



Notice

10 July 2024

Aquasol Pty Ltd

2024 operational audit and asset management system review

The Economic Regulation Authority has published the [2024 operational audit and asset management system review report](#) and the [post-audit and post-review implementation plan](#) for Aquasol Pty Ltd's water services licence WL42.

WL42 authorises Aquasol to supply sewerage services to the Fairway Village and non-potable water to the Lakelands Country Club golf course in Gnangara, Perth. Fairway Village is an over 55s lifestyle village.

Aquasol built the wastewater treatment plant under a contract with the village developer, but Conquest Strata owns the plant. Conquest contracted Aquasol to operate the plant and wastewater recycling scheme at the lifestyle village and golf course. The plant treats the wastewater from the lifestyle village and uses it to irrigate the adjacent golf course. The plant has capacity to service 290 properties, with 133 properties connected at 30 June 2023.

The ERA's decision

The ERA considers that Aquasol has achieved a good 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 February 2024 to 31 January 2027, with the report due by 30 April 2027.

Audit and review findings

Audit

The audit of the 189 licence obligations applicable to Aquasol found three minor non-compliances and no control deficiencies:

- Aquasol's bills did not have concession, discount or rebate information.¹
- Late payment of annual ERA fees.
- Aquasol's website did not have a link to the *Water Services Code of Practice (Family Violence) 2020*.

¹ This is a minor non-compliance because Aquasol's 'customer' is Conquest Strata, not the residents of Fairway Village. Aquasol sends bills to residents for information only and residents pay for the sewerage service in their strata fees.

The auditor made three recommendations to address the non-compliances. Two of the three recommendations have been completed. Aquasol has advised in its post-audit implementation plan that it will address the late payment of ERA fees by 31 December 2024.

Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Water Licences* found four out of 58 asset management criteria deficient:

- Unexplained odours from the plant.
- The roles and responsibilities in the asset management plan have not been clearly assigned between Aquasol, the strata company and the retirement village developer.
- Data for sewer overflow and pipe blockage performance was not maintained, so performance could not be measured against standards (two deficiencies).

The auditor made three recommendations to address the deficiencies. The post-review implementation plan states that Aquasol will address the recommendations by 31 December 2024.

The ERA's assessment of the audit and review findings

Although Aquasol has seen a slight improvement in audit performance, with only a small number of minor non-compliances, there was a small increase in the number of asset management system deficiencies since the last review (from one to four).

Despite the deficiencies, the ERA considers that Aquasol has an effective asset management system for the assets at Fairway Village. Except for the odour issue, the deficiencies were for unclear or missing documentation and the auditor described the asset management system as effective overall.

Aquasol took steps to improve odour control at the plant during the review period. The Department of Water and Environmental Regulation regulates odour emissions under its licences, not the ERA, and the Department of Health and the City of Wanneroo have been involved in resolving complaints from residents about the odour.

The ERA has therefore decided to maintain the audit and review period at 36 months.

Further information

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