



# Water Licence Review 2016

Discussion Paper

11 February 2016

**Economic Regulation Authority**

WESTERN AUSTRALIA

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## Executive Summary

The *Water Services Act 2012* (**Water Act**) governs the operation of the water services licence regime in Western Australia and defines the functions and powers of the Economic Regulation Authority (**ERA**) with regard to administering licences, and monitoring and enforcing licence compliance.<sup>1</sup>

The ERA periodically reviews its licences to ensure that it maintains a best practice licensing regime. This is the first review of water licences since the Water Act came into effect in November 2013.

In 2007, the ERA released its Best Practice Licensing Guidelines<sup>2</sup>, which state that:

[...] to minimise compliance costs, a licensor should ensure its processes incorporate simple and targeted language, are consistent with other laws and integrated across jurisdictions, are flexible and are formulated with input from interested parties.

The objectives of the Water Licence Review 2016 (**Review**) are to:

- ensure water licences reflect the current regulatory environment;
- reduce the regulatory burden on business, particularly by removing spent, redundant or inappropriate licence conditions to reduce compliance costs; and
- utilise best practice principles of utility licensing.

The scope of the Review is to examine:

- the format of the standard water licence template;
- the terms and conditions to be included in the standard water licence template; and
- whether any deviations from the standard water licence template are required and, if so, in what circumstances.

The Review does not include examination of:

- water legislation, including subsidiary legislation;
- the ERA's processes and procedures that are contained in its "Regulatory Guidelines"<sup>3</sup> documents;
- licence amendment proposals that are specific to a single licensee; or
- licence exemptions.

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<sup>1</sup> The ERA is also responsible for licensing the gas industry (under the *Energy Coordination Act 1994*) and the electricity industry (under the *Electricity Industry Act 2004*).

<sup>2</sup> [http://www.erawa.com.au/cproot/4902/2/Best\\_Practice\\_Utility\\_Licensing\\_Jan\\_2007.pdf](http://www.erawa.com.au/cproot/4902/2/Best_Practice_Utility_Licensing_Jan_2007.pdf)

<sup>3</sup> <https://www.erawa.com.au/water/water-licensing/regulatory-guidelines>

As part of the review process, the ERA has issued this Discussion Paper which sets out potential amendments to the licence template and licences granted to existing licensees. The ERA is seeking public submissions on these potential amendments and/or any other issues that are within the scope of the Review. Submissions should provide clear and well-substantiated proposals.

## Invitation to make submissions

Interested parties are invited to make submissions by **4:00 pm (WST) on 3 March 2016**. Submissions should be marked to the attention of Rasmus Moerch, Assistant Director Licensing:

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### CONFIDENTIALITY

All submissions will be treated as being in the public domain and placed on ERA's website, unless an interested party clearly indicates the parts of the submission for which confidentiality is claimed, and specifies in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the *Economic Regulation Authority Act 2003*.

The publication of a submission on the ERA's website shall not be taken as indicating that the ERA has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the ERA.

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# 1 Background

## 1.1 Western Australian Water Licensing Regime

### 1.1.1 Legislation

Section 5(1) of the *Water Services Act 2012* (**Water Act**) states that a person must not provide a water service except under a licence.

The Water Act provides the Economic Regulation Authority (**ERA**) with the power to grant licences, impose and amend licence conditions, and cancel or transfer licences. The ERA exercises its powers having regard to the requirements of the Water Act including satisfying itself that the exercise of these powers would not be contrary to the public interest.

Under section 8 of the Water Act, water services are classified as:

- water supply services (potable or non-potable);
- sewerage services;
- irrigation services; and
- drainage services.

A licence may authorise the provision of one or more classes of water service.

### 1.1.2 Licence Exemptions

Under section 7 of the Water Act, the Minister may exempt any person or class of persons from requiring a licence.

Current class exemptions include:

- local government drainage services;
- water supply, sewerage and drainage services provided to mining, oil and gas camps;
- property managers providing water services (with certain exceptions) on single premises under their control or management; and
- some types of irrigation and water supply services (such as industrial processing and manufacturing) that do not contain treated or untreated wastewater.

Exemptions may contain conditions. For example, the exemption for property managers does not apply where the water is used for certain purposes, including as drinking water.

The Department of Water administers licence exemptions. Licence exemptions are published in the Government Gazette.<sup>4</sup>

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<sup>4</sup> Links to the water service licence exemptions can be found on the Department of Water website at <http://www.water.wa.gov.au/urban-water/water-services/water-service-licensing-and-licence-exemptions>

### 1.1.3 Licences

The ERA currently administers 103 licences across the utilities industry (covering electricity, gas and water), of which 34 are water licences. Table 1 provides an overview of the water service providers holding a licence for each class of water service.

**Table 1 – Water Licences**

Classification	Number of licensed services	Licence Holders
Water supply (potable)	8	8 licensees supply potable water supply services. (Water Corporation, Aqwest - Bunbury Water Corporation, Busselton Water Corporation, Rottnest Island Authority, Aquasol, Hamersley Iron, Robe River, Peel Water)
Water supply (non-potable)	29	29 licensees supply non-potable water supply services. (Water Corporation, Rottnest Island Authority, Aquasol, Moama Lifestyle Villages, WA Sewage, Gascoyne Water Co-operative, Harvey Water, Ord Irrigation Cooperative, Preston Valley Irrigation Cooperative & 20 Local Government Authorities)
Sewerage	27	27 licensees supply sewerage services. (Water Corporation, Rottnest Island Authority, Aquasol, Hamersley Iron, Robe River, Moama Lifestyle villages, Peel Water <sup>5</sup> , WA Sewage & 19 Local Governments Authorities)
Irrigation	5	5 licensees supply irrigation services. (Water Corporation, Gascoyne Water Co-operative, Harvey Water, Ord Irrigation Cooperative, & Preston Valley Irrigation Cooperative)
Drainage	2	2 licensees supply drainage services. (Water Corporation & Rottnest Island Authority)
<b>Total</b>	<b>71</b>	<b>34 individual licensees</b>

The Water Act provides the ERA with the power to determine terms and conditions of water licences. Without limiting that power, section 12 of the Water Act specifies that a licence can include conditions relating to a range of matters, including the provision of information to customers and compliance with specified codes (a complete list of the provisions in section 12 of the Water Act is included in **Appendix 1**).

The Water Act provides for a single licence framework regardless of the class of water service provided. This means that the relevant licence clauses are almost identical across individual water licences regardless of the water service(s) authorised under each of those licences. Therefore, the ERA has one standard water licence template, which is used for all water licences. Where required, there is scope to include tailored licence conditions within individual licences.

**Appendix 2** lists the licence clauses included in the current standard water licence template followed by a copy of the current standard water licence template. Note that, unless otherwise indicated, all references to clauses in this paper are to the proposed new standard licence template included in **Appendix 3**.<sup>6</sup>

<sup>5</sup> Peel Water is not currently providing any water services.

<sup>6</sup> A list of current licensees can be found on the ERA's website, along with the water licences themselves <https://www.erawa.com.au/water/water-licensing/licence-holders>

## 2 Water Licences Review

Whilst there is no specific statutory requirement for the ERA to review its licences, the ERA aims to review its standard licence templates regularly to ensure it maintains a best practice licensing regime.

### 2.1 Objectives

The objectives of the Water Licence Review 2016 (**Review**) are to:

- ensure the standard water licence template reflects the current regulatory environment;
- reduce the regulatory burden on business, particularly by removing spent, redundant or inappropriate licence conditions to reduce compliance costs; and
- utilise best practice principles of utility licensing.

### 2.2 Scope

The scope of the Review is to examine:

- the format of the standard water licence template;
- the terms and conditions to be included in the standard water licence template; and
- whether any deviations from the standard water licence template are required and, if so, in what circumstances.

The Review does not include examination of:

- water legislation, including subsidiary legislation;
- the ERA's processes and procedures that are contained in its "Regulatory Guidelines"<sup>7</sup> documents; for example, the Licence Application Guidelines, Financial Hardship Policy Guidelines, Audit and Review Guidelines and the Water Compliance Reporting Manual (these documents are reviewed separately by the ERA);
- licence amendment proposals that are specific to a single licensee (an application for an individual licence amendment should be lodged with the ERA, to be considered separately to this review); or
- licence exemptions, which are administered by the Department of Water.

### 2.3 Water Licence Review Process

The ERA requested licensees submit potential issues for inclusion in this Discussion Paper. Relevant issues from licensees that fall within the scope of the Review have been included in this Discussion Paper. Issues identified by the ERA as relevant to this Review have also been included in this Discussion Paper.

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<sup>7</sup> <https://www.erawa.com.au/water/water-licensing/regulatory-guidelines>



The ERA has published this Discussion Paper to seek public comment on potential amendments to the standard water licence template and the content of the current licences that are in force.

Depending upon the nature and complexity of the issues raised during the public consultation period, the ERA may decide to form a reference group to obtain further advice regarding the matters raised in response to the consultation.

The ERA may then decide to undertake a second round of public consultation on one or more issues raised during the initial public consultation.

If the issues raised during the initial public consultation do not warrant the establishment of a reference group and / or a second round of public consultation, the ERA will publish its final decision, and amend its standard water licence template and the current water licences in accordance with that decision.

**Table 2 – Timetable**

Activity	Time frame
Publish Discussion Paper	February 2016
Public Submissions	March 2016
Decision	May 2016
Licensees provided with 15 business days to make submissions on amended licences	May 2016
New licences issued	June 2016

## 3 Proposals

This section lists the amendments to the standard water licence template proposed by the ERA. A marked-up version of the proposed new standard water licence template is attached (**Appendix 3**). The marked-up version of the template also includes minor changes that do not warrant specific discussion in this Discussion Paper.

The ERA welcomes stakeholder feedback on the proposals.

### 3.1 Template structure

There is scope to improve the clarity of the standard water licence template. To achieve this, the ERA proposes the following changes:

- insert an index in the licence to facilitate improved navigation through the document;
- move the licence specific information from Schedule 1 to clause 1. Having this information at the beginning of the licence improves access to this information;
- include the operating area map(s) in a new schedule to the licence. This will clarify that the operating area map(s) form part of the licence; and
- restructure the licence clauses under the following headings:
  - **Licence authorisation** – identifies what service(s) are authorised under the licence;
  - **Licence administration** – sets out processes the administration of the licence;
  - **General licence obligations** – licence conditions of a general nature that do not fall into other categories, but are applicable to all licensees;
  - **Audits and performance reporting obligations** – covers asset management reviews, operational audits and performance reporting (applicable to all licensees);
  - **Customers** – covers customer protection conditions (applicable to all licensees, with some obligations limited to the supply of certain customers); and
  - **Health** – covers the obligation to have a memorandum of understanding in place with the Department of Health (applicable to potable water supply).

