

Decision on Amendment to:

Rottnest Island Authority
Operating Licence No. 10

Hamersley Iron Pty Ltd
Operating Licence No. 33

25 August 2010

Economic Regulation Authority



WESTERN AUSTRALIA

A full copy of this document is available from the Economic Regulation Authority website at www.era.com.au.

For further information, contact:

Economic Regulation Authority
Perth, Western Australia
Phone: (08) 9213 1900

© Economic Regulation Authority 2010

The copying of this document in whole or part for non-commercial purposes is permitted provided that appropriate acknowledgment is made of the Economic Regulation Authority and the State of Western Australia. Any other copying of this document is not permitted without the express written consent of the Authority.

DECISION

1. Pursuant to section 31 of the *Water Services Licensing Act 1995 (Act)*, the Economic Regulation Authority (**Authority**) has approved an amendment to Operating Licences 10 (Rottnest Island Authority) and 33 (Hamersley Iron Pty Ltd).
2. The amendment, to clause 9.1, removes the three month timeframe requiring the licensee to enter into a Memorandum of Understanding (**MoU**) with the Department of Health (**DoH**).
3. As required by section 31(4)(b) of the Act, the Authority will publish a notice of its approval of the amendment in the *Government Gazette*.

BACKGROUND

4. As a result of the Authority's review of operating licences in 2008, the Authority amended Operating Licence 2 (Aqwest – Bunbury Water Board), Operating Licence 3 (Busselton Water), Operating Licence 10 (Rottnest Island Authority), Operating Licence 32 (Water Corporation) and Operating Licence 33 (Hamersley Iron Pty Ltd) to include a clause requiring the licensee to enter into a MoU with the Department of Health within three months of the licence commencement date (clause 9.1).
5. The Authority had provided extensions of time to some licensees, due to delays on the part of the DoH to review draft MoUs. The DoH indicated that further delays regarding their review and finalisation of these draft MoUs was anticipated.
6. On 21 August 2009, the Authority amended Operating Licence 2 (Aqwest – Bunbury Water Board), Operating Licence 3 (Busselton Water), Operating Licence 10 (Rottnest Island Authority), Operating Licence 32 (Water Corporation) and Operating Licence 33 (Hamersley Iron Pty Ltd) to remove the three month time frame from clause 9.1.
7. Due to an administrative error, the amendment to the wording of clause 9.1 of Operating Licence 10 (Rottnest Island Authority) and Operating Licence 33 (Hamersley Iron Pty Ltd) was not made, and therefore the amended licences that were published on 21 August 2009 for Rottnest Island Authority and Hamersley Iron Pty Ltd did not reflect the licence amendment that had been approved by the Authority.

REASONS

8. Under Section 31 (2) of the Act, the Authority is required to follow any specified procedure in the licence for an amendment determination. Under clause 14.2 of Rottnest Island Authority's and Hamersley Iron Pty Ltd's licences, the Authority must provide written notice to the licensee of the proposed amendment and allow the licensee 15 business days to make submissions on the proposal and to take into consideration any submission received.

9. The Authority wrote to Rottnest Island Authority and Hamersley Iron Pty Ltd regarding the proposed amendment and provided them with 15 business days to make a submission. At the end of the period, no submissions were received.
10. Under section 31A of the Act, the Authority is required to determine whether an amendment would not be contrary to the public interest. The Authority, in making its determination, may take into account one or more of the matters referred to in section 19(1b) of the Act.
11. The Authority has considered the public interest, including the matters set out in section 19(1b) as required by sections 31A of the Act, and is satisfied that the approval of this amendment would not be contrary to the public interest. As the amendment is to correct an administrative error, the Authority did not consider it necessary to publish a notice on the matter. This is consistent with the Authority's *Public Consultation Guidelines – For Electricity, Gas & Water Licences and Electricity & Gas Standard Form Contracts*.