



Minister for Water



Ref: MBR021328



Mr Anthony Leonard
Chairperson
Westernport Water
2 Boys Home Road
NEWHAVEN VIC 3925

1 Spring Street
GPO Box 4440
Melbourne Victoria 3001
Telephone: (03) 9938 5954
Facsimile: (03) 9658 4191
DX 210404

Dear Mr Leonard

12 OCT 2012

WATER CORPORATIONS' STATEMENTS OF OBLIGATIONS

In accordance with section 41(2) of the *Water Industry Act 1994*, I wish to notify you that I have made and issued a Statement of Obligations for Westernport Region Water Corporation.

The statement revokes and replaces all previous Statements of Obligations made and issued to Victorian water authorities under section 41 and 8(1)(a) of the *Water Industry Act 1994* with the exception of the System Management Statements of Obligation issued for Melbourne metropolitan water corporations by the Minister for Water on 1 July 2009 as amended.

A copy of the statement is attached for your information.

Yours sincerely

PETER WALSH MLA
Minister for Water

Encl.

Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Information Privacy Act 2000*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Sustainability & Environment, PO Box 500, East Melbourne, 8002.



Water Industry Act 1994

STATEMENT OF OBLIGATIONS

I, Peter Walsh, Minister for Water, as Minister administering the **Water Industry Act 1994**, pursuant to Section 41(2) of the **Water Industry Act 1994**, make and issue the attached Statement of Obligations to the following water authorities:

- Barwon Region Water Corporation;
- Central Gippsland Region Water Corporation;
- Central Highlands Region Water Corporation;
- City West Water Corporation;
- Coliban Region Water Corporation;
- East Gippsland Region Water Corporation;
- Gippsland and Southern Rural Water Corporation;
- Goulburn-Murray Rural Water Corporation;
- Goulburn Valley Region Water Corporation;
- Grampians Wimmera Mallee Water Corporation;
- Lower Murray Urban and Rural Water Corporation;
- Melbourne Water Corporation;
- North East Region Water Corporation;
- South East Water Corporation;
- South Gippsland Region Water Corporation;
- Wannon Region Water Corporation;
- Western Region Water Corporation;
- Westernport Region Water Corporation;
- Yarra Valley Water Corporation.



PETER WALSH MLA

Minister for Water

Dated: 16.9.2012

STATEMENT OF OBLIGATIONS

PART 1 PRELIMINARY	3
1-1 Authorising Provision	3
1-2 Commencement and Term	3
1-3 Purpose	3
1-4 Interpretation	3
1-5 Availability of Statement	4
1-6 Guiding Principles	4
PART 2 THE WATER PLAN	5
2-1 Preparation and Delivery of a Water Plan	5
2-2 Procedural Requirements	6
PART 3 GOVERNANCE	6
3-1 Board Role	6
3-2 Board Performance	7
PART 4 CUSTOMER AND COMMUNITY ENGAGEMENT	7
4-1 Customer Engagement	7
4-2 Customer Information	7
4-3 Information for Schools	7
PART 5 RISK MANAGEMENT	8
5-1 Managing Risks	8
5-2 Managing Incidents and Emergencies	8
5-3 Dam Safety	9
5-4 Blue Green Algal Blooms	9
PART 6 PLANNING	10
6-1 Metropolitan Integrated Water Cycle Strategy	10
6-2 Metropolitan Integrated Water Cycle Planning	10
6-3 Waterways and Drainage Services	11
6-4 Regional Integrated Water Cycle Strategies	12
6-5 Drought Response Plans for Urban Systems	13
6-6 Water Allocation and Reserve Rules for Rurals	13
PART 7 WATER SERVICES	14
7-1 Managing Assets	14
7-2 Bulk Supply Systems	14
7-3 Licensing Administration Functions	15
7-4 Metering	15
7-5 Sewerage Services to Unsewered Urban Areas	15
7-6 Sewerage Services to New Urban Areas	16
7-7 Sewerage Connections to Properties	16
7-8 Trade Waste	16
7-9 Capital Contributions by Property Owners	17
PART 8 COMPLIANCE	17
8-1 Complying with Obligations	17
8-2 Compliance Audits	18
8-3 Other Audits and Reviews	18
SCHEDULE A DEFINITIONS	19

PART 1 PRELIMINARY

1-1 Authorising Provision

.1	The Minister responsible for administering the <i>Water Industry Act 1994</i> (the Act) makes and issues this Statement of Obligations to all regulated entities under section 4I of the Act.
.2	Effective from the date on which this Statement commences, the Minister revokes all previous Statements made and issued to a corporation under sections 4I and 8 of the Act with the exception of those System Management Statements made by the Minister on 1 July 2009 as amended.

