

N/A

3.4.14 Standard Customer Contract

Proposed standard customer contract for water services (where applicable)

N/A

Customer information

3.4.15 Ombudsman Scheme

Evidence of a commitment to remain or become a member of an approved Energy and Water Ombudsman Scheme and to be bound by any decisions of an Energy and Water Ombudsman Scheme.

Lancelin South Pty Ltd will become a member of the WA Energy and Water Ombudsman scheme subject to this Water Licence being issued by the ERA, and will be bound by any decisions of the Energy and Water Ombudsman. Lancelin South Pty Ltd has applied to become a member of the Ombudsman scheme, subject to the ERA approving the application for a water licence. The Ombudsman membership is to be granted on the same day as the ERA water operating licence is granted. Refer to section 3.1.4 for correspondence relating to the Ombudsman membership application.

Note that Aquasol Pty Ltd is currently a member of this scheme.

3.4.16 Compliance with Industry

Where applicable, evidence of compliance with relevant supply industry methods, quality standards and codes including compliance with relevant consumer protection arrangements including:

a) a description of how customer accounts will be managed;
b) details of customer information provision policies (e.g. tariffs, fees and charges), customer consultation processes, account enquiries processes, payment arrangements and hardship policies and procedures, complaints and dispute resolution processes, account termination procedures and customer performance measures.
c) information on the customer information management systems used by the applicant, including any billing systems;
d) if the applicant proposes to provide water services to residential customers, a copy of the applicant's proposed financial hardship policy.

Customer accounts will be managed by Lancelin South Pty Ltd up to approximately 50 lots, using standard commercially available software. Once the lot sales exceed 50, the customer accounts will be outsourced. All information collected will be managed to maintain privacy as required by law and to meet current accepted standards.

Lancelin South will maintain a web site on which general information will be available to customers, including (but not necessarily limited to):

- Contact information;
- Service provision standards;
- Billing information, including charge structure, payment arrangements and hardship policy;
- Complaint options;
- News of proposed developments and possible impacts on services;
- Technical information, such as a guide for use of non-potable (irrigation) water.

Important customer information will be provided to each customer by mail and/or electronic communication (email, message, etc.). Instances in which direct customer contact may be necessary includes (but is not necessarily limited to):

- Changes to water service rates and charges;
- Information regarding proposed developments, maintenance or other activities that may potentially impact on water services;

Lancelin South Pty Ltd proposed Financial Hardship Policy is attached in Attachment 17.

Other Regulatory Approvals

3.4.17 Other Applications

Status of applications for environmental, planning and public health approvals, permits or licences.

Please refer to section 3.1.4.

Relevant Experience

3.4.18 Prior Experience

Applicant's prior experience and/or appropriate training related to the nature of the proposed activity.

Lancelin South Pty Ltd is the owner and developer of Lancelin South area.

Lancelin South Pty Ltd contracted Aquasol to design, construct, operate and maintain the current water service assets in Lancelin South. Matthaus is the asset owner of all of the water service assets at Lancelin South.

Lancelin South Pty Ltd was heavily involved with the application by Aquasol Pty Ltd for the current ERA Water Services Operating Licence WL42.

Lancelin South Pty Ltd does not have any direct capability to operate and maintain the water assets and consequently has engaged:

- GHD Pty Ltd to provide technical support services;
- Hydramet Pty Ltd to provide operation, maintenance, meter reading and customer contact services; and
- Lancelin Sands to provide a wastewater pumping and carting service (Total Plant Hire to provide a back-up wastewater pumping and carting service).

Lancelin South Pty Ltd is familiar with the requirements for the provision of water services in terms of standard of service delivery, customer liaison, asset management and general, technical requirements.

3.4.19 Key Personnel

Key personnel (including contractors) used to install and/or operate and/or maintain the supply of electricity, gas or water services with a summary of the key qualifications of the key personnel (including contractors).

Hydramet Pty Ltd will be the primary contractor for the operation and maintenance of the water assets, as per their Contract Proposal in Attachment 20. A Hydramet experience listing and Capability Statement, including key personnel, is included in Attachment 21.

GHD Pty Ltd will provide technical support services.

