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Ann Marie Hart  
Principal Regulatory Analyst  
Utilities Commission of the Northern Territory  
08 8999 7980  
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Dear Ms. Hart

Next Business Energy Pty Ltd is pleased to submit this documentation to the Utilities Commission as an application for an electricity retail license in the Northern Territory.

In this application, we have set out how Next Business Energy meets the following criteria for license application.

We have had regard to the *"Fact sheet: Northern Territory Electricity Industry Licensing Arrangements"* and *Electricity Reform Act 2016*, and other applicable legal instruments such as the *Competition and Consumer Act 2010 (Cth)* and the amended *Privacy Act 1988 (Cth)*.

We understand that the objectives of the *Electricity Reform Act* are to

- to promote efficiency and competition in the electricity supply industry
- to promote the safe and efficient generation, transmission, distribution and selling of electricity;
- to establish and enforce proper standards of safety reliability and quality in the electricity supply industry;
- ...
- to facilitate the maintenance of a financially viable electricity supply industry; and
- to protect the interests of consumers of electricity

Next Business Energy considers that granting of a license meets these objectives, by providing further competition and choice to electricity consumers of the Northern Territory from a company which has proven financial viability.

We look forward discussing our final application with you.

Yours sincerely,

Naomi Feast  
Risk, Regulation and Compliance Manager

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## Business Particulars

### Legal entity

Company name	Next Business Energy Pty Ltd
ABN	91 167 937 555
ACN	167 937 555
Office address	Level 26, 60 City Road, Southgate, 3006, Victoria Level 28, 100 Miller Street, North Sydney, NSW

### License details

License type	Electricity retail licence
License areas	Northern Territory
License term	Five years
Proposed commencement date	1 December 2017

### Nominated contact

Name	Naomi Feast
Title	Risk, Regulatory and Compliance Manager
Contact phone number	03 8535 2591

## Licensee details: Particulars

### Overview

Next Business Energy confirms that for its employees, directors, officers, associates, any other business where its officers have held an officer position and any other entity that exerts control over its business activities, that:

- There has been no material failure to comply with regulatory requirements, laws or other obligations over the past 10 years;
- There have been no previously revoked authorisation, authorities or licenses held in any industry;
- There have been no circumstances of failed authorisation, authority or license applications in any industry;
- There are no past or present administrative or legal actions in relation to an authorisation, authority or license in any industry.

Next Business Energy confirms that it has not been involved in any prosecutions under any territory, commonwealth or foreign legislation including, but not limited to, the *Australian Securities and Investments Commission Act 2001 (Cth)* and the *Corporations Act 2001 (Cth)* that are relevant to our capacity as a holder of a Retailer Authorisation.

We also confirm that no offences have been committed against, or been prosecuted under, any such legislation and including any Director or persons who have a significant involvement in Next Business Energy.

Upon request, Next Business Energy is happy to commit to a criminal history check on any Director or persons who have a significant involvement in Next Business Energy.

Next Business Energy is a proprietary limited company registered in Australia on 7 February 2014. It has no history of financial or legal issues. Next Business Energy confirms that it has no record of bankruptcy in Australia or overseas. A written declaration to this effect will be obtained, if required.

### Required information

The applicant must show that:

- they are a resident in Australia

Please see attached certification of company registration (attached A.1).

- have the capacity to be sued in their own name in an Australian Court

Please see attached certification of company registration (attached A.1).

- they are not under external administration

Please see attached information from Next Business Energy's auditors (attached A.2).

- they have a financial situation commensurate with their potential financial exposure.

Attachments in support of 'licensee details' are below.

Attachment number	Attachment type	Comments
Attachment A.1	Next Business Energy - Certificate of registration (also shows Proof of capacity to be sued in Australia)	Confidential
Attachment A.2	Next Business Energy: Proof not under administration	Confidential

## Licensee details: Nature of Industry Participation

### Overview

Next Business Energy is a privately-owned company operating under the name Next Business Energy. It retails electricity across the eastern seaboard, and was founded in 2014. [REDACTED]

[REDACTED]. Next Business Energy holds a national electricity retail authorisation to sell electricity under market contracts primarily with small to medium business and commercial customers, and a Victorian electricity retail license for operations in Victoria (see attachments B.1 and B.2).

