

Water Industry Act 1994

STATEMENT OF OBLIGATIONS (GENERAL)

I, Lisa Neville, Minister for Environment, Climate Change and Water, as Minister administering Part 1A of 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 corporations:

- 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; and
- Yarra Valley Water Corporation.



Hon Lisa Neville MP

Minister for Environment, Climate Change and Water

Dated: 20/12/15

STATEMENT OF OBLIGATIONS

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PART 1 PRELIMINARY

1-1 Authorising Provision

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| .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 of the Act with the exception of the Statement of Obligations (System Management) made by the Minister on 16 January 2015. |

1-2 Commencement and Term

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| .1 | This Statement commences on the date it is made by the Minister and remains in effect until it is revoked. |
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1-3 Purpose

| | Revised clause |
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| .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 the Statement of Obligations (System Management) made by the Minister on 16 January 2015. |

1-4 Interpretation

| .1 | (a) The terms defined in Schedule A to this Statement apply in this Statement. (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. | | | | | | | | | | |
|----------------------|--|----------|----------|----------------|------------------|------------|---|----------------------|---|------------|--|
| .2 | 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. | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Column 1</th> <th>Column 2</th> </tr> </thead> <tbody> <tr> <td>applicable all</td> <td>All Corporations</td> </tr> <tr> <td>rural only</td> <td>The entities included in the definition of "rural", but only in relation to their powers and functions to supply water by agreement or under Part 11 of the <i>Water Act 1989</i>.</td> </tr> <tr> <td>Melbourne Water only</td> <td>Melbourne Water in relation to all of its statutory powers and functions.</td> </tr> <tr> <td>urban only</td> <td>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>.</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 or 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> . |
| 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 or 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> . | | | | | | | | | | |

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| | 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 The following rules also apply in interpreting this Statement, except where the content makes it clear that a rule is not intended to apply.

(a) Whenever this Statement requires the Corporation to make something "available to the public", the Corporation must:

- (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.

(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.

(applicable all)

1-5 Availability of Statement

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| .1 | The Corporation must make this Statement available to the public. (applicable all) |
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1-6 Guiding Principles

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| .1 | <p>In performing its functions and providing its services the Corporation must assist in the task of transitioning Victoria to an environmentally sustainable economy. The Corporation should respond to the challenges of climate change with due consideration of mitigation and future adaptation measures, having regard to economic and social impacts.¹</p> <p>The Corporation must:</p> <ul style="list-style-type: none"> • manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes; • effectively integrate economic, environmental and social objectives into its business operations; • support sustainable and liveable communities; • minimise the impacts of its activities on the environment; • manage risk to protect public safety, quality and security of supply; • operate as efficiently as possible consistent with sound commercial practice; • manage its business operations to maintain the long-term financial viability of the Corporation; • undertake continuous review, innovation and improvement; and • collaborate with other water corporations, public authorities and government agencies to plan for and take account of needs in a geographic area. <p>(applicable all)</p> <p>¹ refer <i>Climate Change Act 2010</i> (Vic), preamble.</p> |
| .2 | <p>The Corporation must act consistently with any approved Sustainable Water Strategy. The Corporation must also have regard to the principles of informed decision making; integrated decision making; risk management; complementarity; equity; and community engagement.²</p> <p>(applicable all)</p> <p>² refer <i>Climate Change Act 2010</i> (Vic), sections 8-13.</p> |

PART 2 THE PRICE SUBMISSION

2-1 Preparation and Delivery of a Price Submission

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| .1 | <p>The Corporation must develop a Price Submission 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 Price Submission to the Commission by the date set by the Chair of the Commission.</p> <p>(applicable all)</p> |
| .3 | <p>The Corporation must ensure that the contents of the Price Submission are in accordance with any guidelines issued by the Commission.</p> <p>(applicable all)</p> |

2-2 Procedural Requirements

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| .1 | In developing the Price Submission the Corporation must consult with the Minister, Department and relevant Regulatory Agencies at all stages of the development of its Price Submission. A Corporations must also respond to any written requests relating to the Price Submission from the Minister, Department and relevant Regulatory Agencies. (applicable all) |
| .2 | The Corporation must submit a draft of its Price Submission, and such additional information as required, to the Minister, Department and each Regulatory Agency no less than three months prior to lodging its final Price Submission to the Commission, or such later date as specified by the Minister. (applicable all) |
| .3 | The Corporation must make any amendment to the Price Submission requested by the Minister in writing at least one month before lodging its final Price Submission to the Commission. (applicable all) |
| .4 | In developing the Price Submission 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 lodging its final Price Submission to the Commission. (applicable all) |

PART 3 GOVERNANCE

3-1 Board Role

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| .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) |
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3-2 Board Performance