1-2 Commencement and Term

.1	This Statement commences on the date it is made by the Minister and remains in effect until it is revoked.
----	--

1-3 Purpose

.1	The purpose of this Statement is to specify obligations of a Corporation in relation to performing its functions and exercising its powers and to revoke all previous Statements made and issued by the Minister with the exception of those System Management Statements made by the Minister on 1 July 2009 as amended.
----	---

1-4 Interpretation

.1	<p>(a) The terms defined in Schedule A to this Statement apply in this Statement.</p> <p>(b) Unless defined in this Statement, terms defined in the <i>Water Act 1989</i> and the Act have the same meaning in this Statement.</p>										
.2	<p>When this Statement provides at the end of a clause the words in column 1, that clause is an obligation that applies to the entities listed directly opposite in column 2, but only in relation to the powers and functions of those entities specified (if any) in column 2.</p> <table border="1" data-bbox="362 1585 1323 2024"> <thead> <tr> <th data-bbox="362 1585 829 1630">Column 1</th> <th data-bbox="829 1585 1323 1630">Column 2</th> </tr> </thead> <tbody> <tr> <td data-bbox="362 1630 829 1686">applicable all</td> <td data-bbox="829 1630 1323 1686">All Corporations</td> </tr> <tr> <td data-bbox="362 1686 829 1872">rural only</td> <td data-bbox="829 1686 1323 1872">The entities included in the definition of "rural", but only in relation to their powers and functions to supply water by agreement and under Part 11 of the <i>Water Act 1989</i>.</td> </tr> <tr> <td data-bbox="362 1872 829 1957">Melbourne Water only</td> <td data-bbox="829 1872 1323 1957">Melbourne Water in relation to all of its statutory powers and functions.</td> </tr> <tr> <td data-bbox="362 1957 829 2024">urban only</td> <td data-bbox="829 1957 1323 2024">The entities included in the definition of "urban", but only in relation to their</td> </tr> </tbody> </table>	Column 1	Column 2	applicable all	All Corporations	rural only	The entities included in the definition of "rural", but only in relation to their powers and functions to supply water by agreement and under Part 11 of the <i>Water Act 1989</i> .	Melbourne Water only	Melbourne Water in relation to all of its statutory powers and functions.	urban only	The entities included in the definition of "urban", but only in relation to their
Column 1	Column 2										
applicable all	All Corporations										
rural only	The entities included in the definition of "rural", but only in relation to their powers and functions to supply water by agreement and under Part 11 of the <i>Water Act 1989</i> .										
Melbourne Water only	Melbourne Water in relation to all of its statutory powers and functions.										
urban only	The entities included in the definition of "urban", but only in relation to their										

		powers and functions to supply water by agreement and under Part 8 or under Part 9 (as may be applicable) of the <i>Water Act 1989</i> .
	metropolitan and Melbourne Water only	The entities included in the definition of "metropolitan" and Melbourne Water
	applicable all except rural and Melbourne Water	All Corporations except – <ul style="list-style-type: none"> • Melbourne Water; and • the entities included in the definition of "rural", but only in relation to their powers and functions under Part 11 of the <i>Water Act 1989</i>.
	rural and water corporations that provide water for domestic and stock purposes	All Corporations with powers and functions to: <ul style="list-style-type: none"> • supply or deliver water by agreement, under Part 8 or Part 11 of the <i>Water Act 1989</i>; or • provide water for domestic and stock purposes.
.3	<p>The following rules also apply in interpreting this Statement, except where the content makes it clear that a rule is not intended to apply.</p> <p>(a) Whenever this Statement requires the Corporation to make something "available to the public", the Corporation must:</p> <ul style="list-style-type: none"> (i) publish that thing on the Corporation's website; and (ii) make a copy of the thing available for inspection at the Corporation's registered office; and (iii) provide a copy on request at no charge or, where providing the copy involves a significant cost to the Corporation, for a charge that covers the fair and reasonable costs of making the copy available. <p>(b) Whenever this Statement requires a Corporation to "develop" something, the Corporation must be taken to have complied with that obligation if it has already developed the thing before this Statement commenced.</p> <p>(applicable all)</p>	

1-5 Availability of Statement

.1	The Corporation must make this Statement available to the public. (applicable all)
----	---

1-6 Guiding Principles

.1	<p>In performing its functions, exercising its powers and carrying out its duties, the Corporation must have regard to the sustainable management principles in section 93 of the <i>Water Act 1989</i>.</p> <p>The Corporation must also have regard to the following principles:</p> <ul style="list-style-type: none"> (a) the need to undertake continuous review and improvement; (b) the need to find innovative ways to:
----	---

	<ul style="list-style-type: none"> (i) optimise the operation of water and wastewater systems; (ii) deliver water services that enhance environmental outcomes and amenity in urban and rural landscapes; and (iii) be an efficient and cooperative provider of fit for purpose water products; <p>(c) the need to:</p> <ul style="list-style-type: none"> (i) engage with public authorities and government agencies to develop and implement integrated water cycle management; (ii) engage with other Corporations to drive business efficiencies, develop shared services and sustain and improve industry knowledge through targeted research programs; (iii) take a strategic approach to improving the productivity of the corporation having regard to emerging technology; and (iv) engage with its customers and the community to ensure that the services it provides reflects their needs; and <p>(d) the need to reduce, where the benefits to the community exceed the costs, the detrimental impacts of its activities on the environment, having regard to best industry standards in this respect.</p> <p>In following the principles outlined above, the Corporation needs to manage its business operations to ensure that it continues to:</p> <ul style="list-style-type: none"> (a) provide for and maintain the financial viability of the Corporation; (b) minimise the overall whole of life costs of assets; and (c) provide its services in an efficient and affordable manner. <p>(applicable all)</p>
--	--

