



APPLICATION FOR A RETAILER AUTHORISATION UNDER THE NATIONAL ENERGY RETAIL LAW

WINconnect Pty Ltd (**WINconnect**) applies to the Australian Energy Regulator (**AER**) under section 89 of the National Energy Retail Law (**NERL**) for a retailer authorisation.

1. General particulars

1.1 Legal name

WINconnect Pty Ltd.

1.2 Trading name

WINconnect.

1.3 ACN

112 175 710.

1.4 Addresses

1.4.1 Registered address:

Suite 201, 12 Cato Street, Hawthorn East Vic 3123.

1.4.2 Address for correspondence:

Same as registered address.

1.5 Contact person

Andrea Steele
General Counsel

Email: andrea.steele@WINenergy.com.au

Phone: (03) 9832 0016.

1.6 Form of energy for which a retailer authorisation is sought

Gas.

1.7 Intended date to commence retailing gas

1 August 2016.

1.8 Nature and scope of the operations proposed

WINconnect intends to establish a gas retail business, initially selling gas to small customers and large customers within embedded networks in the jurisdictions listed in section 1.9.

1.9 Jurisdictions in which WINconnect intends to retail gas

South Australia
New South Wales
Queensland.

1.10 Types of customer WINconnect intends to supply

1.10.1 small customers; and

1.10.2 large customers,

each as defined in section 5 of the NERL, and subject to applicable consumption thresholds under jurisdictional energy legislation.

2. Technical capacity

2.1 Energy retail experience

2.1.1 WINconnect already operates a successful business managing the sale and supply of electricity in embedded networks, assisting the owners of those shopping centres, large commercial buildings, high rise residential towers and other networks to sell and supply electricity and unmetered gas to occupants.

- 2.1.1.1 WINconnect has operated this business for almost 11 years.
- 2.1.1.2 This business is operated in:
Victoria
South Australia
New South Wales
Queensland
Western Australia.
- 2.1.1.3 As already mentioned, WINconnect manages the sale of both electricity and unmetered gas by embedded network owners.
- 2.1.1.4 WINconnect has about xx clients who in turn sell electricity to about xx customers.
- 2.1.2 WINconnect also carries on the WINauspower business, selling electricity to large customers such as shopping centres, large commercial building and high rise towers. WINconnect holds an electricity retailer authorisation granted by the AER and, in Victoria, an electricity retail licence granted by the Essential Services Commission, both in June 2013.
- 2.1.2.1 WINconnect has operated this business for 3 years.
- 2.1.2.2 This business is operated in:
Victoria
South Australia
New South Wales
Queensland.
- 2.1.2.3 As already mentioned, WINconnect is a seller of electricity through its WINauspower business.
- 2.1.2.4 The WINauspower business has approximately xx customers.
- 2.2 Other relevant retail or energy market experience
- WINconnect's embedded network management business includes managing the sale and supply of other essential services, including hot water, air-conditioning, internet and telephone services. Retailing these other essential services strengthens and enhances WINconnect's energy retail expertise and experience, better equipping WINconnect to operate a gas retail business.
- 2.3 How WINconnect will bring energy experience into the gas retailing business
- WINconnect will dedicate to its new gas retailing business the same senior managers and other staff that currently work in its embedded network management business and its WINauspower electricity retailing business.
- This will bring into the new gas retailing business the expertise and experience necessary to sell gas to small and large customers, initially in embedded networks, in accordance with applicable regulatory requirements and internal policies and procedures.
- See section 2.4.2 for further details of individual staff expertise and experience.
- 2.4 Human resources
- 2.4.1 Organisational chart
See Confidential Attachment 1.
- 2.4.2 Staff numbers
WINconnect has xx staff, broken down as follows:
- 2.4.2.1 Finance: [x].
- 2.4.2.2 Legal [Regulatory Affairs & Compliance]: [x].
- 2.4.2.3 Retail: [x].