#### Proposal 1

The ERA proposes restructuring the licence template by:

- A. Inserting an index
- B. Moving the licence specific information from Schedule 1 to clause 1
- C. Grouping licence clauses under related headings
- D. Including the operating area map(s) in a schedule to the licence

## 3.2 Licence schedules

The current standard water licence template contains five schedules to the licence. The current schedules and the recommended changes to those schedules are set out in the table below.

**Table 3 – Current standard water licence template schedules**

Current Schedule	Proposed Schedule	Further information
Schedule 1 Licence Details	Schedule 1 Operating Area Map(s)	<p>Schedule 1 will set out the operating area map(s) for the licence.</p> <p>Every water licence must have an associated operating area(s). Therefore, it makes sense to have this schedule appear first within the licence.</p> <p>The licence details will be removed from Schedule 1 and incorporated into the main licence document under clause 1 (see Proposal 1).</p>
Schedule 2 Customer Provisions	Schedule 2 Performance Standards	<p>Schedule 2 will set out the performance standards for the licence.</p> <p>The current clauses in Schedule 2 will be deleted. These clauses were in place to maintain the customer complaints procedures until the Water Services Ombudsman Scheme came into effect. The Water Services Ombudsman Scheme came into effect on 1 January 2014, and therefore these clauses are no longer relevant.</p>
Schedule 3 Performance Standards	Schedule 3 Customer Provisions	<p>Schedule 3 will set out additional clauses (if any) related to customer provisions.</p> <p>The proposed new clause set out in proposal 5 (page 14), which sets out the requirement for existing licensees to have an approved financial hardship policy in place before supplying a water service to residential customers, will be included in this schedule.</p> <p>Performance standards will be moved to Schedule 2 (as set out above).</p>
Schedule 4 Standard terms and conditions	Deleted	<p>The ERA has not set customer terms and conditions. As the standard water licence template does not include any standard terms and conditions, this schedule will be removed (see proposal 3).</p>
Schedule 5 Other provisions	Deleted	<p>This schedule has not yet been required in any of the ERA's water licences. Therefore, the ERA is proposing to delete this schedule from the standard water licence template.</p>

## Proposal 2

A. The ERA proposes restructuring the schedules to the standard water licence template as follows:

- Schedule 1 – Operating Area
- Schedule 2 – Performance Standards
- Schedule 3 – Customer Provisions

B. The ERA proposes deleting Schedules 4 and 5 from the standard water licence template.

### 3.3 Non-applicable clauses

The standard water licence template contains clauses that are only applicable to certain licences. The ERA proposes inserting “Not used” in place of the licence clauses that do not apply to a specific licence.

For example, clause 31 of the licence template requires licensees to have a memorandum of understanding with the Department of Health. This clause is only applicable to licensees who provide a potable water supply service. If the proposed change is adopted, the clause would read “Not used” in the licences that do not authorise potable water supply.

This approach ensures that consistent clause numbering can be maintained in licences. Consistent numbering in licences reduces the cost of administering licences, which reduces the ERA’s costs (that are recovered from licensees under the *Economic Regulation Authority (Licensing Funding) Regulations 2014*) and also reduces the risk of errors and inconsistencies between licences.

It is also noted that “Not used” is commonly used in other licences issued by the ERA, such as electricity integrated regional licences.

This proposal will affect the following clauses of the proposed new licence template (Appendix 3), which will be labelled “Not used” for some licensees:<sup>8</sup>

- Standard Terms and Conditions of Service (current licence clause 22)
- Hardship Policy (current licence clause 30)
- Memorandum of Understanding (current licence clause 31)

<sup>8</sup> The corresponding licence clauses in the new template are 5.2, 5.4 and 6.1.

### Proposal 3

The ERA proposes inserting “Not used” in place of licence clauses that are not applicable in individual licences.

## 3.4 Reporting major or general works

The current water licence template requires licensees to notify the ERA of certain changes in the licensee’s circumstances:<sup>9</sup>

15.1 The *licensee* must report to the *Authority*:

- (d) if the *licensee provides or undertakes water service works* that are *major works* or *general works*, within 10 *business days* of the provision or undertaking occurring.

Part 6 of the Water Act establishes powers in relation to water service works. Division 3 of the Water Act establishes processes for the provision of major works; Division 4 of the Water Act establishes processes for the provision of general works. Prior to the provision of either major or general works by a licensee, the licensee must provide notification to affected parties and publish details of the proposed works. Ministerial authorisation must be obtained prior to undertaking major works, and, in certain cases, general works.

The ERA does not have an approval role in relation to a licensee undertaking water service works. Therefore, the ERA is proposing to delete clause 15.1(d) from the water licence template.

### Proposal 4

The ERA proposes to delete clause 15.1(d) from the water licence template.

## 3.5 Requirement for approved Financial Hardship Policy

Subsidiary legislation made under the Water Act includes the *Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct)*. The Code of Conduct sets standards of conduct for holders of a water licence when dealing with customers and potential customers. One of the obligations now imposed on water licensees by the Code of Conduct is to have in place a written policy in relation to financial hardship that is approved by the ERA.

All licensees must have a hardship policy unless they only supply:

- water services to non-residential customers<sup>10</sup>;

<sup>9</sup> The corresponding licence clause in the proposed new licence template is clause 3.7.1(d).

<sup>10</sup> The definition of ‘financial hardship’ included in Part 4 of the Code of Conduct is limited to water services supplied in respect of the place used solely or primarily as the customer’s dwelling. Those who supply to both residential and non-residential customers must have a hardship policy.

- water services to the licensee's members (e.g. an irrigation co-operative);<sup>11</sup> or
- non-potable water supply services that involve the supply of water to a customer on the basis that it will not be treated to make it fit for humans to drink.<sup>12</sup>

Where a water licence application includes the supply of a water service that requires a financial hardship policy, the applicant is required to submit its proposed financial hardship policy to the ERA for approval in conjunction with the licence application. There is, however, no requirement for an existing water licensee to notify the ERA if the licensee commences providing a water service that requires the licensee to have an approved financial hardship policy in place.

To ensure that a financial hardship policy is submitted to, and approved by, the ERA in these circumstances, it is proposed that for licences where the clause requiring the licensee to have a hardship policy is marked "Not used", an additional clause be inserted in Schedule 3.<sup>13</sup> The additional clause will stipulate that the licensee must notify the ERA that they intend to supply water services subject to a financial hardship policy, and have an approved policy in place prior to commencing supply.

## Proposal 5

The ERA proposes inserting the following clauses into Schedule 3 of licences where clause 30<sup>14</sup> is marked "Not used":

### 1.1 Requirement for approved financial hardship policy

- 1.1.1 Where the *licensee* intends to supply *water services* to *customers* other than *non-residential customers* or members of the *licensee*, the *licensee* must notify the *Authority* and must have an approved *financial hardship policy* in accordance with clause 26 of the *Code of Conduct* prior to any such supply.
- 1.1.2 For the purposes of clause 1.1, a *water service* does not include *non-potable water supply services*, except where the *non-potable water supply service* is supplied on the basis that the *customer* is responsible for treating the water to make it fit for humans to drink.

<sup>11</sup> Section 3(1) of the Water Act defines a 'customer' as a person to whom water services are provided by the licensee or whom is entitled to the provision of water services by the licensee, other than a person who is a member of the licensee.

<sup>12</sup> Clause 4(2) of the Code of Conduct provides that, in relation to water supply services, the Code of Conduct only applies to licensees who provide this service in respect of the supply of drinking water.

<sup>13</sup> If proposal 2 is accepted, Schedule 3 of the water licence template will contain clauses related to customer provisions.

<sup>14</sup> The requirement for a licensee to have a financial hardship policy is at clause 30 in the existing water licence template. Under the proposed water licence template, this requirement is at clause 5.4.

### 3.6 Applicable legislation and duties on the licensee

The current standard water licence template contains two separate clauses requiring licensees to comply with legislation. Clause 5.1 requires licensees to comply with applicable legislation (which includes the Water Act), while clause 26 requires licensees to comply with their duties and carry out their licensed operations in accordance with the Water Act.

The requirement under clause 5.1 for a licensee to comply with any applicable legislation is very broad, whereas clause 26 requires the licensee to comply with specific obligations imposed on the licensee under the Water Act. Therefore, the obligation under clause 26 is captured by the general requirement for a licensee to comply with any applicable legislation under clause 5.1. This creates regulatory duplication within the water licence template.

The inclusion of these clauses as separate licence conditions in the water licence template also means that one instance of non-compliance results in the consequential non-compliance with both licence conditions. For instance, a non-compliance with a requirement of the Code of Conduct would breach both the requirement to comply with the applicable legislation and the requirement to comply with the duties imposed on the licensee under the Water Act.

Therefore, it is proposed that clause 26, requiring the licensee to comply with its duties under the Water Act, is deleted.

Additionally, it is proposed that clauses 5.2 and 5.3, which require the licensee to comply with any code of practice or code of conduct made under the Water Act, respectively, are deleted. The rationale for this proposal is the same as that for the proposed deletion of clause 26. The requirement to comply with any code of practice or code of conduct is a legislative requirement, and therefore it is captured under clause 5.1.

#### Proposal 6

A. The ERA proposes to amalgamate current licence clauses 5 and 26 into proposed new licence clause 3 as follows:

##### 3.1 Compliance with applicable legislation

3.1.1 Subject to any modifications or exemptions granted pursuant to the *Act and this licence*, the *licensee* must comply with any *applicable legislation*.

~~3.2 The licensee must comply with any code of practice made by the Minister under section 26 of the Act to the extent to which it applies to the licensee.~~

~~3.3 The licensee must comply with any code of conduct made by the Authority under section 27 of the Act to the extent to which:~~

~~(a) it applies to the licensee; and~~

~~(b) it is not inconsistent with the terms and conditions of this licence.~~

3.41.2 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.

B. The ERA proposes to delete clause 26 from the water licence template.

## Appendices



## Appendix 1 – Water Act: Licence Conditions

The Water Act and its subsidiary legislation stipulates a significant number of conditions that are included within the water licence template. The ERA's Water Compliance Reporting Manual assists licensees to identify these obligations.

