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19 February 2014

AUDITOR GENERAL FINDS LOW FAILURE RATE IN THE WATER SUPPLY NETWORK; BUT MAINTENANCE COSTS SET TO RISE

In his latest report tabled in Parliament today, Auditor General Colin Murphy found that the water supply network has generally performed well, but that the Water Corporation faces key challenges ahead in maintaining the network and reducing water loss.

Mr Murphy said that the cost of pipe replacement to date has been relatively low, but this will rise significantly as the network ages over the next 20 to 30 years.

“The Water Corporation is implementing a risk based approach to replacing pipes which should help to manage the financial challenges ahead and avoid either under or over investment in the water supply network,” Mr Murphy said.

“Under the approach, the estimated cost of pipe replacement over the next 10 years would be just over \$100 million less than replacing pipes based on their standard economic life.”

The risk based approach relies on robust information, and the Auditor General has made recommendations for Water Corporation to improve the quality and accessibility of its asset information.

Water Corporation faces further challenges in reducing the amount of water lost in the supply network.

“While water loss cannot be completely eliminated from any network, it can be minimised, and it is disappointing that Water Corporation is currently losing over 10 billion litres a year more than their benchmark.”

“However, the Water Corporation is tackling water loss through its leak detection program and that has prevented an estimated 3.4 billion litres of leakage over the past three years,” said Mr Murphy.

“Water Corporation currently does not consider undetected water leakage in prioritising pipe replacement. Bringing this into its approach would strengthen efforts to reduce water loss.”

“I am pleased that the Water Corporation has accepted the report’s findings and recommendations, and hopeful that they will assist with managing and improving the pipe network into the future.”

The Auditor General’s report *‘Water Corporation: Management of Water Pipes’* (Report 1 – February 2014) can be downloaded from the Office of the Auditor General website at www.audit.wa.gov.au

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