- 2.4.2.4 Market Development: [x].
- 2.4.2.5 Human Resources: [x].
- 2.4.2.6 Development & Infrastructure Support: [x].
- 2.4.2.7 Operations & Implementation: [x].
- 2.4.2.8 Billing: [x].
- 2.4.2.9 Administration & Support: [x].
- 2.4.2.10 SA Division: [x].
- 2.4.2.11 NSW Division: [x].
- 2.4.2.12 QLD Division: [x].
- 2.4.2.13 CEO & Executive Chair: [x].
- 2.4.3 Expertise and experience
 - See curricula vitae for senior managers and other key personnel at Confidential Attachment 2.
- 2.5 Service providers
 - WINconnect has agreements with the following service providers to support its gas retail business as follows.
 - 2.5.1 Utilibill.
 - 2.5.1.1 Utilibill was founded in 2005 is a 100% Australian owned and operated business.
 - 2.5.1.2 Utilibill provides billing for embedded networks, hot water, air-conditioning and will provide the billing for all future WINconnect products.
 - 2.5.1.3 Utilibill is Australia's most advanced and most popular billing platform with more than 150 telecommunications and energy resellers dependent on their billing technology throughout the world. Utilibill customers have recently been awarded accolades such as winner of BRW's "Fast Franchise", multiple winners in "Fast Starters" as well as BRW's "Fast 100". Utilibill itself holds the Commonwealth Bank Small business Champion Award as well as Deloitte's 3rd ranking in the Technology Fast 50 and rank 24 in the Deloitte's Asia Pacific Fast 500.
 - 2.5.1.4 A capability statement for Utilibill is included in Public Attachment 1.
 - 2.5.1.5 A copy of WINconnect's contracts with Utilibill is included in Confidential Attachment 3.
 - 2.5.1.6 Controls to ensure compliance
 - WINconnect's contract with Utilibill requires Utilibill, in providing services to WINconnect, to comply with the NERL, the National Energy Retail Rules (**Retail Rules**) and applicable jurisdictional energy legislation.
 - 2.5.2 Comcity.
 - 2.5.2.1 Founded in 2000 and based in Melbourne, Comcity is an IT services company providing outsourced IT support, tailored cloud solutions and consultancy services to small and medium enterprise in Melbourne and Sydney.
 - 2.5.2.2 Comcity provides WINconnect with all its desktop, email, Internet and inter-office networking services.

- 2.5.2.3 Comcity brings advanced IT and cloud solutions to a diverse client base assisting in solving some of their toughest business challenges. Comcity aims to understand business needs and equip those businesses with the resources required to bring effective integration between business and the technology required to best support business operations.
- 2.5.2.4 A capability statement for Comcity is included in Public Attachment 1.
- 2.5.2.5 A copy of WINconnect's contracts with Comcity is included in Confidential Attachment 3.
- 2.5.2.6 Controls to ensure compliance
- WINconnect's contract with Utilibill requires Utilibill, in providing services to WINconnect, to comply with the NERL, the National Energy Retail Rules (**Retail Rules**) and applicable jurisdictional energy legislation.

2.6 Business plan

See Confidential Attachment 4.

2.7 Compliance

2.7.1 Knowledge and understanding of compliance obligations

As an authorised electricity retailer, WINconnect is already aware of and understands the obligations it has under the NERL, the Retail Rules and jurisdictional energy legislation in relation to retailing electricity.

WINconnect has prepared a compliance policy and compliance register in respect of the obligations it has under the NERL, the Retail Rules and jurisdictional energy legislation in relation to retailing gas: see Confidential Attachments 5 and 6.¹

WINconnect engaged law firm Norton Gledhill to perform an external review of those compliance documents as set out in Confidential Attachment 6a.

This compliance documentation includes mechanisms for reporting by WINconnect in accordance with the *AER Compliance Procedures and Guidelines* and the *AER (Retail Law) Performance Reporting Procedures and Guidelines*.

2.7.2 How compliance obligations will be met

The compliance documentation discussed in section 2.7.1 provides for compliance measures that will enable WINconnect to comply with each compliance obligation to which it is subject. See the compliance documentation, set out in Confidential Attachments 5 and 6, for more detail.

WINconnect's contracts with service providers will require those service providers to comply with the NERL, the Retail Rules and applicable jurisdictional energy legislation.

2.7.3 Complaint and dispute resolution procedures

WINconnect has prepared and is proposing to adopt the updated complaints and dispute resolution policy included in Confidential Attachment 7, which now covers retailing both electricity and gas, having regard to *Australian Standard ISO 10002-2006 (Customer satisfaction – Guidelines for complaints handling in organisations)*.

¹ The compliance policy and register was prepared in June 2016 and will be checked for currency and, if necessary, updated at the time that the gas retailer authorisation is issued to WINconnect.

2.7.4 Knowledge or skills gaps

WINconnect has assessed whether there are any gaps in the relevant skills and knowledge of staff and has identified none.

2.8 Risk management

WINconnect has a risk management policy included in Confidential Attachment 8.

WINconnect engaged its auditor to perform an external review of the risk management policy at the set out in Confidential Attachment 8a.

2.9 Additional technical capacity information: gas retail contracts

WINconnect engaged law firm Norton Gledhill to prepare template contractual documentation for the sale of gas to small customers that complies with the requirements of the Retail Rules: see Confidential Attachment 9.

WINconnect notes that the gas retail contract submitted as a part of this application process will need to be modified to accommodate for the sale of gas with embedded networks to cater for the sale of unmetered gas to customers for gas cooktop purposes.

2.10 Energy ombudsman schemes

WINconnect is already a member of the ombudsman customer dispute resolution scheme in New South Wales and has initiated applications for membership in each other NERL jurisdiction in which it will sell gas: see Confidential Attachment 10.

