

Decision on Water Services Operating Licence to Peel Water Pty Ltd

13 July 2011

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. The Water Services Operating Licence Application was made to the Authority by Peel Water Pty Ltd (**Applicant**) pursuant to section 22 of the *Water Services Licensing Act 1995* (**Act**).
2. Pursuant to sections 23 and 31A of the Act, the Authority approves the grant of a water operating licence (**licence**) to the Applicant to provide potable and non-potable water supply and sewerage services to the Point Grey Development site located in the Shire of Murray, subject to, and in accordance with, the terms set out in the licence for a period of 25 years.

REASONS

3. On 12 January 2011, the Applicant submitted a licence application to the Authority for a water services operating licence to provide potable and non-potable water supply and sewerage services to a Port Bouvard housing development located in Point Grey.
4. The Applicant proposes to construct a water supply scheme and a water recycling scheme, which includes the operation of a Wastewater Treatment Plant and associated infrastructure, to service up to 3580 residential and commercial customers. The total length of the proposed water supply scheme is 42.3 kilometres and the total length of the proposed sewerage scheme is 45.32 kilometres.
6. The Authority engaged Quantum Management Consulting & Assurance (**Quantum**) to examine the financial capacity of the Applicant to provide the water services that will be covered by the licence. Following the assessment, Quantum concluded that the Applicant has and will likely retain the financial resources to undertake the activities to provide the water services that will be covered by the licence.
7. The Authority engaged consultants GHD to examine the technical capacity of the Applicant to provide the water services that will be covered by the licence. Following the assessment, GHD concluded that the Applicant has and is likely to retain the technical resources to provide the water services that will be covered by the licence.
8. The Authority has considered the licence application including the advisors' assessments conducted for the purpose of the licence application and is satisfied that the Applicant meets the requirements of section 23(a) of the Act.
9. Section 31A of the Act states that, where the Authority is required under this Division to determine whether something 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).
10. A notice seeking public submissions on the licence application was published on the Authority's website on 19 January 2011. Two respondents to that notice requested additional technical information on the project. Consequently, the Authority published a second notice on 28 January 2011 including additional technical information and extending the public consultation period for a further week.

11. Following that extension the Authority received two subsequent submissions, one from the Department of Water and one from the Department of Health. Neither Department was objecting to the grant of the licence. The original respondents who requested additional information did not make submissions.
12. The Department of Water provided an update on progress concerning the Applicant's ground water extraction licence application. The Department of Health advised that it was satisfied with the Applicant's Drinking Water Quality Management Plan and had given an approval in principle to the wastewater treatment and recycling service.
13. 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 31A. The Authority is satisfied that a grant of a water services operating licence to the Applicant would not be contrary to the public interest.

LYNDON ROWE

CHAIRMAN