In addition to the licence conditions set out in the applicable legislation, section 12 of the Water Act specifies that a licence may be subject to conditions which, without limiting that power, may deal with the following:

- (a) the quality and performance standards to be met by the licensee in the provision of a water service authorised by the licence;
- (b) the community service obligations to be discharged by the licensee, that is, obligations that are not commercially justifiable;
- (c) the licensee complying with specified standards or codes of practice, with specified modifications, other than a code of practice made under section 26;
- (d) standard terms and conditions for the provision of a water service by the licensee;
- (e) standard customer contracts for the provision of a water service by the licensee, including requiring the licensee to offer to enter into standard customer contracts with specified classes of person;
- (f) the capacity of the licensee to enter into agreements that vary or displace standard terms and conditions of service, standard customer contracts or statutory water service charges;
- (g) the capacity of the licensee to cut off or restrict the rate of flow of the supply of water to land, including the matters that the licensee must take into account before doing so;
- (h) the metering of water services by the licensee including —
- (i) the provision, operation and maintenance of metering equipment; and
- (ii) ownership of and access to metering data;
- (i) the transfer of customers to or from the licensee;
- (j) the exercise of powers of entry by persons authorised by the licensee, including by restricting the exercise of such powers; (k) the giving of compliance notices by the licensee, including by restricting the giving of such notices;
- (l) methods or principles to be applied by the licensee in the preparation of accounts for customers;
- (m) the giving of encumbrances over property of the licensee, including by making that subject to the approval of the Authority;
- (n) the disposal or transfer of property, rights or liabilities of the licensee either during the currency of the licence or on or after its expiration or cancellation, including by prohibiting the disposal or transfer;
- (o) the imposition of obligations on the licensee with respect to public authorities and other licensees;
- (p) planning for the future provision of water services, including planning for the development of future water sources;
- (q) the licensee developing and implementing programmes for the conservation and efficient use of water, including in relation to the use of water by customers of the licensee;
- (r) the provision of information to customers;
- (s) the licensee giving the Authority information relevant to the Authority's functions under this Act.

## Appendix 2 – Current licence clauses and licence template

Licence Condition <sup>15</sup>	Potable Water	Non-Potable Water	Sewerage	Drainage	Irrigation	Comment
1 [7] Definitions	x	x	x	x	x	Licence administration
2 [1.1] Grant of licence	x	x	x	x	x	Licence authorisation, section 11 of the Water Act
3 [1.4] Term	x	x	x	x	x	Licence authorisation, section 14 of the Water Act
4 [3.2] Licence fee	x	x	x	x	x	Licence obligation <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i>
5 [3.1] Compliance with applicable legislation	x	x	x	x	x	Licence obligation, sections 26 and 27 of the Water Act
6 [2.3] Licence transfers	x	x	x	x	x	Licence administration, section 15 of the Water Act
7 [2.5] Cancellation of licence for serious default	x	x	x	x	x	Licence administration, section 34 of the Water Act
8 [2.6] Cancellation of licence by the licensee	x	x	x	x	x	Licence administration, section 18 of the Water Act
9 [2.4] Licence renewal	x	x	x	x	x	Licence administration, section 13 of the Water Act
10 [2.1] Amendment of licence by the licensee	x	x	x	x	x	Licence administration, section 18 of the Water Act
11 [2.2] Amendment of licence by the Authority	x	x	x	x	x	Licence administration, section 17 of the Water Act
12 [3.6] Accounting records	x	x	x	x	x	Licence obligation, section 12 of the Water Act (ERA)
13 [4.2] Individual performance standards	x	x	x	x	x	Licence obligation, section 12 of the Water Act (ERA)
14 [4.3] Operational audit	x	x	x	x	x	Licence obligation, section 25 of the Water Act

<sup>15</sup> New licence clause in square brackets [ ].

15 [3.7] Reporting a change in circumstances	x	x	x	x	x	Licence obligation, section 12 of the Water Act (ERA)
16 [3.8] Provision of information	x	x	x	x	x	Licence obligation, section 12 of the Water Act (ERA)
17 [2.7] Publishing information	x	x	x	x	x	Licence administration, section 12 of the Water Act (ERA)
18 [2.6] Notices	x	x	x	x	x	Licence administration, section 12 of the Water Act (ERA)
19 [2.8] Review of the Authority's decisions	x	x	x	x	x	Licence administration, section 12 of the Water Act (ERA)
20 [4.1] Asset management system	x	x	x	x	x	Licence obligation, section 24 of the Water Act
21 [5.5] Water Services Ombudsman scheme	x	x	x	x	x	Licence obligation, section 70 of the Water Act
22 [5.2] Standard terms and conditions of service	x	x	x	x	x	Licence obligation, section 71 of the Water Act This is a generic power which the ERA has not opted to use.
23 [5.1] Customer contract	x	x	x	x	x	Licence obligation, section 12 of the Water Act (ERA) This is a generic power which the ERA has not opted to use
24 [5.3] Non-standard terms and conditions of service	x	x	x	x	x	Licence obligation, section 12 of the Water Act
25 [5.6] Supplier of last resort	x	x	x	x	x	Licence obligation, section 60 of the Water Act This is a generic power which the ERA has not opted to use.
26 [3.1] Duties of the licensee	x	x	x	x	x	Licence obligation, section 29 of the Water Act
27 [3.3] Provision of water services	x	x	x	x	x	Licence obligation, section 21 of the Water Act
28 [3.4] Provision of water services outside operating area	x	x	x	x	x	Licence obligation, section 22 of the Water Act
29 [3.5] Works holding arrangements	x	x	x	x	x	Licence obligation, section 23 of the Water Act

30 [5.4] Hardship policy	Applicable to the supply of any water service, but only relevant to some supply circumstances.					<p>Licence obligation, Section 27 of the Water Act and clause 26 of the Customer Services Code</p> <p>The licence clause is not relevant if the licensee only supply water services:</p> <ul style="list-style-type: none"> <li>to non-residential customers;</li> <li>to their members (e.g. an irrigation co-operative); or</li> <li>that are non-potable; however, a financial hardship policy is required by water providers who supply water on the basis that the customer is responsible for treating it to make it fit for humans to drink</li> </ul>
31 [6.1] Memorandum of understanding	x	Not relevant	Not relevant	Not relevant	Not relevant	Licence obligation, section 12 of the Water Act (ERA)
<b>Schedule 1 - Licence details [Operating area map]</b>						
1 [1.1] Activities authorised under this licence	x.	x	x	x	x	Licence authorisation, section 11 of the Water Act
2 [1.2] Commencement date	x.	x	x	x	x	Licence authorisation, section 11 of the Water Act
3 [1.3] Expiry date	x.	x	x	x	x	Licence authorisation, section 11 of the Water Act
4 [1.5] Operating area	x.	x	x	x	x	Licence authorisation, section 11 of the Water Act
<b>Schedule 2 - Customer provisions [Deleted]</b>						<b>See proposed new schedule 3</b>
1 [Deleted] Customer complaints	x	x	x	x	x	Transitional provision, section 12 of the Water Act (ERA) Superseded by the approved Water Ombudsman Scheme
<b>Schedule 3 - Performance standards [Proposed new Schedule 4]</b>						
<i>Potable Water [1]</i>						
1 [1.1] Potable water system – pressure and flow	x	Not used	Not used	Not used	Not used	Section 12 of the Water Act (ERA)
2 [1.2] Potable water system – pressure and flow	x	Not used	Not used	Not used	Not used	Section 12 of the Water Act (ERA)

<i>Sewerage [3]</i>						
3 [3.1] Sewerage System standards	Not used	Not used	x	Not used	Not used	Section 12 of the Water Act (ERA)
<i>Drainage [4]</i>						
4 [4.1] Drainage service standards	Not used	Not used	Not used	x	Not used	Section 12 of the Water Act (ERA)
<i>Irrigation [5]</i>						
5 [5.1] Irrigation service standards	Not used	Not used	Not used	Not used	x	Section 12 of the Water Act (ERA)
<b>Schedule 4 - Standard terms and conditions of Service [Deleted]</b>						Section 12 of the Water Act (ERA) This is a generic power which the ERA has not opted to use
<b>Schedule 5 - Other provisions [Deleted]</b>						Section 12 of the Water Act (ERA) This is a generic power which the ERA has not opted to use



# Water Services Operating Licence

<The Company that holds the licence>

<WLX>, Version <#>, <Date of amendment>

**Economic Regulation Authority**

WESTERN AUSTRALIA

[The text marked by "<...>" in this table is a bookmark. Insert the correct information between the "<...>". Delete the "<" and the ">". Select all the document text and press F9 to update bookmarks and cross-references. Then select the footer and repeat]

***WATER SERVICES ACT 2012***

Licensee Name:	<The Company that holds the licence> <ABN/ACN>
Licence Number:	<WLX>
Commencement Date:	<Original date of grant>
Version Number:	<#>
Version Date	<Date of amendment>
Expiry Date	<Date of expiry>

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Signed by a delegate;

member; or

the Chairman of the Economic Regulation Authority

<D>/<M>/<YEAR>

## WATER SERVICES OPERATING LICENCE

### 1. Definitions and Interpretation

1.1 In this *licence*, the following definitions apply unless the context otherwise requires:

**Act** means the *Water Services Act 2012* (WA).

**amendment date** means <Date of amendment>.

**applicable legislation** includes:

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

**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 works*.

**asset management system review** means an assessment of the matters set out in section 24(2) of the *Act*.

**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* and includes the *Customer Service Code*.

**commencement date** means the date specified in Schedule 1.

**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 expected.<sup>1</sup>

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

**customer contract** means a "standard customer contract" referred to paragraph (a) of the definition of "standard terms and conditions of service" in section 71(1) of the *Act*.

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<sup>1</sup> Standard AS ISO 10002 – 2006 Customer satisfaction – Guidelines for complaints handling in organizations, section 3.2.



**Customer Contract Guidelines** means the guidelines relating to the content of the licensee's *customer contract* issued by the *Authority*, as replaced or varied from time to time.

**\*Customer Services Code** means the *Water Services Code of Conduct (Customer Service Standards) 2013* as amended or replaced from time to time.

**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** has the meaning in section 3 of the *Act*.

**expiry date** means the date specified in Schedule 1.

**\*financial hardship policy** means a policy referred to in clause 26 of the *Customer Service Code*.

**\*Financial Hardship Policy Guidelines** means the guidelines relating to financial hardship policies for water services issued by the *Authority*, as replaced or varied from time to time.

