



Your ref:  
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Water Licence Review 2019  
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### ***PUBLIC SUBMISSION – DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION***

Thank you for providing the opportunity to comment on your issues paper published on 24 April 2019 on the Water Licence Review 2019.

The Department of Water and Environmental Regulation does not support the proposal to remove performance standards from the water services licence template.

A key purpose of the *Water Services Act 2012* is the protection of water service customers. Performance standards help to maintain high standards of service by establishing clear obligations on water service providers. The current performance standards were set by government when water service licenses were issued under the *Water Services Licensing Act 1995* and transitioned through transitional provisions when the *Water Services Act 2012* was passed. It was a decision by Government to continue to include the performance standards in the water services licences rather than repealing the licenses or moving the performance standards to regulations. By removing the performance standards from the licence template, in the absence of separate regulations to replace the licence obligations, the Economic Regulation Authority would be making a policy decision that would reduce protections for water service customers.

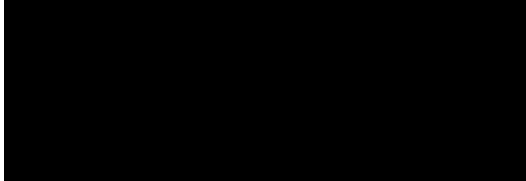
The department also does not support the proposal to remove the contract provisions from the water services licence template. It is important for customers to have the capacity to agree contracts that vary from the established performance standards. The current framework for regulation of service contracts is supported by Government.

The *Water Services Act 2012* contains provisions for licences to be subject to conditions (section 12), including in relation to standard terms and conditions for the provision of water services, standard customer contracts and non-standard customer agreements and contracts. The current licence template (clauses 5.1 and 5.2) provides a transparent onus on licensees to align their contracts with the Act. The Authority can develop guidelines on customer contracts in consultation with stakeholders. The removal of the contract provisions from the licence template by the Authority would be a policy decision that would reduce protections for customers.

Government could make regulations or codes on performance standards and standards form contracts. These issues will be considered as part of the review of the *Water Services Act 2012*, which was recently initiated by the Minister for Water.

Other amendments to the water licence template proposed by the Authority in the issues paper are of an administrative nature and are supported by the department.

Yours sincerely



Mike Rowe  
**DIRECTOR GENERAL**

**20 May 2019**