

Water Services Operating Licence

Water Services Licensing Act 1995 (WA)

Operating Licence

The Economic Regulation Authority (Authority), established under the *Economic Regulation Authority Act 2003* hereby grants an operating licence (licence) to Water Corporation subject to, and in accordance with, the terms set out in this licence in place of the licence granted on 28 June 1996 and amended on 18 February 2010.

Dated this 24th day of January 2011.

Signed by a delegate;
member; or
the Chairman of the Economic Regulation Authority

Operating Licence

Water Services Licensing Act 1995 (WA)

LICENCE No 32

**WATER CORPORATION
(LICENSEE)**

ABN 28 003 434 917

PO BOX 100, LEEDERVILLE WA 6902

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Licence	Operating Licence 32	Version Date	24 January 2011

Operating Licence

1 Definitions

Act means the *Water Services Licensing Act 1995*.

assets means water services works as defined in the Act.

asset management system means the measures that are to be taken by the licensee for the proper maintenance, expansion or reduction of the water service system.

asset management system review means a review of the effectiveness of the asset management system.

applicable legislation includes:

- (a) the Act;
- (b) the Regulations; and
- (c) the Codes.

Audit Report means a signed, written document that presents the purpose, scope and results of the audit by the *Department of Health* on compliance by the licensee of its obligations under the *MoU*.

Authority means the Economic Regulation Authority.

business day means a day which is not a Saturday, Sunday or a public holiday in Western Australia.

Code means any code in force from time to time made pursuant to the Act.

complaint means an expression of dissatisfaction made to an organisation, related to its products or services, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected¹

commencement date means the date specified in Schedule 1.

customer means a person or organisation to which water services are sold or supplied for consumption by the Licensee.

customer service charter means the charter prepared by a licensee pursuant to clause 2 in Schedule 3 of this licence.

Department of Health means the Department of Health or its successors in Western Australia.

Department of Water means the Department of Water or its successors in Western Australia.

drainage services means the development and/or maintenance of a system of watercourses or artificial drains and works designed to prevent or reduce inundation and remove excess water from an area.

expiry date means the date specified in Schedule 1.

¹ Standard AS ISO 10002 – 2006 Customer satisfaction – Guidelines for complaints handling in organizations, section 3.2

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individual performance standards mean any *individual performance standards* approved by the *Authority* pursuant to clause 19 and specified in Schedule 4 of the *licence*.

irrigation services means methods of irrigation used for the purpose of plant production.

licence means this licence and any Schedules attached to it.

licensee means Water Corporation.

Local Government Authority means a local government established under the *Local Government Act 1995*.

MoU means the memorandum of understanding referred to in clause 9 as duly amended from time to time.

Non-potable water supply services means the collection, treatment, transfer or delivery of water supplied from water services systems not designed and operated to provide *potable water*.

notice means a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to, or in connection with, this *licence*.

Operating Area(s) means the controlled area or areas, or part or parts thereof, in respect of which this *licence* has been issued as described in Schedule 2.

operational audit means an audit of the effectiveness of measures taken by the *licensee* to meet the *performance criteria* in this *licence*.

performance criteria means:

- (a) the *terms and conditions* of the *licence*; and
- (b) any other relevant matter in connection with the *applicable legislation* that the *Authority* determines should form part of the *performance audit*.

potable water means safe potable water in accordance with the MoU between the licensee and the *Department of Health*.

potable water supply services means the collection, treatment, transfer or delivery of water supplied from water services systems designed and operated to provide *potable water*.

publish in relation to a report or information means either:

- (a) posting the report or information on the *licensee's* web site; or
- (b) sending the report or information to the *Authority* to be published on the *Authority's* web site.

Regulations means:

- (a) *Water Services Coordination Regulations 1996*;
- (b) *Water Services Licensing (Extension of Enactments) Regulations 1997*; and
- (c) any regulations in force from time to time made pursuant to the *Act*.

related body corporate has the meaning in section 50 of the *Corporations Act 2001 (Cwlth)*.

review guidelines means the guidelines for the review of *customer service charters* published on the *Authority's* website.

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reviewable decision means a decision by the *Authority* pursuant to:

- (a) clause 16.3;
- (b) clause 17.5; and
- (c) clause 22.3

of this *licence*.

Schedule means the schedule or schedules which are appended to, and which form part of, this *licence*.

sewerage services mean the collection, transfer, treatment or disposal of sewage.

terms and conditions means the terms and conditions in this *licence* including and terms and conditions contained in the *Schedules*.

Water Acts means Acts of Parliament and subsidiary legislation relevant to the provision of water services.

water licensing email address means:

- (a) in relation to the *Authority*, the addressee's authorised *Authority* email address or other such email address as notified in writing to the *licensee*; and
- (b) in relation to the *licensee*, the email address specified in the licence application or other such email address as notified in writing to the *Authority*.

water service works means *water service works* as defined in the *Act*.

2 Grant of Licence

- 2.1 The *licensee* is granted a non-exclusive *licence* for the *Operating Area(s)* to provide the water services described in Schedule 1 in accordance with the *terms and conditions* of this *licence*.

3 Term

- 3.1 This *licence* commences on the *commencement date* and continues until the earlier of:
- (a) the cancellation of the *licence* pursuant to clause 11 of this *licence*;
 - (b) the surrender of the *licence* pursuant to clause 12 of this *licence*; or
 - (c) the *expiry date*.

