



Busseton Water Post Operating Licence Audit and Asset Management Review Implementation Plan (PARIP)

July 2019

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1. Introduction

In accordance with legislative obligations of Sections 24 and 25 of the Water Services Act 2012 and section 4 of Busselton Water's Water Services Licence, the Economic Regulation Authority (ERA) undertook an Operational Audit and Asset Management Review of Busselton Water by an independent expert.

The subsequent Audit/Review report by Quantum Assurance, July 2019, (BW ref D19/9277) identified a number of recommendations and it is Busselton Water's responsibility (under section 5.2 of the ERA's Audit Guidelines: Post-audit and post-review implementation plans) to address them appropriately.

According to the ERA's 2019 Audit and Review Guidelines section 5.1.8, the licensee must act on operational audit recommendations that are non-compliant i.e. rated 2-4, and those with control ratings C or D. The licensee must act on asset management review recommendations of performance ratings 3 or 4 and those with process and policy ratings of C or D.

Note: All the Asset Management Review recommendations for improvement were rated A2, as such they are not included in the Audit/Review report but have been provided directly to Busselton Water for their consideration and are therefore not included in this Post Audit Review Implementation Plan (PARIP).

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2. Operational Audit

Table 1 below refers directly to recommendations rated B1, B2 and B3 in section 2.6 of the Operational Audit and Asset Management Review Report by Quantum Assurance. The last three columns of the table comprise Busselton Water’s response to the recommendations. The rating scales used in the Audit/Review can be found as appendices to this document. Rows shaded out indicate action completed.

a. Table 1

Detailed Audit Observations			BW’s Plan		
No.	Adequacy of Controls and Compliance Rating	Auditor’s Recommendation	Management Action	Responsible Officer	Target completion date/Status
	Legislative Reference				
	Description				
11	<ul style="list-style-type: none"> B 2; Code of Conduct, Section 27 The licensee must comply with the code of conduct that may be made by the ERA to the extent to which it applies to the licensee and is not inconsistent with the licence. 	<p>The audit reviewed compliance with the <i>Water Services Code of Conduct (Customer Service Standards) 2018 and previous versions</i> as per obligations listed in this audit report, and concluded that the licensee complies with the Code of Conduct with the exception of 1 non-compliance with a moderate effect on customers and 11 non-compliances with a minor effect on customers.</p>	<p>The non-compliance with moderate effect on customers is listed in table 1 the remaining 11 non-compliances with a minor effect on customers are listed in this table including this item. Action by BW to address these recommendations is listed in tables 1 and 2.</p>	N/A	N/A
12	<ul style="list-style-type: none"> B 2; Act Compliance, Section 29 The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act. 	<p>The auditor reviewed compliance with the <i>Water Services Act 2012, Water Services Regulations 2013 and the Water Services Code of Conduct (Customer Service Standards) 2018</i> (and previous versions) as per obligations listed in this audit report and concluded that the licensee complies with the obligations with the exception of 1 non-compliance with a moderate effect on customers and 11 non-compliances with a minor effect on customers.</p> <p>The Compliance Reports provided to the ERA for 2016/17 and 2017/18 reported no non-compliances. The Compliance Report for 2015/16 noted minor non-</p>	<p>The non-compliance with moderate effect on customers is listed in table 1 the remaining 11 non-compliances with a minor effect on customers are listed in this table including this item. Action by BW to address these recommendations is listed in tables 1 and 2.</p>	N/A	N/A

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No.	Adequacy of Controls and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Target completion date/Status
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	Description				
		compliances noted in the previous audit and not resolved until October 2016.			
101	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 13(4) Each bill for usage for a metered water service must contain the specified information. 	<p>Recommendation 01/2019 <i>The water supply invoice should be amended to include the number of days of water consumption for which the bill applies.</i></p>	Amend water supply invoice to include the number of days of water consumption for which the bill applies.	WTO	Dec 19
101A	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 13(5) If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request. 	<p>Recommendation 02/2019 <i>Where consumption is charged based on estimated usage the water supply invoice should be amended to include a statement that, the basis of the estimate will be provided upon request.</i></p>	Amend water supply invoice to include a statement that, the basis of the estimate will be provided upon request.	WTO	Completed
102	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 12(3) 18 Nov. 2015 to Sep. 2017 Each bill must inform the customer of the specified information and where further details can be obtained 	<p>This obligation is documented in the Action Sheet – Water Compliance Reporting. The audit confirmed by detailed testing of a sample of 30 invoices across the audit period that the specified information is included on each bill with the exception of a statement that the bill can be reviewed. Clause 12 (3)(e) of the <i>2013 Water Services Code of Conduct (Customer Service Standards)</i> states each bill must inform the customer that the bill can be reviewed in accordance with the licensee's review procedure. A Bill Review statement was added to bills from the June 2018 billing cycle.</p>	A Bill Review statement was added to bills from the June 2018 billing cycle.	WTO	Completed
102A	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 13(6) 	<p>This obligation is documented in the Action Sheet – Water Compliance Reporting. The auditor confirmed by detailed testing of a sample of 30 invoices across the audit period that the specified information is included</p>	A Bill Review statement was added to bills from the June 2018 billing cycle.	WTO	Completed

