



INFORMATION

Busselton Water Board (t/a Busselton Water)

2013 OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW REPORT

The Economic Regulation Authority has published the 2013 operational audit (**Audit**) and asset management system review (**Review**) report for Busselton Water Board's (t/a Busselton Water) water services licence, OL3.

- [2013 Audit and Review report](#)

Action by the Authority

The Authority has decided to increase the period of time until the next Audit from 24 months to 36 months. The next Audit will cover the period 1 April 2013 to 31 March 2016, with the report on the Audit to be provided to the Authority by 30 June 2016.

The Authority has decided to maintain the period of time until the next Review at 24 months. The next Review will cover the period 1 April 2013 to 31 March 2015, with the report on the Audit to be provided to the Authority by 30 June 2015.

Should Busselton Water provide the Authority with an independent report confirming there has been satisfactory progress towards addressing the actions in the post-review implementation plan by 31 December 2014, the Authority will reconsider its decision to maintain the period of time until the next Review at 24 months.

BACKGROUND TO THE AUTHORITY'S DECISION

2013 Audit

The Authority is satisfied that Busselton Water has achieved a high level of compliance with its water services licence. The post-audit implementation plan contains 10 recommendations; four recommendations relate to the customer service charter, which is expected to fall away when the new Customer Service Code¹ comes into effect, and the remaining six recommendations are considered to be minor administrative matters.

2013 Review

While the Authority considers that the asset management system is operating adequately, the Asset Maintenance and Capital Expenditure Planning components of the asset management system require improvement.

The Authority is particularly concerned that Busselton Water:

- has not assessed the condition of its reticulation assets during the Review period; and

¹ The *Water Services Code of Conduct (Customer Service Standards) 2013* will commence when the *Water Services Act 2012* commences in late 2013. The Code will replace the requirement for water licensees to have a customer service charter.

- does not undertake formal risk assessments for its proposed projects, which may result in ineffective prioritisation of the capital expenditure projects.

The post-review implementation plan states that the majority of recommendations are due to be completed by January 2014. The Authority has informed Busselton Water that it expects the asset management system process deficiencies to be addressed by the dates specified in the post-review implementation plan.

For further information contact:

General Enquiries

Paul Reid
Assistant Director Monitoring
Ph: 08 6557 7900
Fax: 08 6557 7999

Media Enquiries

Richard Taylor
Riley Mathewson Public Relations
Ph: 08 9381 2144
Fax: 08 9381 3877

LYNDON ROWE
CHAIRMAN

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