

Section A: Applicant Details

All applicants must complete Section A.

Applicant Details	
Name	Busselton Water
Registered office (if a Corporation)	1 Fairbairn Road BUSSELTON WA 6280
Principal Place of Business (if different from Registered Office)	
Contact Details	
Primary contact name	Mr. Chris Elliott
Mail Address	PO Box 57 BUSSELTON WA 6280
Email	Chris.Elliott@busseltonwater.wa.gov.au
Telephone	08 9781 0501
Mobile	0418 171 545
Company Structure	
ABN or ACN	79 306 761 565
Legal structure of applicant	Busselton Water Corporation (Government Trading Enterprise)
Place of incorporation	1 Fairbairn Road BUSSELTON WA 6280
Company Directors or Principals	See Board Members Attachment A
A description of the entity's core business	Potable-water service provider. See Attachment B
Brief description of the applicant's business structure and key organisational relationships including associated and/or controlled entities	BW employs 26 full time and 2 part time positions under the structure as per attachment A. BW is regulated under WA legislation by the Economic Regulation Authority and the Department of Water.

Section B: New Licence

Applicants applying for a **new licence** must complete Section B.

Licence Classification

Electricity Licence		
Type of licence application	<input type="checkbox"/> Generation <input type="checkbox"/> Transmission <input type="checkbox"/> Distribution <input type="checkbox"/> Retail <input type="checkbox"/> Integrated Regional	
For Generation and Integrated Regional Licences	Installed capacity	megawatts
For Transmission and Integrated Regional Licences	Transmission system length	kilometres
For Distribution and Integrated Regional Licences	Distribution system length	kilometres
For Retail and Integrated Regional Licences	Number of large use customers	
For Retail and Integrated Regional Licences	Number of small use customers	
Gas Licence		
Type of licence application	<input type="checkbox"/> Distribution <input type="checkbox"/> Trading	
For Distribution Licences	Distribution system length	kilometres
For Trading Licences	Number of small use customers	
Water Licence		
Type of licence application	<input type="checkbox"/> Water Supply (potable) <input type="checkbox"/> Water Supply (non-potable) <input type="checkbox"/> Drainage services <input type="checkbox"/> Irrigation services <input type="checkbox"/> Sewerage services	
For all Water Licence Classifications	Water system length	metres /kilometres)
For all Water Licence Classifications	Number of standard terms and conditions customers	
For all Water Licence Classifications	Number of non-standard terms and conditions customers	

Area(s) to be covered by the licence

Electricity Licence	
Licence area(s) and/or address to be covered by this licence	Licence area name: Address/location:
Gas Licence	
Gas supply area(s) to be covered by this licence	<input type="checkbox"/> Kimberley <input type="checkbox"/> Pilbara <input type="checkbox"/> Gascoyne <input type="checkbox"/> Mid-west <input type="checkbox"/> Wheatbelt <input type="checkbox"/> Goldfields-Esperance <input type="checkbox"/> Great Southern <input type="checkbox"/> Coastal
Water Licence	
Water Services Operating Area(s) and/or address to be covered by this licence	Operating area name: Address/location:

Summary description of licence activity

Services/service model	
Brief description of service(s) or service model intended	<i>Note: Add more space as necessary</i>
Service/infrastructure/works	
Brief description of service infrastructure/works	<i>Note: Add more space as necessary</i>
Other regulatory approvals	
Provide summary information on status of other regulatory approvals required	<i>Note: Add more space as necessary</i>

Section F: Certification

All applicants must complete Section F.

Certification – Acknowledgement of commitment

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the *Electricity Industry Act 2004*, *Energy Coordination Act 1994*, or *Water Services Act 2012* for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant.

[If the applicant is a company, this certification must be signed by director(s) / company secretary (as applicable) unless a relevant authority to bind the applicant is provided with this application]

Name Chris Elliott

Position Chief Executive Officer

Signed



Date 05/06/2014

Minister for Water

Hon. Mia Davies

Board Members

Helen Shervington (Chair) • Paul Carter (Deputy Chair)
Yvonne Robinson • Chris Boulton
Matt Walker • Angus Smith

Chief Executive Officer

Chris Elliott

General Manager Operations

Robin Belford

General Manager Business Services

Vivienne MacCarthy

Water Source Management
Delivery of Water Services
Water Quality Management
Asset Management
Project Management
Infrastructure Planning
Supply
Growth

Financial Services
Customer Service
Human Resources Management
Information, Communication
and Technology
Records Management
Public Relations
Corporate Planning and
Reporting
Growth

Application for amendment to Busselton Water's Water Services Licence (No 3, version 6) additional information.

