



Economic Regulation Authority

Notice

25 March 2019

Water Corporation 2018 Asset management system review

The Economic Regulation Authority has published the 2018 [asset management system review](#) report for the Water Corporation's water services licence WL32.

The Water Corporation is a statutory State-owned corporation that provides potable and non-potable water supply, sewerage and drainage services to households, businesses and rural communities over 2.6 million square kilometres. It also provides bulk water to farms for irrigation.

The ERA's decision

The review report shows that the Water Corporation has an effective asset management system. The ERA has decided to maintain the period covered by the next review at 36 months. The next review will cover 1 July 2018 to 30 June 2021, with the report due to be provided by 30 September 2021.

Background to the ERA's decision

Review ratings

The assessment of the 12 asset management components prescribed in the ERA's *2014 Audit and Review Guidelines: Water Licences* found 10 components rated A1 (documentation adequately defined, performing effectively), and two components rated A2 (documentation adequately defined, performance requires some improvement).

Review recommendations

The auditor made three recommendations, all of which are improvement opportunities.

The ERA did not require a post-review implementation plan.¹

The ERA's assessment of the audit findings

The review found that the Water Corporation has further developed its asset management practices since the previous review in 2015. That review was conducted when the Water Corporation was part-way through upgrading its asset management framework to align

¹ Under the 2014 guidelines, a post-review implementation plan is not mandatory if there were no asset management deficiencies.

with the international standard for asset management ISO55001:2014, and to introduce greater automation to manage asset data.

One of the components rated A2 was Contingency Planning. Since the 2015 review, the Water Corporation has developed the contingency plans for its operations, and commenced testing those plans.² The remaining plans are due to be tested by June 2020.

Further information

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² The Contingency Planning component was rated B3 (documentation requires some improvement, performance requires corrective action) in the 2015 review. This rating was given because the Water Corporation had not adequately identified the highest operational risks to its business and undertaken contingency planning to address them.