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| .1 | In accordance with any guidelines issued by the Minister the Corporation must annually review and report by 31 March 2017, and annually thereafter 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 1989</i> . (applicable all) |
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PART 4 CUSTOMER AND COMMUNITY ENGAGEMENT

4-1 Customer Engagement

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| .1 | <p>The Corporation must develop and make available to the public:</p> <ul style="list-style-type: none">(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. <p>(applicable all)</p> |
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4-2 Customer Information

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| .1 | <p>The Corporation must make available to its customers and the Department an Annual Water Outlook by 1 December of each year providing information on:</p> <ul style="list-style-type: none">(a) the current water resource position;(b) a forward outlook for water resources over the coming year under a range of plausible climatic scenarios;(c) whether agreed levels of service will be able to be met under these climatic scenarios; and(d) if not, what actions will be undertaken to improve system performance so that these agreed levels of service can be met. <p>(applicable all)</p> |
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4-3 Information for Schools

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| .1 | <p>The Corporation must make available to schools in the area educational material about sustainable water resource management including information on:</p> <ul style="list-style-type: none">(a) water supply;(b) sewage and recycled water;(c) water conservation and the efficient and responsible use of water; and(d) whole of water cycle management. <p>(applicable urban only)</p> |
| .2 | <p>The Corporation must make available to schools in the area educational material about sustainable water resource management including information on:</p> <ul style="list-style-type: none">(a) bulk sewage;(b) headworks; and(c) waterway management, flood management and drainage. <p>(applicable Melbourne Water only)</p> |

PART 5 RISK MANAGEMENT

5-1 Managing Risks

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| .1 | <p>The Corporation must develop and implement plans, systems and processes, having regard to ISO 31000 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 report annually to the Secretary.</p> <p>(applicable all)</p> |
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5-2 Managing Incidents and Emergencies

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| .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 contain an assessment of the emergency risks as well as measures to manage them, and 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 gated dams; and(b) surcharge of water level in gated dams. <p>(applicable all)</p> |
| .3 | <p>The Corporation must undertake such appropriate training and annual 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

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| .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> |
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| .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, having regard to 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

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| .1 | <p>The Corporation must report blue green algal blooms impacting on water supply or delivery services to:</p> <ul style="list-style-type: none"> (a) the Department of Health; (b) the Department; and (c) the relevant Regional Coordinator. <p>(applicable all)</p> |
| .2 | <p>If the Corporation is nominated as a Regional Coordinator by the Secretary, the Corporation must:</p> <ul style="list-style-type: none"> (a) develop and maintain on an annual basis a contingency plan for regional blue-green algal blooms; and |

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| | (b) undertake its duties as a Regional Coordinator in accordance with that contingency plan and the Blue Green Algae Circular. (applicable all) |
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PART 6 PLANNING

6-A Modelling for Climate Change and Supply Forecasting

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| .1 | The Corporation must comply with any guidelines for forecasting the impact of climate change on water supplies as issued by the Department, setting out: <ul style="list-style-type: none"> (a) future climate scenarios; and (b) projections for long term rainfall, runoff and inflows. (applicable all) |
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6-1 Urban Water Strategy

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| .1 | <p>By 31 March 2017, and thereafter as directed by the Minister, the Corporation must develop, in accordance with any written guidelines issued by the Minister, an Urban Water Strategy for its supply districts that must include:</p> <ul style="list-style-type: none"> (a) proposed levels of service; (b) measures to deliver sub-regional planning outcomes, and integrate water cycle management with relevant planning schemes; (c) options to facilitate efficient investments in projects across the urban water cycle that optimise shared benefits and avoidable costs; (d) measures to adapt to climate change; (e) measures to maintain a balance between the customer's demand for water and the supply of water in cities and towns; (f) options for the management of extreme event supply contingencies; and (g) options and trigger points for major augmentations. <p>The strategy should consider all aspects of the <i>urban water cycle</i> across a 50 year planning horizon and be consistent with the guiding principles of this Statement and any relevant Sustainable Water Strategy.</p> <p>(applicable all, except rural, and, Melbourne Water)</p> |
| .2 | <p>In developing an Urban Water Strategy, the Corporation must consult with the community and key stakeholders, and participate in the development of relevant local and regional plans.</p> <p>(applicable all, except rural and Melbourne Water)</p> |