2.11 Arrangements with other market participants

2.11.1 Gas purchasing

Initially, WINconnect will purchase the gas it sells to its customers from the authorised gas retailer which is financially responsible for the master meter for each embedded network in which WINconnect operates.

2.11.2 Access to embedded networks

WINconnect has or will have appropriate arrangements in place with embedded network owners under which WINconnect will be able to procure a supply of gas over the embedded network to its customers' premises.

2.11.3 AEMO registration

For the following reasons, WINconnect is not seeking to secure any retail gas market registrations with AEMO in connection with retailing gas in South Australia, New South Wales and Queensland:

2.11.3.1 Initially, WINconnect will sell gas to customers within embedded networks only.

2.11.3.2 Initially, WINconnect will buy the gas that it sells to those customers from an authorised retailer.

2.11.3.3 Initially, the only arrangements WINconnect will have for the supply of the gas it sells will be with the embedded network owner, for supply of the gas over the pipe or system or pipes within the embedded network to WINconnect's customer's premises.

Initially, WINconnect will not participate in the short term trading market in any of Adelaide, Sydney and Melbourne nor in the Wallumbilla gas supply hub.

2.12 Additional information

2.12.1 Internal policies and procedures: financial hardship

WINconnect has prepared and is proposing to adopt the updated financial hardship policy included in Confidential Attachment 11, which now covers retailing both electricity and gas.

- 2.12.2 Internal policies and procedures: privacy
WINconnect has a privacy policy included in Confidential Attachment 12.
- 2.12.3 Telephone call centre
WINconnect already operates its own call centre and so WINconnect will be able to handle telephone calls from customers (and potential customers) regarding account and billing issues and inquires and will be able to accurately record all interaction and exchanges with customers.
- 2.12.4 Australian financial services licensing
Although WINconnect already holds an Australian financial services licence, WINconnect will not be carrying on any financial services business in connection with its new gas retailing business.

3. Financial resources

- 3.1 Current financial position
WINconnect's audited financial reports for the financial year ended 30 June 2015 are included in Confidential Attachment 13.
- 3.2 Additional information: credit rating
See Confidential Attachment 14.
- 3.3 Group ownership structure
The structure of WINconnect's corporate group is shown in Confidential Attachment 15. There are no subsidiaries of WINconnect Pty Ltd.
- 3.4 Group contractual arrangements
Nil.
- 3.5 Declaration that WINconnect is a going concern with no impediment to financial viability
See Public Attachment 3.
- 3.6 Independent auditor declaration as to no insolvency or impediment to financial viability
See Public Attachment 4.
- 3.7 Financing arrangements
See Confidential Attachment 16.
- 3.8 Revenue forecasts
See WINconnect's business plan, at Confidential Attachment 4.

4. Suitability

- 4.1 Compliance history of WINconnect, its associates, other businesses of which an WINconnect director has been a director, and other businesses that control WINconnect's business activities
- 4.1.1 Previous material non-compliance with any law or regulatory requirement
Nil.
- 4.1.2 Licenses/authorisations which have been revoked
Nil.
- 4.1.3 Previous unsuccessful licence/authorisation applications
Nil.
- 4.1.4 Past or present administrative or legal action in relation to any licence/authorisation application
Nil.

4.1.5 Previous retailer of last resort events

Nil.

4.2 Offences or prosecutions

None of the following has committed or been prosecuted for any offence under Commonwealth, state or territory law

4.2.1 WINconnect;

4.2.2 any director of WINconnect;

4.2.3 any other person that exerts control over WINconnect's business activities; or

4.2.4 any other person responsible for significant WINconnect operating decisions,

4.3 Criminal history checks

Criminal history checks are available on request for the individuals mentioned in section 4.2.

4.4 Declaration as to bankruptcy and disqualification from management

See Public Attachment 5 .

4.5 Names and addresses of officers

See Confidential Attachment 17.

4.6 Policies and procedures addressing probity and competence

See Confidential Attachment 18.

PUBLIC ATTACHMENTS

1. Service provider capability statement - Utilibill
2. Service provider capability statement - Comcity
3. Declaration that WINconnect is a going concern with no impediment to financial viability
4. Independent auditor declaration as to no insolvency or impediment to financial viability
5. Declaration as to bankruptcy and disqualification from management

CONFIDENTIAL ATTACHMENTS

1. Organisational chart
2. Curricula vitae for senior managers and other key personnel
3. Service provider contracts
4. Business plan
5. Compliance policy
6. Compliance register
- 6a. External assurance of compliance obligations
7. Complaints and dispute resolution policy
8. Risk management policy
- 8a. External assurance of risk management policy
9. Template contract for the sale of gas to small customers
10. Membership of ombudsmen schemes
11. Financial hardship policy
12. Privacy policy
13. Audited financial statements
14. Credit rating
15. Financing arrangements
16. Corporate group structure
17. Names and addresses of officers
18. Policies and procedures addressing probity and competence