4 Fees

- 4.1 The *licensee* must pay the applicable fees in accordance with the *Regulations*.

5 Compliance

- 5.1 Subject to any modifications or exemptions granted pursuant to the *Act*, the *licensee* must comply with any *applicable legislation*.

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5.2 Subject to the provisions of any *applicable legislation*, the *Authority* may direct the *licensee* in writing to do any measure necessary to:

- (a) correct the breach of any *applicable legislation*; or
 - (b) prevent the breach of any *applicable legislation* occurring again,
- and specify a time limit by which such action must be taken.

6 Customer Complaints

6.1 The *licensee* must establish and comply with customer complaints processes as set out in Schedule 3.

7 Customer Service Charter

7.1 The *licensee* must establish a *customer service charter* as set out in Schedule 3.

8 Customer Consultation

8.1 The *licensee* must establish customer consultation processes as set out in Schedule 3.

9 Memorandum of Understanding

9.1 Where the *licensee* is, or intends to, provide *potable water*, the *licensee* must enter into a *MoU* with the *Department of Health* as soon as practicable after the *commencement date*.

9.2 The *MoU* must include provisions:

- (a) specifying that the *MoU* is a legally binding document between the *licensee* and *Department of Health*;
- (b) defining and identifying the following sections in the *MoU*:
 - (i) Text;
 - (ii) Schedules;
 - (iii) Binding Protocols;
 - (iv) Water Quality Management Processes and Procedures;
- (c) requiring the *licensee* and *Department of Health* to review and renew the *MoU* not less than once every three years;
- (d) requiring the *licensee* to provide a complete copy of the *MoU* to the *Authority* within one month of entering into the *MoU*;
- (e) requiring the *licensee* to provide any amendments to the *MoU* to the *Authority* within one month of entering into any amendments to the *MoU*;
- (f) specifying quality criteria for *potable water* and specifying how these standards will be achieved;
- (g) requiring that any variations to the quality criteria for *potable water* be approved by the Minister for Health;

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- (h) specifying a water quality monitoring plan to ensure that *potable water* quality criteria are met;
- (i) specifying a notification procedure for the reporting by the *licensee* of information or events which may have risks for public health; and
- (j) requiring an audit by the *Department of Health* on compliance by the *licensee* with its obligations under the *MoU* at least once every three years and the provision of the *audit report* to the *Authority*.

9.3 For the avoidance of doubt, clause 9.2 does not limit the provisions that the *MoU* may include.

9.4 The *licensee* must comply with the terms of the *MoU*.

9.5 The *licensee* must *publish* the Text and Schedules of the *MoU* and any amendments to the Text and Schedules of the *MoU* within one month of entering into the *MoU* or of making amendments to the Text or Schedules of the *MoU*.

9.6 The *licensee* must *publish* the *Audit Report* on the *licensee's* web site within one month of the completion of the audit.

9.7 The *licensee* must *publish* its Potable Water Quality Reports quarterly or at a reporting frequency specified by the *Department of Health*.

10 Transfer of Licence

10.1 This *licence* may be transferred only in accordance with the *Act*.

11 Cancellation of Licence

11.1 This *licence* may be cancelled only in accordance with the *Act*.

12 Surrender of Licence

12.1 The *licensee* may surrender the *licence* at any time by written *notice* to the *Authority*.

12.2 The surrender of the *licence* will take effect on the day that the *Authority* publishes a *notice* of the surrender in the *Gazette*.

12.3 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

13 Renewal of Licence

13.1 This *licence* may be renewed only in accordance with the *Act*.

14 Amendment of Licence

14.1 The *Authority* may, at any time, amend the *licence*:

- (a) on its own initiative; or
- (b) on application by the *licensee*,

in accordance with the *Act* and the procedure specified in clause 14.2.

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- 14.2 Before amending the *licence* under clause 14.1(a), the *Authority* must:
- (a) provide the *licensee* with written notice of the proposed amendments under consideration by the *Authority*;
 - (b) allow 15 *business days* for the *licensee* to make submissions on the proposed amendments; and
 - (c) take into consideration those submissions.
- 14.3 This clause also applies to the substitution of the existing *licence*.
- 14.4 For avoidance of doubt, the *licensee* will not have to pay an associated application fee or licence fee for the purpose of clause 14.1.

15 Accounting Records

- 15.1 The *licensee* and any *related body corporate* must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.

16 Operational Audit

- 16.1 The *licensee* must, unless otherwise notified in writing by the *Authority*, provide the *Authority* with an *operational audit* within 24 months after the *commencement date*, and every 24 months thereafter.
- 16.2 The *licensee* must comply, and must require the *licensee's* auditor to comply, with the *Authority's* standard audit guidelines dealing with the *operational audit*, including any minimum requirements relating to the appointment of the auditor, the scope of the audit, the conduct of the audit and the reporting of the results of the audit.
- 16.3 The *licensee* may seek a review of any of the requirements of the *Authority's* standard audit guidelines in accordance with clause 24.1.
- 16.4 The independent auditor may be nominated by the *licensee* but must be approved by the *Authority* prior to the audit pursuant to clause 16.1. Should the *Authority* reject the *licensee's* nomination of an independent auditor twice or, in the event that no nomination has been made by the *licensee* within 1 month of the date the audit was due, the *Authority* may choose an independent auditor who will conduct the audit.

