



Notice

23 November 2023

Harvey 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 the South West Irrigation Management Cooperative Limited (trading as Harvey Water) water services licence WL31.

Harvey Water is a self-funded cooperative that supplies non-potable water to its members and customers in Harvey, Waroona and Collie River districts. Harvey Water sources water from five dams, has over 528 kilometres of pipeline in its network and supplies water to 1,130 irrigation customers.¹

Harvey Water also supplies potable (drinking) water to Albermarle Lithium in the Kemerton Strategic Industrial Area.

The ERA's decision

Harvey 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 December 2022 to 30 November 2025, with the report due to be provided by 28 February 2026.

Audit and review findings

Audit

Harvey Water has significantly improved compliance with its obligations, resolving 58 control deficiencies and seven non-compliances found in the previous audit in 2019.²

The audit of the 216 licence obligations applicable to Harvey Water found one non-compliance and no controls deficiencies. The single non-compliance was because there was no reference in a manual to a designated inspector or compliance officer. However, the ERA acknowledges that Harvey Water has not appointed such an officer and is not required to, unless it considers it necessary. Harvey Water has structured its operations so that these functions are undertaken by experienced staff. The ERA considers this a minor non-compliance, given Harvey Water's well-established processes.

¹ Economic Regulation Authority, [Consolidated data for Water Supply, Sewerage and Irrigation Services 2017 - 2022](#).

² The auditor found 78 control deficiencies, but changes to the number of licence conditions applicable to Harvey Water following the 2019 audit meant that 20 of the obligations no longer applied to Harvey Water.

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 processes requiring improvement (asset planning and asset creation/acquisition) and one asset management deficiency, which was in contingency planning.

The deficiency in contingency planning was because Harvey Water did not carry out planned scenario testing with the Water Corporation on dam breaks. As the lead agency for emergency management planning for dam breaks in Western Australia, the Water Corporation works with Harvey Water to conduct emergency management scenarios. The testing was cancelled due to the COVID-19 pandemic.

The auditor found that the asset management plan was fit for purpose but incomplete, as Harvey Water needed to include in the plan the procedure for testing new assets once they had been commissioned.

The auditor made four recommendations to address the asset management system deficiency and two process improvements. The post-review implementation plan states that Harvey Water will address the recommendations by December 2023.

The ERA's assessment of the audit and review findings

Audit

Harvey Water has significantly improved its compliance with its obligations, resolving 58 control deficiencies and seven non-compliances found in the previous audit in 2019.

Harvey Water achieved a high level of compliance with its licence in the 2022 audit, with the auditor finding only one minor non-compliance and no controls deficiencies.

In 2021, Harvey Water began supplying potable water to a single customer. This new function added new obligations to Harvey Water's licence that will continue to be monitored in future audits.

Review

Although contingency planning was found deficient, the ERA notes that the planned emergency scenario testing was cancelled due to the COVID-19 pandemic, which was outside Harvey Water's control, and Harvey Water has since completed two incident scenario tests in April 2023, with another two tests planned to be completed by December 2023.

Harvey Water has reviewed its contingency planning documents and updated its emergency management plan.

The ERA considers Harvey Water's response to the contingency planning deficiency is sufficient to address the auditor's findings.

Further information

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