PART 2 THE WATER PLAN

2-1 Preparation and Delivery of a Water Plan

.1	<p>The Corporation must develop a Water Plan that complies with the requirements of this Statement for the purpose of enabling the Commission to make a decision with respect to Prices for Prescribed Goods and Services in respect of the Regulatory Period.</p> <p>(applicable all)</p>
.2	<p>The Corporation must deliver the Water Plan to the Commission by the date set by the Chair of the Commission following consultation with the Minister.</p> <p>(applicable all)</p>
.3	<p>The Corporation must include in the Water Plan:</p> <ul style="list-style-type: none"> (a) outcomes to be delivered in the Regulatory Period with respect to: <ul style="list-style-type: none"> (i) Standards and Conditions of Service and Supply; (ii) meeting future demands on the Corporation's services; and (iii) complying with the obligations specified in this Statement, a Regulatory Obligation and other obligations imposed by or under legislation; (b) a description of how the Corporation proposes to deliver those outcomes; (c) the Corporation's revenue requirements in the Regulatory Period; and (d) the proposed price to be charged for each of the Corporation's Prescribed Goods and Services. <p>In developing (a) to (d), the Corporation must also ensure that the contents of the</p>

	Water Plan are in accordance with any guidelines issued by the Commission. (applicable all)
--	--

2-2 Procedural Requirements

.1	In developing the Water Plan the Corporation must undertake effective consultation with: (a) its customers and customer committees on matters of concern to its customers; (b) each Regulatory Agency on outcomes to be included in the Water Plan that relate to a Regulatory Obligation; and (c) the Commission on Standards and Conditions of Service and Supply. (applicable all)
.2	In developing the Water Plan the Corporation must consult with the Department on matters to be included in the Water Plan that relate to the performance of the Corporation's functions and the obligations included in this Statement. (applicable all)
.3	The Corporation must submit a draft of its Water Plan to the Minister, the Treasurer and each Regulatory Agency no less than three months prior to the submission of its final Water Plan to the Commission. (applicable all)
.4	The Corporation must make any variation to the Water Plan: (a) requested by the Minister in writing at least one month before the Submission Date, and in relation to which the Minister has consulted with the Treasurer; and (b) relating to the performance of the Corporation's functions and the obligations included in this Statement. (applicable all)
.5	In developing the Water Plan the Corporation must have regard to any comments relating to a Regulatory Obligation that are provided in writing by a Regulatory Agency at least one month before the Submission Date. (applicable all)

PART 3 GOVERNANCE

3-1 Board Role

.1	The Board of the Corporation is accountable to the Minister for ensuring the good governance of the Corporation. The Board is obliged to: (a) be responsible for the strategic planning of the Corporation and oversee the achievement of the strategic plan; (b) be responsible for the management of the affairs of the corporation; (c) exercise the powers of the corporation. (applicable all)
----	---

3-2 Board Performance

.1	In accordance with any guidelines issued by the Minister the Corporation must annually review and report by 31 March to the Minister (and for Melbourne Water and the Metropolitan Corporations also to the Treasurer) on the performance of the Board of the Corporation, including in relation to the Board's role and obligations in clause 3-1.1. The report is to include actions to improve the accountability of the Board with regards to its responsibilities as outlined in section 95(4) of the <i>Water Act 1994</i> . (applicable all)
----	--

PART 4 CUSTOMER AND COMMUNITY ENGAGEMENT

4-1 Customer Engagement

.1	The Corporation must develop and make available to the public: (a) terms of reference for the role of customer committees; and (b) open and transparent processes under which the Corporation will engage customers and the community in its planning processes to ensure that the services it provides reflect the needs and expectations of customers and the community. This includes having regard to any guidelines issued by the Minister for that purpose. (applicable all)
----	---

4-2 Customer Information

.1	The Corporation must make available to its customers information about its functions and: (a) the current availability of water, in each of the supply and/or delivery systems it manages; (b) expected changes in the seasonal determination for water; (c) its delivery of significant projects identified in the Water Plan; and (d) its performance with respect to regulatory requirements. (applicable all)
----	--

4-3 Information for Schools

.1	The Corporation must make available to schools in the area educational material about sustainable water resource management including information on: (a) water supply; (b) sewage and recycled water; (c) water conservation and the efficient and responsible use of water; and (d) integrated water cycle management. (urban only)
.2	The Corporation must make available to schools in the area educational material about sustainable water resource management including information on:

	<ul style="list-style-type: none"> (a) bulk sewage; (b) headworks; and (c) catchment management. <p>(Melbourne Water only)</p>
--	---

PART 5 RISK MANAGEMENT

5-1 Managing Risks

.1	<p>The Corporation must develop and implement plans, systems and processes, having regard to ISO31000:2009: Risk Management (or as amended) to ensure that risks associated with functions performed and services provided by the Corporation are identified, assessed, prioritised and managed.</p> <p>The Corporation must also annually monitor and report to the Secretary on its risks.</p> <p>(applicable all)</p>
----	--

