

Mr Paul Reid

Economic Regulation Authority
Level 4, 469 Wellington Street, Perth WA 6000
PO Box 8469, Perth BC WA 6849

Dear Mr Paul Reid

Re: Consultation on water licence application for Muchea Water.

This cover to the attached submission is commercially sensitive and confidential and not for release into the public domain as it contains commercial information directly related to integrated water supply and sewerage servicing to the WAPC approved Muchea Industrial Park ('MIP') structure plan special control area.

Muchea Industrial Park Services, a joint venture arrangement between Chittering Valley Irrigators Pty Ltd, the holder of DWER issued water allocation licence 111109, and [REDACTED], the holder of ERA issued water providers licence [REDACTED] has provided written offers to landowners / developers in the MIP special control area to participate in centralised integrated water supply and sewerage servicing, consistent with common industry standards for water related servicing to industrial zoned land. As a consequence of multi-ownership of land within the MIP and each land holding / estate progressing through the industrial land development cycle at different rates, equitable developer contributions to common headworks infrastructure would be assessed consistent with the WAPC developer contribution policy SPP 3.6 (July 2019).

DWER issued licence 111109, with a draw point centrally located within the MIP and an allocation of 652,000 kilolitres/annum, has sufficient capacity to service the water supply needs of the MIP, as a whole, for the foreseeable future.

[REDACTED]
[REDACTED] is familiar with the water related servicing requirements of the MIP having provided detailed technical advice to DPLH [REDACTED] to ensure that common industry standard water related servicing to the industrial land area could be satisfied.

At the time that the offer was made, [REDACTED] the consulting engineers for MIP precinct 1 (Harvis industrial estate) and MIP precinct 3 requested further information (26 November 2018) that was responded to:

'Are there other developments in the area you are currently negotiating with, and if so, do you have any details on your water servicing strategy proposal for the area (eg location of bores and treatment facility, tank location etc) → Our current preferred strategy is for a centralised water treatment facility site in reasonable proximity to the production bore/s location, with trunk service mains radiating out from that site to service precincts one, two and three. The minimum design capacity of the WTP would be to deliver 40L/s of drinking water to satisfy Estate fire hydrant demand under the provisions of AS2419. Additional capacity upgrades would be subject to the assessed demand requirements of individual Estates. With regards to sewerage servicing, taking

into consideration the size and scale of the MIP planning area, and the timing of proposed industrial Estate development, we would be proposing the creation of stand-alone WWTP facilities servicing each precinct.

[REDACTED]

Taking into consideration that approved building development (BP Australia) has commenced on the Harvis industrial estate, there would be an expectation that common industry standard water related service provision would have been settled and implemented, consistent with the conditional WAPC approval requirement of Lots being connected to reticulated water supplies on the creation of the first Lot by a licenced water service provider.

It is unclear how a couple of end of line gravity fed water storage tanks located on the Harvis industrial estate, as proposed by Mucnea Water, creating a dead leg drinking water supply to the proposed 30 industrial Lots adequately addresses the minimum standards of the Australian Drinking Water Guidelines, AS2419, AS1851 or the Building Code of Australia.

Taking into consideration the above, Mucnea Industrial Park Services objects to consideration being given for the inclusion of the Mucnea Industrial Park special control area in Mucnea Water's operating area, if the ERA deems it appropriate and in the public interest to grant a water service providers licence to the applicant.

[REDACTED]

Mucnea Industrial Park Services

27 November 2019

[REDACTED]

Mob: 0436 032 194

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Level 4, 469 Wellington Street, Perth WA 6000

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Dear Mr Paul Reid,

Re: Consultation on water licence application for Muchea Water.

Thank you for the opportunity to comment on Muchea Water's proposal to become a water service provider, providing drinking water supplies to the greenfield Riverside residential Estate and the Harvis industrial Estate.

Overview

Even though the strategic intent is outlined in the application, it would appear that the applicant is reliant on speculated outcomes that may or may not be realised. There would be an expectation that Muchea Water would be the holder of a licensed water allocation, in its own right at the time of licence application, having sufficient capacity to support ongoing drinking water supply demand over the life of an ERA issued licence period. In addition, there would be an expectation that the proposed drinking water supply system design, assets, operation and maintenance, in conformity with the Australian Drinking Water guidelines (2018), would be well understood and documented in support of the application.

To support sound and reliable econometric modelling of the proposed scheme, without unaccounted for surprises, there would be an expectation that all scheme infrastructure would be accounted for, to reasonably satisfy provision of common industry standard drinking water supply to residential Lots and industrial Lots, in conformity with the Building Code of Australia and industrial estate fire protection standards.

As the application summary provides no details on the hydraulic design for Lot servicing in the Harvis industrial estate, it is unclear how Muchea Water's proposal for a couple of end of line gravity fed water storage tanks located on the Harvis industrial estate, creating a dead leg drinking water supply to the proposed 30 industrial Lots, adequately addresses the minimum standards of the Australian Drinking Water Guidelines, AS2419, AS1851, Building Code of Australia or DPLH conditions of land development approval.

Regulatory approvals

There would be an expectation that Muchea Water and the Department of Health have reached in-principle agreement on Muchea Water's guaranteed delivery of safe drinking water supply in conformity with catchment to tap principles outlined in the Australian Drinking water Guidelines, with processes, procedures, obligations and commitments clearly documented.

The applicant's summary has not identified how water efficiency and conservation measures are to be implemented and may be a challenge where the applicant proposes to bind drinking water consumers to take or pay contracts. It is unclear whether satisfactory provision has

been made for drinking water consumers dependent on the scheme for basic living requirements.

Tariffs/fees/charges

It is unclear whether the proposal to charge individual Lot owners consuming drinking water for domestic type usage being bound by undisclosed take or pay contracts is fair and reasonable, taking into consideration the fees and charges set out in the State's uniform pricing policy and the provision for pensioner discounts.

As the drinking water discharged from the water treatment plant is a manufactured product with known costs, it is unclear whether different classes of consumers will be charged on different pricing regimes for the same product.

Hydraulic design

As approved development has commenced on the Harvis industrial estate there would be an expectation that the estate water supply network design and implementation has been settled in conformity with the technical standards of Muchea Water's quoted reference '*Water Corporation standard DS 63 – water reticulation standard design and construction requirements for water reticulation systems up to DN250*'. The applicant summary has not revealed how drinking water supplies will be delivered and maintained to individual Lots within the estate.

Muchea industrial Park Services

29 November 2019