



Notice

16 March 2016

Shire of Dumbleyung

SECTION 31 RECTIFICATION NOTICE (FAILURE TO COMPLY WITH LICENCE)

The Economic Regulation Authority (**ERA**) has issued a notice pursuant to section 31(1) of the Water Services Act 2012 (**Rectification Notice**) to the Shire of Dumbleyung (**Shire**).

Reasons for the Decision to Issue the Rectification Notice

Clause 20.1 of WL16 requires the Shire to have an asset management system for its water services assets. Section 24(2) of the *Water Services Act 2012* requires the asset management system to include the measures taken by the licensee for the proper operations and maintenance of its water services works.

The 2014 asset management system review of the Shire's water services licence (**WL16**) identified a number of significant deficiencies with the assets used to provide the services covered by the licence. The Shire was required to rectify the deficiencies by 31 December 2015. The ERA subsequently appointed an independent inspector, who performed an assessment of the effectiveness of the Shire's asset management system, and the condition of the water services assets in January 2016.

The ERA is satisfied that, because of the significant asset condition problems that have been disclosed in the report prepared by the inspector, the Shire has contravened clause 20.1 of WL16.

The Rectification Notice requires the Shire to rectify the asset maintenance deficiencies detailed in the inspector's report by 30 June 2016. The Shire may rectify the deficiencies by taking the corrective actions specified in the [Rectification Notice](#), or by taking other appropriate measures to address the cause(s) of the deficiencies.

Timing of the next Asset Management Review

The ERA also decided to maintain the interval of time until the next Review of WL16 at 36 months. The next Review will cover the period 1 December 2014 to 30 November 2017, with the report on the Review to be provided to the ERA by 28 February 2018.

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