



Notice

13 May 2016

Shire of Jerramungup

DECISION ON THE PERIOD OF TIME UNTIL THE NEXT ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority (**ERA**) published a notice on 21 May 2015 stating it had deferred its decision on the period of time to be covered by the next asset management system review (**Review**) of the Shire of Jerramungup's (**Shire**) water services licence WL19.

That notice stated the decision on the period of time until the next Review would be made after the Shire provided an updated post-review implementation plan.

The Shire provided the updated post-review implementation plan to the ERA on 15 April 2016.

Action by the ERA

Based on its assessment of the updated post-review implementation plan, the ERA is satisfied that the Shire has resolved the asset management deficiencies relating to asset operations and asset maintenance in the 2014 Review and demonstrated that it now has an effective asset management system.

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

BACKGROUND

The 2014 Review report disclosed one ineffective asset management system component: asset operations. The ERA considered that, based on the findings disclosed in the Review, the Shire's asset maintenance practices were also ineffective.

In response to the 2014 Review report's findings, the ERA deferred its decision on the period of time until the next Review until it had received an updated post-review implementation plan, setting out the actions taken by the Shire to address the auditor's recommendations.

The ERA has reviewed the Shire's progress in addressing the four recommendations set out in the updated post-review implementation plan and is satisfied that the asset management system deficiencies have been adequately addressed.

With relation to asset maintenance, the ERA is satisfied that the Shire has now allocated responsibility for the day to day maintenance of the sewerage and recycled water assets to a nominated member of staff, and has also fixed the asset maintenance issues identified in the 2014 Review report.



Notice

The ERA notes that the Department of Health (**DoH**) has rescinded its authorisation for the Shire to use treated effluent to irrigate the town's oval. Accordingly, the Shire has ceased using recycled effluent to irrigate the town's oval, and has undertaken works to ensure that treated effluent does not mix with the stored stormwater that is now solely used for irrigation of the town's oval. The Shire has also advised both DoH and the Department of Environment Regulation of the infrastructure changes that it has made to separate the treated effluent from the stormwater.

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