



INFORMATION

ROTTNEST ISLAND AUTHORITY

OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW REPORT

The Economic Regulation Authority today published the 2011 operational audit and asset management system review report for Rottneest Island Authority's (RIA) water services licence. The post-audit implementation plan and post-review implementation plan are included in the operational audit and asset management system review report.

The Authority is concerned by the non-compliances identified in the operational audit report. In particular, the report identified that RIA has failed to record customer complaints correctly and failed to maintain an adequate customer consultation process.

The Authority is also concerned about the asset management system process deficiencies disclosed in the report. Of particular concern is the issue of critical spares for the potable water treatment plant. The asset management system review report states that one of the dual trains of the potable water treatment plant was recently closed down for twelve months due to the prohibitive cost of holding critical spares. The auditor has also reported there is no spare parts register or procedures for ordering and maintaining a stock of spares. The Authority is concerned that the shortage of critical spares could impact on the operational reliability of the water and sewerage services on Rottneest Island.

The Authority requires RIA to provide the Authority with an independent report on the progress it has made towards addressing the non-compliances and asset management system deficiencies, by 15 August 2012. Subject to receiving a satisfactory report, the Authority has decided to maintain the period of time until the next operational audit and asset management system review of RIA's water services licence at 24 months. This decision will be revisited when RIA has provided the independent progress report to the Authority.

A copy of the operational audit report and asset management system review report (including the post-audit implementation plan and post-review implementation plan) is available on the Authority's [website](#).

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