Organisation	Key Contact	Contact Details
Lancelin South Pty Ltd	Samuel Williams	Ph: 0418 116 216 Samwilliams@lancelinsouth.com.au
	Maximilian Eich	Ph: 0429 827 794 max.eich@lancelinsouth.com.au
Hydramet Pty Ltd	[redacted]	[redacted]
GHD Pty Ltd		

3.4.20 Sub-Contractors

Applicant's policy on the use of sub-contractors

Lancelin South Pty Ltd does not have a prepared Sub-Contractor Policy.

In general, Lancelin South Pty Ltd relies upon the use of sub-contractors to provide services to facilitate the provision of Water and Wastewater Services to the Lancelin South development. In retaining the services of a sub-contractor, Lancelin South will ensure:

- The scope of the service is unambiguously defined, including applicable standards and constraints;
- The time frame during which the service is to be provided is unambiguously defined;
- Where applicable, specific personnel that will deliver the service, or specific qualifications, accreditations or skill sets required to deliver the service will be identified;
- A process for dealing with unexpected events or outcomes (variations to scope) during the course of the execution of the contract will be defined;
- The charges associated with the delivery of the service, including charges applicable to variant works will be identified; and
- General terms and conditions of the contract, including payment, required insurances, liability, dispute resolution and other pertinent matters will be defined.

3.4.21 Entities Supplying Staff and Resources

If the applicant intends to rely on another entity to provide staff and resources, the applicant should provide a summary of the relationship between the applicant and this entity. This should include evidence of agreements to provide services and a summary of this other entity's relevant experience and technical capacity to meet the relevant requirements of the licence.

Lancelin South Pty Ltd will rely upon sub-contractors for the provision of staff and resources to undertake water service delivery at Lancelin South.

Lancelin South Pty Ltd current relationships with other service providers include:

GHD Pty Ltd	Standard engagement using a GHD Consultancy Agreement in place.
Lancelin Sands	Ad-hoc agreement for wastewater pumping and transport.
Total Plant Hire	Ad-hoc agreement for wastewater pumping and transport.
Water Corporation	Agreement in place to dispose of wastewater from Lancelin South to Lancelin Sewage Treatment Plant using Water Corporation Terms and Conditions
Hydramet Pty Ltd	Contract engagement being developed.

3.4.22 Relevant Licences

Details of any relevant licences or approvals held by the applicant for the supply of electricity, gas or water services in Western Australia or elsewhere.

Lancelin South Pty Ltd does not hold any relevant licence or approval for the supply of electricity gas or water services.

Other Equivalent Licences

3.4.23 Equivalent Licences

Details of any other equivalent licence held by it, or its associated or controlled entities under the law of another State or Territory.

Lancelin South Pty Ltd does not hold nor has ever applied for any equivalent or similar water service licence.

3.5 Public Interest Information

[Sections 8(5) and 9 of the Electricity Act, Sections 11H(3) and 11K of the Gas Act and Sections 11 and 46 of the Water Act]

The Authority must not grant a licence unless the Authority is satisfied that it would not be contrary to the public interest. When considering the public interest, the Authority must take into account the following:

3.5.2 Water:

a) environmental considerations, including the value of ecologically sustainable development; and

b) public health considerations relating to the provision of reliable water services.

For all licences, the Authority may consider other factors in assessing whether the application is not contrary to the public interest. Hence, applicants need to address the relevant factors in their licence application (including the factors above).

The Lancelin South water services have been in operation for approximately 2 years. No changes to the water assets are proposed, other than the future development of the Lancelin South Wastewater Treatment Plant as previously identified.

Water services have been provided to the residents of Lancelin South to date by Aquasol Pty Ltd.

This application by Lancelin South Pty Ltd for a new ERA Water Services Operating Licence, replacing the current licence number WL42 held by Aquasol Pty Ltd, provides increased surety that the water services will be in the best interest of the public. Lancelin South Pty Ltd, as the owner of the water assets and the developer of Lancelin South, has a long term vested interest in ensuring that water services continue to be supplied in a cost effective, sustainable and professional manner with no adverse regulatory or public sentiment.

Both potable and non-potable (irrigation) water are supplied to lots in the Lancelin South development. The provision of a non-potable water source to residents allows the energy and chemical input necessary to produce potable water to be saved on water used for garden irrigation.

The water treatment plant comprises latest technology at the time of construction (2012) to minimise energy and chemical demands and optimise the efficiency of use of abstracted groundwater.

