



Notice

12 December 2023

Wesfarmers Kleenheat Gas Pty Ltd

2023 asset management system review

The Economic Regulation Authority has published the 2023 [asset management system review report](#) and the [post-review implementation plan](#) for Wesfarmers Kleenheat Gas Pty Ltd's gas distribution licence GDL9.

Kleenheat owns and operates four gas distribution systems that supply liquefied petroleum gas to business and residential customers in Albany (Oyster Harbour), Margaret River (Riverslea and Rapids Landing) and Leinster.

As at 30 June 2023, a total of 1,220 customers were connected to Kleenheat's gas distribution systems.

The ERA's decision

The ERA considers that Kleenheat has established and maintained an effective management system, but there is room for improvement.

The ERA has decided to maintain the review period at 36 months. The next review will cover the period 1 June 2023 to 31 May 2026, with the report due by 31 August 2026.

Review findings

The 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* are broken down into 58 effectiveness criteria. The auditor found three deficiencies from the 58 criteria, but none of them affected customers.

The deficiencies were in the areas of environmental analysis, asset operations and asset maintenance processes. The auditor found that Kleenheat's emergency response drills were overdue and lacked coordination with local authorities, there were gaps in practical competency assessments and some high priority maintenance tasks and monitoring activities had been incorrectly recorded.

The auditor made three recommendations, which are in Kleenheat's post-review implementation plan.

During the review, Kleenheat resolved the recommendation to improve its emergency preparedness and has committed to completing the remaining two recommendations by 30 June 2024.

The ERA's assessment of the review findings

While the auditor identified a small number of deficiencies in the asset management system and a slight deterioration in the performance of some areas of the system since the last review period; overall, Kleenheat was found to have an effective system to manage its assets.

There is scope for Kleenheat to improve its asset management system and it is in the process of updating its training programs and electronic systems, which will result in better tracking and planning of maintenance tasks and capturing training requirements and assessments. Kleenheat has already taken steps to improve its emergency response drills.

Based on Kleenheat continuing to maintain an effective asset management system, the ERA has decided to maintain the review period at 36 months. This will align the next review with Kleenheat's next performance audit. The next review will cover the period 1 June 2023 to 31 May 2026, with the report due by 31 August 2026.

Further information

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