

Decision on Amendment to Water Corporation's Operating Licence no.32

26 March 2008

Economic Regulation Authority



WESTERN AUSTRALIA

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DECISION

1. On 2nd January 2007 the Water Corporation applied to the Economic Regulation Authority to amend its water services Operating Licence 32 to add a condition to Schedule 7 Clause 7.8 that all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards (1977), and to delete the Buayanyup Drain, Vasse and Wonnerup floodgates, Capel River levees and Serpentine River levees from the Flood Protection Work list in schedule 7 Clause 7.9, which specifies the areas to be operated and maintained to alleviate flooding.
2. The application for these licence amendments was made pursuant to section 31 of the *Water Services Licensing Act 1995* (Act).
3. Pursuant to section 31 of the Act, the Authority approves the amendments of the Water Corporation's licence.

REASONS

1. Following the receipt of the application for the drainage amendment, a notice regarding receipt of the application was published on the Authority's web site on 11th January 2007 requesting comment from interested parties and the public. On 21 January 2007, the Chairman extended the consultation period until 21 February 2007 to allow more time for comment over the holiday period.
2. The Authority received two public submissions on the drainage amendment application. The key issues in this application were the geo-technical classification of the existing Flood Protection Works and the appropriateness of a 1977 standards manual.
3. The Authority sought independent advice from Cardno BSB (Cardno) on the geo-technical classification of the existing Flood Protection Works and the appropriateness of a 1977 standards manual.
4. The Cardno report recommended that the application of the Manual of Standards Part DD1 Rural Drainage 1977 is still appropriate and reference to it should be included in Clause 7.8 of the licence. The Report assessed that the four flood protection works requested to be removed from the licence were not built to a higher standard than other rural drains. Cardno concluded that these works should not be included in Clause 7.9 of the licence.
5. All relevant stakeholders including the two respondents who raised objections were consulted regarding the technical review and the final report.
6. In its consideration of the applications for licence amendments, the Authority considered the public interest in respect to the drainage proposal as required by section 31(1a) of the Act. The Authority is satisfied that approval of the applicant's request for changes to the drainage schedule would not be contrary to the public interest.
7. The Authority has therefore decided to amend the Water Corporation's Operating Licence 32 by:
 - Adding a condition to Schedule 7 Clause 7.8 that all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards (1977); and
 - deleting the Buayanyup Drain, Vasse and Wonnerup floodgates, Capel River levees and Serpentine River levees from the Flood Protection Work list in schedule 7 Clause 7.9
8. As required under section 31(4b) of the Act, the Authority will publish a notice of its approval of the licence amendment in the *Government Gazette* as soon as is practicable.

LYNDON ROWE
CHAIRMAN