**general works** has the meaning in section 134 of the *Act*.

**individual performance standards** mean any individual performance standards approved by the *Authority* pursuant to clause 13 and specified in Schedule 3 of the *licence*

**irrigation services** has the meaning given to that term in section 3 of the *Act*.

**last resort supply plan** has the meaning given to that term in section 50 of the *Act*.

**licence** means:

- (a) this document (excluding the title page and the second page of this document);
- (b) any *Schedules* to this document; and
- (c) any *individual performance standards* approved by the *Authority* pursuant to clause 13.

**licensee** means <The Company that holds the licence>, <ABN/ACN>.

**major works** has the meaning in section 133 of the *Act*.

**MoU** means the memorandum of understanding referred to in clause 31 as duly amended from time to time.

**National Performance Framework: rural performance reporting indicators and definitions handbook** means the handbook initially produced by the National Water Commission of the same name as amended or replaced from time to time.

**National Performance Framework: urban performance reporting indicators and definitions handbook** means the handbook initially produced by the National Water Commission of the same name as amended or replaced from time to time.

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

**non-residential customer** means a *customer* who is not a *residential customer*.

**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)** has the meaning given to that term in section 3 of the *Act* and is the area specified in Schedule 1.

**operational audit** means an assessment of the matters set out in section 25(2) of the *Act*.

**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 service works* 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* website; or
- (b) sending the report or information to the *Authority* to be published on the *Authority's* website.

**Regulations** means any subsidiary legislation made under the *Act*, including but not limited to *Water Services Regulations 2013*.

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

**residential customer** means a *customer* to which *water services* are sold or supplied in respect of the place used solely or primarily as the *customer's* dwelling.

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

- (a) clause 13.2;
- (b) clause 14.4;
- (c) clause 17.3; and
- (d) clause 20.6

of this *licence*.

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

**sewerage services** has the meaning given to that term in section 3 of the *Act*.

**supplier of last resort** has the meaning given to that term in section 50 of the *Act*.

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

**Water Compliance Reporting Manual** means the reporting manual issued by the *Authority*, as replaced or varied from time to time.

**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** means the service or services that the *licensee* is authorised to provide by this *licence* being a *drainage service*, *irrigation service*, *sewerage service* and / or *water supply service* as more particularly described in Schedule 1.

**water service works** has the meaning given to that term in section 3 of the *Act*.

**water services ombudsman scheme** means a scheme approved under section 65 of the *Act*.

**water supply service** has the meaning given to that term in section 3 of the *Act*.

**works holding arrangement** means an arrangement as set out in section 23 of the *Act*.

## **2. Grant of Licence**

- 2.1 The *licensee* is granted a *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 [Section 14 of the Act]**

- 3.1 This *licence* commences on the *commencement date* and continues until the earlier of:
  - (a) the cancellation of the *licence* pursuant to clause 7 of this *licence*;
  - (b) the surrender of the *licence* pursuant to clause 8 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 with applicable legislation [Section 26 and 27 of the Act]**

- 5.1 Subject to any modifications or exemptions granted pursuant to the *Act* and this *licence*, the *licensee* must comply with any *applicable legislation*.
- 5.2 The *licensee* must comply with any code of practice made by the Minister under section 26 of the *Act* to the extent to which it applies to the *licensee*.
- 5.3 The *licensee* must comply with any code of conduct made by the *Authority* under section 27 of the *Act* to the extent to which:
- (a) it applies to the *licensee*; and
  - (b) it is not inconsistent with the terms and conditions of this *licence*.
- 5.4 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. Transfer of Licence [Section 15 of the Act]**

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

**7. Cancellation of Licence for Serious Default [Section 34 of the Act]**

- 7.1 This *licence* may be cancelled for serious default in accordance with the *Act*.

**8. Cancellation of Licence by the licensee [Section 18 of the Act]**

- 8.1 The *licensee* may apply to the *Authority* to request cancellation of the *licence* at any time by written *notice* to the *Authority*.
- 8.2 The *Authority* may cancel the *licence* in accordance with the *Act*.
- 8.3 The *licensee* will not be entitled to a refund of any fees by the *Authority*.

**9. Renewal of Licence [Section 13 of the Act]**

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

**10. Amendment of Licence by the licensee [Section 18 of the Act]**

- 10.1 The *licensee* may, at any time, apply to the *Authority* to amend the *licence* in accordance with the *Act*.

**11. Amendment of licence by the Authority [Section 17 of the Act]**

- 11.1 The *Authority* may, at any time, amend the *licence* on its own initiative in accordance with the *Act* and the procedure specified in clause 11.2.

- 11.2 Before amending the *licence* under clause 11.1, 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.
- 11.3 Any amendments made to the *licence* will come into effect in accordance with the *Act* unless a longer period is specified by the *Authority* or a shorter period is agreed to by the *Authority* and the *licensee*.
- 11.4 This clause also applies to the substitution of the existing *licence*.
- 11.5 For avoidance of doubt, the *licensee* will not have to pay an associated application fee or *licence* fee for the purpose of clause 11.1.

## **12. Accounting Records**

- 12.1 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.

## **13. Individual Performance Standards**

- 13.1 The *licensee* must comply with the *individual performance standards* as set out in Schedule 3.
- 13.2 The *Authority* may prescribe *individual performance standards* in relation to the *licensee* of its obligations under this *licence* or the *applicable legislation*.
- 13.3 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.
- 13.4 Once approved by the *Authority*, the *individual performance standards* are included as additional *terms and conditions* to this *licence* as set out in Schedule 3.

## **14. Operational Audit [Section 25 of the Act]**

- 14.1 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.
- 14.2 The *operational audit* must be conducted by an independent expert appointed by the *Authority* in its sole discretion. The *Authority* will determine the terms of the appointment of the *independent expert*.

- 14.3 Before appointing an independent expert the *Authority* will:
- (a) consult with the *licensee* in a manner and form determined by the *Authority*, and
  - (b) take into account any relevant matters raised by the *licensee* from that consultation.
- 14.4 The *licensee* must cooperate with the independent expert and comply, with the *Authority's* standard audit guidelines dealing with the *operational audit*.

## **15. Reporting a Change in Circumstances**

- 15.1 The *licensee* must report to the *Authority*:
- (a) if the *licensee* is under external administration as defined by the *Corporations Act 2001* (Cwth) within two *business days*; or
  - (b) if the *licensee*:
    - (i) experiences a material change in the *licensee's* corporate, financial or technical circumstances upon which this *licence* was granted; and
    - (ii) which may materially affect the *licensee's* ability to meet its obligations under this *licence*,within 10 *business days* of the change occurring; or
  - (c) if the:
    - (i) *licensee's* name;
    - (ii) *licensee's* ABN;
    - (iii) *licensee's* address;
    - (iv) description of the *water service works*,changes, within 10 *business days* of the change occurring; or
  - (d) if the *licensee provides or undertakes water service works* that are *major works* or *general works*, within 10 *business days* of the provision or undertaking occurring.

## **16. Provision of Information**

- 16.1 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*.
- 16.2 The *licensee* must comply with any information reporting requirements prescribed by the *Authority*, including but not limited to the provisions of the *Water Compliance Reporting Manual* which apply to the *licensee*.
- 16.3 Without limiting clause 16.1, the *licensee* must provide the *Authority* with the data required for performance reporting purposes that is specified in:

- (a) the *Water Compliance Reporting Manual*;
- (b) the *National Performance Framework: urban performance reporting indicators and definitions handbook*; and [delete if not applicable to this licence]
- (c) the *National Performance Framework: rural performance reporting indicators and definitions handbook*. [delete if not applicable to this licence]

## **17. Publishing Information**

- 17.1 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*.
- 17.2 Subject to clause 17.3, the *licensee* must *publish* the information referred to in clause 17.1.
- 17.3 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 19.
- 17.4 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.

## **18. Notices**

- 18.1 Unless otherwise specified, all *notices* must be in writing.
- 18.2 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*.



## **19. Review of the Authority's Decisions**

- 19.1 The *licensee* may seek a review of a *reviewable decision* by the *Authority* pursuant to this *licence* in accordance with the following procedure:
- (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*.
- 19.2 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*.

## **20. Asset Management System [Section 24 of the Act]**

- 20.1 The *licensee* must provide for, and notify the *Authority* of, an *asset management system* in respect of the *licensee's water service works* within two *business days* from the *commencement date* unless otherwise notified in writing by the *Authority*.
- 20.2 The *licensee* must notify the *Authority* of any material change to the *asset management system* within 10 *business days* of such change.
- 20.3 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*, within 24 months after the *commencement date* and every 24 months thereafter.
- 20.4 The *asset management system review* must be conducted by an independent expert appointed by the *Authority* in its sole discretion. The *Authority* will determine the terms of the appointment of the independent expert.
- 20.5 Before appointing an independent expert the *Authority* will:
- (a) consult with the *licensee* in a manner and form determined by the *Authority*; and
  - (b) take into account any relevant matters raised by the *licensee* from that consultation.
- 20.6 The *licensee* must cooperate with the independent expert and comply with the *Authority's* standard guidelines dealing with the *asset management system review*.

## **21. Water Services Ombudsman Scheme [Section 70 of the Act]**

- 21.1 If the *Authority* has approved a *water services ombudsman scheme*, the *licensee* must not supply *water services* to *customers* unless the *licensee* is:
- (a) a member of the *water services ombudsman scheme*; and



- (b) bound by, and compliant with, any decision or direction of the water services ombudsman under the *water services ombudsman scheme*.

## **22. Standard Terms and Conditions of Service [Section 71 of the Act]**

### **22.1 Subject to:**

- (a) the *Act*; and
- (b) the terms of a *customer contract* (if any) that apply to the *water service*,  
the terms and conditions of service in this *licence* that apply to the *water service* are set out in Schedule 4.

22.2 The terms in Schedule 4 may be supplemented by terms published from time to time by the *licensee* on the *licensee's* website or as otherwise prescribed.

## **23. Customer Contract**

23.1 The *licensee* must, if directed by the *Authority*, submit a draft *customer contract* for approval by the *Authority*.

23.2 The *licensee* must comply with any *Customer Contract Guidelines* which apply to the *licensee*.

23.3 \*Once approved, the *licensee* may amend the *customer contract* only with the *Authority's* approval.

