



Notice

10 April 2015

Moama Lifestyle Villages Pty Ltd

2014 OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority (**Authority**) has published the 2014 operational audit (**Audit**) and asset management system review (**Review**) report, and the post-audit and post-review implementation plan, for Moama Lifestyle Villages Pty Ltd's (**Moama**) water services licence, WL40.

- [2014 Audit and Review report](#)
- [2014 Post-Audit and Post-Review implementation plan](#)

Action by the Authority

With regard to the Audit, the Authority is satisfied that Moama has demonstrated an acceptable level of compliance with its licence conditions, and has decided to increase the interval of time until the next Audit from 24 months to 36 months. The next Audit will cover the period 1 October 2014 to 30 September 2017, with the report on the Audit to be provided to the Authority by 31 December 2017.

With regard to the Review, the Authority is satisfied with the effectiveness of Moama's asset management system, noting that there remain a number of documentation issues that need to be addressed. The Authority has decided to increase the interval of time until the next Review from 12 months to 24 months. The next Review will cover the period 1 October 2014 to 30 September 2016, with the report on the Review to be provided to the Authority by 31 December 2016.

On 15 April 2014, the Authority served a notice, pursuant to section 31(1) of the *Water Services Act 2012* (failure to comply with licence) (**Section 31 Notice**) on Moama. After considering the 2014 Review findings, the Authority has decided to close the Notice.

BACKGROUND

2014 Audit

The Audit report disclosed a total of 10 non-compliances. Five of the non-compliances relate to Moama not having a documented complaints handling procedure, which is an issue that was carried forward from the 2012 Audit. Three of the non-compliances relate to Moama not providing annual compliance reports and annual performance reports to the Authority by the due date.

The remaining two non-compliances are consequential to the non-compliances with respect to complaints handling. Clause 5.3 of the licence requires Moama to comply with the condition in the *Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct)*. The failure to have a compliant complaints handling procedure constitutes a contravention of clause 5.3. There is a similar situation with regard to clause 5.1 of the licence, which requires Moama to comply with any applicable legislation, including the Code of Conduct.

With regard to the non-compliances related to the complaints procedure, the Authority notes that Moama



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only has one customer, the Tuart Lakes Lifestyle Village (**TLLV**). The Audit observations noted that the TLLV management has a register to record complaints from residents, including complaints about the services provided by Moama. There is an informal procedure in place where the TLLV management would forward complaints to Moama for action, but this is not documented.

Review

The previous Review of the licence in 2013 disclosed a number of issues with the design and operation of the Moama Wastewater Treatment Plant (**WWTP**). The 2014 Review found that, while the design and operational issues had mostly been addressed, there were a number of ongoing issues with the documentation of the asset management system that had not been addressed. These issues have been carried forward into the 2014 Review recommendations.

The auditor has made 10 recommendations in relation to the Review. Four of the recommendations address process deficiencies, while the remaining six recommendations address process improvement opportunities.

The Authority is satisfied with the progress that Moama has made towards addressing the outstanding asset management system documentation issues. The Authority has some concerns about the current asset register, which does not reflect the modifications that have been made to the WWTP since the 2013 Review, and that Moama has not developed a plan to expand the WWTP when the number of connected properties increases over the coming years. However, the post-review implementation plan provided by Moama shows that the asset management plan will be updated by June 2015, and Moama is actively considering options for expanding the capacity of the WWTP.

Section 31 Notice

The Section 31 Notice contained a total of 18 asset management deficiencies from the 2013 Review that required rectification. By the time of the 2014 Review, Moama had rectified 13 of the 18 deficiencies.

The five unresolved deficiencies, which involve improving the asset management documentation for the WWTP, have been carried forward into the 2014 Review recommendations. The Authority is of the view that its monitoring of the progress made by Moama towards addressing the 2014 Review recommendations will provide sufficient oversight of the five unresolved deficiencies in the Section 31 Notice.

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