6-2 Melbourne Water System Strategy

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| .1 | <p>By 31 March 2017, and thereafter as directed by the Minister, the Corporation must work with all entitlement holders in the Melbourne water supply system to develop, in accordance with any written guidelines issued by the Minister, a Melbourne Water System Strategy that establishes an integrated system view of available consumptive water in the Melbourne water supply system, having regard to relevant Urban Water Strategies and the strategies of other entitlement holders. The strategy must detail the:</p> |
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| | <ul style="list-style-type: none"> (a) core system security of Melbourne’s water supply system; (b) integration of supply and demand options and projects from entitlement holders into major investments in Melbourne’s water supply system; (c) options that facilitate efficient investments in projects across the urban water cycle that optimise shared benefits and avoidable costs; (d) measures to adapt to climate change; (e) options for the management of extreme event supply contingencies; and (f) options and trigger points for major investments in Melbourne’s water supply system. <p>The strategy should consider all aspects of the <i>urban water cycle</i> across a 50 year planning horizon and be consistent with the guiding principles of this Statement and any relevant Sustainable Water Strategy.</p> <p>(applicable Melbourne Water only)</p> |
| .2 | <p>In developing the Melbourne Water System Strategy, the Corporation must engage and consult with all entitlement holders connected to its infrastructure and as requested participate in the development of relevant Urban Water Strategies.</p> <p>(applicable Melbourne Water only)</p> |

6-3 Waterways and Drainage Implementation Plan

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| .1 | <p>The Corporation must develop, in accordance with any written guidelines issued by the Minister, a Waterways and Drainage Implementation Plan 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 Urban Water Strategy; (c) any relevant Victorian Waterway Management Strategy, Regional Catchment Management Strategy, or catchment sub-strategy; (d) the State Floodplain Management Strategy; and (e) any other matter which the Corporation considers necessary or desirable. <p>(applicable Melbourne Water only)</p> |
| .2 | <p>The Corporation must review and amend the Waterways and Drainage Implementation Plan:</p> <ul style="list-style-type: none"> (a) at least once in every five years; and (b) whenever the Minister requests in writing. |

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| | (applicable Melbourne Water only) |
| .3 | The Corporation must promptly provide a copy of any proposed amendments to the Waterways and Drainage Implementation Plan to the Minister for comment prior to any amendments being made to the Waterways and Drainage Implementation Plan. (applicable Melbourne Water only) |
| .4 | In developing a Waterways and Drainage Implementation Plan, the Corporation must consult with the community and key stakeholders. (applicable Melbourne Water only) |

6-4 Drought Response Plans for Urban Systems

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| .1 | The Corporation must: <ul style="list-style-type: none"> (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; (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; (c) comply with any guidelines issued by the Minister for the purpose of drought response planning; and (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. (urban only) |
| .2 | The Corporation must review, and if necessary amend, its Drought Response Plan: <ul style="list-style-type: none"> (a) at intervals of no more than five years; and (b) within twelve months of either: <ul style="list-style-type: none"> (i) the lifting of any period of water restriction imposed in accordance with the Corporation's Drought Response Plan; or (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. (urban only) |
| .3 | The Corporations that share water supply systems must cooperate and coordinate with each other when developing, reviewing or implementing their Drought Response Plans. (applicable all) |

6-5 Water Allocation and Reserve Rules for Rurals

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| .1 | The Corporation must: <ul style="list-style-type: none"> (a) make and publish rules for allocating water for the current year and setting aside reserves for subsequent years; (b) provide regular information to customers about current and forecast water allocations under certain scenarios; and (c) develop contingency plans for managing severe water shortages in consultation with |
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| | <p>the Corporations they supply.</p> <p>(rural water 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> <p>(applicable rural corporations and water corporations that provide water for domestic and stock purposes)</p> |

PART 7 WATER SERVICES

7-1 Managing Assets

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| .1 | <p>The Corporation must develop and implement plans, systems and processes to manage its assets, having regard to the ISO 55000 series (or as amended) in ways which:</p> <p>(a) maintain the standards and conditions of service:</p> <p>(i) specified by the Commission in a Code issued under section 4F of the Act; or</p> <p>(ii) included in a Price Submission and approved by the Commission; and</p> <p>(b) minimise the overall whole of life cost of providing the service.</p> <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> <p>(a) maintain agreed standards of service to customers;</p> <p>(b) deliver water efficiently;</p> <p>(c) adapt to the changing needs of customers;</p> <p>(d) minimise the overall whole of life cost of providing the service; and</p> <p>(e) enhance environmental outcomes and amenity where service standards to irrigation customers are not compromised.</p> <p>(applicable rural only)</p> |

7.1A Information Statements

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| .1 | <p>In relation to information statements under section 158 of the <i>Water Act 1989</i>, by 1 July 2016 each Corporation must:</p> <p>(a) have on its website-</p> <p>i) an easily found instruction that a person can obtain an information statement from the LANDATA website and</p> <p>ii) a link to the LANDATA webpage,</p> <p>in addition to any other method the Corporation chooses to offer for a person to obtain an information statement; and</p> <p>(b) ensure that an information statement for a property advises of the presence and</p> |
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| | location of any works owned or maintained by a water corporation (not including meters) that are on or under the property for which an information statement has been requested. |
| | (applicable all) |

