



# INFORMATION

## Shire of Coolgardie

### 2012 ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority today published the 2012 asset management system review (**Review**) report for the Shire of Coolgardie (**Shire**).

The Authority is not satisfied with the standard of asset management disclosed in the Review report and has decided to require the Shire to take action to rectify the asset management system deficiencies by 31 October 2013.

#### Action by the Authority

After considering the Review report, the Authority is of the view that the Shire does not have an effective asset management system in place in respect of the assets used in the provision of the water services covered by the licence. Consequently, the Authority is of the opinion that the Shire is contravening clause 17 of their licence (asset management system). Due to the extent of the asset management system deficiencies identified in the Review, the Authority considers the contravention of clause 17 to be serious, and has decided to serve a notice under section 39(1) (failure to comply with licence) of the *Water Services Licensing Act 1995* (**Act**) (**Section 39 Notice**).

The Section 39 Notice requires the Shire to rectify all of the deficiencies disclosed in the Review report by 31 October 2013. The Authority will publish a further notice when the Section 39 Notice has been served on the Shire.

The Authority has also decided to maintain the period of time until the next Review at 12 months. The next Review will cover the period from 1 November 2012 to 31 October 2013, with the report on the Review to be provided to the Authority by 31 January 2014. The effectiveness of the actions taken by the Shire to address the asset management deficiencies in the Section 39 Notice will be independently assessed by the 2013 Review.

#### BACKGROUND TO THE AUTHORITY'S DECISION

The 2012 Review report disclosed that the Shire has not completed any of the 20 post-review implementation plan actions arising from the previous 2011 Review. The Authority notes that the 20 recommendations in the 2011 Review were also included in the 2008 Review.

Of particular concern to the Authority is that the Shire does not have a properly documented asset management system in place. The 2012 Review report also disclosed that treated effluent is being sprayed onto the Shire's parks and oval without being disinfected, presenting a health risk.

The Authority notes that the Shire has now taken action to implement some of the regular maintenance procedures recommended in the Review report, but these procedures are not yet documented. The Authority further notes that after a long vacancy period, the Shire has

appointed a person to the position responsible for overseeing the operation and maintenance of the wastewater scheme assets. Notwithstanding the above, all 20 of the recommendations in the post-review recommendation plan still need to be addressed.

The Authority considers that the Shire needs to take immediate action to address the recommendations in the post-review implementation plan. The Shire also needs to take urgent action to raise, and maintain, the standard of asset management for their wastewater assets.

A copy of the [Review report](#), including the post-review implementation plan, is available on the Authority's website.

For further information contact:

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