5-2 Managing Incidents and Emergencies

.1	<p>The Corporation must develop an emergency management plan for incidents and emergencies covering all hazards and measures, including:</p> <ul style="list-style-type: none"> (a) the continuity of services; (b) incidents resulting in waste discharges to the environment; (c) a dam safety incident; (d) a major Information and Communications Technology (ICT) incident; (e) potential security risks, including but not limited to terrorist attacks; (f) risks to water quality; and (g) (for Melbourne Water only) flooding in any waterway in Melbourne Water's waterway management district or water which flows into or out of works operated by Melbourne Water. <p>The emergency management plan must have regard to the Australian Inter-Service Incident Management System.</p> <p>(subject to paragraph (g), applicable all)</p>
.2	<p>In addition to the obligation at 7-2.4 the Corporation must make available to the public its policy on:</p> <ul style="list-style-type: none"> (a) Pre-release of water from its dam; and (b) Surcharge of water level in its dams. <p>(applicable all)</p>
.3	<p>The Corporation must undertake such periodic training and exercises as may be necessary to ensure that its emergency management plan and business continuity plan are tested and can be implemented effectively.</p> <p>(applicable all)</p>

5-3 Dam Safety

.1	<p>The Corporation must develop and implement processes to identify, assess, manage and prioritise improvements to, and periodically review the safety of, dams, including retarding basins and wastewater storages, operated by the Corporation.</p> <p>(applicable all)</p>
.2	<p>In developing processes under sub-clause 5-3.1, the Corporation must have regard to the ANCOLD Guidelines and have particular regard to:</p> <ul style="list-style-type: none"> (a) prioritising risks posed by the Corporation's dams over all dams, components of dams and the types of failure; (b) giving priority to reducing risks to life above other risks; (c) basing the urgency of reducing the risk posed by a dam on the relativity of risks to the tolerability limits as defined in the ANCOLD Guidelines; (d) basing programs for reducing risk on the concept "As Low As Reasonably Practicable" as defined in the ANCOLD Guidelines; and (e) where feasible, progressively implementing risk reduction measures to achieve the best outcomes for the available resources. <p>(applicable all)</p>
.3	<p>The Corporation must develop and implement a dam safety monitoring and surveillance program for each dam operated by the Corporation, consistent with the ANCOLD Guidelines.</p> <p>(applicable all)</p>
.4	<p>The Corporation must prepare and give to the Secretary by 30 June each year a report that contains:</p> <ul style="list-style-type: none"> (a) a prioritised list of proposed dam safety works identified under sub-clause 5-3.1 and the dates by which the Corporation proposes to complete each of those works; (b) a summary of the risk profile of: <ul style="list-style-type: none"> (i) dams operated by the Corporation at the date of the report; and (ii) each dam on which the Corporation proposes to undertake safety works, after those works are complete; and (c) a summary of the overall risk reduction profile of the Corporation's dams. <p>(applicable all)</p>
.5	<p>If for any reason the Corporation is unable to undertake any proposed dam safety works identified under sub-clause 5-3.1 within the time advised, it must promptly prepare and give to the Secretary a report which explains why the Corporation is unable to undertake those works and includes any other information requested by the Secretary.</p> <p>(applicable all)</p>

5-4 Blue Green Algal Blooms

.1	<p>The Corporation must report any blue green algal blooms impacting on water supply or delivery services to:</p> <ul style="list-style-type: none"> (a) the Department of Health;
----	---

	<p>(b) the Department; and</p> <p>(c) the relevant Regional Coordinator.</p> <p>(applicable all)</p>
.2	<p>If the Corporation is nominated as a Regional Coordinator by the Secretary, the Corporation must:</p> <p>(a) develop and maintain on an annual basis a contingency plan for regional blue-green algal blooms; and</p> <p>(b) undertake its duties as a Regional Coordinator in accordance with that contingency plan and the Blue Green Algae Circular.</p> <p>(applicable all)</p>

PART 6 PLANNING

6-1 Metropolitan Integrated Water Cycle Strategy

.1	<p>By 31 March 2017, and within each five yearly period thereafter, the Corporation must work with the Office of Living Victoria to develop, in accordance with any written guidelines issued by the Minister, a Metropolitan Integrated Water Cycle Strategy that identifies the best mix of measures to:</p> <p>(a) maintain a balance between the demand for water and the supply of water in cities and towns;</p> <p>(b) facilitate efficient investment in all water cycle services, including recycling sewage or trade waste, stormwater capture and re-use, and demand management; and</p> <p>(c) improve the resilience of water supply systems (including fit-for purpose) through scenario based planning and adaptive management having regard to risk and uncertainty.</p> <p>In identifying the best mix of measures, the Corporation should consider opportunities that support liveable and sustainable cities and towns through the delivery of benefits across the urban water cycle, including approaches to align the funding of benefits with the organisation responsible for their delivery.</p> <p>(Metropolitan corporations, Melbourne Water and Western Water only)</p>
.2	<p>In developing a Metropolitan Integrated Water Cycle Strategy, the Corporation must consult with the community and key stakeholders including:</p> <p>(a) Local Government;</p> <p>(b) the Growth Areas Authority;</p> <p>(c) the Department for Planning and Community Development;</p> <p>(d) relevant developers and builders; and</p> <p>(e) other water businesses in the region including Southern Rural Water.</p> <p>(Metropolitan corporations, Melbourne Water and Western Water only)</p>

