



Notice

8 March 2019

Water Corporation 2018 Operational audit

The Economic Regulation Authority has published the 2018 [operational audit](#) report and the [post-audit implementation plan](#) for the Water Corporation's water services licence WL32.

The Water Corporation is a statutory State-owned corporation that provides potable and non-potable water supply, sewerage and drainage services to households, businesses and rural communities in an area that spans over 2.6 million square kilometres. It also provides bulk water to farms for irrigation.

The ERA's response to the audit

The audit report shows that the Water Corporation needs to improve its compliance with the licence. The ERA has decided to decrease the period covered by the next audit from 36 months to 24 months. The next audit will cover 1 July 2018 to 30 June 2020, with the report due to be provided by 30 September 2020.

Background to the ERA's decision

Audit ratings

The auditor's assessment of the 198 licence obligations applicable to the Water Corporation's licence identified 28 non-compliances.¹ Four of the non-compliances were resolved during the audit period.² Also, obligation 164 was removed from the Water Compliance Reporting Manual in 2016 and is therefore no longer applicable to the licence.

Audit recommendations

The auditor made 32 recommendations, 12 of which addressed non-compliances, and 20 addressed control improvement opportunities.^{3 4}

¹ Obligations 127, 142 and 144 were identified as not applicable during the audit period and therefore were not assessed for compliance.

² Obligations 128, 183 and 190 sections 1.1 and 5.1.

³ There was an additional recommendation (12/2018) covering five obligations that require the licensee to comply with the *Water Services Code of Conduct (Customer Service Standards) 2018* and other legislation applicable to the licence. The recommendation acknowledges that recommendation 12/2018 will be resolved by addressing the non-compliances referred to in the recommendation.

⁴ The 32 recommendations do not include the non-compliance identified in recommendation 12/2018.

Recommendation 13/2018 had been addressed by the time the post-audit implementation plan was received.

The post-audit implementation plan states that the recommendations will be actioned before 30 June 2020.

The ERA's assessment of the audit findings

The audit identified a significant number of non-compliances that could have materially affected customers. For example, bills issued by the Water Corporation did not contain the required statement directing customers to the Water Corporation's website for information about estimates. Bills also did not inform customers that they could request a meter reading and revised bill if they disputed an estimate on which their bill was based. It is important that customers are provided with all of the information they are entitled to receive on their bill.

The audit found a number of occurrences where Water Corporation personnel entered properties without providing the owners or occupiers with the required notice of entry. There were occasions when occupants were not provided with the 48 hours advance notice of proposed entry to their property they were entitled to. In some instances notice was provided after the Corporation had entered the property, or no notice was provided at all.

The audit also detailed a number of situations where the Water Corporation did not provide its customers with required information. For example, the Water Corporation published an incorrect version of the Financial Hardship Policy on its website, and did not publish plans of proposed works for the public to inspect. Also, the Water Corporation's public records for land that attracts water services charges exclude some of the information prescribed in the *Water Services Regulations 2013*.⁵ It is important that the public is able to access information that it is legally entitled to. Accordingly, the ERA has requested that the Water Corporation amends its records to fully comply with the Regulations.

Further information

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⁵ The Water Corporation considers the omitted information is personal and sensitive information that is covered by its Privacy Policy. However, the Policy acknowledges that this information may be disclosed if it is required by law.