



Notice

29 August 2022

Aqua Ferre (Muchea) Pty Ltd (trading as Muchea Water)

2022 Operational audit and asset management system review

The Economic Regulation Authority has published the 2022 [operational audit and asset management system review report](#) and the [post-review implementation plan](#) for Aqua Ferre (Muchea) Pty Ltd's (trading as Muchea Water) water services licence WL51.

Muchea Water provides potable (drinking) water supply services to residential customers in the Riverside Development eight kilometres north east of the Muchea town site in the Shire of Chittering, and to commercial properties in the Harvis Development in the nearby Muchea Employment Node. Muchea is 50 kilometres north of Perth.

Muchea Water's water treatment plant commenced operation in May 2021. As of 30 June 2021, Muchea Water supplied 23 properties.

The ERA's decision

The ERA considers that Muchea Water has achieved a high level of compliance with its licence and has an effective asset management system.

The ERA has decided to increase the audit and review period from 24 to 36 months. The next audit and review will cover the period 1 March 2022 to 28 February 2025, with the report due by 28 May 2025.

Audit and review findings

Audit

The audit of the 200 licence obligations applicable to Muchea Water did not find any non-compliances or controls deficiencies.

Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Water Licences* found two asset management system deficiencies.

Some parts of Muchea Water's asset operations and asset maintenance practices and procedures require significant improvement.

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

The post-review implementation plan states that Muchea Water will address the recommendations by June 2023.

The auditor did not identify any concerns with the service that Muchea Water's customers receive, and the water supply scheme was assessed by the auditor as well constructed and maintained.

Further information

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