



# Notice

20 April 2020

## Water licence review 2019

### Final decision

The Economic Regulation Authority has published the water licence review 2019 [final decision](#) and amended [water licence template](#).

Following the review, the ERA made several changes to the water licence template, including:

- Requiring sewerage service providers to enter into a Memorandum of Understanding with the Department of Health.
- Requiring licensees that intend to supply drinking water to residential customers during the term of the licence to submit a financial hardship policy for the ERA's approval before they commence supply.
- Giving the ERA the power to direct a licensee to amend standard terms or conditions of service if the ERA considers they are not in the public interest.

The ERA will amend all water licences by substitution. Each licence will be replaced by a new version incorporating the amendments in the licence templates approved by the ERA. The new licences will take effect on 1 May 2020.

### Background

The ERA administers the licensing of Western Australian water supply services in accordance with the *Water Services Act 2012*. The ERA periodically reviews water licences to ensure it maintains a best-practice licensing regime. This is the second review of water licences since the Act came into effect in November 2013. The first review took place in 2016.

The ERA currently administers 22 water licences.<sup>1</sup>

The objectives of the review were to ensure that water licences:

- are consistent with applicable legislation<sup>2</sup>
- minimise licensees' regulatory burden and compliance costs
- have clear and consistent terms and conditions

<sup>1</sup> A list of current water licensees can be found on the [ERA website](#).

<sup>2</sup> Applicable legislation includes the Act and its codes and regulations.

- are consistent with electricity and gas licences where possible.

The ERA released an [issues paper](#) in April 2019 seeking public comment on proposed amendments to the water licence template. The ERA received six [submissions](#) in response to the issues paper.

In October 2019, the ERA published the [draft decision](#) for public consultation. The draft decision summarised the ERA's proposed changes to the water licence template, after consideration of the submissions received in response to the issues paper. The ERA received six [submissions](#) in response to the draft decision.

On 21 January 2020, the ERA wrote to all water licensees giving them 15 business days to comment on their amended licence. The ERA received four submissions.<sup>3</sup>

### **Further information**

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<sup>3</sup> As this consultation was limited to the water licensees, the submissions were not published on the ERA website. However, the submissions are discussed in paragraphs 69 to 91 of the final decision.