17 Asset Management System

- 17.1 The *licensee* must provide for, and notify the *Authority* of, an *asset management system* in respect of the licensee's assets within two *business days* from the *commencement date* unless otherwise notified in writing by the *Authority*.
- 17.2 The *licensee* must notify the *Authority* of any material change to the *asset management system* within 10 *business days* of such change.
- 17.3 The *licensee* must, unless otherwise notified in writing by the *Authority*:
- (a) conduct an *asset management system review*; and
 - (b) provide the *Authority* with a report on the *asset management system review*,

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within 24 months after the *commencement date* and every 24 months thereafter.

- 17.4 The *licensee* must comply, and must require the *licensee's* expert to comply, with the *Authority's* standard guidelines dealing with the *asset management system review*, including any minimum requirements relating to the appointment of the expert, the scope of the review, the conduct of the review and the reporting of the results of the review.
- 17.5 The *licensee* may seek a review of any of the requirements of the *Authority's* standard guidelines dealing with the *asset management system review* in accordance with clause 24.1.
- 17.6 The independent expert may be nominated by the *licensee* but must be approved by the *Authority* prior to the review pursuant to clause 17.3. Should the *Authority* reject the *licensee's* nomination of an independent expert twice or, in the event that no independent expert has been nominated by the *licensee* within one month of the date the review was due, the *Authority* may choose an independent expert who will conduct the review.

18 Reporting

- 18.1 The *licensee* must report to the *Authority*:
- (a) if the *licensee* is under external administration as defined by the *Corporations Act 2001 (Cwlth)* within two *business days*; or
 - (b) if the *licensee* experiences a significant change in the *licensee's* corporate, financial or technical circumstances upon which this *licence* was granted which may affect the *licensee's* ability to meet its obligations under this *licence* within 10 *business days* of the change occurring.

19 Individual Performance Standards

- 19.1 Performance standards are contained in *applicable legislation*.
- 19.2 The *Authority* may prescribe *individual performance standards* in relation to the *licensee* of its obligations under this *licence* or the *applicable legislation*.
- 19.3 Before approving any *individual performance standards* under this clause, the *Authority* will:
- (a) provide the *licensee* with a copy of the proposed *individual performance standards*;
 - (b) allow 15 *business days* for the *licensee* to make submissions on the proposed *individual performance standards*; and
 - (c) take into consideration those submissions.
- 19.4 Once approved by the *Authority*, the *performance standards* are included as additional *terms and conditions* to this *licence* as set out in Schedule 4.

20 Service and Performance Standards

- 20.1 The *licensee* must comply with the service and performance standards as set out in Schedule 4.

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21 Provision of Information

- 21.1 The *licensee* must provide to the *Authority* any information that the *Authority* may require in connection with its functions under the *Act* in the time, manner and form specified by the *Authority*.
- 21.2 The *licensee* must comply with the information reporting requirements as set out in Schedule 5.

22 Publishing Information

- 22.1 The *Authority* may direct the *licensee* to *publish* any information within a specified timeframe it considers relevant in connection with the *licensee* or the performance by the *licensee* of its obligations under this *licence*.
- 22.2 Subject to clause 22.3, the *licensee* must *publish* the information referred to in clause 22.1.
- 22.3 If the *licensee* considers that the information is confidential it must:
- (a) immediately notify the *Authority*, and
 - (b) seek a review of the *Authority*'s decision in accordance with clause 24.1.
- 22.4 Once it has reviewed the decision, the *Authority* will direct the *licensee* in accordance with the review to:
- (a) *publish* the information;
 - (b) *publish* the information with the confidential information removed or modified; or
 - (c) not *publish* the information.

23 Notices

- 23.1 Unless otherwise specified, all *notices* must be in writing.
- 23.2 A *notice* will be regarded as having been sent and received:
- (a) when delivered in person to the addressee; or
 - (b) three *business days* after the date of posting if the *notice* is posted in Western Australia; or
 - (c) five *business days* after the date of posting if the *notice* is posted outside Western Australia; or
 - (d) if sent by facsimile when, according to the sender's transmission report, the *notice* has been successfully received by the addressee; or
 - (e) if sent by email when, according to the sender's electronic record, the *notice* has been successfully sent to the addressee's *water licensing email address*.

24 Review of the Authority's Decisions

- 24.1 The *licensee* may seek a review of a *reviewable decision* by the *Authority* pursuant to this *licence* in accordance with the following procedure:

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- (a) the *licensee* must make a submission on the subject of the *reviewable decision* within 10 *business days* (or other period as approved by the *Authority*) of the decision; and
- (b) the *Authority* will consider the submission and provide the *licensee* with a written response within 20 *business days*.

24.2 For the avoidance of doubt, this clause does not apply to a decision of the *Authority* pursuant to the *Act*, nor does it restrict the *licensee's* right to have a decision of the *Authority* reviewed in accordance with the *Act*.

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Schedule 1 – Licensee Details and Services

Water Service (1) Water Supply Services – Potable and Non potable

1 Name and Address of Licensee

Water Corporation
 PO Box 100
 Leederville WA 6902
 ABN 28 003 434 917

2 Commencement Date

28 June 1996

3 Expiry Date

28 June 2021

Water Service (2) Sewerage Services

1 Commencement Date

28 June 1996

2 Expiry Date

28 June 2021

Water Service (3) Irrigation Services

1 Commencement Date

28 June 1996

2 Expiry Date

28 June 2021

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Water Service (4) Drainage Services

1 Commencement Date

28 June 1996

2 Expiry Date

28 June 2021

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Schedule 2 – Operating Areas

The *licensee* may provide the water services respectively indicated in this Schedule to, and within, those areas designated by reference to a plan number, which number refers to the plan of the relevant operating area, or location described below, approved by the *Authority* for the purposes of the provision of the indicated water service. The plans are available for inspection at the *Authority*.