Our customers operate in a wide range of industries including retail, charity, education, healthcare, infrastructure, and not for profit. We have the proven ability to provide SME customers of this nature with tailored energy solutions. With highly established capabilities in electricity in other states, Next Business Energy wishes to expand into the Northern Territory with contract offerings to SME customers over 40 mWh per annum.

- Our primary business model is to engage customers with multiple sites (for example, large national corporations) through energy broking specialists and tender/procurement panels.

To do this, Next Business Energy has centralised its business model on competitive pricing and excellent account managed customer services, in a bid to win customers in the small to medium business segment of the market. With a proportion of this market classified as small and others large, these customers may not have the buying power needed to demand competitive pricing. As a result, customer service has been considered as below standards required by business customers. Next Business Energy will focus its efforts on ensuring the needs of these customers are met.

### Required information

The applicant should:

- provide general information about its existing activities, both within and outside the electricity industry

### *General information*

Next Business Energy has proven ability to deliver industry best practices to retail operations electricity customers. Our operational staff are all highly experienced and trained, and our sales staff are all highly experienced and trained in relevant practices relating to the Australian Consumer Law, energy laws and Australian Privacy Principles.

As noted, we are an experienced electricity retailer and holder of an Australian Financial Services License (attached B.5) with relevant staff AFMA accredited. As a NEM market participant, Next Business Energy has demonstrated its ability to operate in wholesale energy markets in compliance with AEMO procedures and guidelines, and through its wholesale counterparty arrangements noted in table 1.0 below.

Most operations currently performed in-house to ensure control and quality, including:

- Customer service and operations
- Billing and market interactions
- Sales
- Wholesale and pricing
- Financial management and credit control
- IT
- Risk management, compliance and regulatory

[REDACTED]

*Our customers and partners*

[REDACTED]

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

All billing, transaction and market interactions are managed by our primary IT and billing platform, Agility CIS (a copy of Next Business Energy's agreement with Agility CIS is attached (B.3). The Agility CIS platform, Orion, also serves as our primary customer relationship management (CRM) interface.



### *Our people*

Our people form a core part of our ability to serve our client base. Next Business Energy currently employees 30 people across Victoria and New South Wales, and investing in and empowering our staff is at the core of how we deliver customer focused outcomes. Many of our employees are also shareholders. An organisational chart is attached (B4).

### *Our board of directors*

Our board of directors is shown at table 2.0 below.

Name	Board position	Role in company
Ryan M O'Hare	Chairman and Executive Director	CEO
Annette Presley ONZM	Non-Executive Director	n/a
David Hayes	Non-Executive Director	n/a
Karen Jones	Executive Director	CFO

### *Telecommunications industry*

Next Business Energy's sister company, Next Telecom, was established in 2005 and is one of the largest business exclusive providers of telecommunications services in Australia.

- summarise the reasons why the applicant intends to participate in the Northern Territory electricity industry and the broad nature of that participation



Next Business Energy has been approached by an electricity customer with national sites including sites in the Northern Territory. Next Business Energy seeks its license to service those customers which it currently services in other states, with a view to expanding operations to other small – medium enterprises in the NT. Next Business Energy has a number of other national multi-site customers which it may market electricity contracts to if it successful in obtaining an electricity retail license.

- explain how the granting of a license would be consistent with those requirements

granting of a license would allow Next Business Energy to legally enter into electricity contracts in the Northern Territory with small – medium business customers.

### Supporting documents

Attachment number	Attachment type	Comments
Attachment B.2	Next Business Energy - Electricity retail license – Victoria	Confidential
Attachment B.1	Next Business Energy - Electricity retailer authorisation – national	Confidential
Attachment B.3	Next Business Energy - Agility CIS - commercial agreement	Confidential
Attachment B.4	Next Business Energy – organisational chart	Confidential

## Licensee details: Technical Capacity

### Overview

Next Business Energy has capabilities in utilities service delivery as evidenced by both its own operations, and that of its sister company Next Telecom. It has proven experience trading in wholesale markets in addition, which provides a basis for its overall technical abilities in respect of this license application. As noted, Next Business Energy holds license / authorisation to sell electricity in Victoria, NSW, ACT, SA, QLD, TAS and has a proven track record of marketing and sales activities. We intend only to market to small business customers in the Northern Territory, rather than residential or C&I.