23.4 The *licensee* may amend the *customer contract* at any time by submitting to the *Authority*:

- (a) a proposed amendment to the *customer contract*; or
- (b) a proposed substituted *customer contract*.

23.5 The *Authority* may:

- (a) approve the amendment to the *customer contract* or substituted *customer contract*; or
- (b) specify the amendments the *licensee* must make to the amended or substituted *customer contract* before the *Authority* will amend the *customer contract*,

and notify the *licensee* of its decision within 10 *business days* of making the decision.

23.6 The *Authority* may, at any time, by *notice* in writing, direct the *licensee* to amend the *customer contract* by specifying:

- (a) the amendments to be made to the *customer contract*; and
- (b) the latest date at which the amendments will come into force.

## **24. Non Standard Terms and Conditions of Service**

- 24.1 Subject to compliance with this clause, the *licensee* may enter into an agreement with a *customer* to provide *water services* that exclude, modify or restrict the:
- (a) *terms and conditions* of this *licence*; or
  - (b) the requirements of the *Customer Services Code*.
- 24.2 Subject to clause 24.3, an agreement referred to in clause 24.1:
- (a) must be approved by the *Authority* prior to its commencement; and
  - (b) must not be amended without the prior approval of the *Authority*.
- 24.3 The *licensee* does not need the approval of the *Authority* if:
- (a) the terms that exclude, modify or restrict the *terms and conditions* of this *licence* or the requirements of the *Customer Services Code* have previously been approved by the *Authority* in another agreement that applies to the same class of *customer*; or
  - (b) the terms that exclude, modify or restrict the *terms and conditions* of this *licence* were in force before the *amendment date*.
- 24.4 If a licensee enters into an agreement with a customer that excludes, modifies or restricts the terms and conditions of this licence, or the Customer Services Code, 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.

## **25. Supplier of Last Resort [Section 60 of the Act]**

- 25.1 If the *licensee* is appointed the *supplier of last resort* for a designated area under the *Act*, the *licensee* must perform the functions of the *supplier of last resort* for the designated area and the class of *water service*, comply with the duties imposed in relation to those functions under the *Act* and carry out its operations under or for the purposes of the *last resort supply plan* in accordance with the *Act*.

## **26. Duties of the licensee [Section 29 of the Act]**

- 26.1 The *licensee* must:
- (a) comply with the duties imposed on the *licensee* under the *Act*; and

- (b) carry out the *licensee's* operations under, or for the purposes of, the *licence* in accordance with the *Act*.

**27. Provision of water services [Section 21 of the Act]**

27.1 The *licensee* must provide the *water service* set out in Schedule 1:

- (a) to persons entitled to the *water service* under the *Act*, except to the extent otherwise provided for by the *Act*; and
- (b) if requested, to any other person within the *operating area* on reasonable terms, unless the provision of the *water service* is not financially viable or is otherwise not practicable.

**28. Provision of water services outside operating area [Section 22 of the Act]**

28.1 If the *licensee* provides a *water service* outside of the *operating area* specified for that *water service*, the *licensee* must:

- (a) notify the *Authority* as soon as is practicable before commencing to provide the *water service*; and
- (b) apply to amend the *licence* in accordance with clause 10 unless otherwise notified by the *Authority*.

**29. Works holding arrangements [Section 23 of the Act]**

29.1 The *licensee* must hold, or otherwise be subject to a *works holding arrangement* in respect of, all *water service works* used for the provision of a *water service*.

**30. Hardship Policy**

30.1 \*Clause 26 of the *Customer Services Code* requires applicable *licensees* to have a *financial hardship policy*. Notwithstanding clause 26(1) of the *Customer Services Code*, the *licensee* is not required to have a *financial hardship policy* where the *licensee* supplies *water services* solely to:

- (a) *non-residential customers*; or
- (b) members of the *licensee*.

30.2 The *Authority* may produce *Financial Hardship Policy Guidelines* from time to time.

30.3 The *licensee* must comply with any *Financial Hardship Policy Guidelines* which apply to the *licensee*.

**31. Memorandum of Understanding**

31.1 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*.

31.2 The *MoU* must:

- (a) specify that the *MoU* is a legally binding document between the *licensee* and *Department of Health*;

- (b) 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, or other such time as notified by the *Department of Health*, and the provision of the *audit report* to the *Authority*.
- 31.3 The *licensee* must comply with the terms of the *MoU*.
- 31.4 The *licensee* must publish the *MoU* and any amendments to the *MoU* on the *licensee's* website within one month of entering into the *MoU* or of making amendments to the *MoU* in a form agreed with the *Department of Health*.
- 31.5 The *licensee* must publish the *audit report* on the *licensee's* website within one month of the completion of the audit.
- 31.6 The *licensee* must *publish* any other reports required by the *Department of Health* or set out in the *MoU* on the *licensee's* website quarterly or at a reporting frequency specified by the *Department of Health*.

## Schedule 1 – Licence Details

### 1. Activities Authorised under this Licence

1.1 In accordance with clause 2, the *licensee* is authorised by this *licence* to provide:

- (a) *water supply services*:
  - (i) *potable water supply services*
  - (ii) *non-potable water supply services*
- (b) *sewerage services*
- (c) *drainage services*
- (d) *irrigation services*

### 2. Operating Area

2.1 The *operating area* is set out in Plan Number:  
OWR-OA-XXX...

### 3. Commencement Date

3.1 <Original date of grant>

### 4. Expiry Date

4.1 <insert date>

## Schedule 2 – Customer Provisions

### 1. Customer Complaints

- 1.1 This clause will apply until such time as the *Authority* approves a *water services ombudsman scheme*.
- 1.2 Where the *customer* makes a *complaint* regarding a provided or requested *water service*, the *customer* may refer the *complaint* to the *Department of Water*.
- 1.3 Where a *complaint* has not been resolved to the *customer's* satisfaction within 15 *business days* the *licensee* must inform the *customer* of the option of referring the *complaint* to the *Department of Water*.
- 1.4 The *Department of Water* may:
  - (a) conciliate the *complaint*; or
  - (b) direct the *licensee* or *customer* to binding arbitration.
- 1.5 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*.
- 1.6 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.

## Schedule 3 – Performance Standards

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

### POTABLE WATER

#### 1. Potable Water System

- 1.1 The *water service works* provided by the *licensee*, for the purpose of *water supply services*, shall be designed, constructed, operated and maintained to provide continuity of pressure and flow for services in accordance with the following standards.

##### Pressure and Flow Standards

Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow (litres per minute)
Water Corp Perth Metropolitan	15	100	20
Water Corp Country Urban Areas	13	100	20
All other water licences	15	100	20

#### 2. Potable Water System – Pressure and Flow Exemptions

- 2.1 Exemptions from the flow and pressure standards set out in section 2 of this Schedule are provided for the areas detailed in the following table.

##### Pressure and Flow Exemptions

Town	Area	No. of Services affected	Comment
<insert>			
...			

### SEWERAGE

#### 3. Sewerage System Standards [NIL]

### DRAINAGE

#### 4. Drainage Services Standards

- 4.1 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.

- 4.2 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.

**Drainage 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.

- 4.3 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 (1987).
- 4.4 In planning and designing urban infrastructure, the *licensee* must have due regard to the principles, concepts and recommendations of Australian Rainfall and Runoff (1987).
- 4.5 If, prior to 1 January 1996, the *licensee* constructed drainage infrastructure to levels of service standards which were less than those specified in this Schedule then 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 this Schedule, the *licensee* must upgrade the infrastructure to those standards or must take such action as agreed with affected *customers*.
- 4.6 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.
- 4.7 Notwithstanding that the *licensee's* urban drainage infrastructure shall itself be designed to the capacity standards listed in this Schedule, 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 (1987). 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 (1987)) elements of the major/minor system infrastructure; and
  - (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 (1987)) elements of the major/minor system infrastructure.
- 4.8 The *licensee* will ensure all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards 1977. The *licensee* 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 *licensee* must 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 *licensee* to extend the service to other properties, "or serve urban drainage development within the rural areas."
- 4.9 The following flood protection works will be operated and maintained to cater for the peak flows of stormwater runoff from individual rainfall events shown in the following table.

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

## IRRIGATION

### 5. Irrigation

- 5.1 The *licensee* must supply water that is suitable for irrigation purposes.

- 5.2 The *licensee* must provide at least 5 *business days* notice to a *customer* of any planned service interruption.
- 5.3 The *licensee* must provide annual notification to all *customers* provided with a *non-potable water supply service* that the water supplied is not suitable for drinking. The licensee must comply with the standards and principles as set out below.

**Irrigation Service Standards**

Irrigation Water Quality	Percentage of customers given 5 days notice of a planned interruption	Percentage of customers provided with a not suitable for drinking notice annually
<1,200mg/L TDS	>90	100

- 5.4 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.

## **Schedule 4 – Standard Terms and Conditions of Service**

## **Schedule 5 – Other Provisions**

**Amendment Record Sheet**

Version Date	Description of Amendment
<Date of grant or amendment>	Water Services Licence Granted for the following service(s): <ul style="list-style-type: none"><li>• ...</li></ul>

## **Appendix 3 – Proposed water services licence template (marked-up)**

# Water Services ~~Operating~~ Licence

<The Company that holds the licence>

<WLX>, Version <#>, <Date of amendment>

**Economic Regulation Authority**

WESTERN AUSTRALIA

**Legend for commentary**

- ERA drafting comment
- Proposed new text
- ~~Proposed deletion~~
- ERA template comment

[The text marked by "<...>" in this table is a bookmark. Insert the correct information between the "<...>". Delete the "<" and the ">". Select all the document text and press F9 to update bookmarks and cross-references. Then select the footer and repeat]

**WATER SERVICES ACT 2012**

Licensee Name:	<The Company that holds the licence> <ABN/ACN>
Licence Number:	<WLX>
Commencement Date:	<Original date of grant>
Version Number:	<#>
Version Date:	<Date of amendment>
Expiry Date:	<Date of expiry>

---

Signed by a delegate; member; or  
the Chairman of the Economic Regulation Authority  
<D>/<M>/<YEAR>



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## 1. LICENCE AUTHORISATION

In order to make the licence document clearer, it is proposed to move the specific authorisation from current licence Schedule 1 to the proposed amended clause 1 of the licence. This provides greater clarity about what activities are licensed and is similar with most other jurisdictions.

