



Notice

9 June 2022

Tronox Management Pty Ltd

2021 performance audit and asset management system review

The Economic Regulation Authority has published the 2021 [performance audit and asset management system review report](#) and [post-audit and post-review implementation plans](#) for Tronox's electricity generation licence EGL23.

Tronox operates a 45 MW gas-fired power station to supply electricity and steam to its pigment plant located on the same site in Kwinana. The power station is also connected to the South West Interconnected System and Tronox sells excess electricity in the wholesale electricity market.

The ERA's decision

The ERA considers that Tronox has achieved a good level of compliance with its licence. The ERA has decided to maintain the audit period at 60 months. The next audit will cover the period 1 November 2021 to 31 October 2026, with the report due to be provided by 31 January 2027.

The ERA considers that Tronox did not have an effective asset management system during the review period and has decided to decrease the review period from 60 to 24 months. The next review will cover the period 1 November 2021 to 31 October 2023, with the report due to be provided by 31 January 2024.

Audit and review findings

Audit

The auditor found two minor administrative non-compliances with Tronox's licence. The auditor made one recommendation to address the two non-compliances.

The post-audit implementation plan states that Tronox will address the recommendation by 31 December 2022.

Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found four asset management system deficiencies: environmental analysis, risk management, contingency planning, and review of the asset management system.¹

¹ A copy of the audit and review guidelines is available on the ERA [website](#).

The auditor rated 19 of the 58 effectiveness criteria associated with the 12 asset management processes as deficient.²

The auditor found that the performance of a further four processes could be improved: asset planning, asset operations, asset maintenance, and asset management information systems.

The auditor made five recommendations to address the asset management system deficiencies. The post-review implementation plan states that Tronox will address the recommendations by 15 March 2023.

Further information

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² As required by the audit and review guidelines, the review also assessed the 58 effectiveness criteria associated with the 12 asset management processes.