Within the water treatment plant leaks and spills are fully contained. The footprint of the plant is relatively small (30 m x 20 m).

The small volumes (due to small water demand) of waste water from backwash of the filters and brine generated from the reverse osmosis plant is currently discharged into a soak well within the WTP compound. The wastewater will shortly be redirected to an evaporation pond. As the volume of wastewater generated increases, additional enhanced evaporation techniques may also be employed.

The water treatment plant is an ecologically sustainable design in keeping with the nature of the Lancelin South development.

There is a Memorandum of Understanding (MoU) for drinking water between the Department of Health and the current licence holder, Aquasol. The Department of Health has indicated that if Lancelin South Pty Ltd are satisfied with the bonds in the current MoU, then the transfer of the MoU from Aquasol to Lancelin South Pty Ltd will be a straight forward process, taking only a short matter of time to approve. This will be approved in conjunction with the ERA water operating licence approval. Lancelin South Pty Ltd will manage their operations in alignment with the clauses outlined in the MoU, ensuring the upkeep of public and environmental health.

The ability of Lancelin South Pty Ltd to be directly involved in the day to day operation of the water supply system is a key objective of this licence application.

As the licence holder, Lancelin South will have the ability to direct the operations contractor when necessary. If required, there is ability to directly involve the services of other specialist contractors on an “as needed” basis. This will provide a high level of surety that the quality of service provision meets the targets identified in the asset management plan and the water quality consistently meets the requirements of the Department of Health. The potential for Lancelin South Pty Ltd to tender the operation and maintenance services provides a strong incentive to meet the required level of service delivery.

3.6 Licence Supply and Operating Areas

3.6.1 Licence Area

[Section 5 of the Electricity Act, Section 11E of the Gas Act, and Section 9 of the Water Act]

A licence must be designated to apply to one or more areas of the State specified in the licence.

An applicant must specify in the application the proposed area within which it intends to provide a licensed electricity, gas or water service. The licence, supply or operating area must be shown on a map(s) and applicants should consult with the Authority on the development of the map(s).

Please refer to Attachment 22 for the operating area.

Attachments

Attachment 1 - Letter of Approval from the Western Australian Planning Commission

Attachment 2 - Gazette No. 60 12 April 2011

Attachment 3 - Drinking Water Source Protection Plan Letter of Endorsement

Attachment 4 - Form 4T for the Transfer of Water Licence

Attachment 5 - Memorandum of Understanding

Attachment 6 - Liquid Waste Receival Agreement

Attachment 7 - Consent to Become a Member of the Ombudsman

Attachment 8 - Public Consultation History

MEMORANDUM

TO: **Kendall Ferraro, GHD**

FROM: **Rachel Chapman, Director Taylor Burrell Barnett**

DATE: **18 May 2016**

REF: **03/096 & 12/029 Lancelin South**

SUBJECT: **Public Consultation History**

Lancelin South has been subject to extensive public consultation during the numerous planning phases of the project, including:

- Amendment No. 93 to Town Planning Scheme No. 8 was subject to advertising over a 42 day period in 2010, providing the opportunity for community and government agency comment. The Amendment covered some 177ha and rezoned the land to 'Urban Development' and 'Conservation'.

- The Lancelin South Structure Plan (LSSP) was also advertised concurrent with Amendment 93 and provides the planning context and justification for the rezoning of the whole of Lancelin South for urban purposes.

- The Lancelin to Ledge Point Overall Structure Plan was advertised concurrent with Amendment 93, being an addendum to the LSSP specifically addressing ten points outlined in the WAPC's letter dated 8 March 2007.

- The Lancelin South (Stage One) Outline Development Plan was also advertised concurrent with Amendment 93 and specifically related to the Stage One rezoning area, providing the land uses and density allocations for the structure plan area, to guide subdivision and development.

- A Public Environmental Review document was released for public comment in December 2009 until February 2010 and a Report of the Environmental Protection Authority (EPA) was published in April 2010 in relation to Amendment 93.

- The Shire of Gingin Local Planning Strategy was separately advertised in August 2011 and identified the Lancelin South Stage One Structure Plan area as Urban Development and the balance of Lancelin South as Future Urban, consistent with the designation of the land in the early planning documents.

Subdivision approval for 233 lots was subsequently granted in July 2011, enabling the first stages of subdivision to commence.

