



**BUSSELTON WATER**

pure busselton water

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Our ref : OL6  
Your ref :  
Enquiries :

21<sup>st</sup> June 2010

Attention Phil D'Costa  
Mr Lyndon Rowe  
Chairman  
Economic Regulation Authority  
GPO Box 8469  
Perth Business Centre  
Perth WA 6849

Dear Lyndon,

Busselton Water Board has considered the Water Corporation's request to have its operating areas enlarged to include parts of the Capel Shire to the north east of Busselton Water's existing licence and to the immediate south of that existing licence.

Whilst there are no overarching concerns with the logic or reasoning put forward by the Water Corporation, the Board would like the Authority to consider the above two areas, particularly the area to the north east of the Busselton townsite which more appropriately could be brought under Busselton Water's licence to supply potable water, whilst of course recognising that Water Corporation too could hold a non-exclusive licence over the same area. For this area, and the area to the south of the Board's current licensed area, there would then be a reduction in the possibility of Busselton Water breaching any of its licence conditions by inadvertently supplying potable water outside of the Board's licensed area. Such a proposal would still meet the Water Corporation's stated aim of "matching Operating Areas for water within Controlled Areas, across the State to generate greater efficiencies in the delivery and management of water and sewerage services without limiting the opportunity for competition.....", an aim the Board of Busselton Water also supports.

For further background, I would also like to bring to the Authorities notice a joint report/review from Aqwest, Busselton Water and the Water Corporation commissioned by the then Minister for Water and Water, Hon J.C. Kobelke MLA. This review was provided on the 15<sup>th</sup> December 2005 and included jointly supported, water servicing arrangements for the South West. One of the options in that review related to the allocation of "greenfield" areas in the South West. This jointly supported option read: "Water Corporation be allocated greenfield areas within the South West with the exception of the greenfield areas within the Shires of Harvey, Dardanup, Capel and Augusta-Margaret River. (Presumably these shires were to be the subject of later dialogue between the suppliers, noting too that non-exclusivity of such allocations may not have been considered at that time).

Yours faithfully,

Keith White  
Chief Executive Officer

Economic Regulation Authority 24 Jun 2010