

Decision on Amendment to Gascoyne Water Cooperative's Operating Licence No.38

4 December 2007

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. On the 15th August 2007 the Gascoyne Water Cooperative (GWC) applied to the Economic Regulation Authority for an amendment to its water services Operating Licence 38 to extend the southern and western water boundaries of its supply operating area.
2. The application for this licence amendment was made pursuant to section 31 of the *Water Services Licensing Act 1995* (Act).
3. Pursuant to section 31 of the Act, the Authority approves the amendment of the Busselton Water Board's licence.
4. The Authority designates the Carnarvon Operating Area as non-exclusive.

REASONS

1. Following receipt of the application for licence amendment, a notice regarding receipt of the application was published on the Authority's web site on 21st September 2007 requesting comment from stakeholders and interested parties.
2. In its consideration of the application for licence amendment, the Authority considered the public interest as required by section 31(1a) of the Act.
3. The Authority received six submissions, one supporting the amendment, four raising objections and feedback from the Department of Water (DOW) on further public interest criteria the Authority may wish to consider. The Authority sought additional information relevant to the objections raised in the submissions. The submissions, including GWC's responses, were published on the Authority's web site.
4. The Authority has formed the view that the issues and objections raised by GWC members to the extension of the operating area, relate principally to beliefs and views that their access to irrigation water would be adversely affected by this expansion and is not consistent with conservation measures to sustain the aquifer.
5. GWC advised that the project will be fully funded from the revenue from new customers in the extension area.
6. GWC has an extraction licence of 5 GL per annum, which can be extended to 8.6 GL in times of drought. The total sustainable yield of the Carnarvon bore fields for all water users, as determined by DOW, is in excess of 14.4 GL.
7. GWC advised that the maximum anticipated consumption for the proposed extension is 14,000KL per annum. GWC advise that this additional consumption can be offset through savings in current system losses achieved by GWC's improved reaction times to leaks and bursts on the distribution system (estimated at 400,000KL in 2007).
8. GWC advises that the recommended daily maximum flow rate for the GWC network during normal years is 22 ML per day and 28 ML per day in drought years. The relatively small volumes of water taken by water carters and stock and garden customers (14,000KL per year) will have negligible impact on the supply of water and overall flow rates to existing grower members.
9. The Authority is therefore satisfied that approval of the applicant's request for a licence amendment would not be contrary to the public interest.

10. The Authority has therefore decided to amend the Gascoyne Water Cooperative's Operating Licence 38 by extending the western and southern boundaries of its Carnarvon operating area on a non-exclusive basis.
11. As required under section 31(4b) 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.

LYNDON ROWE
CHAIRMAN