Following subdivision approval and in-principle support from Water Corporation to provide water and sewer services to Lancelin South, Water Corporation subsequently decided it was no longer seeking to provide such services. Accordingly, the landowner/subdivider explored other avenues and through Aquasol, sought approval from the Economic Regulation Authority (ERA) to be the service provider for Lancelin South.

On 18 May 2012, the ERA called for public submissions on the application by Aquasol for a water services operating licence for the provision of potable water and irrigation services to Lancelin South. The closing date for the submissions was 8 June 2012. Two submissions were received, one from Department of Health (DoH) and the other being the Department of Water (DoW).

The DoH enquired about the Applicant's commitment to operate and invest in the required infrastructure for the direction of the licence, and the Applicant's ability to meet operating standards comparable to other licensed service providers and Government Policies in regards to health. The ERA was of the view that these matters have been addressed as part of its financial and technical assessments and clause 9 of the standard potable water services licence requires the licensee to enter into a memorandum with the DoH in respect to drinking water quality.

The DoW queried the status of the Applicant's regulatory approvals required in relation to a water extraction licence and a Drinking Water Source Protection Plan. The ERA was satisfied that this matter has been addressed as a water extraction licence has been granted to Water Corporation and there is an agreement to transfer this once the water services operating licence has been granted to the applicant. Furthermore, a Public Water Source Protection Plan was found to not be required.

Accordingly, ERA was satisfied that granting a water services operating licence to the applicant would not be contrary to the public interest and the licence was granted for 25 years on 5 February 2013.

A further rezoning amendment (Am 3 to TPS 9) for an additional 456ha of land for residential and supporting uses has since been advertised for community and Government agency comment in 2013 and finally approved in September 2015.

In addition to the formal advertising processes detailed above, numerous community and stakeholder meetings have been undertaken in relation to Lancelin South between 2003 and 2016.

Attachment 9 - Certificate of Registration of a Company

Attachment 10 - Australian Securities & Investments Commission Form

Attachment 11 - Company Director Statutory Declarations

Attachment 12 - Corporate Declarations

Attachment 13 - Auditor's Declaration Letter

Attachment 14 - Lancelin South Pty Ltd Plant Lease

Attachment 15 - Lancelin South Pty Ltd Projected Financials

Attachment 16 - Financial Policy

Attachment 17 - Financial Hardship Policy

Lancelin South

Financial Hardship Policy

Purpose

This Financial Hardship document outlines the policy of how Lancelin South Pty Ltd ("**we**") will assist a residential customer ("**you**") who cannot pay a water bill because of financial hardship. If you are a commercial customer, we encourage you to still talk to us.

Residential tenants who have agreed with the land owner to receive a water bill are also covered by this policy.

We are committed to working with you to find an appropriate payment solution that works for both you and us. We understand that it can be difficult to ask for support, and will treat you sensitively and respectfully.

What is Financial Hardship?

You will be considered to be in financial hardship if paying the water services portion of your water bill will affect your ability to meet your basic living needs – in short, if you have the intention but not the financial capacity to pay.

Financial hardship may, for example, be caused by:

- loss of your or a family member's primary income;
- spousal separation or divorce;
- loss of a spouse or loved-one;
- physical or mental health issues;
- a chronically ill child;
- budget management issues associated with a low income; and
- other unforeseen factors affecting your capacity to pay, such as a reduction in income or an increase in non-discretionary spending.

Identifying Customers in Financial Hardship

If you think you may be in financial hardship we encourage you to contact us as soon as possible. You may ask your financial counsellor to contact us on your behalf.

We will assess within three business days whether we consider you to be in financial hardship. If we cannot make our assessment within three business days, we will refer you to a financial counsellor for assessment.

As part of our assessment we will consider any information provided by you and, if applicable, your financial counsellor. We will also take into account any information we may have on your payment history.

As soon as we have made our assessment, we will advise you of the outcome.

Payment Plans

If we determine that you are in financial hardship, we will offer you more time to pay or a payment plan.

We will not charge you any fees or interest as part of your extension or payment plan.

We will involve you and, if applicable, your financial counsellor in setting a payment plan. When setting the conditions of the plan, we will consider your capacity to pay and, if relevant, your usage needs.

If appropriate, we will review and revise your extension or payment plan.

