

Water Services Licensing Act 1995

Operating Licence

The Economic Regulation Authority ('Authority'), established under the *Economic Regulation Authority Act 2003* hereby grants, by way of substitution, an Operating Licence ('Licence') to the Ord Irrigation Co-operative Limited ('Licensee') subject to, and in accordance with, the terms set out in the attachment hereto in place of the Operating Licence granted on 29 November 2002.

Dated this 12th day of September 2007.

Signed by a Delegate;
or Member;
or Chairman of the Economic Regulation Authority

Attachment

Water Services Licensing Act 1995

Operating Licence

(Non-Potable Water Supply)
(Irrigation Services)

for the

Ord Irrigation Cooperative Limited

Economic Regulation Authority
197 St Georges Terrace
Perth WA 6000

Telephone: (08) 9213 1900
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Attachment

1. Definitions

Act means the *Water Services Licensing Act 1995*.

Assets in relation to the Licensee means the structures, plant, equipment and excavations owned or operated by the Licensee which cause, allow or assist the collection, transfer, treatment or disposal of Irrigation or Non-Potable Water.

Authority means the Economic Regulation Authority referred to in section 4 of the *Water Services Licensing Act 1995* and includes a duly authorised delegate.

Complaint means an expression of dissatisfaction with a product or service offered or provided.

Connection means a point on an Irrigation scheme where a Customer can connect to use the service.

Customer means a person to whom a product or service is offered or provided.

Irrigation Service means the collection, treatment, transfer and delivery of water for the purpose of cultivation of any kind or of tillage or improvement of pasture.

Licence means this Licence.

Licensee means the **Ord Irrigation Cooperative Limited..**

Minister means the Minister responsible for the *Water Services Licensing Act 1995*.

Non-Potable Water Supply Services means the collection, treatment, transfer and delivery of water supplied from schemes not designed and operated to provide drinking water and includes the supply of effluent.

Office means the Office of Water Policy.

Operating Area means the controlled area or areas or parts thereof in respect of which this Licence has been issued as described in Schedule 1 of this Licence.

Water Services for the purposes of this Licence means Non-Potable Water Supply and Irrigation Services.

Water Service Works for the purposes of this Licence means –

- (a) Non-Potable Water Works and Irrigation Works;
- (b) excavations, structures, buildings, equipment and plant used or intended to be used for the provision of Non-Potable Water Supply and Irrigation Services; and
- (c) except where the context otherwise requires, the land upon which Non-Potable Water Supply and Irrigation Service Works are constructed or provided.

2. Licence

- (a) The Licence is granted to the Licensee under Part 3 of the Act and is subject to the provisions of the Act and its subsidiary legislation as amended from time to time.
- (b) The Licence permits the provision of Water Services within the Operating Areas described in Schedule 1 of this Licence subject to compliance with the requirements of the Licence.

3. Term

The Licence is valid up to and including 30 July 2027.

4. General duty to provide services

The Licensee is to —

- (a) provide the Water Services; and
- (b) undertake, maintain and operate any Water Services Works, specified in the Licence.

5. Regulations prescribing standards of service

The Licensee shall comply with Regulations prescribing standards of service made under section 61 of the Act.

6. Asset Management System

- (a) The Licensee is to —
 - (i) provide for an Asset Management System in respect of the Licensee's Water Service Assets;
 - (ii) notify details of the system and any changes to it to the Authority; and
 - (iii) not less than once in every period of 24 months (or such longer period as the Authority allows), provide the Authority with a report by an independent expert acceptable to the Authority as to the effectiveness of the system.
- (b) The Asset Management System is to set out the measures to be taken by the Licensee for the proper maintenance of Assets used in the provision of Water Services and for the undertaking, maintenance and operation of Water Services Works.
- (c) The Licensee is to undertake, maintain and operate its Water Services Works in accordance with the processes set out in the Asset Management System.
- (d) The scope of the Asset Management System report under paragraph (a) (iii) will be set by the Authority.