6-2 Metropolitan Integrated Water Cycle Planning

.1	<p>The Corporation must work with the Office of Living Victoria to develop, in accordance with any written guidelines issued by the Minister, Integrated Water</p>
----	--

	<p>Cycle Plans and precinct structure plan submissions.</p> <p>(Metropolitan corporations, Western Water and Melbourne Water only)</p>
.2	<p>Integrated Water Cycle Plans and precinct structure plan submissions must be developed jointly where more than one Corporation provides services in the area.</p> <p>(Metropolitan corporations, Western Water and Melbourne Water only)</p>
.3	<p>In exercising its functions under this clause, the Corporation must consult with the community and key stakeholders including:</p> <ul style="list-style-type: none"> (a) Local Government; (b) the Growth Areas Authority; (c) the Department for Planning and Community Development; and (d) relevant developers and builders. <p>(Metropolitan corporations, Western Water and Melbourne Water only)</p>

6-3 Waterways and Drainage Services

.1	<p>The Corporation must develop, in accordance with any written guidelines issued by the Minister, a Strategy that sets out the responsibilities, goals, levels of service and programs of work for waterway management, flood management and drainage taking into consideration:</p> <ul style="list-style-type: none"> (a) the efficient and effective delivery of services where: <ul style="list-style-type: none"> (i) benefits to the community exceed the costs; (ii) investment levels are prudent; (iii) opportunities for stormwater capture and fit-for-purpose re-use are facilitated; (iv) the principles of integrated water management are taken into account; (v) systematic and transparent processes are used to determine priorities; (vi) scenario planning is adaptive, having regard to risk and uncertainty; and (vii) progress in implementing the Waterways and Drainage Strategy is monitored and reported to the public and the Minister using key performance indicators; (b) any relevant Integrated Water Cycle Strategy; (c) any relevant Integrated Water Cycle Plan; (d) any relevant Victorian Waterway Management Strategy, Regional Catchment Management Strategy, or catchment sub-strategy; (e) and relevant Victorian flood strategy; and (f) any other matter which the Corporation considers necessary or desirable. <p>(Melbourne Water only)</p>
.2	<p>The Corporation must review and amend the Waterways and Drainage Strategy:</p>

	<p>(a) at least once in every five years; and</p> <p>(b) whenever the Minister requests in writing.</p> <p>(Melbourne Water only)</p>
.3	<p>The Corporation must promptly provide a copy of any proposed amendments to the Waterways and Drainage Strategy to the Minister for comment prior to any amendments being made to the Waterways and Drainage Strategy.</p> <p>(Melbourne Water only)</p>
.4	<p>In developing a Waterways and Drainage Strategy, the Corporation must consult with the community and key stakeholders including:</p> <p>(a) the Office of Living Victoria;</p> <p>(b) other water corporations operating in the area;</p> <p>(c) the Department of Sustainability and Environment;</p> <p>(d) the Environment Protection Authority;</p> <p>(e) Local Government;</p> <p>(f) the Growth Areas Authority;</p> <p>(g) the Department for Planning and Community Development; and</p> <p>(h) relevant developers and builders.</p> <p>(Melbourne Water only)</p>

6-4 Regional Integrated Water Cycle Strategies

.1	<p>By 31 March 2017, and within each five yearly period thereafter, the Corporation must develop, in accordance with any written guidelines issued by the Minister, an Integrated Water Cycle Strategy that identifies the best mix of measures to:</p> <p>(a) maintain a balance between the demand for water and the supply of water in cities and towns;</p> <p>(b) facilitate efficient investment in all water sources, including recycling sewage or trade waste, stormwater capture and re-use, and demand management; and</p> <p>(c) improve the resilience of water supply systems (including fit-for purpose) through scenario based planning and adaptive management having regard to risk and uncertainty.</p> <p>In identifying the best mix of measures, the Corporation should consider opportunities that support liveable and sustainable cities and towns through the delivery of benefits across the urban water cycle, including approaches to align the funding of benefits with the organisation responsible for their delivery.</p> <p>(applicable all, except rural, Metropolitan corporations, Melbourne Water and Western Water)</p>
.2	<p>In developing an Integrated Water Cycle Strategy, the Corporation must consult with the community and key stakeholders including:</p> <p>(a) the Office of Living Victoria;</p> <p>(b) Local Government;</p> <p>(c) the Department for Planning and Community Development; and</p>

	<p>(d) relevant developers and builders.</p> <p>(applicable all, except rural, Metropolitan corporations, Melbourne Water and Western Water)</p>
--	--