### Required information

- *Executive* details of their experience in and knowledge of the electricity industry, a summary of the skills and experience of the directors and senior managers, and their relevance to meeting the requirements of the license

#### *Director & Chief Executive Officer & Company Chair - Ryan O'Hare*

Ryan O'Hare's career began in retail distribution before assuming control of the U.S. operations of a global energy and telecommunications services business. In 1993, to capitalise on the imminent deregulation of the telecommunications industry, Ryan founded a startup telecommunications service provider, corpTEL Communications. corpTEL quickly became one of the largest privately-owned telecommunication service providers in Australia, recording revenues in 1998 of over \$150 million. Ryan was its major shareholder, Chief Executive and Chairman until its eventual sale to Australia's third largest carrier at the time, AAPT Limited. People Telecom Limited was co-founded by Ryan in 2000. Five years later, annual revenues had grown to over \$150 million. Today it is part of the Vocus Group that generates revenues of over \$1 billion per annum. Next Telecom was founded by Ryan in 2008 and has since become a multi award-winning IP telecommunications provider for business customers in Australia and across the United Kingdom. As an extension to telecommunications, in 2014 Next Business Energy was born. Alongside its sister company, Next Telecom, it is now one of the fastest growing business to business energy retailers in Australia - delivering superior service via its talented staff and superior online technology.

#### *Non-Executive Director – David Hayes*

David has more than 30 years senior management experience in utilities in UK, Australia and Asia Pacific. During the last 18 years in Australia, David has been responsible for the establishment of the electricity retail and energy services business of one of Australia's largest energy companies, the founder of a successful electricity retailer based in Queensland and has assisted with many successful retail license applications in various jurisdictions. In addition to providing energy industry advice, David has undertaken many consulting projects with the market operators, accounting firms and energy retailing and metering companies based in VIC, TAS, NSW and QLD. Recently David has been directing the growth of an accredited energy services providing significant additional value to retail customers.

#### *Chief Operating Officer - Pieter Double*

Pieter has over 20 years' experience in the energy industry. Pieter joined the Next Business Energy team in 2014 to assist with Pricing and Wholesale and became the COO in 2017. Skilled in sales and marketing, people management and

analysis with 14 years' experience in marketing (the last 7 years in online marketing), Pieter is able to analyse data, which he uses to challenge and motivate people - and find solutions and recommendations that will lead to more sales and more efficient operations.

Pieter's specialties are business start-ups, business growth, strategic customer value proposition development, innovative pricing and product development, wholesale procurement, risk management and marketing (digital or online).

#### *Chief Financial Officer & Executive Director - Karen Jones*

Karen Jones is a qualified CPA and CMA, with international experience as a commercial accountant and Chief Financial Officer. For the last ten years she has worked in the energy industry and has a large amount of experience in launching and managing businesses in Europe, Australia and the South Pacific. Karen joined Next Telecom Pty Ltd in April 2009 and manages all aspects of financial management within the organisation.

#### *Risk, Regulatory and Compliance Manager - Naomi Feast*

Naomi has ten years' experience within the energy industry, providing policy, compliance, risk and strategy advice. She has worked across all facets of the industry including distribution, generation and retail.

Naomi spent seven years working in the public sector for a regulatory body where she worked on a diverse array of regulatory and policy matters, including distribution determinations, regulation of disruptive technologies and compliance and enforcement matters. In 2014, she moved to the private sector, where she has worked with energy retailers providing compliance and risk management. Naomi joined Next Business Energy in February 2017. She holds a degree in law from the University of Western Australia.

- evidence that the applicant has the capacity to comply with the license conditions, codes and guidelines relevant to its application

Next Business Energy has a detailed training program covering compliance, complaints management, customer hardship and Industry Laws, Rules, Codes and Guidelines. The training materials can be delivered in person and on-line and records are kept. Next Business Energy also has a formal quality assurance program, which provides a robust system to ensure that relevant obligations are met. Next Business Energy confirms that all policies and procedures related to risk and compliance have been approved by the executive team and will be implemented in the business via the Risk Management Commitment.