7. Operational Audit

- (a) The Licensee is to, not less than once in every period of 24 months (or such longer period as the Authority allows), provide the Authority with an Operational Audit conducted by an independent expert acceptable to the Authority.
- (b) An Operational Audit is an audit of the effectiveness of measures taken by the Licensee to maintain any quality and performance standards referred to in the Licence and applied to the Licence including those standards prescribed under section 33 of the Act.
- (c) The scope for the Operational Audit will be set by the Authority.

8. Technical standards

The Licensee is to comply with the technical standards for the provision of Water Services; and the undertaking, maintenance and operation of Water Services Works; published by the Authority in the *Government Gazette*.

9. Industry codes

No codes have been specified under this clause.

10. Accounting records

- (a) The Licensee shall keep such accounting records as correctly record and explain its transactions and financial position and so keep its accounting records to ensure that:
 - (i) true and fair accounts of the Licensee can be prepared from time to time; and
 - (ii) its accounts can be conveniently and properly audited or reviewed.
- (b) The Directors shall, within four months of the end of the financial year:
 - (i) cause to be produced a profit and loss account that gives a true and fair view of the Licensee's profit or loss for that financial year; and
 - (ii) cause to be produced a balance sheet that gives a true and fair view of the Licensee's state of affairs as at the end of the financial year.
- (c) The Licensee's financial statements are to be in the form of a general purpose financial report as defined in Statement of Accounting Concepts 1.
- (d) The Directors shall take reasonable steps to ensure that the Licensee's financial statements are audited by a Registered Cooperative Auditor and submitted to the Authority within four months of the end of the financial year.
- (e) Financial statements produced and submitted to the Authority under the requirements of this Schedule shall, subject to the Authority's statutory duties, be treated confidentially. This paragraph shall not apply to aggregated or non-identifying information published by the Authority.

11. Prices or charges

- (a) On 1 July 2003 and on an annual basis thereafter the Licensee will provide a written submission on its proposed prices or charges and the methodology for determining prices or charges to the Authority for approval.
- (b) Any proposed subsequent amendment to prices and charges must also be forwarded to the Authority for approval.

12. Methods or principles to be applied in the provision of Water Services

- (a) Notwithstanding the engagement of any person or persons to provide Water Services on its behalf, the Licensee remains responsible to ensure those services comply with the terms and conditions of the Licence and with the relevant legislation.
- (b) The Licensee shall ensure that its Water Services are available for Connection on request to any land situated in the Operating Area, subject to the applicant meeting any reasonable conditions the Licensee may determine to ensure safe, reliable and financially viable supply of services to land in the Operating Area in accordance with this Licence and any relevant legislation. Satisfactory compliance with the conditions of Connection is an essential requirement of gaining approval to connect to the Licensee's schemes.

13. Amendment, revocation or surrender

- (a) The Authority may determine that a Licence is to be amended.
- (b) The Authority shall:
 - (i) provide a minimum of 28 days written notice to the Licensee of any amendments under consideration by the Authority;
 - (ii) receive, within that 28 day period, or such longer period as the Authority agrees, the relevant submissions made by the Licensee; and
 - (iii) take into consideration those submissions,

before making a final determination in relation to the Licence.
- (c) This clause also applies to the substitution of a new Licence for the existing Licence.
- (d) The Authority may revoke a Licence at the request of the Licensee.
- (e) The terms and conditions of the Licence may be reviewed by the Authority following each operational audit.

14. Specified information to be provided

- (a) The Licensee shall report the information set out in Schedule 3. The reports are due within 30 days of the end of each financial year.
- (b) The licensee will provide the Authority with data required for performance monitoring purposes as set out in the National Performance Framework (Rural Performance Reporting Indicators and Definitions), as amended from time to time.

15. Performance of functions by the Licensee

- (a) The Licensee shall comply with the quality and performance standards set out in Schedule 2.
- (b) The Licensee shall provide annual notification to all Customers provided with Non-Potable Water that the water supplied is not suitable for drinking.
- (c) The Licensee shall implement an emergency telephone system so a Customer can report an emergency and receive advice within two hours of the action to be taken by the Licensee. An emergency is an event which causes, or threatens to cause, harm to people, the environment or property.

16. Terms and conditions of Customer contracts

- (a) The Licensee may enter into agreements with Customers to provide Water Services.
- (b) The Licensee may not enter into an agreement with a Customer that excludes, modifies or restricts the terms and conditions of the Licence without the prior written approval of the Authority.

