



Notice

23 January 2025

Rottnest Island Authority 2024 asset management system review

The Economic Regulation Authority has published the [2024 asset management system review report](#) and the [post-review implementation plan](#) for Rottnest Island Authority's (RIA) water services licence WL10.

Rottnest Island is an A-class reserve governed by the *Rottnest Island Authority Act 1987*, which established the RIA as a statutory authority. RIA provides water supply (potable and non-potable), sewerage and drainage services on the island.

The ERA's decision

The ERA considers that RIA has an effective asset management system and has decided to increase the review period from 24 months to 36 months. The next review will cover the period 1 July 2024 to 30 June 2027, with the report due by 30 September 2027.

Review findings

The auditor reported an overall improvement in RIA's asset management system since the last review in 2022. The auditor found RIA has made significant improvements to its infrastructure and the asset management system, including the planning, operation, and maintenance of its facilities.

The ERA has established 58 asset management effectiveness criteria to assess the effectiveness of licensees' asset management systems.¹

The auditor found RIA's asset management system deficient with six of the ERA's 58 criteria, so there is still room for improvement. The deficiencies were in the Drinking & Fire Water Infrastructure (drinking water) and Waste Recycled Water Infrastructure (sewerage) asset management plans:

- The lifecycle costs of owning and operating assets, and forecasts of the long-term funding required for asset maintenance and replacement, need to be updated (two deficiencies).
- The customer and technical service levels in the drinking water plan are too general and need more detail. The sewerage plan has specific customer and technical service levels, but only for nine of the 13 service levels.
- The plans need to describe how asset risks are reviewed after condition assessments.

¹ The 58 criteria are prescribed in the ERA's [2019 Audit and Review Guidelines: Water Licences](#).

- The plans were last updated in 2021/22 and need to be reviewed (two deficiencies):
 - RIA was required to finalise its drainage infrastructure asset management plan during the review period, which it had not done by the time of the auditor’s review, but it subsequently completed this in December 2024.

The auditor made five recommendations to address the deficiencies. RIA has committed to resolving the recommendations by June 2025.

The ERA’s assessment of the review findings

The deficiencies in the drinking water and sewerage asset management plans did not affect the services provided to customers. Customers have received a reliable service with no unplanned water supply interruptions reported over the past two years.

The review found that RIA’s water services are well established, well maintained and in good working order, but some of the assets need to be upgraded due to their old age and increasing demand on the island’s services.

The State Government has committed funding to upgrade RIA’s ageing drinking water production and pipe network. RIA’s pipe network and desalination plant are under pressure from increased demand, especially during peak tourist seasons. During the review period, upgrades were made to the desalination plant to extend its life while RIA plans and constructs a new plant.

Funding has also been allocated to upgrade the island’s wastewater infrastructure. The upgrades will replace outdated infrastructure, increase treatment capacity, and ensure the system can meet current and future demand.

The ERA will monitor RIA’s progress in completing the action items in its post-review implementation plan.

Further information

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