



Notice

18 June 2024

Bunbury Water Corporation (trading as Aqwest)

2023 Operational audit

The Economic Regulation Authority has published the 2023 operational audit [report](#) and post-audit implementation [plan](#) for Bunbury Water Corporation's (trading as Aqwest) water services licence WL2.

Aqwest is owned by the State Government and holds a water licence to provide potable (drinking) water in the Greater Bunbury Region. As at 30 June 2023, Aqwest supplied almost 18,000 residential and business properties.

The ERA's decision

The ERA considers that Aqwest demonstrated a good level of compliance and has adequate controls in place to achieve compliance with its licence obligations.

The ERA has decided to maintain the audit period at 36 months. The next audit will cover the period 1 October 2023 to 30 September 2026, with the report due to be provided by 31 December 2026.

Audit findings

The audit of the 202 licence obligations applicable to Aqwest's licence found 16 non-compliances and no controls deficiencies. The auditor found that Aqwest had the appropriate controls in place to monitor emerging risks and address compliance issues in a timely manner.

The auditor included 10 non-compliances from the 2020 audit as non-compliances in the 2023 audit because Aqwest was non-compliant while it resolved the non-compliances at the beginning of the 2023 audit period.

The 10 non-compliances were:

- Aqwest's website did not include all the required information about new connections and billing.
- Aqwest did not include all the required information in its compliance and restriction notices, bills and bill review procedure.
- Aqwest's complaints procedure was not developed using the Australian Standard for complaints procedures and did not list the procedures available to the customer under the *Water Services Act 2012*.
- Aqwest recovered an undercharged amount from a customer for a period greater than 12 months.

- Aqwest notified financial hardship customers that it had a right to charge interest on overdue amounts, when the *Water Services Code of Conduct (Customer Service Standards) 2018* requires licensees to advise hardship customers that the customer has a right to pay the bill under an interest-free plan or other arrangement. There was no evidence that Aqwest charged hardship customers interest and it wrote to the customers to explain the error.

The auditor found six new non-compliances in the 2023 audit. Two non-compliances were addressed during the audit period:

- Aqwest did not meet the 90 per cent compliance rate for water supply service connections following the implementation of a new IT system.
- Aqwest did not issue at least one bill to customers in a four-month period:
 - Bills were not sent to 21 customers after a billing system software update.
 - Aqwest did not issue an estimated bill to one customer, while investigating missing data following a meter replacement.

The auditor made recommendations for the remaining four new non-compliances:

- On two occasions Aqwest did not issue a final inspection certificate for roadworks to confirm that it had completed the relevant work to reinstate the road.
- Aqwest gave one customer only four days' notice when issuing a water supply restriction notice instead of the required minimum seven days.
- On two occasions, at the resolution of a complaint, Aqwest did not inform the customer of their right to apply to the Ombudsman for a review of the complaint and provide a Freecall telephone number for the Ombudsman.
- Aqwest did not include on its website that it may cut off or reduce the rate of flow of water if a water service charge remains unpaid for 30 days and the customer has not accepted a payment plan within seven days of the plan being offered to the customer.¹

Aqwest has committed to resolving the recommendations by November 2024.

The ERA's assessment of the audit findings

The ERA considers the 10 outstanding non-compliances resolved at the beginning of the 2023 audit period to be from the 2020 audit period rather than the 2023 audit period. It is common for a licensee to have outstanding non-compliances at the end of an audit period and for the licensee to resolve them at the start of the next audit period.

The auditor found six non-compliances for the 2023 audit period compared to 21 non-compliances in the 2020 audit period. Aqwest's performance has improved since its previous audit and the six new non-compliances were minor.

Two non-compliances were resolved during the audit period and the ERA considers Aqwest's proposed actions in the post-audit implementation plan will address the outstanding non-compliances.

¹ Aqwest is not required to update its website to resolve this non-compliance, as this obligation is being removed from the *Water Services Code of Conduct (Customer Service Standard) 2018* on 1 July 2024 as part of the ERA's recent [code review](#), because there is no corresponding clause in the code requiring a licensee to offer a customer seven days to accept a payment plan.

While Aqwest's performance has improved, the ERA has decided to maintain the audit period at 36 months, rather than increase it to 48 months, because Aqwest supplies potable water to almost 18,000 residential and business customers in Bunbury, so it is important that the period between audits is not too long. It also reported a small number of new non-compliances.

Further information

General enquiries

Alex Kroon

Ph: 08 6557 7989

info@erawa.com.au

Media enquiries

Ph: +61 428 859 826

media@erawa.com.au