We do not have to offer you a payment plan if you have had two payment plans cancelled because of non-payment.

If you are a tenant, we must make sure that the land owner is aware of us giving you an extension or entering into a payment plan with you before we do so. We can agree that you notify the land owner of the proposed extension or payment plan (and provide us with evidence that you have done so), or you can give us permission to notify the land owner.

Debt Reduction and Collection

If you are in financial hardship, we will consider reducing the amount you owe us.

We will also not commence or continue proceedings to recover your debt:

- while we are assessing whether or not you are in financial hardship; or
- if you are complying with your payment plan or another payment arrangement you have with us.

If you do not comply with your payment plan or other payment arrangement we may commence debt recovery proceedings. When collecting your debt we will comply with Part 2 of the ACCC and ASIC's *Debt collection guidelines for collectors and creditors*.

Reducing and Restoring Your Water Flow

If you do not pay your bill by the due date we may fit a device to your meter which will reduce the flow of your drinking water.

We will not reduce your water flow while we are assessing whether you are in financial hardship. We will also not reduce your water flow if you are in financial hardship and you are complying with your payment plan.

If we have reduced your water flow we will restore it once you have either paid the amount you owe us, or entered into a payment plan with us for that amount.

Useful Information

Redirection of water bill: We will advise you of your right to have your water bill redirected to another person free of charge if you are absent or ill.

Payment options: You may pay your water bill by direct debit, Centrepay, internet, telephone or post.

- Paying by direct debit or Centrepay may help you manage your bills more easily as your bills will be paid through regular deductions.
- For more information on your payment options, please contact Customer Service on 0429 827 794.

Concessions and other financial relief and assistance: You may be eligible for the following concession(s) and/or financial relief for your water bill:

- Concessional rebates may be granted to holders of a:
  - State Seniors Card; or
  - A Commonwealth Seniors Health Card and a State Seniors Card; or

- A Pensioner Concession Card and a State Seniors Card
- Hardship Utility Grant Scheme (HUGS). This is a State Government financial assistance scheme for eligible applicants experiencing financial hardship.

Contact Customer Service on 0429 827 794 for more information on Concessional Rebates or the Hardship Utility Grant Scheme.

Financial Counselling: We will advise you of any financial counselling services or other organisations that may be available to you.

Financial counsellors offer free, independent information to help you take control of your financial situation.

The Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area. Alternatively, you can call the FCAWA's Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.

The FCAWA's contact details are:

Financial Counsellors' Association of WA

Phone: (08) 9325 1617

Financial Counselling Helpline: 1800 007 007

Email: afm@financialcounsellors.org

Website: www.financialcounsellors.org

Fees and Charges: We will charge you for the water services we provide to you.

We may charge you interest at a rate of 12% per annum if you do not pay your water bill by the due date.

A list of our fees and charges may be found at our website: http://lancelinsouth.com.au/

Complaints Handling

If you have a complaint, please contact us first. Our contact details are included in this document.

If you are not satisfied with the way we handle your complaint, you may refer your complaint to the Energy & Water Ombudsman. The Energy & Water Ombudsman will investigate your complaint and may mediate the dispute between you and us.

The Energy & Water Ombudsman's contact details are:

Energy and Water Ombudsman Western Australia

Postal Address: PO Box Z5386, St Georges Terrace, Perth WA 6831

Phone: (08) 9220 7588

Freecall: 1800 754 004*

* Calls made from mobile phones will be charged at the applicable rate.

Email: energyandwater@ombudsman.wa.gov.au

Website: www.ombudsman.wa.gov.au/ewowa/index.htm

Approval and Review

Our Financial Hardship policy was approved by the Economic Regulation Authority of WA.

We will review our policy at least every five years to ensure it remains up-to-date and relevant.

