

Decision on amendment to Water Services Operating Licence No. 42

Aquasol Pty Ltd

4 July 2013

Economic Regulation Authority

WESTERN AUSTRALIA

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DECISION

1. Pursuant to section 31 of the *Water Services Licensing Act 1995 (Act)*, the Economic Regulation Authority (**Authority**) has approved an amendment to Aquasol Pty Ltd's (**Aquasol**) Water Services Operating Licence No. 42 (**OL42**) to include the provision of sewerage services.
2. As required under section 31(4)(b) of the Act, the Authority will publish a notice of its approval of the licence amendment in the Government Gazette as soon as is practicable.

REASONS

3. On 5 February 2013, the Authority granted Aquasol with OL42 for the provision of potable water supply and irrigation services at a development 2.2 km south of Lancelin, approximately 128 km North of Perth.
4. On 13 March 2013, Aquasol applied for an amendment to OL42 to provide sewerage services in the OL42 operating area.
5. The application to amend the licence was made in accordance with section 31 of the Act.
6. Section 31 of the Act states that the Authority is not to approve a licence amendment unless the Authority is satisfied that it would not be contrary to the public interest to do so.
7. On 8 April 2013, the Authority called for public submissions on the proposed licence amendment by 30 April 2013. The Authority received one submission, from the Department of Health (**DoH**).
8. The DoH supported the proposed amendment; subject to a condition being placed in the Aquasol's amended licence to establish a sewerage service Memorandum of Understanding (**MoU**) between Aquasol and the DoH.
9. The Authority has decided not to include a condition in OL42 requiring the establishment of a sewerage service MoU with the DoH.
10. With agreement of the DoH, the Authority considered that the decision not to include sewerage service MoU in OL42 will not impede the DoH's ability to regulate Aquasol's sewerage service under the *Health Act 1911*.
11. Section 31A of the Act further specifies that when considering to amend a licence, the Authority may take into account one or more of the matters referred to in section 19(1b) of the Act.
12. Pursuant to section 19(1b) of the Act, the Authority engaged financial and technical consultants to examine the financial and technical ability of the applicant to provide the sewerage services applied for.
13. During the assessments, the Authority requested additional information from Aquasol in regards to its financial and technical ability. In response to these requests, Aquasol

made a number of additional submissions to the Authority to further support its amendment application.

14. Following the assessment of the original application and the additional information provided by Aquasol:
 - the financial consultant found that the Applicant has the financial ability to provide the water services that will be covered by the licence; and
 - the technical consultant found that the Applicant has the technical ability to provide the water services that will be covered by the licence.
15. The Authority has considered the licence application, including the consultants' assessments and the matters set out in section 19(1b) of the Act, and is satisfied that Aquasol meets the requirements of section 31 of the Act.
16. The Authority is satisfied that approving the amendment to OL42 would not be contrary to the public interest.