Operating Areas (Water Supply Services - Potable)

Plan No.	Town/Region
OWR-OA-301	Western Australia

Operating Areas (Sewerage Services)

Plan No.	Town/Region
OWR-OA-302	Western Australia

Operating Areas (Drainage)

Plan No.	Town/Region
OWR-OA-181 (B)	Albany
OWR-OA-180 (B)	Metropolitan
OWR-OA-179 (B)	South West

Operating Areas (Irrigation Services)

Plan No.	Town/Region
OWR-OA-175 (C) & OWR-OA-175-1	Ord River

Note: The *licensee* can provide Non-potable Water Supply Services in any Controlled Area throughout Western Australia.

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Schedule 3 – Customer Provisions

1 Definitions

Customer Council means a forum set up by a *licensee* to involve *customers* in direct “round table” feedback about services.

Resolve(d) means the decision or determination made by the *licensee* with respect to the complaint, where the *licensee*, having regard to the nature and particular circumstances of the complaint, has used all reasonable steps to ensure the best possible approach to addressing the complaint.

2 Customer Service Charter

- 2.1 The *licensee* must have in place a *customer service charter* that accords with the Authority’s *review guidelines*.
- 2.2 The *licensee* must set out in writing the terms, principles and conditions upon which it intends to provide *water services* to its *customers*.
- 2.3 The *customer service charter*:
- (a) should be drafted in ‘plain English’; and
 - (b) should address all of the service issues that are reasonably likely to be of concern to its *customers*.
- 2.4 Different parts of the *customer service charter* may be expressed to apply to different classes of *customers*.
- 2.5 Any proposed amendment to the *customer service charter* must be forwarded to the *Authority* for approval.
- 2.6 The *licensee* must make the *customer service charter* available to its *customers* in the following ways:
- (a) by prominently displaying it in those parts of the *licensee*’s offices to which *customers* regularly have access;
 - (b) by providing a copy, upon request, and at no charge, to the *customer*, and
 - (c) by sending a current copy, or a summary document approved by the *Authority*, to all *customers* at least once in every three year period or as agreed with the *Authority*.
- 2.7 The *customer service charter* is to be reviewed by the *licensee* at least once in every three year period or as agreed with the *Authority*, and
- 2.8 It is a condition of the *licence* that the *licensee* provides services in a way which is consistent with its *customer service charter*. This condition is not intended to create a statutory duty nor provide any third party with a legally enforceable right or cause of action.

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3 Customer Complaints

General Clauses

- 3.1 The *licensee* must have in place, a properly resourced process for effectively receiving, recording and resolving *customer complaints* within a timeframe of 15 *business days*.
- 3.2 To ensure the effectiveness of such a process the *licensee* must, as a minimum:
- (a) establish a system for providing each aggrieved *customer* with a unique identifying complaint number;
 - (b) provide an appropriate number of designated officers who are trained to deal with *customer complaints* and who are authorised to, or have ready access to officers who are authorised to make the necessary decisions to settle *customer complaints* or disputes, including where applicable, approving the payment of monetary compensation;
 - (c) establish a complaint resolution protocol which is designed to *resolve* the *customer complaints* or disputes within 15 *business days* of being notified of its existence; and
 - (d) provide a system for accurately monitoring and recording the number, nature and outcome of complaints in order to fulfil the requirements to provide information set out in this *licence*.
- 3.3 Where a dispute arises between a *customer* and the *licensee* regarding a provided or requested water service, the *customer* may refer the dispute to the *Department of Water*.
- 3.4 Where a dispute has not been *resolved* within 15 *business days* the *licensee* must inform the *customer* of the option of referring their *complaint* to the *Department of Water*.
- 3.5 The *Department of Water* may:
- (a) conciliate the dispute; or
 - (b) direct the *licensee* or *customer* to binding arbitration.
- 3.6 During the process of investigation and conciliation, the *licensee* must make every endeavour to promptly cooperate with the *Department of Water's* (or its representative's) requests, which shall include the expeditious release of any relevant information or documents requested by the *Department of Water* and the availability of the relevant staff of the *licensee*.
- 3.7 The *licensee* must, on request, provide the *Department of Water* with details of *complaints* made, names and addresses of *customers* who have made *complaints* and the manner in which the *complaint* was resolved.
- 3.8 Not applicable.
- 3.9 Not applicable.
- 3.10 Not applicable.