Our Contact Details

You can contact us at:
0429 827 794

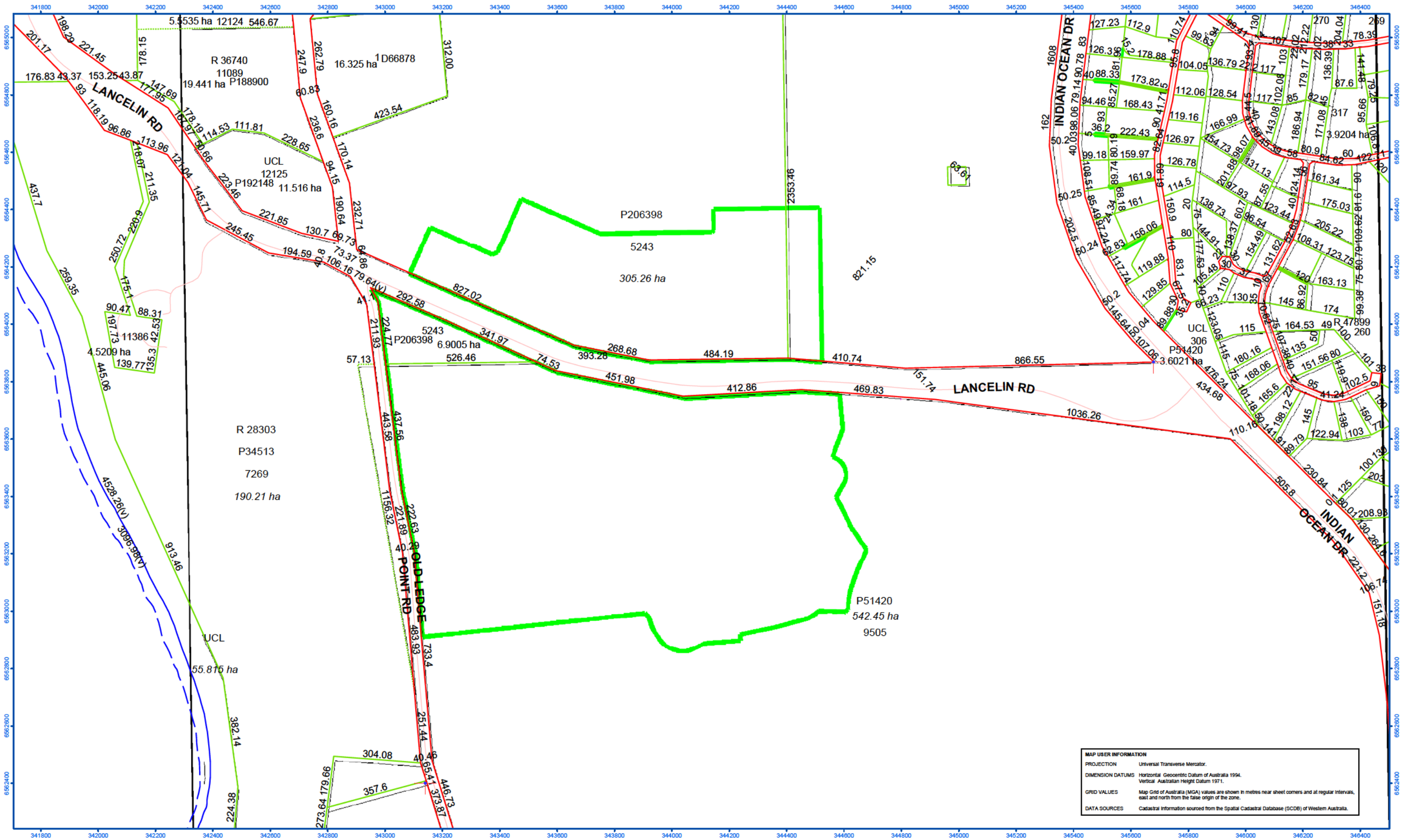
Attachment 18 - Water Reserve Drinking Water Source Protection Plan

Attachment 19 - Water Treatment System Schematic

Attachment 20 - Hydramet Contract Proposal

Attachment 21 - Hydramet Experience Listing and Capability Statement

Attachment 22 - Operating Area



DATE	No.	DESCRIPTION	DRN	CHK	APR

N

GDA

Landgate

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APPROVED:

CHAIRMAN
ECONOMIC REGULATION AUTHORITY

DATE:

WATER SERVICES LICENSING ACT 1995
LANCELIN SOUTH DEVELOPMENT OPERATING AREA
POTABLE WATER SUPPLY AND IRRIGATION SERVICES
LICENSEE : AQUASOL

DRAWN	CHECKED	APPROVED	PLAN No.	ISSUE	ORG SIZE
Geospatial Products, Landgate			OWR-OA-304		A3
F LE No.	SCALE 1 :8000	DATE			

Landgate Ref: Job 2223/11-12