A description of the entity's core business

Busselton Water (BW) is a Water Corporation established under the *Water Corporations Act 1995*. We provide water for domestic, commercial, light-industrial, and special-rural consumers in Busselton and its environs under licence by the Economic Regulation Authority (ERA). Since December 2010, BW has supplied bulk water to the Water Corporation for Dunsborough consumers. Busselton Water's Charter is to provide sufficient and sustainable water resources to meet the future demand of Busselton and its environs. It obtains its water supply through abstraction of groundwater as authorised by the Department of Water (DoW) under Section 5C of the Rights in Water and Irrigation Act (1914). Busselton falls within the Busselton-Capel Groundwater Area.

Busselton Water sources the bulk of its raw water (up to 7.6 GL/annum) from the confined Yarragadee aquifer from eight production (i.e. groundwater-extraction) bores (BWB 12, 14, 15, 16, 17, 18, 19, and 20), authorised by Groundwater Well Licence (GWL) 110851. There is some minor draw (up to 0.5 GL/annum) from the base of the Leederville aquifer from bores BWB 12 and 19 authorised by GWL 110850. Groundwater is generally extracted from artesian bores that are confined by shale and siltstone beds. The raw groundwater is pumped from the production bores to water treatment plants where it is treated to meet Australian Drinking Water Guidelines 2004 before it is reticulated to the water supply system: BW currently operates one storage and three treatment and storage plant sites, with two additional plants housing production bores only.

The raw groundwater has turbidity and iron concentrations above the aesthetic drinking water guideline limits and these are removed by aeration and filtration at the treatment plants. The treated water meets all the accepted public health guidelines. Following aeration and filtration, the water is disinfected using chlorine; it is then pumped into enclosed storage tanks before being distributed to consumers.

A Busselton Water Reserves drinking water source protection review was conducted in 2013 in conjunction with the Department of Water that defined the size of the water reserve boundaries (bore locations) and assigned a priority 1 (P1) area to them. The purpose for proclaiming the proposed water reserves was to ensure their locations are under legislative protection. Proclamation will ensure Busselton Water's water supply bores can be considered in future resource development proposals that have the potential to contaminate the confined aquifer. Proclamation of the Busselton Water Reserve Order 2014 was published in the WA Government Gazette 14/3/2014.

Reason for and details of the amendment

Busselton Water is a newly corporatised Government Enterprise that has been a successful water service provider for more than 100 years. Our statement of Corporate Intent (SCI) and 2013 Annual Report, available on our website, www.busseltonwater.wa.gov.au provide details of our forward plans and past performance, and provide evidence of Busselton Water's strong financial position.

Busselton Water has ambitions to grow and expand its operations and in order to facilitate this is seeking to expand its existing Operating Licence Area. [REDACTED]

[REDACTED]

[REDACTED]

Busselton Water's existing Operating Area is shown at appendix A. This area imposes constraints on Busselton Water's ability to grow and provide services outside of the existing boundary.

Busselton Water seeks an extension to its operating area as shown on the plan at appendix B. The proposed extension of the boundary will include the whole of the Department of Water delineated boundaries of the Busselton-Capel Groundwater and Blackwood Groundwater areas. It will also include a two kilometre zone off the coast of the local Government areas.

It is of strategic interest for Busselton Water to be able to participate in regional planning and development including consideration of water services infrastructure needs of the Busselton-Capel- Augusta Margaret River-Nannup local Government areas that fall within the proposed area. The two kilometre zone off the coast will allow Busselton Water to provide services to structures or assets constructed from the mainland out to sea, such as the Busselton Jetty.

Summary of reasons why it would not be contrary to the public interest to grant the amendment (incl. a summary of any consultation undertaken with stakeholders)

Relevant sections of the *Water Services Act 2012* have been noted, in particular sections 18 and 46 which refer to the need to consider matters that may be contrary to public interest. The following are Busselton Water's responses to section 46 of the *Water Services Act 2012* - *Matters relevant to determination of public interest*;

(a) Environmental considerations, including the value of ecologically sustainable development;

Busselton Water has a history of responsible environmental management and liaises closely with the Department of Parks and Wildlife, the Environmental Protection Authority and the Department of Water with regards to environmental issues. Environmental risks are registered on the Busselton Water risk management system.

