



Notice

24 March 2025

BHP Nickel West Pty Ltd

2024 operational audit

The Economic Regulation Authority has published the 2024 [operational audit report](#) and the [post-audit implementation plan](#) for BHP Nickel West Pty Ltd's water services licence WL52.

BHP supplies potable water and sewerage services in the mining town of Leinster, approximately 600 kilometres north-east of Perth. There are 314 connected properties for potable water and 297 properties for sewerage services. While most of the properties are residential, there are a small number of commercial and community premises.

BHP suspended its Western Australian nickel operations in October 2024. The mine is currently in care and maintenance and the workforce has been reduced.

The ERA's decision

The ERA considers that BHP has achieved a good level of compliance with its licence. We have decided to increase the audit period from 24 months to 48 months. The next audit will cover the period 1 October 2024 to 30 September 2028, with the report due to be provided by 31 December 2028.

Audit findings

The audit of the 126 licence obligations applicable to BHP found 13 non-compliances but no control deficiencies. Of the 13 non-compliances, 10 were from the 2022 audit and resolved during the 2024 audit period.

The three new non-compliances were for paying an ERA licence fee late and not having information on its website about how a customer can apply to be listed on a "preserved supply register" (two non-compliances).¹ BHP has already implemented the auditor's two recommendations to address the non-compliances.

The ERA's assessment of the audit findings

BHP's level of compliance has improved since the 2022 audit. BHP also has fewer obligations than other potable water and sewerage licensees because it does not charge for its services, as Leinster's residents are mostly BHP employees. For example, the billing, payment, financial hardship,

¹ Licensees are required to maintain a preserved supply register of customers that require water for life support equipment or other special need and these customers must not be disconnected for failing to pay a bill. BHP contacted customers to set up its register in February 2024, but no customers registered. As BHP does not charge for its services, the register is not necessarily required, as customers do not receive a bill.

disconnection and supply restriction obligations in the *Water Services Code of Conduct (Customer Service Standards) 2024* do not apply to BHP.

For these reasons, we have increased the audit period to 48 months.

Further information

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