



Economic Regulation Authority

Section 31

Water Services Act 2012 (WA)

RECTIFICATION NOTICE

To: Country Heights Water Pty Ltd (ACN: 624 317 746) (**Country Heights Water**)

'02' Se 1

110 Erindale Road

BALCATTA WA 6021

TAKE NOTICE that, pursuant to section 31(1) of the *Water Services Act 2012 (WA)* (**Act**), by no later than 31 December 2024, you are required to rectify the contraventions of Water Services Licence Number 49 (**WL49**) set out in "A" – Schedule of Contraventions.

You are notified that if you do not comply with this notice then, in accordance with section 31(4) of the Act, the Economic Regulation Authority (**ERA**) may, subject to section 32 of the Act, take one or more of the following actions:

- (a) Order Country Heights Water to pay a monetary penalty fixed by the ERA but not exceeding \$150,000.
- (b) Remedy the failure to comply that gave rise to this rectification notice and seek to recover the cost of doing so from Country Heights Water.
- (c) Amend WL49 in accordance with section 17 of the Act.

The Common Seal of the ERA was hereto duly affixed by the Chairman of the ERA on 26 June 2024:

Stephen Joseph Edwell
Chair

In the presence of:

Virginia Christie
Member



Attached: "A" - Schedule of Contraventions



"A" – Schedule of Contraventions

1. Contravention of clause 4.1.1 of WL49

1.1 Clause 4 of WL49 states:

"4.1.1 Subject to any modifications or exemptions granted pursuant to the *Act* and this *licence*, the *licensee* must comply with any *applicable legislation*.

4.1.2 Subject to the provisions of any *applicable legislation*, the ERA may give the *licensee* a *notice* directing it to do any measure necessary to:

- (a) correct the breach of any *applicable legislation*; or
- (b) prevent the breach of any *applicable legislation* occurring again, and specify a time limit by which such action must be taken.

4.1.3 The licensee must comply with the terms and conditions of this licence."

1.2 Section 24 of the Act states:

"(1) It is a condition of every licence that the licensee must —

- (a) provide for an asset management system; and
- (b) give details of the system and any changes to it to the Authority; and
- (c) at least once in every period of 24 months (or any longer period that the Authority allows), provide the Authority with a report, by an independent expert engaged by the Authority, as to the effectiveness of the system.

(2) An asset management system must include the measures to be taken by the licensee for —

- (a) the proper maintenance of the water service works of the licensee; and
- (b) the provision and operation of the water service works specified in the licence and of other water service works necessary for the provision of the water service or services authorised by the licence."

1.3 The ERA is satisfied that Country Heights Water has contravened clause 4.1.1 of WL49 as follows:

- (a) Clause 4.1.1 of WL49 requires the licensee to comply with any *applicable legislation*.
- (b) The report prepared by Quantum Assurance titled "Country Heights Water Pty Ltd - 2023 Operational Audit and Asset Management System Review – Water Services Licence WL49" dated April 2024 (**Audit and Review Report 2023**) outlines asset management system deficiencies in Table B of section 4.7, and states on page 7:

"...Country Heights Water does not have an effective management system due to the Asset Management Plan developed in 2018 requiring update and the lack of some supporting documentation for the asset management system."¹
- (c) As a result, Country Heights Water did not provide for an asset management system that included the measures to be taken for the proper maintenance of its water service works for the period from 21 November 2018 to 30 November 2023, and thereby did not meet the requirements of section 24(2) of the Act for its WL49 assets in contravention of clause 4.1.1 of WL49.

¹ [Audit and Review Report 2023](#)



2. Rectification of contraventions

- 2.1 The ERA requires Country Heights Water to rectify its failure to comply with clause 4.1.1 of WL49 on or before 31 December 2024 by implementing all actions recommended by the auditor under “Auditors Recommendation” in Table B of section 4.7 of the Audit and Review Report 2023 in respect of Country Heights Water’s assets associated with WL49.