

Rasmus Moerch
Assistant Director Licensing
Economic Regulation Authority
PO Box 8469
PERTH WA 6849

Dear Mr Moerch

Consultation on application for water services licence – Water West North Dandalup Pty Ltd

Thank you for the opportunity to comment on the application by Water West North Dandalup Pty Ltd for a water services licence.

The Department of Water supports innovation in the provision of water services in Western Australia, including by new service providers, as this can deliver solutions to the management of wastewater and water in a drying climate, meet regulatory standards and benefit customers.

The Economic Regulation Authority (ERA), in granting a licence, will need to be satisfied that the proponent will have the financial and technical capacity to provide the service.

The department while supporting the approach notes that recycled water schemes involving third pipes systems and in-house use (e.g. for toilet flushing and washing machines) are often complex to manage and can be relatively expensive compared to other sources of water. To assist in the ongoing viability of this innovative approach the department requests that the ERA take into balanced consideration the need for the scheme to:

- meet all regulatory requirements for public health, through an appropriate reporting and approval regime with the Department of Health;
- meet all environmental regulatory requirements by the Department of Environment Regulation, which may include a nutrient irrigation management plan for the discharge of any treated wastewater to public open space or the environment;
- include a mechanism for dealing with the disposal of treated wastewater in the event that there is a failure in the wastewater recycling system and for times when there is an excess in the supply quantity relative to demand;

- incorporate arrangements regarding the supply of water to customers in the event of a supply failure or when supply quantities are less than demand;
- clearly define the ownership and management responsibilities of the sewerage and recycling scheme assets, ensuring that the service provider has appropriate access to its assets, and that customers fully understand which assets they are responsible for;
- ideally, to deliver water to customers at a cost less than other alternative sources available to them;
- where feasible, allow customers the option at some stage to opt out of the recycled water scheme and use another water source.