Busselton Water has developed and implemented an Environmental Policy stating;

Busselton Water is committed to:

Caring for the environment and responsibly managing any impact our operations have.

In pursuit of our commitments, we will:

- *Ensure environmental aspects and impacts are proactively identified and controlled.*
- *Set environmental objectives and targets to ensure we continuously improve the way we care for and protect the environment.*
- *Be accountable and responsible for our environment.*
- *Adopt environmentally sound work practices for all staff, contractors and other stakeholders.*
- *Comply with all regulatory requirements and wherever possible exceed set environmental targets.*
- *Document and improve our environmental management system towards compliance with ISO14001.*
- *Ensure awareness to protect and conserve cultural and aboriginal heritage sites.*

For activities impacting the environment, such as abstracting water from aquifers and to operate as a potable water service provider, BW adheres to WA government regulatory controls. For other activities BW has developed and implemented in-house procedures, work instructions, emergency management plans, preliminaries to works and monitoring programs that staff are to refer to and follow in order to undertake

such activities. As well as having other purposes (such as the provision of a water service, water quality, efficiency, cost effectiveness and safety) these controls have also been implemented so that BW can achieve its environmental objectives.

BW's environmental objectives and targets are;

- To comply with all relative legislation that applies to the environmental aspects of BW's activities, including Licence (ERA and DoW) and Dept. of Health MoU requirements
- To liaise with the relative statutory bodies and to seek permits and approvals where required for the environmental aspects of BW's activities
- To work toward compliance with ISO 14001 Environmental Management Systems (including implementing environmental incident reporting and management)
- To manage our impacts on the environment through the implementation of processes and procedures
- To know the location(s) of environmentally sensitive areas (Dept. of Parks & Wildlife reserves, Aboriginal cultural and heritage sites etc.) and avoid them where possible
- To minimise soil disturbance
- To prevent or minimise pollution/emissions from machines and vehicles (including chemical spills)
- To recycle materials where appropriate
- To dispose of decommissioned assets/materials in an environmentally friendly manner
- To promote awareness of BW's environmental policies and procedures
- To continuously improve our environmental management system

(b) Public health considerations relating to the provision of reliable water services.

Busselton Water has developed and entered into a Memorandum of Understanding (MoU) with the Department of Health WA designed to establish and maintain a strong co-operative relationship for managing Drinking Water quality and protecting public health. The MoU commits both parties to implementing the Australian Drinking Water Guidelines which would apply to the entire proposed operating area. Busselton Water's drinking water quality performance is exemplary as evidenced by the 2013 Annual Water Quality Report published on www.busseltonwater.wa.gov.au.

Relevant sections of the *Economic Regulation Authority Act 2003* have also been noted, in particular Section 26 which refers to the Authority to have regard to certain matters. The following are Busselton Water's responses to certain matters raised in section 26 (1) *In performing its functions, other than the functions described in section 25(c) and (d), the Authority must have regard to —*

(a) the need to promote regulatory outcomes that are in the public interest;

Noting that Operating Licence Areas are non-exclusive, expansion of Busselton Water's area will create greater competition which in turn will lead to outcomes such as lower prices, which are in the public interest.

(b) the long term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets;

Busselton Water has been operating for over 100 years and has a commendable history in providing safe and reliable potable water services.

Busselton Water has developed and implemented separate *Customer Service, Society and Community Responsibility* and *Drinking Water Quality* Policies. Supporting these policies, a Community Engagement Program has been implemented that calls for expressions of interest annually and presents recommendations to the Board for consideration. Support for approved activities for community engagement may include; the provision of expert assistance, advice, resources and education materials.

Busselton Water has developed and implemented a *Rebates for Pensioners and Holders of Commonwealth Seniors Health Cards* procedure allowing up to a 50% rebate on the Standard Supply Charge component (as per the *Rates and Charges (Rebates and Deferments) Act, 1992*) and up to 50% rebate on the first 350kl of water consumed each year (as a voluntary Board contribution) to all holders of a Pension Card or Commonwealth Seniors Health Card who are eligible for a rebate.

Busselton Water has developed and implemented an *Exemptions for Charitable Organisations* procedure that has been developed in order to reduce the financial impact for charitable organisations.