6-5 Drought Response Plans for Urban Systems

.1	<p>The Corporation must:</p> <p>(a) develop a Drought Response Plan that governs the management of the supply of water by the Corporation in any period of drought or when the supply of water is limited;</p> <p>(b) not rely on the Minister declaring a water shortage and qualifying rights to water under the <i>Water Act 1989</i> as an option for maintaining supplies as part of a Drought Response Plan;</p> <p>(c) comply with any guidelines issued by the Minister for the purpose of drought response planning; and</p> <p>(d) make its Drought Response Plan available to the public, unless the Minister consents in writing to not making available a Plan or part of a Plan.</p> <p>(urban only)</p>
.2	<p>The Corporation must review, and if necessary amend, its Drought Response Plan:</p> <p>(a) at intervals of no more than five years; and</p> <p>(b) within twelve months of either:</p> <p>(i) the lifting of any period of water restriction imposed in accordance with the Corporation's Drought Response Plan; or</p> <p>(ii) any major change occurring to works or arrangements for conserving water for, or supplying water to, any water supply system that is relied upon for the supply of water by the Corporation.</p> <p>(urban only)</p>
.3	<p>The Corporations that share water supply systems must cooperate and coordinate with each other when developing, reviewing or implementing their Drought Response Plans.</p> <p>(applicable all)</p>

6-6 Water Allocation and Reserve Rules for Rurals

.1	<p>The Corporation must:</p> <p>(a) make and publish rules for allocating available water for the current year and setting aside reserves for subsequent years;</p> <p>(b) provide regular information to customers about current and forecast water allocations under certain scenarios; and</p> <p>(c) develop contingency plans for managing severe water shortages in consultation with the Corporations they supply.</p> <p>(rural corporations and water corporations that provide water for domestic and stock purposes, except Melbourne Water)</p>
.2	<p>The Corporation must review, and if necessary amend its allocation and reserve rules:</p> <p>(a) at intervals of no more than five years;</p> <p>(b) within twelve months of a final allocation to high reliability entitlements of less than 50%; and</p> <p>(c) consult with customers and the Minister prior to amending allocation and reserve rules.</p>

	(rural corporations and water corporations that provide water for domestic and stock purposes, except Melbourne Water)
--	--

PART 7 WATER SERVICES

7-1 Managing Assets

.1	<p>The Corporation must develop and implement plans, systems and processes to manage its assets in ways which:</p> <ul style="list-style-type: none"> (a) maintain the standards and conditions of service: <ul style="list-style-type: none"> (i) specified by the Commission in a Code issued under section 4F of the Act; or (ii) included in a Water Plan and approved by the Commission; and (b) minimise the overall whole of life cost of providing the service. <p>(applicable all)</p>
.2	<p>The Corporation must, in consultation with its customers, develop and implement plans, systems and processes to manage its assets providing irrigation services in ways which:</p> <ul style="list-style-type: none"> (a) maintain agreed standards of service to customers; (b) deliver water efficiently; (c) adapt to the changing needs of customers; (d) minimise the overall whole of life cost of providing the service; and (e) enhance environmental outcomes and amenity where service standards to irrigation customers are not compromised. <p>(Corporations with irrigation and drainage districts only)</p>

7-2 Bulk Supply Systems

.1	<p>The Corporation must assess the efficiency of bulk water supply systems and must develop and implement programs to improve efficiency where benefits exceed costs.</p> <p>(applicable all)</p>
.2	<p>The Corporation must report to the Secretary, as requested by the Secretary, on the efficiency of its bulk water delivery systems.</p> <p>(applicable all)</p>
.3	<p>The Corporation must, where waterways and wetlands are used for the supply of water, develop and implement plans and programs consistent with any guidelines issued by the Secretary, to:</p> <ul style="list-style-type: none"> (a) seek to enhance ecological benefits where service standards to customers are not compromised; (b) work cooperatively with the Victorian Environmental Water Holder and relevant agencies; (c) have regard to any guidelines issued by the Minister for that purpose; and (d) make available to the public information on its activities to enhance ecological benefits. <p>(applicable all)</p>

.4	<p>The Corporation in exercising its storage management functions must:</p> <p>(a) consult with relevant floodplain management authorities; and</p> <p>(b) have regard to s 122ZL(2) of the Water Act 1989.</p> <p>(applicable all)</p>
.5	<p>The Corporation must, when it renews or carries out major works on a dam or existing structure on a waterway, ensure that:</p> <p>(a) it is renewed or constructed so that:</p> <p>(i) native fish may move past the structure;</p> <p>(ii) water releases do not pose an environmental risk through variations of temperature, dissolved oxygen, sediment, nutrients or other substances; and</p> <p>(iii) adequate off takes are provided for environmental flows; or</p> <p>(b) if it is not practical to comply with paragraph (a), it is renewed or constructed in accordance with a plan of works approved by the Secretary.</p> <p>(applicable all)</p>

7-3 Licensing Administration Functions

.1	<p>A Corporation to which the Minister has delegated powers and functions for licence administration under the <i>Water Act 1989</i> must exercise those powers and perform those functions in accordance with the terms and conditions of the instrument of delegation and in an effective and efficient manner in accordance with any guidelines or policies issued by the Minister for that purpose.</p> <p>(applicable all)</p>
----	---

7-4 Metering

.1	<p>Corporations providing non-urban water supplies or delivery services must prepare and implement Metering Action Plans that comply with the Victorian Implementation Plan for the National Metering Standards for Non-Urban Water Meters.</p> <p>(applicable all)</p>
----	---

