



Notice

21 October 2021

Lancelin South Pty Ltd

2021 operational audit and asset management system review

The Economic Regulation Authority has published the [2021 operational audit and asset management system review report](#) and the [post-audit and post-review implementation plan](#) for Lancelin South Pty Ltd's water services licence WL47.

Lancelin South provides potable and non-potable water supply and sewerage services to a small residential development two kilometres south of Lancelin, in the Shire of Gingin. Lancelin South currently supplies 20 residential properties with water and sewerage services.

The ERA's decision

The ERA considers that Lancelin South has achieved a satisfactory level of compliance with its licence and has an effective asset management system.

The ERA has decided to maintain the audit and review period at 24 months. The next audit and review will cover the period 1 April 2021 to 31 March 2023.

The ERA's assessment of the audit and review findings

Audit

Lancelin South continues to have non-compliances with its customer service obligations under the *Water Services Code of Conduct (Customer Service Standards) 2018*, including in its complaints handling procedure, its procedure for reviewing a bill and the information provided on a bill.

However, Lancelin South's overall compliance with its licence has improved since the 2019 audit, with the 2021 audit finding fewer non-compliances and Lancelin South resolving two-thirds of the recommendations from the 2019 audit. The ERA considers that there is scope for Lancelin South to further improve its compliance with the licence.

Review

The effectiveness of Lancelin South's asset management system has improved substantially since the 2019 review, with Lancelin South resolving most of the recommendations from that review.

The auditor found that Lancelin South had improved the management of its water and sewerage assets, including the documentation and processes for the operation and maintenance of those assets.

As Lancelin South still has a small number of deficiencies with its asset management system to resolve, the ERA has decided to maintain the review period at 24 months.

Background to the ERA's decision

Audit

The auditor assessed 201 licence obligations applicable to Lancelin South's licence and found 18 non-compliances and no controls deficiencies. Most of the non-compliances were with the code of conduct.

The auditor made 14 recommendations to address the non-compliances.

The post-audit implementation plan states that Lancelin South will address the audit recommendations between now and 19 November 2021.

Review

The auditor's assessment of the 12 asset management system components and 58 effectiveness criteria found six asset management system deficiencies in the areas of contingency planning, asset operations, asset maintenance, financial planning and capital expenditure planning.

The auditor made six recommendations to address the asset management system deficiencies.

The post-review implementation plan states that Lancelin South will address the review recommendations between now and 19 November 2021.

Further information

General enquiries

Paul Reid

Ph: 08 6557 7976

licensing@erawa.com.au

Media enquiries

Natalie Warnock

Ph: 08 6557 7933 | Mob: 0428 859 826

media@erawa.com.au