Busselton Water has developed and implemented a *Financial Hardship* procedure that provides guidance to employees, customers and stakeholders with the objective that customers in genuine financial hardship:

- engage with us
- are identified early
- are treated with fairness, integrity and confidentiality
- have a range of flexible payment options tailored to meet their individual needs
- are encouraged and receive assistance to proactively manage their accounts
- are provided with information and advice on concession eligibility, water efficiency and the relevant support programs available and
- are protected from additional recovery costs, supply restriction and legal action wherever possible.

Busselton Water conducts regular customer surveys in order to gauge;

- Satisfaction with customer-initiated contact with Busselton Water (including the channel(s) and reason(s) for their contact; and the service and experience from their contact)
- Experiences with interruptions to their water supply in the previous 12 months
- Satisfaction with Busselton Water's water supply service
- Attitudes to Busselton Water
- Awareness of and attitudes towards Busselton Water's decision to treat with chlorination
- Current water conservation activities and attitudes to proposed water conservation initiatives
- Awareness of marketing initiatives
- Suggestions for improvement
- Awareness of the new meters and their features
- Use of the Busselton Water website

An Operating Subsidy Agreement between the Minister for Water and Busselton Water is currently being developed. This agreement will formalise Operating Subsidies (Community service obligations).

The same methods and principles that are currently used for determining prices and charges to the proposed operating area extension would apply.

The same *Water Services Code of Conduct (Customer Service Standards) 2013* that is currently used would apply to the proposed operating area extension.

(c) the need to encourage investment in relevant markets;

The removal of the constraints of Busselton Water's existing operating area also removes limitations that developers and investors may have. An extended operating area for Busselton Water would give developers and investors a wider choice of water service providers.

The inclusion of Busselton Water in regional planning and development within the proposed extended operating area will result in more competition options for developers and investors resulting in benefits for the local economy. This would allow Busselton Water to competitively bid for development projects which is in the interests of the public and local economic growth.

(d) the legitimate business interests of investors and service providers in relevant markets;

As mentioned above, investors and developers will be able to approach water service providers in a fair and competitive market environment.

(e) the need to promote competitive and fair market conduct;

Extending, overlapping and/ or non-exclusive operating areas allows for fair and healthy competition in the market.

Extending Busselton Water's operating area to the proposed boundaries would give Busselton Water the opportunity to compete in the regional market with established and future water service providers. Competition in any market is a desirable economic outcome. It would be of particular interest to Busselton Water so that it can grow and develop as a business enterprise. As licenses are non-exclusive, there is no detriment to existing licensees.

(f) the need to prevent abuse of monopoly or market power;

Exclusive operating licence areas promotes the abuse of a monopoly as the consumer or developer is not able to choose. Therefore extending licence areas and overlapping them helps prevent abuse of monopoly.

(g) the need to promote transparent decision making processes that involve public consultation.

Public consultation is part of the ERA's licence amendment process and Busselton Water understands and accepts that the public will have opportunity to comment on this and other applications.