17. Consumer consultation

- (a) On an annual basis and prior to making major changes to the operation of the Irrigation scheme the Licensee will hold a public meeting to obtain Customer views on the performance and operation of the scheme.
- (b) The Licensee must establish ongoing Customer consultation processes which both inform Customers and proactively solicit Customer opinion on the Licensee's operations and delivery of services. Acceptable approaches to the satisfaction of this requirement are set out below. The Licensee may either:
 - (c) Establish a '*Customer Council*', and consult with the Customer Council to facilitate community involvement in issues relevant to the exercise of the Licensee's levels of service under the Licence; or
 - (d) Institute at least two of the following processes:
 - (i) publish, at least six monthly, a simple newsletter for Customers providing basic information about, for example, the Licensee's operations, maintenance, current, new and future works, staffing costs etc. The document may be issued as a separate newsletter to Customers or be published in a local newspaper, as considered appropriate;
 - (ii) establish at community gatherings, such as agricultural shows, an informative display together with explanatory material which informs Customers of the matters described in sub-paragraph (i) (above) and which provides an opportunity for Customers to state or record their approval or disapproval and/or make other comments on the delivery of the Licensee's services;
 - (iii) conduct, either through the mail or local press, surveys seeking Customer input or opinions on general or specific aspects of the Licensee's service delivery or proposed changes to the nature of the services delivered; or

- (iv) institute other procedures (not described in sub-paragraphs (i) to (iii)) to inform its Customers and obtain their views in a proactive consultative manner.
- (e) The Authority shall be consulted with respect to the constitution and membership of the Customer Council.
- (f) In addition, the Licensee may, or at the request of the Authority, shall, establish other forums for consultation, to enable community involvement in issues relevant to the exercise of the Licensee's obligations under this Licence.
- (g) The form of Customer consultation proposed is to be submitted to the Authority for approval.
- (h) Not more frequently than every 12 months the Authority may require the Licensee to commission an independent Customer survey which shall address and conform to the conditions and parameters set out in writing by the Authority.

18. Customer Service Charter

- (a) Within six months of the issue of this Licence the Licensee must identify:
 - (i) the products and services it provides in respect to the services covered by this Licence;
 - (ii) for each product and service, the Customer segments and population of each segment;
 - (iii) a process for obtaining feedback from each Customer segment about their expectations of specific service levels in respect to each service;
 - (iv) a process for obtaining feedback from employees (or specifically front-line service deliverers including contractors or suppliers) in respect to their perceptions of deliverable levels of service;
 - (v) past performance data relevant to the delivery of each service.
 - (vi) The methodology for obtaining Customer feedback must be approved by the Authority before the consultation takes place.
- (b) Within 12 months of the issue of this Licence the Licensee must identify a set of service standards relevant to each service. The Licensee must show evidence that the standards are deliverable at least 90% of the time they are provided to Customers. The Authority may request to view evidence of Customer feedback, employee consultation and past performance data.
- (c) Within 18 months of the issue of this Licence the Licensee must have in place a Customer Service Charter which communicates the agreed service standards to Customers.

- (d) The Customer Service Charter:
 - (i) should be drafted in 'plain English'; and
 - (ii) should address all of the service issues that are reasonably likely to be of concern to its Customers.
- (e) Different parts of the Customer Service Charter may be expressed to apply to different Customer segments.
- (f) Any proposed amendment to the Customer Service Charter must be forwarded to the Authority for approval.
- (g) The Licensee must make the Customer Service Charter available to its Customers in the following ways:
 - (i) by prominently displaying it in those parts of the Licensee's offices to which Customers regularly have access;
 - (ii) by providing a copy, upon request, and at no charge, to the Customer; and
 - (iii) by sending a current copy, or a summary document approved by the Authority, to all Customers at least once in every two year period or as agreed with the Authority.
- (h) The service standards in the Customer Service Charter are to be reviewed by the Licensee at least once in every two year period or as agreed with the Authority.
- (i) It is a condition of the Licence that the Licensee provides services in a way which is materially consistent with its Customer Service Charter.
- (j) The Licensee must be able to demonstrate that the service standards in the Customer Service Charter are communicated to Customers (verbally or in writing) if and when the standards are relevant to Customers, for example at the time a service is requested or Complaint is made.