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Licence Specific Clauses

Water Supply Services

- 3.11 The arbitration process shall not apply in circumstances where Section 62 of the *Water Agencies (Powers) Act 1984* applies. Section 62 relates to compensation for damage caused by the *licensee* in the exercise of powers of entry. Section 62 has its own method of dispute resolution in that a dispute arising under Section 62 shall be heard by a Compensation Court constituted under the *Public Works Act 1902*.
- 3.12 The arbitrator in arriving at a decision shall have regard to Section 63 of the *Water Agencies (Powers) Act 1984*, namely that the *licensee* shall not be liable for any injury or damage (other than damage of the kind referred to in Section 62 of that Act), occasioned in the exercise or purported exercise of its powers unless negligence is established.
- 3.13 The provisions of the *Commercial Arbitration Act 1985* (“Arbitration Act”) apply but once an arbitration is approved by the *Department of Water*, the *customer* and the *licensee* shall enter into an arbitration agreement approved by the *Department of Water* which will specifically exclude the rights of the parties under Section 38(4)(b) and Section 39(1)(a) respectively under the Arbitration Act and expressly reserve the rights of the parties in relation to:
- (a) an appeal to the Supreme Court by the *customer* or the *licensee* in respect of a decision of the arbitrator that, for the purposes of Section 63 of the *Water Agencies (Powers) Act 1984*, negligence on the part of the *licensee* was or was not established as the case may be;
 - (b) an appeal by the *customer* or the *licensee* to the Supreme Court with the consent of those parties pursuant to section 38(4)(a) of the Arbitration Act on any question of law arising out of an award as defined in the Arbitration Act; and
 - (c) an application by the *customer* or the *licensee* to the Supreme Court with the consent of those parties pursuant to section 39(1)(b) of the Arbitration Act to determine any question of law arising in the course of an arbitration.

4 Customer Consultation

General Clauses

- 4.1 The *licensee* must establish ongoing customer consultation processes which both inform *customers* and proactively solicit customer opinion on the *licensee’s* operations and delivery of services. Acceptable approaches to the satisfaction of this requirement are set out below.

The *licensee* may either:

- (a) establish a *Customer Council*, and consult with the *Customer Council* to facilitate community involvement in issues relevant to the exercise of the *licensee’s* levels of service under the *licence*; or
- (b) institute at least two of the following processes:

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- (i) meet on a regular basis with *customers* to seek comment on issues relevant to the exercise of the *licensee's* levels of service under the *licence*;
 - (ii) publishing a simple newsletter providing basic information about the *licensee's* operations; and/or
 - (iii) establishing other forums for consultation to enable community involvement in issues relevant to the exercise of the *licensee's* obligations under this *licence*.
- 4.2 The *Authority* must be consulted with respect to the type and extent of customer consultation to be adopted by the *licensee*.
- 4.3 In addition, the *licensee* may, or at the request of the *Authority*, must, establish other forums for consultation, to enable community involvement in issues relevant to the exercise of the *licensee's* obligations under this *licence*.

5 Customer Contracts

- 5.1 Subject to compliance with this clause 5, the *licensee* may enter into an agreement with a *customer* to provide water services that exclude, modify or restrict the *terms and conditions* of this *licence*.
- 5.2 Subject to clause 5.3, an agreement referred to in clause 5.1:
- (a) must be approved by the *Authority* prior to its commencement; and
 - (b) must not be amended without the prior approval of the *Authority*.
- 5.3 The *licensee* does not need the approval of the *Authority* if the terms that exclude, modify or restrict the *terms and conditions* of this *licence*:
- (a) were in force before the commencement of this *licence*; or
 - (b) have previously been approved by the *Authority* in another agreement that applies to the same class of *customer*.
- 5.4 If a *licensee* enters into an agreement with a *customer* that excludes, modifies or restricts the *terms and conditions* of this *licence*, the *licensee* must *publish* a report annually that includes the following information:
- (a) the total number of agreements entered into by the *licensee*, categorised by location and the type of exclusion, modification or restriction;
 - (b) the number of agreements entered into by the *licensee* during the reporting period, categorised by location and the type of exclusion, modification or restriction;
 - (c) the total number of agreements entered into by the *licensee*, categorised by location and by land use; and
 - (d) the number of agreements entered into by the *licensee* during the reporting period, categorised by location and by land use.

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6 Customer Surveys

- 6.1 Not more frequently than every 12 months the *Authority* may require the *licensee* to commission an independent customer survey which shall address and conform to the conditions and parameters set out in writing by the *Authority*.

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Schedule 4 – Service & Performance Standards

The *licensee* must comply with the standards and principles as set out below.

1 Definitions

Scheme means a system of assets used to provide a described water service in an operating area or part of an operating area.

All Services

2 Customer Service Standards

2.1 The *licensee* shall answer telephone calls on the ‘Customer Enquiry 13’ telephone numbers and resolve complaints in accordance with the following standard.

Service Standard	How Is It Measured	Performance Indicator / Targets
Customer Enquiry 13 telephone service – calls answered	Percentage within target	70% Calls answered within 30 seconds
Customer Enquiry 13 telephone service – abandoned calls	Percentage within target	No more than 5% calls abandoned after 5 seconds
Complaints to be resolved within 15 business days	The number of written complaints due for resolution in the previous six month period successfully resolved within 15 business days divided by the total number of written complaints due for resolution and expressed as a percentage	90% of customer complaints resolved within 15 business days

3 Potable Water System – Pressure, Flow and Continuity

3.1 The *licensee* shall maintain pressure, flow and continuity of services in accordance with the following tables. Areas exempt from these standards can be found in clause 4.1.

Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow
Perth Metropolitan	15	100	20L/minute
Country Urban Areas	13	100	20L/minute

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Service Standard	How Is It Measured	Performance Indicator / Targets
Pressure and Flow.	<p>Number of connected properties with confirmed water pressure/flow faults divided by total number of potable water connected properties expressed as a % and then subtracted from 100. Flow is measured free to air with downstream pipe work disconnected at the meter. Pressure is measured as static pressure (no flow) at the same point.</p> <p>Does not include poor pressure due to bursts or planned activities.</p>	<p>In the preceding 12 month period 99.8% of all potable water connected properties received the service standard reported on a <i>licensee</i> wide basis. This target is measured on a rolling 12 month basis.</p>
Potable water connected properties not to experience an interruption of water supply exceeding 1 hour.	<p>The number of confirmed interruptions to metropolitan and urban potable water connected properties divided by total number of metropolitan and urban potable water connected properties expressed as a percentage and then subtracted from 100.</p> <p>Where a confirmed interruption occurs again in the reporting period, each connected property is to be counted again each time it experiences another confirmed interruption, regardless of the number of times the connected property is so affected.</p> <p>The duration of the interruption is to be measured from the time the customer advises the <i>licensee</i> and ends when the customer's supply is reinstated.</p>	<p>In the preceding 12 month period 75% of all metropolitan and urban potable water connected properties will not experience an interruption to supply. This target is measured on a rolling 12 month basis.</p> <p>The <i>licensee</i> will also report on the respective number of planned and unplanned interruptions.</p>
Water Supply Services – Leaks and bursts are minimised.	Leaks and bursts per 100 km of main.	<p>In the preceding 12 months there were fewer than 20 leaks or bursts per 100 km of main on a <i>licensee</i> wide basis.</p>

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4 Potable Water System – Pressure and Flow Exemptions

4.1 Exemptions from the flow and pressure standards set out in section 3 of this Schedule are provided for the following areas.

Town	Area	No. of Services affected	Comment
Albany GSR	Mt Clarence, Mt Adelaide, Mt Melville	100	Low pressure/flow
Borden GSR		10	Low pressure/flow
Bridgetown SWR			Low pressure/flow
Buntine GAR	All	19	Low pressure/flow 10m
Capel SWR			Low pressure/flow
Collie SWR	High area of Mungilup Scheme	10	Low pressure/flow
Corrigin GAR		6	Low pressure/flow
Cunderdin GAR	Low part of town	150	High pressure (160m)
Dawesville SWR	High area	70	Low pressure/flow
Donnybrook SWR	Adjacent to reservoir	15	Low pressure/flow
Grass Patch GAR	All	21	Low pressure/flow
Kendenup GSR	Whole Town	108	Low pressure/flow
Meckering GAR	Most of town	90	High pressure (110m)
Merredin GAR	One third of town	400	High pressure (120m)
Norseman GAR	All	500	High pressure (110m)
Nungarin GAR	All	74	High pressure (140m)
Pemberton SWR	Lower part of town	10	High pressure (120m)
Perth Region	Bickley	25	High pressure (100-160m)
Perth Region	Darlington	271	High pressure (100-170m) where the licensee has not agreed with a customer prior to 1 September 1997 to reduce the maximum water pressure limit contemplated by section 3.1.
Perth Region	Darlington North (Coulston Road)	45	High pressure (100-155m)
Perth Region	Darlington South (Glen Road)	40	High pressure (100-140m)

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Town	Area	No. of Services affected	Comment
Perth Region	Parkerville East (Hebb Road)	24	High pressure (100-120m)
Perth Region	Hovea (Falls Road)	94	High pressure (100-145m)
Perth Region	Sawyers Valley (Lacey Street)	15	High pressure (100-110m)
Perth Region	Mt Helena (Areas East)	212	High pressure (100-130m)
Perth Region	Mundaring (Walker Street)	105	High pressure (100-130m)
Perth Region	Stoneville (All except Hollett)	635	High pressure (100-155m)
Perth Region	Parkerville (Johnston Road)	156	High pressure (100-120m)
Perth Region	Wooroloo	211	High pressure (100-160m)
Perth Region	Chidlow	63	High pressure (100-115m)
Perth Region	Kalamunda	98	High pressure (100-160m)
Perth Region	Kelmscott	25	High pressure (100-135m)
Perth Region	Mundijong	55	High pressure (100-120m)
Piesseville GSR	All	3	High pressure (190m)
Tincurrin GSR	All	10	Low pressure/flow
Wundowie GAR	Low parts	150	High pressure (115m)

5 Drought Response

- 5.1 The licensee must inform the Authority of any restrictions applied in accordance with the *Water Agencies (Water Restrictions) By-laws 1998* to a potable water supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected.

6 Farmland Areas Water System Standards – Agreement Conditions, Pressure and Flow

- 6.1 In cases where services are provided by agreement to farms the licensee must provide annual notifications to customers of the conditions under which the service is supplied as detailed in the following table.

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Service Standard	How Is It Measured	Performance Indicator / Targets
Annual notification of conditions of service.	Audit of sample areas for farmlands water services where services are provided by agreement and customers are notified of the conditions under which services supplied.	In the preceding twelve month period 95% of customers receiving these services were notified of the conditions under which water was supplied.

6.2 Subject to customers complying with *licensee* requirements the *licensee* must ensure that customers connected to its Farmlands Water Systems shall have, at the outlet of the water meter to their property, a water pressure and flow as detailed in the following tables.

Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow
Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid West Region	Not applicable	200	Over a 24 hour period 11.2 L/ha/day and 3kL/day per occupied house.
Rural Water Supply Schemes	Not applicable	200	Over a 24 hour period 5.6 L/ha/day and 1.8kL/day per occupied house.

Service Standard	How Is It Measured	Performance Indicator / Targets
Farmlands area water systems – pressure and flows are kept within the acceptable range	Number of connected properties with confirmed water pressure/flow faults divided by total number of potable water connected properties expressed as a % and then subtracted from 100. Flow is measured free to air with downstream pipe work disconnected at the meter. Pressure is measured as static pressure (no flow) at the same point. Does not include poor pressure due to bursts or planned activities	In the preceding 12 month period 99.8% of farmlands water systems customers have, at the outlet of the water meter to their property, a water pressure and flow as listed above.

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Sewerage Services

7 Sewerage System Standards

- 7.1 The *licensee* shall ensure that customers will not experience a sewage overflow on their property which results from any failure of sewerage assets owned or operated by the *licensee* in accordance with the following table.

Service Standard	How Is It Measured	Performance Indicator / Targets
Sewage does not overflow on customers' properties.	Number of connected properties with a sewage overflow divided by total number of connected properties rated for sewage services expressed as a percentage and then subtracted from 100. Where a wastewater overflow occurs again in the reporting period the connected property is to be counted again each time it experiences another overflow regardless of the number of times any connected property is so affected.	In the preceding 12 month period 99.8% of sewage customers receive the standard on a <i>licensee</i> wide basis.
Sewer blockages are minimised.	Blockages per 100 km of sewer.	In the preceding 12 months there were fewer than 40 blockages per 100 km of main on a <i>licensee</i> wide basis

Drainage Services

8 Drains and Drainage Standards

- 8.1 The *licensee* must operate, manage, maintain, plan and construct its drains and drainage schemes as set out below, and shall consult in relation to such activities as required by this schedule.
- 8.2 Urban drainage scheme infrastructure provided by the *licensee* for the purpose of protection against flooding shall be designed, constructed, operated and maintained such that the peak flows of stormwater runoff from rainfall events can be accepted into and will not overflow from the system in accordance with the following standard.

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Service Standard	How Is It Measured	Performance Indicator / Targets
Drainage – Design of new urban infrastructure.	Desk audit of scheme to test if design of new urban drainage scheme infrastructure protects against flooding from peak flows of stormwater runoff from rainfall events with intensities up to – Residential – 5 year average recurrence interval Commercial – 10 year average recurrence interval.	100% of schemes audited comply with the standard.

- 8.3 In the above table the meaning of the term “average recurrence interval” shall be consistent with the discussion on probability concepts for flood estimation and rainfall intensity – frequency – duration estimation, as contained in Books 1 & 2 respectively of the Institution of Engineers Australia publication, *Australian Rainfall and Runoff*.
- 8.4 In planning and designing urban infrastructure, the licensee must have due regard to the principles, concepts and recommendations of *Australian Rainfall and Runoff*, or superseding editions of that publication.
- 8.5 Prior to 1 January 1996, the licensee constructed drainage infrastructure to various levels of service standards which in many cases were less than those specified in section 8.2. There will be no obligation under this licence for the licensee to upgrade any infrastructure existing as at 1 January 1996, to meet the above standards where there have been no instances of flooding confirmed to be due to the under capacity of the infrastructure to meet those standards. Where there have been instances of flooding confirmed to be due to under capacity of infrastructure to meet the standards of Section 8.2, the licensee must upgrade the infrastructure to those standards or must take such action as agreed with affected customers.
- 8.6 The drainage system will accept drainage water from Local Government works, but will not be required under this licence to be upgraded to accept any additional drainage water.
- 8.7 Notwithstanding that the licensee’s urban drainage infrastructure shall itself be designed to the capacity standards listed in section 8.2, in planning and designing such infrastructure the licensee must have due regard to the major/minor concept of drainage design discussed in Book 8, 1.5.1 of *Australian Rainfall and Runoff, Revised Edition*. Such due regard will be adequately demonstrated by:
- (a) in the case of it undertaking, commissioning or accepting a design for new drainage infrastructure, by the licensee ensuring that the local authorities involved have been made aware of the predicted response of the combined major/minor system to major storm events, for the information of those authorities in relation to their responsibilities for the establishment and management of the major (as described in *Australian Rainfall and Runoff*) elements of the major/minor system infrastructure; and

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- (b) in the case of it undertaking a capacity review of an existing *licensee* drainage scheme, by the *licensee* causing a broad assessment to be made of the behaviour of the combined major/minor system under major event conditions, and conveying the conclusions of such assessment to the local authorities involved, for the information of those authorities in relation to their responsibilities for management of the major (as described in *Australian Rainfall and Runoff*) elements of the major/minor system infrastructure.