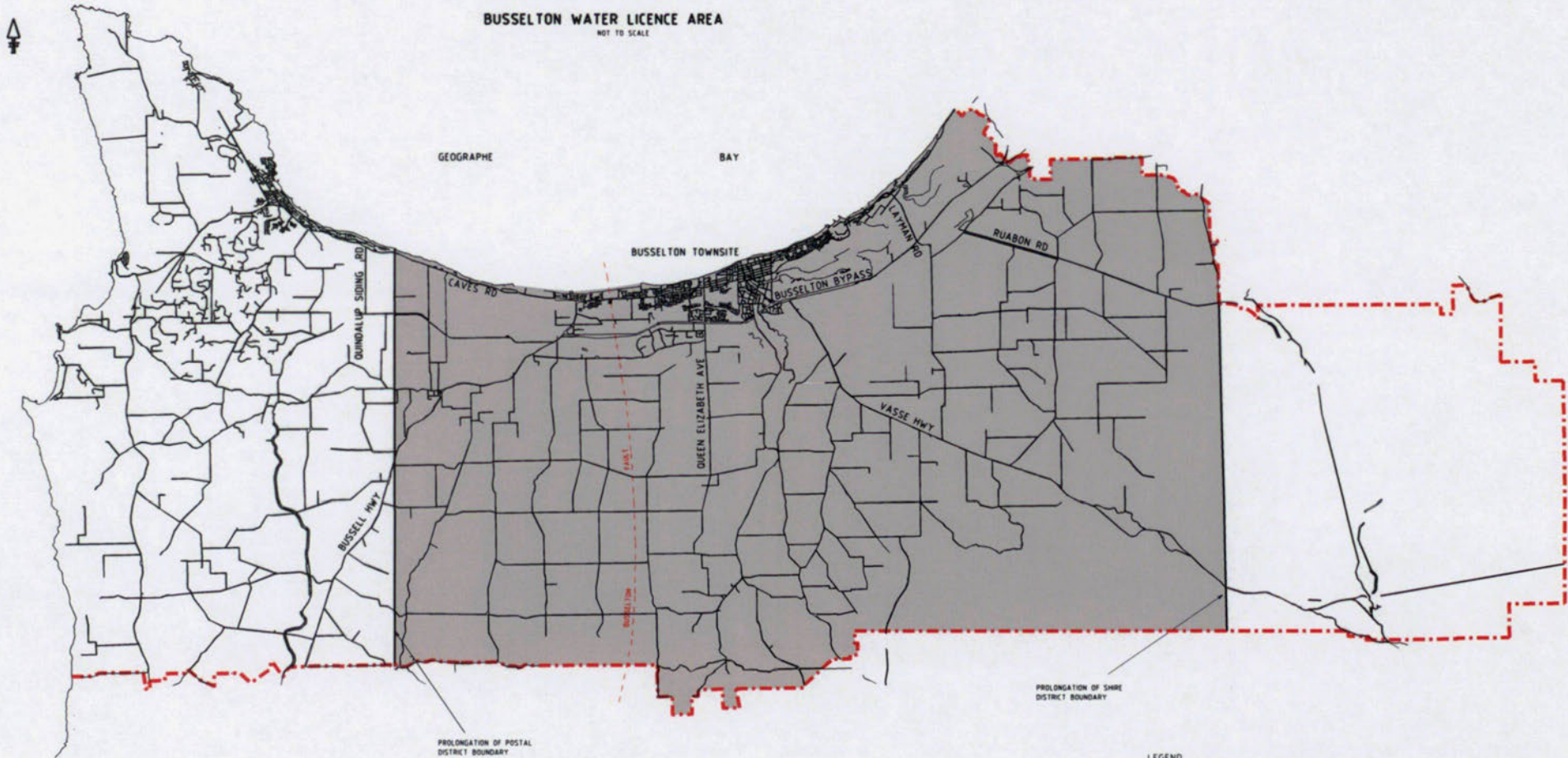
Busselton Water's 2013 Annual Report and current Statement of Corporate Intent (SCI) are publicly available documents that provide details of our past performance and forward plans. BW's objectives as set out in its SCI are summarised as follows;

- 1) Provide quality water.
- 2) Build genuine Community and Stakeholder engagement in support of our Vision and Purpose.
- 3) Continuously improve our business.
- 4) Develop a highly skilled, motivated and well-resourced workforce in a safe and secure working environment.
- 5) Manage our water infrastructure system to ensure its effective and efficient utilisation.
- 6) Manage all operations of Busselton Water to achieve greater Environmental Sustainability.
- 7) Grow our business.
- 8) Corporatisation.

[REDACTED]

[REDACTED]