7-5 Sewerage Services to Unsewered Urban Areas

.1	<p>The Corporation needs to participate with municipal councils in the development of councils' Domestic wastewater management plans.</p> <p>(applicable all, except rural and Melbourne Water)</p>
.2	<p>When considering the types of sewerage services to be provided to unsewered urban areas, the Corporation must:</p> <p>(a) consider fit for purpose service options; and</p> <p>(b) identify the:</p> <p>(i) costs and benefits to the Corporation's customers and community; and</p> <p>(ii) risks to the Corporation.</p>

	(applicable all, except rural and Melbourne Water)
--	--

7-6 Sewerage Services to New Urban Areas

.1	<p>When considering the types of sewerage services to be provided to new developments, the Corporation must:</p> <ul style="list-style-type: none"> (a) consider fit for purpose service options; (b) identify the: <ul style="list-style-type: none"> (i) costs and benefits to the Corporation's customers and community; and (ii) risks to the Corporation; and (c) not agree to service options that unreasonably transfer costs from the developer to the Corporation's customers. <p>(applicable all, except rural and Melbourne Water)</p>
----	---

7-7 Sewerage Connections to Properties

.1	<p>The Corporation must not require a serviced property to be connected to the Corporation's sewerage works unless the sewerage service has been:</p> <ul style="list-style-type: none"> (a) included in a sewerage management plan developed by the Corporation in conjunction with the Environment Protection Authority and relevant municipal council and in consultation with the local community; or (b) provided in the interests of health or the environment after consultation with and written advice from the Environment Protection Authority, municipal council or the Chief Health Officer within the meaning of the <i>Public Health and Wellbeing Act 2008</i>. <p>(applicable all, except rural and Melbourne Water)</p>
.2	<p>The Corporation needs to take all reasonable steps to ensure that a property provided with a sewerage service:</p> <ul style="list-style-type: none"> (a) included in a sewerage management plan developed in conjunction with the Environment Protection Authority and relevant municipal council, and in consultation with the local community; or (b) provided in the interests of health or the environment after consultation with the Environment Protection Authority, a municipal council or the Chief Health Officer within the meaning of the <i>Public Health and Wellbeing Act 2008</i>; <p>is connected to the Corporation's sewerage works, unless the owner of a property can demonstrate that wastewater can be sustainably reused on site in accordance with guidelines issued by the Environment Protection Authority.</p> <p>(applicable all, except rural and Melbourne Water)</p>

7-8 Trade Waste

.1	<p>The Corporation must develop policies and practices to manage trade waste to:</p> <ul style="list-style-type: none"> (a) protect its sewerage systems, including treatment works and processes,
----	---

	<p>and the health and safety of the public and of people working in or operating those systems;</p> <p>(b) minimise environmental impacts consistent with any licence issued under the <i>Environment Protection Act 1970</i>; and</p> <p>(c) facilitate recycling by ensuring that trade waste accepted does not present barriers to recycling or reuse of wastewater or biosolids.</p> <p>(applicable all, except rural)</p>
.2	<p>In developing trade waste management policies and practices, the Corporation should be guided by the environmental protection principles set out in section 1 of the <i>Environment Protection Act 1970</i>.</p> <p>(applicable all, except rural)</p>

7-9 Capital Contributions by Property Owners

.1	<p>In this clause, the owner of a property does not include the owner of a property being subdivided, developed or used for commercial purposes.</p> <p>(applicable all, except rural and Melbourne Water)</p>
.2	<p>The Corporation must offer the owner of any property who is required to make a contribution the option (amongst other options) of paying that contribution in instalments over 20 years as an annuity calculated by reference to the 20-year market annuity rate, as determined by the Treasury Corporation of Victoria prevailing at the time the contribution is calculated.</p> <p>(applicable all, except rural and Melbourne Water)</p>

PART 8 COMPLIANCE

8-1 Complying with Obligations

.1	<p>The Corporation must monitor compliance with its obligations under Parts 1 to 7 inclusive of this Statement.</p> <p>(applicable all)</p>
.2	<p>If the Corporation becomes aware of a material failure to comply with its obligation under Parts 1 to 7 of this Statement, the Corporation must give the Minister a written report, within 30 days after becoming aware of the failure, that includes:</p> <p>(a) the nature of and reason for the failure; and</p> <p>(b) a proposed plan of action to prevent the failure re-occurring.</p> <p>(applicable all)</p>
.3	<p>The Corporation must make any variation to the plan of action referred to in sub-clause 8-1.2(b) requested in writing by the Minister.</p> <p>(applicable all)</p>

.4	<p>The Corporation must:</p> <ul style="list-style-type: none"> (a) implement the plan of action referred to in sub-clause 8-1.2(b), as varied by the Minister; (b) report its progress in implementing the plan, whenever the Minister requests in writing; and (c) summarise the contents of any report made under sub-clause 8-1.2(b) and its progress in implementing the plan in its annual report. <p>(applicable all)</p>
----	---

