

Decision on amendment to Water Services Operating Licence No. 33

Hamersley Iron Pty Ltd

8 October 2012

Economic Regulation Authority

WESTERN AUSTRALIA

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DECISION

1. Pursuant to section 31 of the *Water Services Licensing Act 1995* (the **Act**), the Economic Regulation Authority (**Authority**) has approved an amendment to Hamersley Iron Pty Ltd's (**Hamersley**) Water Services Operating Licence No. 33 (**OL33**) for potable water supply services.
2. Accordingly, Schedule 2 of OL33 has been amended to approve a new operating area to include the Bungaroo Creek borefield, transfer pipeline and associated infrastructure (Map OWR/OA/305).
3. 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

4. On 7 August 2012, Hamersley applied for an amendment to OL33. The proposed amendment was to include the Bungaroo Creek borefield, transfer pipeline and associated infrastructure as an operating area. The area is located approximately 35 kilometres south-east of the town of Pannawonica in Western Australia.
5. Hamersley is a part of the Rio Tinto Group of companies (**Rio Tinto**). Rio Tinto has entered into an agreement with the Western Australian Government to develop the project as a part of a wider agreement for water supply in the Pilbara of Western Australia.
6. The project will supply approximately 10 gigalitres of potable water into the West Pilbara Water Supply Scheme managed by the Water Corporation.
7. The licence amendment application was made in accordance with section 31 of the Act.
8. On 10 August 2012, the Economic Regulation Authority called for public submissions on the proposal by 31 August 2012. No submissions were received.
9. The Authority notes that the project is subject to a number of Government approvals, as outlined in the licence application.
10. In its assessment of the application, the Authority considered the public interest as required by section 31A of the Act. This includes the matters set out in section 19(1b) of the Act. The Authority concluded that the approval of the amendment to OL33 is not contrary to the public interest.