BUSSELTON WATER LICENCE AREA
NOT TO SCALE



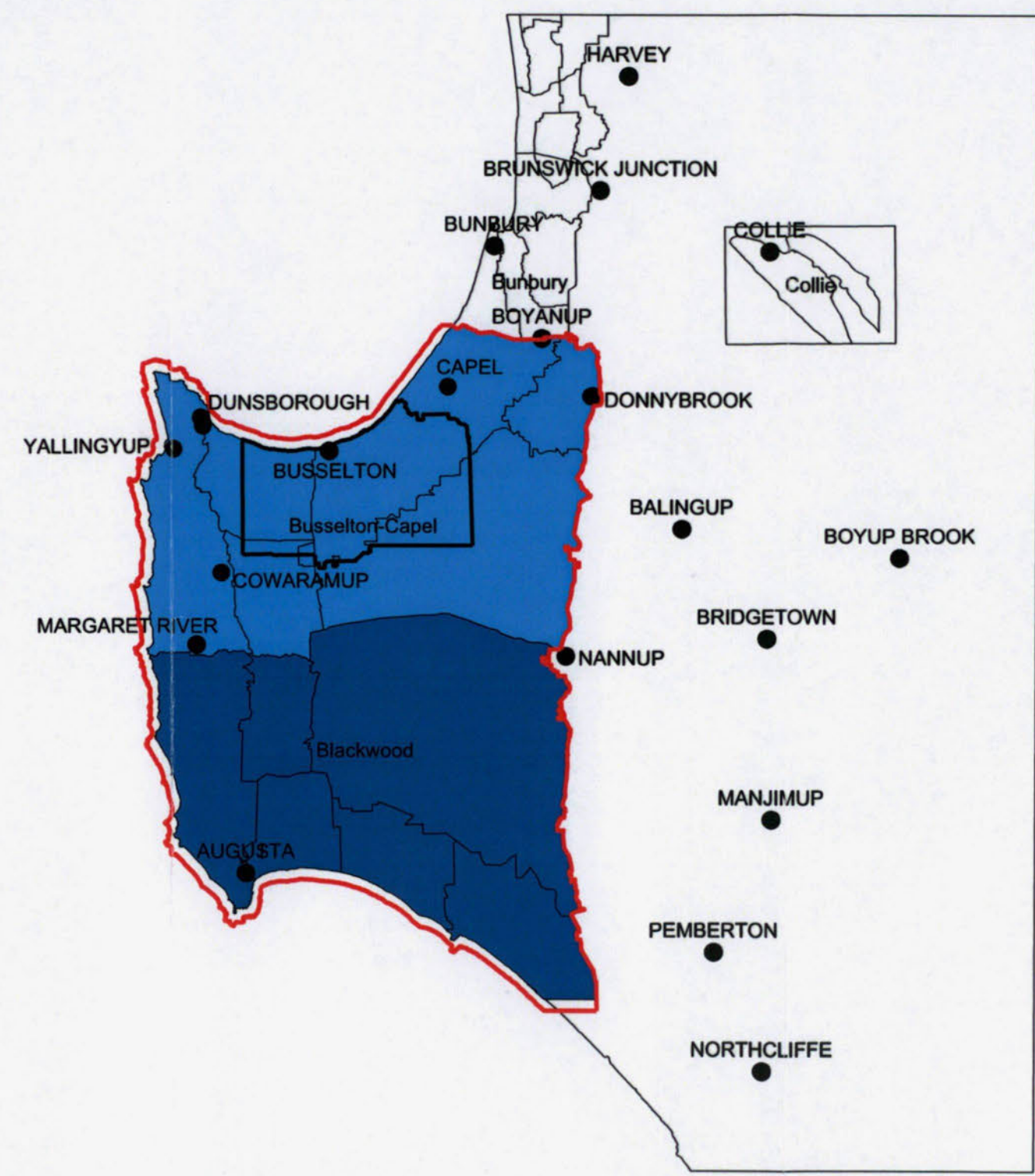
LEGEND
 - - - - - EXTENT OF LICENSE AREA
 - . - . - . EXISTING BUSSETON SHIRE BOUNDARY
 [Grey Box] EXISTING WATER LICENCE AREA

NOTES
 1 EXISTING LICENSE AREA SHOWN TAKEN FROM DRAWING NUMBER DWR-0A-885/2 B
 2 DRAWING NUMBER DWR-0A-885/2 B ADVERTISED IN THE GOVERNMENT GAZETTE ON THE 9TH OF JUNE 2000

NORTH POINT				DATUM	DES CHD	RECOMMENDED	BUSSETON WATER PO BOX 57 BUSSETON WA 6280 PHONE: (08) 97 541 811	BUSSETON WATER BW LICENCE AREA SHEET 1 OF 1	FILE	PROJECT	PLAN	CAD	ISSUE	ORIGINAL SHEET SIZE
				SURVEY	REC	APP								
	ISSUE	DATE	REVISION	DN	APPD	APP								

LEGEND

- Busselton-Capel Groundwater Area
- Blackwood Groundwater Area
- Existing Licence Area
- Proposed Licence Area



NOTE

PROPOSED LICENCE AREA BETWEEN BUSSELTON-CAPEL & BLACKWOOD GROUNDWATER AREA BOUNDARIES INCLUDING A 2.0km OFFSHORE ZONE

DES CKD	NOT TO SCALE	RECOMMENDED	BUSSELTON WATER PO BOX 57 BUSSELTON WA 6280 PHONE: (08) 97810 500		BUSSELTON WATER PROPOSED BW LICENCE BOUNDARY SHEET 1 OF 1		ORIGINAL SHEET SIZE
DATE		REC	FILE N/A JOB No N/A PLAN AREA MAP		A3		
DRN BD 05/14		APPROVED			CAD	ISSUE A	MF
		APP					