8-2 Compliance Audits

.1	<p>The Corporation must, when requested by the Commission not more frequently than once every twelve months, arrange for an audit of its compliance with:</p> <ul style="list-style-type: none"> (a) clause 8-1 of this Statement; and (b) any other obligation under Parts 1 to 7 of this Statement that the Corporation has been requested by the Minister to audit. <p>(applicable all)</p>
.2	<p>The Corporation must ensure that any audit under sub-clause 8-2.1 is conducted:</p> <ul style="list-style-type: none"> (a) by an independent auditor nominated by the Corporation and approved by the Commission; and (b) in accordance with any guidelines issued by the Commission. <p>(applicable all)</p>
.3	<p>The Corporation must ensure that a copy of the auditor's final report is provided to both the Commission and the Minister.</p> <p>(applicable all)</p>
.4	<p>The Minister may, at any time, require the Corporation to report to the Minister in writing on action taken by the Corporation in response to any matter:</p> <ul style="list-style-type: none"> (a) contained in an auditor's report; and (b) specified by the Minister in writing. <p>(applicable all)</p>

8-3 Other Audits and Reviews

.1	<p>The Corporation must, when requested by the Minister, arrange for an audit or review of any matter specified by the Minister in relation to the performance of its functions and the exercise of its powers.</p> <p>(applicable all)</p>
----	---

SCHEDULE A DEFINITIONS

The following definitions apply:

“**Act**” means the *Water Industry Act 1994*.

“**ANCOLD Guidelines**” means the Guidelines issued by the Australian National Committee on Large Dams Inc.

“**Commission**” means the Essential Services Commission.

“**Corporation**”, except when used to define other words or terms in this Schedule A, means a regulated entity, which has the same meaning as provided in section 4A of the Act.

“**Department**” means the Department of Sustainability and Environment.

“**Licence Administration**” means the power or function of a Corporation as a delegate of the Minister under the *Water Act 1989*:

- of receiving, considering and determining an application for a licence or a water-use registration and an application to renew, amend, vary or transfer a licence or a water-use registration;
- to provide services to a licence holder;
- to supervise licensed activities;
- to sell a licence; and
- to fix or determine a fee for such an application, provision of service or supervision activity.

“**Melbourne Water**” means Melbourne Water Corporation.

“**Metropolitan**” means City West Water Corporation, South East Water Corporation and Yarra Valley Water Corporation.

“**Minister**” means the Minister responsible for administering the Act.

“Prescribed Goods and Services” means the goods and services specified in the Water Industry Regulatory Order as prescribed goods and services in respect of which the Commission has power to regulate prices.

“Regional Coordinator” means a Corporation listed as a Regional Coordinator in the Department’s annual Blue-Green Algae circular.

“Regulatory Agency” means the Environment Protection Authority, the Secretary to the Department of Health, and the Commission.

“Regulatory Obligation” means:

- i. in relation to the Environment Protection Authority, an obligation imposed by or under the *Environment Protection Act 1970*;
- ii. in relation to the Commission, an obligation imposed by or under a Code made under section 4F of the *Water Industry Act 1994*;
- iii. in relation to the *Secretary* to the Department of Health, an obligation imposed by or under the *Safe Drinking Water Act 2003*, the *Food Act 1984* or the *Health (Fluoridation) Act 1973*.

“Regulatory Period” means the period determined by the Commission commencing on a date to be set by the Commission.

“Rural” means Goulburn-Murray Rural Water Corporation; Grampians Wimmera Mallee Water Corporation (but only in relation to its functions to supply water by agreement and under Part 11 of the *Water Act 1989*); Lower Murray Urban and Rural Water Corporation (but only in relation to its functions to supply water by agreement and under Part 11 of the *Water Act 1989*); and Gippsland and Southern Rural Water Corporation.

“Secretary” means the person occupying or acting in the position of Secretary to the Department.

“Standards and Conditions of Service and Supply” means Standards and Conditions of Service and Supply of declared goods and services regulated by the Commission under the Water Industry Regulatory Order and includes any requirements specified by the Commission in a Code made under section 4F of the Act.

“Statement” means this Statement of Obligations.

“Submission Date” means the date set under clause 2-1.2.

“Urban” means Metropolitan, Barwon Water Corporation, Central Highlands Water Corporation, Coliban Water Corporation, East Gippsland Water Corporation, Gippsland Water Corporation, Goulburn Valley Water Corporation, Grampians Wimmera Mallee Water Corporation (but only in relation to its powers and functions to supply water by agreement and under Parts 8 and 9 of the *Water Act 1989*), Lower Murray Water Corporation (but only in relation to its powers and functions to supply water by agreement and under Parts 8 and 9 of the *Water Act 1989*), North East Water Corporation, South Gippsland Water Corporation, Wannon Water Corporation, Western Water Corporation and Westernport Water Corporation.

“Urban water cycle” means the hydrological cycle within an urban environment, including water supply, wastewater management, waterway health, flood management, and protection of urban amenity. It encompasses the treatment, storage and circulation of water through built infrastructure, such as water supply, drainage and sewerage systems, as well as natural systems.

“Water Plan” means the Water Plan required by this Statement to be delivered to the Commission.

“Water Industry Regulatory Order” means the Water Industry Regulatory Order made by the Governor in Council under section 4D of the Act.