- 8.8 The Water Corporation will ensure all new rural drainage infrastructure complies with the *Rural Drainage Manual of Standards 1977*. The Corporation shall endeavour to operate and maintain its rural drainage infrastructure so that the period of inundation to land abutting a drain that forms part of the system shall be a maximum of 72 hours. If the period of inundation should exceed 72 hours the Corporation shall carry out an investigation of the adequacy of those operations and maintenance procedures. An exception is those low lying land areas where the contours make this impossible or where detention basins have been constructed for the retention of water for longer periods. Low lying areas include those areas within lots which abut the drain, which would normally not readily drain to the drain. However, land that would normally drain to the drain, but where this is prevented by high flow levels in the drain, will be subject to the maximum 72 hour inundation period. This inundation period shall apply provided multiple storm events do not increase flow levels in the drains above the rural drainage infrastructure discharge points. The drainage system serves the general drainage requirements of rural properties in the Drainage Services Control Areas and there will be no obligation under this *licence* for the Corporation to extend the service to other properties.
- 8.9 The following flood protection works will be operated and maintained to cater for the peak flows of stormwater runoff from individual rainfall events shown tabulated:

Flood Protection Works	Location	Level of protection (average recurrence interval)
Preston River levees	Bunbury – Leschenault Inlet to Picton Bridge	1 in 100 year
Vasse River Diversion	Busselton	1 in 20 year

9 Services Provided by Agreement

- 9.1 Where the *licensee* is advised of a change of consumer or owner, the *licensee* will notify the new consumer or owner or their agent of the conditions of supply that applied to this service and use reasonable endeavours to enter into a written agreement in relation to the service with the new consumer or owner in accordance with the following table. Despite the fact that the new consumer or owner does not enter into an agreement with the *licensee*, the *licensee* may continue to provide the service at the same standard to the new owner or consumer.

Service Standard	How Is It Measured	Performance Indicator / Targets
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Customers provided services by agreement have documented agreements.	Audit of sample areas.	In the preceding twelve month period 90% of services newly added to the scheme and provided by agreement in the sample areas audited had documented agreements.
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Schedule 5 – Information Requirements (Reporting)

1 Definitions

Water Compliance Reporting Manual means the Water Compliance Reporting Manual approved by the Authority.

Deed means National Framework for Reporting of Urban Water Utilities Deed dated 27 November 2006, as duly amended from time to time.

Department for Environment and Conservation means the Department for Environment and Conservation or its successors in Western Australia.

2 Benchmarking and Performance Monitoring Information

2.1 The *licensee* will provide the *Authority* with data required for performance monitoring purposes as set out in the *Water Compliance Reporting Manual* as amended from time to time.

2.2 The *licensee* must provide the data required by Schedule 5 clause 2.1 for the previous financial year by 31 October each year.

- (a) Non-financial data will be provided for the following sewerage schemes together with additional financial data for those sewerage schemes marked with an asterisk (*):

*Albany	Katanning
Australind-Eaton	Kununurra
Broome	*Mandurah
*Bunbury-Dalyellup	Manjimup
Busselton	Merredin
Collie	Narrogin
Dunsborough	Newman
Esperance	Northam
Geraldton	*Perth
Jurien	South Hedland
Karratha	

- (b) Non-financial data will be provided for the following *potable water* supply schemes together with additional financial data for those water supply schemes marked with an asterisk (*):

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*Albany scheme	Karratha
Australind-Eaton	Katanning
Bridgetown-Hester	Kununurra
Broome	*Mandurah scheme
Carnarvon	Manjimup
Collie	Margaret River scheme
Denmark	Merredin
Derby	Narrogin
Dongara-Denison	Newman
Dunsborough-Yallingup	Northam
Esperance	*Perth
*Geraldton	Pinjarra
Harvey-Wokalup	Port Hedland
Jurien	South Hedland
*Kalgoorlie-Boulder	York

- 2.3 For the sewerage schemes and water supply schemes marked with an asterisk (*) in Schedule 5 clause 2.2(a) and Schedule 5 clause 2.2(b) above, the data supplied to the Authority must be audited in accordance with clause 6 and Schedule 3 of the Deed at least once every 36 months (or other such period as determined by the Authority).

3 Drainage Services

Service Standard	Frequency of Report to Authority
Drainage – Design of new urban infrastructure, Schedule 4, section 7.	Annually.

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Schedule 6 – Other Provisions

1 Definitions

Nil

2 Obligations to Customers: Availability and Connection of Services

- 2.1 The *licensee* must set out in writing its 'conditions for connection' and make that information available to all applicants for connection and to people inquiring about connection.
- 2.2 The *licensee* must ensure that its services are available for connection on request to any land situated in the *Operating Areas*, subject to the applicant meeting any conditions the *licensee* may determine to ensure safe, reliable and financially viable supply of services to land in the *Operating Areas* in accordance with this *licence* and any *Water Acts*. Satisfactory compliance with the conditions of connection is to be taken as forming an essential requirement of gaining approval for connection to the *licensee's* schemes.
- 2.3 The *licensee* may, with the written agreement of the property owner, discontinue a service to a property where the servicing of the property is not commercially viable.

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Amendment Record Sheet:

Amendment Date	Description of Amendment
3 February 2009	Amendment to Clause 5.1 Schedule 4 – Remove “on a quarterly basis”
3 March 2009	Extension of Mandurah/Pinjarra Sewerage Services Operating Area
15 May 2009	Remove requirement to report incidents and to report at regional level
21 August 2009	Remove 3 month timeframe from sub-clause 9.1
27 August 2009	Extension of Waroona Sewerage Services Operating Area
18 February 2010	Extension of Bindoon Chittering Water Supply Operating Area
11 March 2010	Extension of Busselton Sewerage Services Operating Area and Extension of Yarloop-Wagerup and Geraldton Region Potable Water Supply Services Operating Areas.
24 January 2011	Expansion of operating areas for potable and non-potable water supply and sewerage services to match the State’s Controlled Areas.

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