19. Dispute resolution

- (a) The Licensee shall establish a system for recording, managing and resolving within 21 days Complaints by Customers regarding a provided or requested Water Service.
- (b) Where a dispute arises between a Customer and the Licensee regarding a provided or requested Water Service, the Customer may refer the dispute to the Office of Water Policy.
- (c) Where a dispute has not been resolved within 21 days the Licensee shall inform the Customer of the option of referring their Complaint to the Office of Water Policy.
- (d) The Office of Water Policy may:
 - (i) mediate the dispute; or
 - (ii) direct the Licensee or Customer to binding arbitration.

- (e) During the process of investigation and conciliation, the Licensee shall make every endeavour to promptly cooperate with the Office of Water Policy's (or its representative's) requests, which shall include the expeditious release of any information or documents requested by the Office of Water Policy and the availability of the relevant staff of the Licensee.
- (f) The Licensee shall, on request, provide the Office of Water Policy with details of Complaints made, names and addresses of Customers who have made Complaints, and the manner in which the Complaint was managed and resolved.

Schedule 1: Operating Area

The Licensee may provide the Water Services respectively indicated in this Schedule to, and within, those areas designated by reference to a plan number, which number refers to the plan of the relevant operating area, or location described below, approved by the Authority for the purposes of the provision of the indicated Water Service. The plans are available for inspection at the Economic Regulation Authority.

The Licensee is the only authorised provider of Irrigation services within the areas marked “sole provider operating area”. Alternative service providers wishing to provide Irrigation services within this area must seek an excision from the area by the Authority.

The Licence does not prohibit another person providing Non-Potable Water Supply Services within the operating area.

Operating Areas (Irrigation and Non-Potable Water Supply Services)

Plan No.	Town/Region
OWR-OA-284	Ord

Schedule 2: Performance Standards

Standard	How Is It Measured	Performance Indicator / Targets
Supply water that is suitable for Irrigation purposes	Quarterly samples from each bulk water source	To supply water that is less than 500 mg/L TDS.
Receipt of water up to 2 days before and 3 days after date requested.	Number of requests fulfilled within the scheduled supply time divided by the total number of requests expressed as a %.	In the preceding 12 month period 95% of all Customers received the service standard.
Advice on when water is scheduled for delivery.	Number of advices provided prior to the scheduled supply time divided by the total number of requests, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
Issue of monthly water consumption accounts within 5 business days of the end of the month.	Number of accounts issued within the scheduled time divided by the number of accounts issued, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
Replacement of faulty Customer water meter before the commencement of the next watering period.	Number of faulty meters replaced within the scheduled time divided by the number of faulty meters replaced, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
14 days written notice of planned disruption	Number of times notices issued within 14 days divided by total number of disruptions, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
Advice to affected Customers within 6 hours of shutdown.	Number of times Customers notified within 6 hours divided by total number of emergency shutdowns, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
Complaints to be resolved within 21 days.	The number of written Complaints due for resolution in the previous 12 month period successfully resolved within 21 days divided by the total number of written Complaints due for resolution and expressed as a percentage.	90% of Customers received the service standard.
Repairs of reported faults within 2 business days	Number of times faults fixed within 2 working days divided by the total number of faults, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.
Respond to urgent Complaints or urgent repairs of faults within 2 hours	Number of times within two hours Customers urgent Complaints were responded to, or urgent repairs effected divided by the total number of such Complaints or faults, expressed as a %.	In the preceding 12 month period 90% of all Customers received the service standard.

Schedule 3: Information to be provided to the Economic Regulation Authority within 30 days of the end of each financial year

No.	Description	Frequency of report
	N/A	

Also attach a copy of the tariff structure and Customer charges for Irrigation and Non-Potable Water Services.

Licensee:

Date:

Provided by:

Amendment Record Sheet:

Amendment Date	Description of amendment
29 November 2002	Licence issued
15 October 2004	Licence substituted
12 September 2007	Requirement to provide National Performance Framework data

