



Notice

8 September 2025

Muchea Water

2025 operational audit and asset management system review

The Economic Regulation Authority has published the 2025 operational audit and asset management system review report and the post-audit and post-review implementation plan for [Aqua Ferre \(Muchea\) Pty Ltd's \(trading as Muchea Water\)](#) water services licence WL51.

Muchea Water operates a potable water treatment scheme to supply drinking water to the residential Wildflower Ridge Estate and Muchea Industrial Park in the Shire of Chittering. At 30 June 2025, Muchea Water supplied 96 residential and eight commercial properties.

The ERA's decision

The ERA considers that Muchea Water has achieved an adequate level of compliance with its licence and has an effective asset management system.

We have decided to maintain the audit and review period at 36 months. The next audit and review will cover the period 1 March 2025 to 28 February 2028 with the report due to be provided by 30 June 2028.

Areas of special focus

In 2024, the ERA received correspondence from residents expressing concerns about water supply services at the Wildflower Ridge Estate, including:

- water quality
- water pressure
- billing, fees and charges.

The ERA nominated areas of special focus for the audit and review, which included:

- Licence obligations for water pressure standards and billing (fees and charges are not regulated by the ERA).¹
- Asset management effectiveness criteria on asset planning, asset creation and acquisition, asset operations, asset maintenance and risk management.

¹ Under the *Water Services Act 2012*, privately-owned licensees may determine their own fees and charges.

Water quality is not directly regulated by the ERA, as it is a public health matter regulated by the Department of Health. However, licensees must have an asset management system that ensures they meet required service levels.

Audit and review findings

Audit

The audit of the 209 licence obligations applicable to Muchea Water found nine non-compliances and six control deficiencies, including for:

- Non-compliant information on bills.
- Not referring to a customer's right to appeal to the State Administrative Tribunal in its bill review procedure.
- Missing information and links on its website.

Muchea Water resolved five non-compliances during the audit period. The auditor made five recommendations to address the remaining four non-compliances and six control deficiencies. The post-audit implementation plan states that four of the recommendations have been implemented and Muchea Water will address the remaining recommendation by the end of September 2025.

Review

The assessment of the 58 asset management system effectiveness criteria rated one criterion deficient, which requires operational policies and procedures to be linked to service levels. This is because Muchea Water's potable water exceeded the Australian Drinking Water Guidelines' aesthetic chlorine and iron content levels.² The Guidelines also have a health limit for chlorine in drinking water, which Muchea Water did not exceed.

The auditor made one recommendation to address the deficiency. The post-review implementation plan states that Muchea Water will implement the recommendation by December 2025.

The ERA's assessment of the audit and review findings

The auditor did not find evidence of overcharging or faulty meters. Muchea Water changed its bill format in April 2025 to address the non-compliance caused by bills not displaying some information in the format required by the *Water Services Code of Conduct (Customer Service Standards) 2024*.

Water pressure at customer connection points was found to be within the licence standard. Muchea Water is not responsible for water pressure on the customer's side of the meter, which can be affected by property size and plumbing installations, including pressure limiting devices.

Muchea Water improved its water treatment process after the previous audit and review in 2022 and continues to make improvements. The annual water quality reports required by the Department of Health show that water quality is improving.

As Muchea Water has addressed most of the auditor's recommendations and continues to implement water treatment improvements, we have decided to maintain the audit and review period at 36 months.

² Aesthetic guidelines focus on water's appearance, taste, and smell, ensuring it is appealing to consumers. Health guidelines focus on ensuring the water is safe to drink.

Further information

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