### 1.1 ~~Grant of licence~~ Activities authorised under this licence [Currently Schedule 1]

1.1.1 The *licensee* is granted a *licence* for the *operating area*(s) to provide the following water services ~~described in Schedule 1~~ in accordance with the *terms and conditions* of this *licence*:

- (a) *water supply services*:
  - (i) *potable water supply services*
  - (ii) *non-potable water supply services*
- (b) *sewerage services*
- (c) *drainage services*
- (d) *irrigation services*

Insert "Not Used" where the individual sub-clause is not relevant.

### 1.2 Commencement date [Currently Schedule 1]

1.2.1 <Original date of grant>

### 1.3 Expiry date [Currently Schedule 1]

1.3.1 <insert date>

### 1.4 Term [Section 14 of the Act] [Current licence clause 3]

1.4.1 This *licence* commences on the *commencement date* and continues until the earlier of:

- (a) the cancellation of the *licence* pursuant to clause 2.5 of this *licence*;
- (b) the surrender of the *licence* pursuant to clause 2.6 of this *licence*; or
- (c) the *expiry date*.

### 1.5 Operating area [Currently Schedule 1]

1.5.1 The *operating area* is set out in plan(s):

OWR-OA-XXX...

1.5.2 The operating area plan(s) is provided in Schedule 1.

## **2. LICENCE ADMINISTRATION**

### **2.1 Amendment of licence by the licensee [Section 18 of the Act] [Current licence clause 10]**

2.1.1 The *licensee* may, at any time, apply to the *Authority* to amend the *licence* in accordance with the *Act*.

### **2.2 Amendment of licence by the Authority [Section 17 of the Act] [Current licence clause 11]**

2.2.1 The *Authority* may, at any time, amend the *licence* on its own initiative in accordance with the *Act* and the procedure specified in clause 2.2.2.

2.2.2 Before amending the *licence* under clause 2.2.1, 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.

2.2.3 Any amendments made to the *licence* will come into effect in accordance with the *Act* unless a longer period is specified by the *Authority* or a shorter period is agreed to by the *Authority* and the *licensee*.

2.2.4 This clause also applies to the substitution of the existing *licence*.

2.2.5 For avoidance of doubt, the *licensee* will not have to pay an associated application fee or *licence* fee for the purpose of clause 2.2.1.

### **2.3 Transfer of licence [Section 15 of the Act] [Current licence clause 6]**

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

### **2.4 Renewal of licence [Section 13 of the Act] [Current licence clause 9]**

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

### **2.5 Cancellation of licence for serious default [Section 34 of the Act] [Current licence clause 7]**

2.5.1 This *licence* may be cancelled for serious default in accordance with the *Act*.

### **2.6 Cancellation of licence by the licensee [Section 18 of the Act] [Current licence clause 8]**

2.6.1 The *licensee* may apply to the *Authority* to request cancellation of the *licence* at any time by written *notice* to the *Authority*.

2.6.2 The *Authority* may cancel the *licence* in accordance with the *Act*.

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

## 2.7 Notices

### [Current licence clause 18]

2.7.1 Unless otherwise specified, all *notices* must be in writing.

2.7.2 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*.

## 2.8 Publishing information

### [Current licence clause 17]

2.8.1 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*.

2.8.2 Subject to clause 2.8.3, the *licensee* must *publish* the information referred to in clause 2.8.1.

2.8.3 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 2.9.

2.8.4 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.

## 2.9 Review of the Authority's decisions

### [Current licence clause 19]

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

- (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*.

- 2.9.2 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*.

### 3. GENERAL LICENCE OBLIGATIONS

#### 3.1 Compliance with applicable legislation [Section 26, 27, 29 and 31 of the Act] [Current licence clause 5 and 26]

[Proposed to be amended to simply require compliance with applicable legislation. This is consistent with energy licences. This means that current licence clause 26:

“The licensee must:

- (a) comply with the duties imposed on the licensee under the Act; and
- (b) carry out the licensee's operations under, or for the purposes of, the licence in accordance with the Act.”

has been deleted.

This is consistent with other licences, and removes the issue of multiple breaches from one action (e.g. a breach of not complying with applicable legislation, could also involve breach of a code by the Minister under section 26 or 27 of the Water Act, or a breach of duties of the licensee under current licence clause 26).

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

~~3.1.2 The licensee must comply with any code of practice made by the Minister under section 26 of the Act to the extent to which it applies to the licensee.~~

~~3.1.3 The licensee must comply with any code of conduct made by the Authority under section 27 of the Act to the extent to which:~~

- ~~(a) it applies to the licensee; and~~
- ~~(b) it is not inconsistent with the terms and conditions of this licence.~~

[Current licence clauses 5.2 and 5.3 are proposed to be deleted as they are captured by new clause 3.1.1 “compliance with the applicable legislation”.]

- 3.1.2 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.

#### 3.2 Fees [Current licence clause 4]

- 3.2.1 The *licensee* must pay the applicable fees and charges in accordance with the ~~Regulations~~ *Economic Regulation Authority (Licensing Funding) Regulations 2014*.

[Amended to ensure consistency with the *Economic Regulation Authority (Licensing Funding) Regulations 2014*. Please also refer to definitions of applicable legislation.]

### **3.3 Provision of water services [Section 21 of the Act]** **[Current licence clause 27]**

- 3.3.1 The *licensee* must provide the *water service* set out in ~~Schedule 1~~ clause 1.1:
- (a) to persons entitled to the *water service* under the *Act*, except to the extent otherwise provided for by the *Act*; and
  - (b) if requested, to any other person within the *operating area* on reasonable terms, unless the provision of the *water service* is not financially viable or is otherwise not practicable.

### **3.4 Provision of water services outside operating area [Section 22 of the Act]** **[Current licence clause 28]**

- 3.4.1 If the *licensee* provides a *water service* outside of the *operating area* specified for that *water service*, the *licensee* must:
- (a) notify the *Authority* as soon as is practicable before commencing to provide the *water service*; and
  - (b) apply to amend the *licence* in accordance with clause 2.1 unless otherwise notified by the *Authority*.

### **3.5 Works holding arrangements [Section 23 of the Act]** **[Current licence clause 29]**

- 3.5.1 The *licensee* must hold, or otherwise be subject to a *works holding arrangement* in respect of, all *water service works* used for the provision of a *water service*.

### **3.6 Accounting records** **[Current licence clause 12]**

- 3.6.1 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.

### **3.7 Reporting a change in circumstances** **[Current licence clause 15]**

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

- (c) if:
- (i) the *licensee's* name;
  - (ii) the *licensee's* ABN;
  - (iii) the *licensee's* address;
  - (iv) the description of the *water service works*,  
changes, within 10 *business days* of the change occurring; ~~or~~

~~(d) if the licensee provides or undertakes water service works that are major works or general works, within 10 business days of the provision or undertaking occurring.~~

[Part 6, Divisions 3 and 4 provide a process for the licensee to obtain ministerial approval of major works and general works, which is a public process. It is not clear what benefit is to be obtained from requiring the licensee to subsequently inform the Authority after the works have been completed].

### 3.8 Provision of information [Current licence clause 16]

- 3.8.1 The *licensee* must provide to the *Authority* in the manner and form specified by the *Authority*, specified ~~any~~ information on any matter relevant to the operation or enforcement of the *licence*, the operation of the licensing scheme provided for in Part 2 of the *Act*, or the performance of the *Authority's* function under that Part ~~that the Authority may require in connection with its functions under the Act in the time.~~

ERA comment: Aligns the Water Licences with recent amendments to electricity licences.

- 3.8.2 The *licensee* must comply with any information reporting requirements prescribed by the *Authority*, including but not limited to the provisions of the *Water Compliance Reporting Manual* which apply to the *licensee*.

- 3.8.3 Without limiting clause 3.8.1, the *licensee* must provide the *Authority* with the data required for performance reporting purposes that is specified in:

- (a) the ~~Water Compliance Reporting Manual~~Water, Sewerage and Irrigation Licence Performance Reporting Handbook [The reporting requirements have been moved to the handbook]; and
- (b) the *National Performance Framework: urban performance reporting indicators and definitions handbook*. [Delete if not applicable to a licence] [This only applies to licensees with more than 10,000 connections (currently the water corporations and City of Kalgoorlie Boulder)]
- ~~(c) the National Performance Framework: rural performance reporting indicators and definitions handbook. [Deleted as the rural performance reporting framework is no longer adopted. Previously, this would have been deleted if not applicable to a licence]~~

[For further information please refer to Water Compliance Reporting Manual.]



#### **4. AUDITS AND PERFORMANCE REPORTING OBLIGATIONS [SEE ALSO SCHEDULE 2]**

##### **4.1 Asset management system [Section 24 of the Act] [Current licence clause 20]**

- 4.1.1 The *licensee* must provide for, and notify the *Authority* of, an *asset management system* in respect of the *licensee's water service works* within two *business days* from the *commencement date* unless otherwise notified in writing by the *Authority*.
- 4.1.2 The *licensee* must notify the *Authority* of any material change to the *asset management system* within 10 *business days* of such change.
- 4.1.3 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*, within 24 months after the *commencement date* and every 24 months thereafter.
- 4.1.4 The *asset management system review* must be conducted by an independent expert appointed by the *Authority* in its sole discretion. The *Authority* will determine the terms of the appointment of the independent expert.
- 4.1.5 Before appointing an independent expert the *Authority* will:
- (a) consult with the *licensee* in a manner and form determined by the *Authority*; and
  - (b) take into account any relevant matters raised by the *licensee* from that consultation.
- 4.1.6 The *licensee* must cooperate with the independent expert and comply with the *Authority's* standard guidelines dealing with the *asset management system review*.

##### **4.2 Individual performance standards [Current licence clause 13]**

- 4.2.1 The *licensee* must comply with the *individual performance standards* as set out in Schedule 2 ~~3~~.
- 4.2.2 The *Authority* may prescribe *individual performance standards* in relation to the *licensee* of its obligations under this *licence* or the *applicable legislation*.
- 4.2.3 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.
- 4.2.4 Once approved by the *Authority*, the *individual performance standards* are included as additional *terms and conditions* to this *licence* as set out in Schedule 2 ~~3~~.

#### **4.3 Operational audit [Section 25 of the Act]** **[Current licence clause 14]**

- 4.3.1 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.
- 4.3.2 The *operational audit* must be conducted by an independent expert appointed by the *Authority* in its sole discretion. The *Authority* will determine the terms of the appointment of the independent expert.
- 4.3.3 Before appointing an independent expert the *Authority* will:
- (a) consult with the *licensee* in a manner and form determined by the *Authority*; and
  - (b) take into account any relevant matters raised by the *licensee* from that consultation.
- 4.3.4 The *licensee* must cooperate with the independent expert and comply with the *Authority's* standard audit guidelines dealing with the *operational audit*.

