

ECONOMIC REGULATION AUTHORITY — WATER CORPORATION — LICENCE

325. Ms M.J. Davies to the Treasurer:

I refer to the Economic Regulation Authority (ERA) and its role in issuing licences for water utility provisions, which included the licence renewal WL32 for Water Corporation on 30 March 2021, and I ask:

- (a) On what dates were advertisements for the licence renewal made and for each type of advertisement what media was used, noting the name of the media publisher;
- (b) Is it correct that the 25th anniversary of the licence would have been 28 June 2021:
 - (i) If yes, was it necessary to confirm the renewal of WL32 three months prior to the licence change or could the consultation process have occurred after the election;
- (c) When did the ERA open public comment for the proposal to renew Water Corporation's licence:
 - (i) Why was the public advertising period only for approximately three weeks, given the proposal for a licence renewal of one of our most important utility services;
- (d) Were any concerns raised internally at the ERA about:
 - (i) The timing of the licence renewal being in a caretaker period close to the State election;
 - (ii) The lack of submissions from potential utility providers;
 - (iii) The lack of submissions from Government Trading Entities, Departments or Agencies;
 - (iv) The lack of submissions from the public about Water Corporation's ability to operate the licence;
 - (v) The manner through which Water Corporation calculates charges and processes payments;
 - (vi) The range of costs for water services across the state; and
 - (vii) The 25 year length of the new licence;
- (e) For (d)(i)–(vii), were these issues considered by the ERA and if yes, please detail the outcome of those considerations;
- (f) Considering that the ERA must have regard to “environment considerations, including the value ecologically sustainable development”;
- (g) When was the Minister for Water notified of the renewal of Water Corporation's licence;
- (h) Were there any variations made to the licence as part of the renewal process;
- (i) Were there any issues identified during the licence renewal process? If yes, what were they and will they be rectified for future licensing processes; and
- (j) Were the findings and recommendations of the report by Crowe. Water Corporation 2020 Operational Audit: Report to the Economic Regulation Authority Western Australia considered by the ERA when investigating the licence renewal:
 - (i) If no, why were these findings and recommendations not considered for the licence renewal?

Mr M. McGowan replied:

- (a) On 18 February 2021, the ERA published a notice on the ERA website seeking public comment on the Water Corporation's licence renewal application.
- (b) The licence was due to expire on 27 June 2021.
 - (i) The ERA informs licensees their licence is expiring six months before the expiry date. The ERA informed the Water Corporation about their licence expiry on 28 January 2021 and received their application to renew the licence on 11 February 2021.

The ERA is required to take all reasonable steps to make a decision on a licence renewal within 90 calendar days of receiving the application. Accordingly, the ERA commenced processing the Water Corporation's renewal application immediately after it was received.
- (c) The public consultation commenced on 18 February 2021.
 - (i) Consistent with the ERA's licence application guidelines – electricity, gas and water licences, the ERA publishes licence applications, amendment applications, renewals and transfers for a period of 15 business days. The ERA considers this provides a reasonable time to allow stakeholders to review the application and prepare a submission.
- (d) (i)–(vii) No.

- (e) Not applicable.
- (f) The question asked appears to be incomplete and/or missing relevant information.
- (g) The ERA notifies the Minister for Water of water licence renewals under embargo at least three hours before the decision is published on the ERA website.

The Minister was notified of the Water Corporation's licence renewal four hours prior to publication on the ERA website.
- (h) No.
- (i) No.
- (j) Yes, the ERA considers the licensee's previous operational audits and asset management system reviews when assessing the licence renewal application.
 - (i) Not applicable.