

Decision on water licence application

WA Sewage Pty Ltd

9 June 2014

Economic Regulation Authority

WESTERN AUSTRALIA

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Decision

1. Pursuant to section 11 of the *Water Services Act 2012* (**Act**), the Authority approves to grant WA Sewage Pty of Water Services Licence No. 44 (**WL 44**) to provide:
 - non-potable water supply services; and
 - sewerage servicesfor an operating area at Hazelmere specified 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.

Reasons

3. On 6 February 2014, WA Sewage Pty Ltd applied for a water services licence to provide non-potable water supply services; and sewerage services for an area in Hazelmere.
4. The application did not include a number of appendices. After receiving additional information to complete the application, on 17 February 2014, the Authority called for public submissions on the licence application by 10 March 2014. No submissions were received.
5. Under section 11(1)(a) of the Act, the Authority must grant a licence authorising the provision of one or more classes of water service if satisfied that the applicant:
 - has, and is likely to retain, for each class of water service, the financial and technical ability to provide the service in the operating area or areas specified for the service; or
 - will acquire within a reasonable time after the grant, and is then likely to retain, that ability;and it would not be contrary to the public interest to do so.
6. Section 11(1)(b) of the Act states that the Authority must grant a licence if it is satisfied that it would not be contrary to the public interest. Section 46 of the Act specifies what matters the Authority must take into account (to the extent it considers them relevant) when considering section 11(1)(b).
7. The Authority engaged financial and technical consultants to examine the financial and technical ability of the applicant to provide the water services.
8. The Authority requested significant additional information from the Applicant in regards to its financial and technical ability. In response, the Applicant made a number of additional submissions to the Authority to further support the application.

9. Following the assessment of the original application and the additional information provided by the Applicant:
 - the financial consultant found that the Applicant will acquire within a reasonable time after the grant, and is then likely to retain, 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.
10. The Authority has considered the licence application, including the consultants' assessments conducted for the purpose of the licence application, and is satisfied that the Applicant meets the requirements of section 11(1)(a) of the Act.
11. In its consideration of the licence application, the Authority also considered section 11(1)(b) of the Act, including the matters set out in section 46 of the Act and the applicant's ability to undertake the activities authorised by the licence.
12. The Authority is satisfied that approval of a water licence (sewerage and non-potable water supply services) to WA Sewage would not be contrary to the public interest.