7-2 Bulk Supply Systems

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| .1 | The Corporation must assess the efficiency of bulk water supply systems and must develop and implement programs to improve efficiency where benefits exceed costs. (applicable all) |
| .2 | The Corporation must report to the Secretary, as requested by the Secretary, on the efficiency of its bulk water delivery systems. (applicable all) |
| .3 | 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: <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 Secretary for that purpose; (d) make available to the public information on its activities to enhance ecological benefit; and (e) work with the Department to implement relevant Murray-Darling Basin Plan obligations. (applicable all) |
| .4 | The Corporation in exercising its storage management functions under 122 ZL(1) must consult with relevant floodplain management authorities when having regard to s 122ZL(2) of the <i>Water Act 1989</i> . (applicable all) |
| .5 | The Corporation must, when it renews or carries out major works on a dam or existing structure on a waterway, ensure that: <ul style="list-style-type: none"> (a) it is renewed or constructed so that: <ul style="list-style-type: none"> (i) native fish may move past the structure; (ii) water releases do not pose an environmental risk through amendments of temperature, dissolved oxygen, sediment, nutrients or other substances; and (iii) adequate off takes are provided for environmental flows; or (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. (applicable all) |

7-3 Licensing Administration Functions

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| .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> |
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7.3A Compliance and Enforcement Functions

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| .1 | <p>To manage and prioritise risks associated with non-compliance in enforcement of the <i>Water Act 1989</i> the Corporation must</p> <p>(a) develop and implement policies, standards and systems based on risk based regulatory models; and</p> <p>(b) adhere to any guidelines issued by the department.</p> <p>(applicable all)</p> |
| .2 | <p>The Corporation must annually report to the Secretary on the monitoring and compliance activities it has undertaken and any enforcement actions commencing with the 2016-17 financial year.</p> <p>(applicable all)</p> |

7-4 Metering

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| .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> |
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7-5 Sewerage Services to Unsewered Areas

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| .1 | <p>The Corporation must participate with municipal councils in the development of relevant councils' Domestic wastewater management plans.</p> <p>(applicable all)</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> <p>(applicable all, except rural and Melbourne Water)</p> |

7-6 Sewerage Services to New and Existing Urban Areas

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| .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> |
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7-7 Sewerage Connections to Properties

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| .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> |
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7-8 Trade Waste

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| .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, and the health and safety of the public and of people working in or operating those systems;(b) minimise environmental impacts consistent with any licence issued under the <i>Environment Protection Act 1970</i>; and(c) facilitate recycling by ensuring that trade waste accepted does not present barriers to recycling or reuse of wastewater or biosolids. <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> and any relevant code issued by the Commission.</p> <p>(applicable all, except rural)</p> |

7-9 Capital Contributions by Property Owners

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| .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> |
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| .2 | <p>The Corporation must offer the owner of any property who is required to make a contribution to the present day cost of works for the provision of reticulated sewerage services under section 268(1) of the <i>Water Act 1989</i>, 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> |
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PART 8 COMPLIANCE

8-1 Complying with Obligations

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| .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> |
| .3 | <p>The Corporation must make any amendment 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> <p>(a) implement the plan of action referred to in sub-clause 8-1.2(b), as varied by the Minister;</p> <p>(b) report its progress in implementing the plan, whenever the Minister requests in writing; and</p> <p>(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> <p>(applicable all)</p> |

8-2 Compliance Audits

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| .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> <p>(a) clause 8-1 of this Statement; and</p> <p>(b) any other obligation under Parts 1 to 7 of this Statement that the Corporation has been requested by the Minister to audit.</p> <p>(applicable all)</p> |
| .2 | <p>The Corporation must ensure that any audit under sub-clause 8-2.1 is conducted:</p> <p>(a) by an independent auditor nominated by the Corporation and approved by the Commission; and</p> <p>(b) in accordance with any guidelines issued by the Commission.</p> <p>(applicable all)</p> |

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| .3 | The Corporation must ensure that a copy of the auditor's final report is provided to both the Commission and the Minister. (applicable all) |
| .4 | 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: (a) contained in an auditor's report; and (b) specified by the Minister in writing. (applicable all) |

8-3 Other Audits and Reviews

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| .1 | 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. (applicable all) |
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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 Environment, Land, Water and Planning.

“**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.

“Price Submission” means the Price Submission required by this Statement to be delivered to the Commission.

“Principles of informed decision making; integrated decision making; risk management; complementarity; equity; and community engagement” means the guiding principles as stated in Part 2 of the *Climate Change Act 2010* (Vic).

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