### **5. CUSTOMERS**

#### **5.1 Customer contract** **[Current licence clause 23]**

- 5.1.1 The *licensee* must, if directed by the *Authority*, submit a draft *customer contract* for approval by the *Authority*.
- 5.1.2 The *licensee* must comply with any *Customer Contract Guidelines* which apply to the *licensee*.

~~5.1.3 Once approved, the licensee may amend the customer contract only with the Authority's approval. [Deleted as captured by subsequent clause.]~~

- 5.1.3 The *licensee* may **only** amend the *customer contract* ~~at any time~~ by submitting to the *Authority*:

- (a) a proposed amendment to the *customer contract*; or
- (b) a proposed substituted *customer contract*.

- 5.1.4 The *Authority* may:

- (a) approve the amendment to the *customer contract* or substituted *customer contract*; or
- (b) specify the amendments the *licensee* must make to the amended or substituted *customer contract* before the *Authority* will amend the *customer contract*,

and notify the *licensee* of its decision within 10 *business days* of making the decision.

- 5.1.5 The *Authority* may, at any time, by *notice* in writing, direct the *licensee* to amend the *customer contract* by specifying:

- (a) the amendments to be made to the *customer contract*; and

- (b) the latest date at which the amendments will come into force.

## **5.2 Standard terms and conditions of service [Section 71 of the Act] [Current licence clause 22]**

**“Not used” until such time the ERA makes a decision to implement standard terms and conditions.]** [This will currently affect all licences, all of which will not include standard terms and conditions or Schedule 4]

### **5.2.1 Subject to:**

- (a) the *Act*; and
- (b) the terms of a *customer contract* (if any) that apply to the *water service*,  
  
the terms and conditions of service in this *licence* that apply to the *water service* are set out in Schedule 4.

5.2.2 The terms in Schedule 4 may be supplemented by terms published from time to time by the *licensee* on the *licensee's* website or as otherwise prescribed.

## **5.3 Non standard terms and conditions of service [Current licence clause 24]**

5.3.1 Subject to compliance with this clause, the *licensee* may enter into an agreement with a *customer* to provide *water services* that exclude, modify or restrict:

- (a) the terms and conditions of this licence; or
- (b) the requirements of the ~~Customer Services Code~~ *Code of Conduct*.

5.3.2 Subject to clause 5.3.3, an agreement referred to in clause 5.3.1:

- (a) must be approved by the *Authority* prior to its commencement; and
- (b) must not be amended without the prior approval of the *Authority*.

5.3.3 The *licensee* does not need the approval of the *Authority* if:

- (a) the terms that exclude, modify or restrict the *terms and conditions* of this *licence* or the requirements of the ~~Customer Services Code~~ *Code of Conduct* have previously been approved by the *Authority* in another agreement that applies to the same class of *customer*; or
- (b) the terms that exclude, modify or restrict the *terms and conditions* of this *licence* were in force before the *amendment date*.

5.3.4 If a *licensee* enters into an agreement with a *customer* that excludes, modifies or restricts the terms and conditions of this *licence*, or the ~~Customer Services Code~~ *Code of Conduct*, 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.

#### 5.4 Hardship policy [Current licence clause 30]

["Not Used." if the financial hardship policy is not relevant i.e. the licensee only supplies water services:

- to non-residential customers;
- to its members (e.g. an irrigation co-operative); or
- that are non-potable; however, a financial hardship policy is required by water providers who supply non-potable water on the basis that the customer is responsible for treating it to make it fit for humans to drink.

For further information see the Financial Hardship Policy Guidelines.]

[It is proposed that the term "Not Used" will be used to make it clear what licensees are not subject to this requirement.]

5.4.1 Clause 26 of the ~~Customer Services Code~~ *Code of Conduct* requires applicable licensees to have a *financial hardship policy*. Notwithstanding clause 26(1) of the ~~Customer Services Code~~ *Code of Conduct*, the *licensee* is not required to have a financial hardship policy where the *licensee* supplies water services solely to:

- (a) *non-residential customers*; or
- (b) members of the *licensee*.

5.4.2 The Authority may produce *Financial Hardship Policy Guidelines* from time to time.

5.4.3 The *licensee* must comply with any *Financial Hardship Policy Guidelines* which apply to the *licensee*.

#### 5.5 Water Services Ombudsman Scheme [Section 70 of the Act] [Current licence clause 21]

5.5.1 ~~If the Authority has approved a water services ombudsman scheme, t~~The *licensee* must not supply water services to customers unless the *licensee* is:

- (a) a member of the *water services ombudsman scheme*; and
- (b) bound by, and compliant with, any decision or direction of the water services ombudsman under the *water services ombudsman scheme*.

The deleted text in clause 30.1 above reflects the fact that a water services ombudsman scheme is now approved.

This clause reflects Part 4 of the Act which provides that the Authority must not grant a licence unless an applicant is a member of an approved scheme or likely to become a member of such a scheme.

The ERA will add explanatory wording regarding the timing of a water services licence application and membership of the Water Services Ombudsman Scheme to the licence application guidelines. Potential applicants should apply early enough to allow the Ombudsman time to approve the membership application. If the potential licensee is already supplying customers it should consider liaising with the Department of Water about transitional arrangements.

## **5.6 Supplier of last resort [Section 60 of the Act] [Current licence clause 25]**

- 5.6.1 If the *licensee* is appointed the *supplier of last resort* for a designated area under the *Act*, the *licensee* must perform the functions of the *supplier of last resort* for the designated area and the class of *water service*, comply with the duties imposed in relation to those functions under the *Act* and carry out its operations under or for the purposes of the *last resort supply plan* in accordance with the *Act*.

## **6. HEALTH**

### **6.1 Memorandum of understanding [Current licence clause 31]**

“Not used” if a particular licensee is not providing potable water supply.

- 6.1.1 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*.
- 6.1.2 The *MoU* must:
- (a) specify that the *MoU* is a legally binding document between the *licensee* and *Department of Health*;
  - (b) 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, or other such time as notified by the *Department of Health*, and the provision of the *audit report* to the *Authority*.
- 6.1.3 The *licensee* must comply with the terms of the *MoU*.
- 6.1.4 The *licensee* must publish the *MoU* and any amendments to the *MoU* on the *licensee's* website within one month of entering into the *MoU* or of making amendments to the *MoU* in a form agreed with the *Department of Health*.
- 6.1.5 The *licensee* must publish the *audit report* on the *licensee's* website within one month of the completion of the audit.
- 6.1.6 The *licensee* must *publish* any other reports required by the *Department of Health* or set out in the *MoU* on the *licensee's* website quarterly or at a reporting frequency specified by the *Department of Health*.

## **7. DEFINITIONS AND INTERPRETATION**

### **7.1 Definitions and interpretation [Current licence clause 1]**

- 7.1.1 In this *licence*, the following definitions apply unless the context otherwise requires:

**Act** means the *Water Services Act 2012* (WA).

**amendment date** means <Date of amendment>.

**applicable legislation** includes:

- (a) the Act;
- (b) ~~the Regulations~~ any relevant subsidiary legislation including:
  - (i) regulations made under the Act; and
  - (ii) the *Economic Regulation Authority (Licensing Funding) Regulations 2014*; and
- (c) ~~the Codes~~ any code in force from time to time made pursuant to the Act.

[To incorporate the new funding regulations under the ERA Act, and streamline drafting in relation to any codes under the Water 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 works*.

**asset management system review** means an assessment of the matters set out in section 24(2) of the Act.

**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 and includes the Customer Service Code~~

**Code of Conduct** means the *Water Services Code of Conduct (Customer Service Standards) 2013* as amended or replaced from time to time. [Remove from licences to which the Code is not relevant i.e. supply of non-potable water services only] [Note, used in clauses 28 (Non standard terms and conditions of service) and 29 (Hardship Policy). [Note, replacing the Customer Service Code previously used as abbreviation for the *Water Services Code of Conduct (Customer Service Standards) 2013*]

**commencement date** means the date specified in clause 1.1 ~~Schedule 1~~.

**complaint** means an expression of dissatisfaction made to or about an organisation, related to its products, or services, staff or the ~~complaints-handling of a complaint process itself~~, where a response or resolution is explicitly or implicitly expected or legally required. <sup>4</sup> [Updated to reflect the Standard AS/NZS 10002:2014 Guidelines for complaint management in organizations, clause 4.2. Similarly to electricity and gas licences the footnote is not required]

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<sup>1</sup> ~~Standard AS ISO 10002—2006 Customer satisfaction—Guidelines for complaints handling in organizations, section 3.2.~~

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

**customer contract** means a "standard customer contract" referred to paragraph (a) of the definition of "standard terms and conditions of service" in section 71(1) of the *Act*.

**Customer Contract Guidelines** means the guidelines relating to the content of the *licensee's customer contract* issued by the *Authority*, as amended or replaced ~~or varied~~ from time to time.

~~Customer Services Code means the Water Services Code of Conduct (Customer Service Standards) 2013 as amended or replaced from time to time.~~

**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** has the meaning given to that term in section 3 of the *Act*.

**expiry date** means the date specified in clause 1.3 ~~Schedule 4~~.

**financial hardship policy** means a policy referred to in clause 26 of the ~~Customer Service Code~~ *Code of Conduct*. ~~[Remove from licences to which the financial hardship policy is not relevant i.e. the financial hardship policy is not relevant for the supply of water services:~~

- to non-residential customers;
- to their members (e.g. an irrigation co-operative); or
- that are non-potable; however, a financial hardship policy is required by water providers who supply water on the basis that the customer is responsible for treating it to make it fit for humans to drink.

~~For further information see the Financial Hardship Policy Guideline]~~

**Financial Hardship Policy Guidelines** means the guidelines relating to financial hardship policies for water services issued by the *Authority*, as amended or replaced ~~or varied~~ from time to time. ~~Remove from licences to which the financial hardship policy is not relevant i.e. the financial hardship policy is not relevant for the supply of water services:~~

- to non-residential customers;
- to their members (e.g. an irrigation co-operative); or
- that are non-potable; however, a financial hardship policy is required by water providers who supply water on the basis that the customer is responsible for treating it to make it fit for humans to drink.

