

Decision on the Shire of Denmark's Application for Renewal of Non-Potable Water Supply Operating Licence No.39

1 June 2006

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. The Shire of Denmark (**Applicant**) has applied to the Economic Regulation Authority (**Authority**) for the renewal of Non-Potable Water Supply Operating Licence No.39 for a period of 25 years (**Application**).
2. The licence area covers the leasehold area within part of reserve 24510 Peaceful Bay, Shire of Denmark.
3. The Application was made pursuant to section 28(1) of the *Water Services Licensing Act 1995* (**Act**).
4. Pursuant to section 28(2) of the Act, the Authority approves the renewal of a water services operating licence (**Licence**) to the Applicant subject to, and in accordance with, the terms set out in the Licence, for a period of 25 years.

REASONS

1. Section 28 of the Act sets out the factors governing the Authority's decision to renew a water services operating licence. Section 28 is reproduced below:
 28. Renewal of licence
 - (1) An application for the renewal of a licence is to be —
 - (a) made in a form approved by the Authority; and
 - (b) accompanied by the prescribed fee.
 - (2) The Authority is not to renew a licence unless the Authority is satisfied that it would not be contrary to the public interest to do so.
 2. A notice advising receipt of the Application was published on the Authority's website on 10 May 2006. In addition, the notice was forwarded to existing licensed water service providers as well as other interested stakeholders. The Authority received one submission which did not support the renewal of the water services operating licence expressing concern over the use of non-potable water for potable purposes.
 3. In its consideration of the Application, the Authority considered the public interest, including the matters set out in section 19(1b) of the Act as required by section 28(2) of the Act as well as public comment. The Authority is of the view that the renewal of the Licence for the supply of non-potable water would not be contrary to the public interest on the basis that:
 - the licence contains obligations relating to asset management, operational audit and methods and principles to be applied in the provision of non-potable water services within the licence area; and
 - the Applicant has confirmed to the Authority that all leasehold lots comply with the terms of the licence.
 4. The Authority has therefore decided to renew the Licence to the Applicant to provide non-potable water supply to the leasehold area within part of reserve 24510 Peaceful Bay for a term of 25 years.

5. The Authority will publish notice of its approval of the Application in the *Government Gazette* as soon as is practicable.