



Notice

28 April 2023

Busselton Water Corporation

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-audit implementation plan](#) for Busselton Water Corporation's water services licence WL3.

Busselton Water holds a water services licence to provide potable (drinking) water supply services to an operating area covering almost 6,964 km². This includes Busselton city centre, and nearby Port Geographe, Siesta Park, Vasse and Wonnerup.

As on 30 June 2022, Busselton Water has 14,491 residential and business customer accounts.¹

The ERA's decision

The ERA considers that Busselton Water has achieved a high 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 36 months. The next audit and review will cover the period 1 April 2022 to 31 March 2025, with the report due to be provided by 30 June 2025.

Audit and review findings

Audit

The audit of the 211 licence obligations applicable to Busselton Water found one non-compliance and no controls deficiencies.

The non-compliance related to Busselton Water not using all methods available to advise its customers of a tariff increase in 2021/22. Busselton Water advised customers of the increase on its website, but not in its October 2021 newsletter that accompanied the first bill after the fee increase came in.

The auditor made one recommendation, which requires Busselton Water to ensure that any tariff increase is placed in the public domain via its website and in its customer newsletter.

The post-audit implementation plan states that Busselton Water will address the recommendation by October 2023.

¹ Busselton Water, WL3, 2022 standing charge data.

Review

The review of the 58 effectiveness criteria prescribed in the ERA's *2019 Audit and Review Guidelines: Water Licences* found no asset management system deficiencies, with 56 of the 58 criteria receiving the highest rating of A1.

The auditor identified two effectiveness criteria that require some improvement and have deteriorated slightly since the last review, but they had no impact on the services provided to customers.

There was a slight deterioration in the asset creation/acquisition and contingency planning processes:

- For asset creation/acquisition, Busselton Water did not include a requirement for appropriate testing/commissioning for all new assets in its asset management plan.
- Busselton Water's contingency plans are addressed in a series of emergency response plans. However, the auditor identified that the contingency plans do not appear to include separate scenario tests for the water supply distribution network.

As there were no asset management system deficiencies identified in the review, the auditor did not make any recommendations and Busselton Water was not required to provide a post-review implementation plan.

The ERA's assessment of the audit and review findings

Audit

Busselton Water has achieved a high level of compliance with its licence, with the auditor identifying only one non-compliance and no controls deficiencies from 211 obligations.

However, the one non-compliance is a repeat non-compliance from the 2019 audit, which Busselton Water only partially resolved during the 2022 audit period. While the newsletter that accompanied the first bill after the tariff increase took effect did not include information on the increase, the website did include this information and the charges were included in the bill.

Busselton Water needs to address this issue to ensure it provides customers with information they are entitled to in a timely and effective manner using all the methods available.

Busselton Water has committed to addressing the non-compliance by October 2023. The ERA will monitor Busselton Water's progress in resolving the non-compliance.

Review

The ERA considers that Busselton Water has an effective asset management system, with the auditor noting: "Its management and staff are a dedicated, competent team. Busselton Water's documentation of its policies, procedures and management of its assets are excellent." However, the audit identified room for improvement in the asset creation/acquisition and contingency planning processes.

The two effectiveness criteria identified as requiring some improvement had no impact on the services provided to customers, with Busselton Water providing a good level of service during the review period.

Further information

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