#### *Compliance policy*

Next Business Energy has developed a detailed and comprehensive Compliance Policy, which is enclosed as an attachment. (C.1)

#### *HR policy*

Next Business Energy has developed a detailed and comprehensive HR Policy, which is enclosed as an attachment. (C.2)

#### *Complaints Handling Policy*

Next Business Energy has developed a detailed and comprehensive Complaints Handling Policy, which is enclosed as an attachment. (C.3)

### *Risk Management Policy*

Next Business Energy has developed a detailed and comprehensive Risk Management Policy, which is enclosed as an attachment. (C.4)

### *Occupational Health and Safety policy.*

Next Business Energy has developed a detailed and comprehensive Work Health and Safety Manual, which is enclosed as an attachment. (C.7)

### *Privacy Policy*

Next Business Energy has developed a detailed and comprehensive Privacy Policy, which is enclosed as an attachment. (C.6)

### *Customer hardship policy*

Next Business Energy has developed a detailed and comprehensive hardship policy, which is enclosed as an attachment. (C.7)

- if the applicant is to rely on another entity to provide staff and resources, a summary of the relationship between the applicant and this entity, including any formal agreements to provide services, and a summary of this other entity's experience in and knowledge of the electricity industry, and technical capacity to meet the relevant requirements of the license

Not applicable.

- evidence that negotiation of relevant agreements necessary to undertake electricity operations in the Northern Territory (e.g. network access agreement, power purchase agreements, provision of standby agreements) is well advanced and that no substantive issues have been identified that would stop such agreements being executed.

Next Business Energy is in discussions with the Power and Water Corporation for a network access arrangement, and for contracts for wholesale electricity with Territory Generation. Please see further information attached.

<b>Attachment number</b>	<b>Attachment type</b>	<b>Comments</b>
Attachment C.1	Next Business Energy – Compliance Plan 2017	Confidential
Attachment C.2	Next Business Energy – HR policy	Confidential
Attachment C.3	Next Business Energy – Complaints handling policy	
Attachment C.4	Next Business Energy – Risk management policy	Confidential
Attachment C.5	Next Business Energy – Energy Risk management policy	Confidential
Attachment C.6	Next Business Energy – Privacy Policy	Confidential
Attachment C.7	Next Business Energy – Customer hardship policy	Confidential
Attachment C.8	Next Business Energy – OH&S policy	Confidential
Attachment C.9	Evidence of negotiations: Power and Water Corporation	Confidential
Attachment C.10	Evidence of negotiations: Territory Generation	Confidential

## Licensee details: Financial Capacity

### Overview

Next Business Energy is a financially secure business, with financial projections attached for its' expansion into the Northern Territory. The financial projection in this application also demonstrates Next Business Energy has considered the cost implications of entering the Northern Territory Electricity Market as an electricity retailer, and has set aside the appropriate resource to undertake the task. Our audited financial reports and other relevant financial information is also provided.

### Required information

#### *Cross - Ownership and Ring - Fencing*

Applicants should outline:

- the basis on which services and resources will be transacted between relevant operating areas of the applicant, or the applicant and other related entities
- in the case of applicants that are wholly owned subsidiaries, proposed audit arrangement for the applicant and whether separate reports for the licensed entity and its parent are to be prepared and made publicly available other guidelines or standards relating to financial separation, ring fencing, and separate audit arrangements, which the applicant intends to follow.

Next Business Energy does not own any other interests in the Northern Territory.

#### *License Conditions*

Next Business Energy is not seeking any license conditions, or exemptions.

#### *Commercially Sensitive Information*

Denoted in tables.

Attachment number	Attachment type	Comments
Attachment D.1	Next Business Energy – Audited financial information 2015/16	Confidential
Attachment D.2	Next Business Energy – Auditors Report to Board of Directors	Confidential
Attachment D.3	Next Business Energy – Audited financial information 2016/17	Confidential.
Attachment D.4	Next Business Energy – Auditors Report to Board of Directors	Confidential.
Attachment D.5	Next Business Energy - MBL cash facility	Confidential

