

Decision on water services licence application and financial hardship policy

TMC Witchcliffe Pty Ltd

1 November 2019

Economic Regulation Authority

WESTERN AUSTRALIA

D207044

Decision

1. Pursuant to section 11 of the *Water Services Act 2012*, the Economic Regulation Authority grants TMC Witchcliffe Pty Ltd water services licence WL50 to provide non-potable water and sewerage services to the operating area (OWR-OA-316) set out in the licence.
2. The grant is subject to and in accordance with the terms and conditions in the licence for a period of 25 years.
3. Pursuant to clause 29 of the *Water Services Code of Conduct (Customer Services Standards) 2018*, the ERA approves TMC's financial hardship policy for WL50.

Reasons

4. On 21 August 2019, TMC [applied](#) for a water services licence to provide non-potable water and sewerage services to the Witchcliffe Ecovillage, south of Margaret River.
5. TMC proposes to design, construct and operate a sewerage scheme to provide sewerage services to approximately 414 residential and commercial lots. The collected sewage will be treated by an on-site wastewater treatment plant with recycled wastewater used to irrigate a nine-hectare avocado plantation within the development.
6. Under section 11(1)(a) of the Water Act, the ERA must grant a licence if it is satisfied that the applicant:
 - has, and is likely to retain,
or
 - will acquire within a reasonable time after the grant, and is then likely to retain,
the financial and technical ability to provide the services authorised under the licence.
7. The ERA engaged financial and technical consultants to examine the financial and technical capability of TMC to undertake the activities to be authorised by the licence.
8. Following the assessment of the licence application:
 - The financial consultant concluded that TMC complies with the financial requirements set out under section 11(1)(a) of the Water Act.
 - The technical consultant concluded that TMC complies with the technical requirements set out under section 11(1)(a) of the Water Act.
9. The ERA has considered the licence application and the consultants' assessments and is satisfied that TMC meets the requirements of section 11(1)(a) of the Water Act.
10. Section 11(1)(b) of the Water Act states that the ERA must grant a licence if it is satisfied that it would not be contrary to the public interest to do so. Section 46 of the Water Act specifies what matters the ERA must take into account (to the extent it considers them relevant) when considering section 11(1)(b). These matters are environmental and public health considerations.
11. The ERA must also have regard to the matters set out in section 26 of the *Economic Regulation Authority Act 2003* (ERA Act).
12. On 26 August 2019, the ERA sought public comment on the licence application. No submissions were received.

13. The ERA has considered section 11(1)(b) of the Water Act, including the matters set out in section 46 of the Water Act, and TMC's ability to undertake the activities to be authorised by the licence.
14. The ERA is satisfied that granting a water services licence to TMC would not be contrary to the public interest.
15. In making its decision, the ERA has had regard to the matters set out in section 26 of the ERA Act.

Financial Hardship Policy

16. Licensees who hold a licence for water supply services (drinking water only) or sewerage services must have a financial hardship policy that is approved by the ERA.¹ As it applied for a licence to supply sewerage services, TMC submitted a financial hardship policy with its licence application.
17. The ERA reviewed TMC's financial hardship policy as part of the licence application assessment process. Pursuant to clause 29(2) of the Water Code, the ERA approves TMC's [financial hardship policy](#) for WL50.

¹ Clauses 29(1) and (2) of the Water Code.