

Decision on Athena Water Solutions Pty Ltd's water licence application and financial hardship policy

15 November 2018

Economic Regulation Authority

WESTERN AUSTRALIA

D195300

Decision

1. Pursuant to section 11 of the *Water Services Act 2012* (Act), the Economic Regulation Authority grants Athena Water Solutions Pty Ltd (Applicant) water licence WL49 to provide potable water services to the operating area (OWR-OA-313) set out 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, commencing from 21 November 2018.
3. Pursuant to clause 29 of the *Water Services Code of Conduct (Customer Services Standards) 2018* (Water Code), the ERA approves the Applicant's financial hardship policy for WL49.

Reasons

4. On 28 June 2018, the Applicant [applied](#) for a water licence to supply potable water to the Country Heights Estate (Estate) for residential and reticulation purposes.
5. The Applicant was incorporated on 8 February 2018 and is owned by Claymont Development Pty Ltd (75%) and Athena Water Services Pty Ltd (25%).
6. The Estate is owned by Claymont Development Pty Ltd. The Estate is located in Ginginup and is proposed to be subdivided into 313 rural residential lots.
7. Under section 11(1)(a) of the Act, the ERA must grant a licence if it is satisfied that the Applicant:
 - has, and is likely to retain,
 - or
 - will acquire within a reasonable time after the grant, and is then likely to retain,
 the financial and technical ability to provide the services authorised under the licence.
8. The ERA engaged financial and technical consultants to examine the financial and technical ability of the Applicant to provide the proposed water services. Following the assessment of the licence application:
 - The financial consultant concluded that the Applicant complies with the financial requirements set out under section 11(1)(a) of the Act.
 - The technical consultant concluded that the Applicant complies with the technical requirements set out under section 11(1)(a) of the Act.
9. The ERA has considered the licence application along with the consultants' assessments and is satisfied that the Applicant meets the requirements of section 11(1)(a) of the Act.
10. Section 11(1)(b) of the Act states that the ERA must grant a licence if it is satisfied that it would not be contrary to the public interest to do so. Section 46 of the Act specifies what matters the ERA must take into account (to the extent it considers them relevant) when considering section 11(1)(b). These matters are environmental and public health considerations.

11. On 6 July 2018, the ERA sought public comment on the licence application. The ERA received one [submission](#) from the Department of Health making the following statement:¹

The Department of Health (DOH) does not object to this licence application, provided that any potable water supply licence that is granted incorporates provisions requiring the licensee to enter a Memorandum of Understanding (MOU) with the DOH about drinking water, and that those provisions are consistent with the content of other potable water supply licenses previously granted by the Economic Regulation Authority.

The applicant should also be aware that the drinking water supply for its development may need to be fluoridated, as or when the residential population approaches 3,000 persons.

12. A standard licence condition requires a licensee that supplies potable water to enter into an MOU on drinking water quality with the Department. The Applicant has confirmed in its application that it will sign an MOU with the Department once it obtains a licence.
13. The ERA has considered section 11(1)(b) of the Act, including the matters set out in section 46 of the Act, the public submission received, and the Applicant's ability to undertake the activities to be authorised by the licence.
14. The ERA is satisfied that granting a water licence to the applicant would not be contrary to the public interest.

Financial Hardship Policy

15. The Applicant submitted a financial hardship policy with its licence application. Clause 29(2) of the Water Code requires a licensee to have a financial hardship policy approved by the ERA. A financial hardship policy assists residential customers who are unable to pay for their water services because of financial hardship.
16. The ERA reviewed the Applicant's financial hardship policy as part of the licence application assessment process. Pursuant to clause 29(2) of the Water Code, the ERA approves the Applicant's [financial hardship policy](#) for WL49.

¹ See <https://www.erawa.com.au/> > [Water Licensing](#) > [Public Submission](#) (6 August 2018)