~~For further information see the Financial Hardship Policy Guidelines.~~



~~general works has the meaning in section 134 of the Act.~~ [Deleted due to amendment to clause 3.7]

**individual performance standards** mean any individual performance standards approved by the *Authority* pursuant to clause 4.2 and specified in Schedule 2 of the *licence*.

**irrigation services** has the meaning given to that term in section 3 of the *Act*.

**last resort supply plan** has the meaning given to that term in section 50 of the *Act*.

**licence** means:

- (a) this document (excluding the pages prior to clause 1 ~~the title page, the second page, the header and footer~~ of this document);
- (b) any *Schedules* to this document; and
- (c) any *individual performance standards* approved by the *Authority* pursuant to clause 4.2.

**licensee** means <The Company that holds the licence>, <ABN/ACN>.

~~major works has the meaning given to that term in section 133 of the Act.~~ [Deleted due to amendment to clause 3.7]

**MoU** means the memorandum of understanding referred to in clause 6.1 as ~~amended or replaced~~ ~~duly amended~~ from time to time. [This definition will be removed from licences to which the MOU does not apply, see clause 6.1]

~~National Performance Framework: rural performance reporting indicators and definitions handbook means the handbook initially produced by the National Water Commission of the same name as amended or replaced from time to time.~~ [Rural performance reporting has ceased]

**National Performance Framework: urban performance reporting indicators and definitions handbook** means the handbook initially produced by the National Water Commission of the same name as amended or replaced from time to time. [Remove when not relevant ie. the supply of less than 10,000 connections] [Note, while the BOM has replaced the NWC, the urban handbook reference included in the licence is still correct. The urban handbook is unlikely to be revised with BoM branding before next year; in any event, the current definition would cover a replacement of the NWC handbook by a BoM handbook.]

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

**non-residential customer** means a *customer* who is not a *residential customer*.

**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)** has the meaning given to that term in section 3 of the *Act* and is the area specified in ~~clause 1.5~~ ~~Schedule 1~~.



**operational audit** means an assessment of the matters set out in section 25(2) of the *Act*.

**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 service works* 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* website; or
- (b) sending the report or information to the *Authority* to be published on the *Authority's* website.

~~Regulations means any subsidiary legislation made under the Act, including but not limited to Water Services Regulations 2013.~~ [Redundant due to redrafting of applicable legislation]

**related body corporate** has the meaning given to that term in section 50 of the *Corporations Act 2001* (Cwth).

**residential customer** means a *customer* to which *water services* are sold or supplied in respect of the place used solely or primarily as the *customer's* dwelling.

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

- (a) clause 2.8.3 [Authority decision to publish information]; and
- (b) clause 4.1.6 [compliance with Authority asset management guidelines]
- (c) clause 4.2.2 [Authority prescribed individual performance standards];
- (d) clause 4.3.4 [compliance with Authority's standard audit guidelines];

of this licence.

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

**sewerage services** has the meaning given to that term in section 3 of the *Act*.

**supplier of last resort** has the meaning given to that term in section 50 of the *Act*.

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

**Water Compliance Reporting Manual** means the reporting manual issued by the *Authority*, as amended or replaced ~~or varied~~ from time to time.

**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** means the service or services that the *licensee* is authorised to provide by this *licence* being a *drainage service*, *irrigation service*, *sewerage service* and / or *water supply service* as more particularly described in ~~Schedule~~ clause 1.

**water service works** has the meaning given to that term in section 3 of the *Act*.

**water services ombudsman scheme** means a scheme approved under section 65 of the *Act*.

**Water, Sewerage and Irrigation Licence Performance Reporting Handbook** means the handbook produced by the *Authority* of the same name as amended or replaced from time to time. [See clause 3.8]

**water supply service** has the meaning given to that term in section 3 of the *Act*.

**works holding arrangement** means an arrangement as set out in section 23 of the *Act*.

- 7.1.2 A reference in this *licence* to any *applicable legislation* includes, unless the context otherwise requires, any statutory modification, amendment or re-enactment of that *applicable legislation*. [‘Interpretation’ clause is included in electricity and gas licences. For consistency it has been included here]

## Schedule 1 – ~~Licence Details~~ Operating area

### ~~1. Activities authorised under this licence~~

~~1.1 In accordance with clause 2, the licensee is authorised by this licence to provide:~~

~~(a) water supply services:~~

~~(i) potable water supply services~~

~~(ii) non-potable water supply services~~

~~(b) sewerage services~~

~~(c) drainage services~~

~~(d) irrigation services~~

~~Insert "Not Used" where the individual sub-clause is not relevant.~~

### ~~2. Commencement date~~

~~2.1 <Original date of grant>~~

### ~~3. Expiry date~~

~~3.1 <insert date>~~

### ~~4. Operating area~~

~~4.1 The operating area is set out in plan:~~

~~QWR-OA-XXX...~~

## **Schedule 2—Customer provisions**

The current content of this Schedule is redundant. Additional customer provisions over and above the ones in section 5 of the proposed new licence template will be inserted in a new Schedule 3.

### **~~1. Customer complaints~~ [remove as it is now spent]**

- ~~1.1 This clause will apply until such time as the Authority approves a water services ombudsman scheme.~~
- ~~1.2 Where the customer makes a complaint regarding a provided or requested water service, the customer may refer the complaint to the Department of Water.~~
- ~~1.3 Where a complaint has not been resolved to the customer's satisfaction within 15 business days the licensee must inform the customer of the option of referring the complaint to the Department of Water.~~
- ~~1.4 The Department of Water may:
  - ~~(a) conciliate the complaint; or~~
  - ~~(b) direct the licensee or customer to binding arbitration.~~~~
- ~~1.5 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.~~
- ~~1.6 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.~~

## Schedule 2 3– Performance standards

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

### 1. POTABLE WATER

#### 1.1 Potable water system [no change]

- 1.1.1 The *water service works* provided by the *licensee*, for the purpose of *water supply services*, shall be designed, constructed, operated and maintained to provide continuity of pressure and flow for services in accordance with the following standards.

##### Pressure and flow standards

Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow (litres per minute)
Water Corp Perth Metropolitan	15	100	20
Water Corp Country Urban Areas	13	100	20
All other water licences	15	100	20

#### 1.2 Potable water system – pressure and flow exemptions

- 1.2.1 Exemptions from the flow and pressure standards set out in section 1.1 of this Schedule are provided for the areas detailed in the following table.

##### Pressure and flow exemptions

Town	Area	No. of Services affected	Comment
<insert>			
...			

### 2. NON-POTABLE WATER

Not used.

### 3. SEWERAGE

#### 3.1 Sewerage system standards [no change]

Not used.

## 4. DRAINAGE

### 4.1 Drainage services standards [no change]

- 4.1.1 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.
- 4.1.2 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.

#### Drainage service standard

How is it measured		Performance indicator / targets
Drainage – Design of new urban infrastructure.	<p>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 –</p> <p>Residential – 5 year average recurrence interval</p> <p>Commercial – 10 year average recurrence interval.</p>	100% of schemes audited comply with the standard.

- 4.1.3 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 (1987).
- 4.1.4 In planning and designing urban infrastructure, the *licensee* must have due regard to the principles, concepts and recommendations of Australian Rainfall and Runoff (1987).
- 4.1.5 If, prior to 1 January 1996, the *licensee* constructed drainage infrastructure to levels of service standards which were less than those specified in this Schedule then 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 this Schedule, the *licensee* must upgrade the infrastructure to those standards or must take such action as agreed with affected *customers*.
- 4.1.6 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.
- 4.1.7 Notwithstanding that the *licensee*’s urban drainage infrastructure shall itself be designed to the capacity standards listed in this Schedule, 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 (1987). Such due regard will be adequately demonstrated:

- (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 (1987)) elements of the major/minor system infrastructure; and
- (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 (1987)) elements of the major/minor system infrastructure.

4.1.8 The *licensee* will ensure all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards 1977. The *licensee* 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 *licensee* must 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 *licensee* to extend the service to other properties, "or serve urban drainage development within the rural areas."

4.1.9 The following flood protection works will be operated and maintained to cater for the peak flows of stormwater runoff from individual rainfall events set out below.

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

## 5. IRRIGATION

### 5.1 Irrigation

- 5.1.1 The *licensee* must supply water that is suitable for irrigation purposes.
- 5.1.2 The *licensee* must provide at least 5 *business days*' notice to a *customer* of any planned service interruption.
- 5.1.3 The *licensee* must provide annual notification to all *customers* provided with ~~a non-potable water supply service~~ water for irrigation purposes that the water supplied is not suitable for drinking. The licensee must comply with the standards and principles as set out below.

#### Irrigation service standards

Irrigation Water Quality	Percentage of customers given 5 days notice of a planned interruption	Percentage of customers provided with a not suitable for drinking notice annually
<1,200mg/L TDS	>90	100

- 5.1.4 The *licensee* must inform the *Authority* annually of any restrictions applied in accordance with the ~~Water Agencies (Water Restrictions) By-laws 1998~~ Water Services Regulations 2013 to a *potable water* supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected.



## Schedule 3 – Customer provisions

### 1. ADDITIONAL CUSTOMER PROVISIONS

#### 1.1 Requirement for approved financial hardship policy

1.1.1 Where the *licensee* intends to supply *water services* to *customers* other than *non-residential customers* or members of the *licensee*, the *licensee* must notify the *Authority* and must have an approved *financial hardship policy* in accordance with clause 26 of the *Code of Conduct* prior to any such supply.

1.1.2 For the purposes of clause 1.1, a *water service* does not include *non-potable water supply services*, except where the *non-potable water supply service* is supplied on the basis that the *customer* is responsible for treating the water to make it fit for humans to drink.

To be inserted in licences where clause 5.4 Hardship policy  
[Current licence clause 30] is “Not used”.

## **~~Schedule 4 – Standard terms and conditions of service~~**

It is proposed to remove this schedule as it is currently not used. If this schedule is needed in the future, the ERA will make a decision in consultation with stakeholders to insert it in the individual licence and/or in the licence template (see also clause 5.2).

## **~~Schedule 5 – Other provisions~~**

It is proposed to delete this schedule as it is not referred to in the licence document. If additional conditions are required in the future, the ERA will make a decision in consultation with stakeholders to insert it in the individual licence and/or in the licence template.

**Amendment record sheet**

Version Date	Description of Amendment
<Date of grant or amendment>	Water Services Licence granted for the following service(s): <ul style="list-style-type: none"><li>• ...</li></ul>