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	Description				
	<ul style="list-style-type: none"> Each bill must contain the prescribed information. 	on each bill except for information relating to review of the bill. The prescribed information relating to bill review was introduced from June 2018.			
117A	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 21, Notification of change in water service charge The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in clause 21(2). 	<p>Recommendation 03/2019 <i>Busselton Water should include a news item for the annual fee increases on their website and information about the annual fee increases in the newsletter accompanying the first bill subsequent to the finalisation of fee increases.</i></p>	Include a news item for the annual fee increases on BW's website and information about the annual fee increases in the newsletter accompanying the first bill subsequent to the finalisation of fee increases.	WTO	Oct 19
133A	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 32, No interest in Some circumstances The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances. 	<p>Recommendation 04/2019 <i>Busselton Water should amend processes and update P12.PR04. Charging of Penalties and P12.PR021. Complaints Management procedures to ensure that interest is not charged to customers experiencing financial hardship or for unresolved complaints directly related to the bill.</i></p>	Amend processes and update P12.PR04. Charging of Penalties and P12.PR021. Complaints Management procedures to ensure that interest is not charged to customers experiencing financial hardship or for unresolved complaints directly related to the bill.	WTO	Oct 19
138A	<ul style="list-style-type: none"> B1 Code of Conduct. Clause 37(1)(af)–(g), No reduction of flow of water in certain cases and times The licensee must not start a water supply restriction if the specified circumstances apply. 	The audit confirmed this requirement is stated in the PR020 'Installation and Removal of Restriction Devices' procedure, with the exception of excluding installation of a restriction device where the customer has applied for a concession or other financial assistance to which the customer may be entitled and a decision on the application has not yet been made as required by Clause 37 (1)(g). BW confirmed that no supply restrictions were put in place in the above circumstances.	Update PR020 'Installation and Removal of Restriction Devices'.	WTO	Oct 19

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149	<ul style="list-style-type: none"> B1 Code of Conduct. Clause 46(5), Complaints procedure The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge. 	Through review of website information and discussion with the Water Tariffs Officer, the audit found this obligation is being met as at the time of audit the complaints procedure was available on the website complaints page but the hyperlink was not active for the Busselton Water Complaints Procedure in the Appeals and Complaints information listed on the 'review your bill' page. Also, the Customer Complaints section has no reference or link to the complaints procedure.	1. Repair BW website hyperlink to the Busselton Water Complaints Procedure in the Appeals and Complaints information listed on the 'review your bill' page.	WTO	Oct 19
			2. Include a reference or link to the complaints procedure in the Customer Complaints section.	WTO	Oct 19
149A	<ul style="list-style-type: none"> B3 Code of Conduct. Clause 47. Resolution of complaints When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer accordingly, inform the customer that the customer has a right to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman. 	Recommendation 05/2019 <i>1) The P12.PR021 Complaints Management procedure should be amended to list the procedures for closing a complaint including</i> <i>a) Advising the complainant that the complaint is considered resolved;</i> <i>b) Advising the complainant they have the right to apply to the Energy and Water Ombudsman for a review of the complaint, and</i> <i>c) Providing the freecall telephone number for the Energy and Water Ombudsman.</i> <i>2) Staff should be reminded to record all communication with the customer relevant to the complaint and to update the Complaints Register with sufficient details to identify all documentation, e.g. TRIM references or Aquatact notes.</i>	1. Amend the Complaints Management procedure (P12.PR021) according to a, b & c. 2. Record all communication with the customer relevant to the complaint and update the Complaints Register with sufficient details to identify all documentation, e.g. TRIM references or Aquatact notes. 3. Amend current Complaints Management Procedure to include a formal post resolution process.	WTO	Oct 19
153	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 49(1). All Code of Conduct information to be publicly available in hardcopy and website 	Recommendation 06/2019 <i>The document "Our Customer Commitments" on the website and in hardcopy should make reference to the fact that reductions in water flow may be made if a water service charge remains unpaid for 30 days after it becomes due.</i>	Amend the document "Our Customer Commitments" on the website and in hardcopy to make reference to the fact that reductions in water flow may be made if a water service charge	WTO	Oct 19

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	Legislative Reference				
	Description				
	<ul style="list-style-type: none"> The licensee must make the prescribed information available on the licensee's website and a hardcopy provided to a customer upon request at no charge. 		remains unpaid for 30 days after it becomes due.		
154	<ul style="list-style-type: none"> B2 Code of Conduct. Clause 49(2). All Code of Conduct information to be publicly available in hardcopy and website The licensee must ensure that the specified information about bills may be obtained from its website. 	As per Obligation 153	As per Obligation 153		
156	<ul style="list-style-type: none"> B2 Licence conditions. Clause 3.1.1, Compliance generally Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation. 	The audit reviewed compliance with the <i>Water Services Act 2012</i> , <i>Water Services Regulations 2013</i> and the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> and previous versions as per obligations listed in this audit report and concluded that BW complies with the obligations apart from with the exception of 1 noncompliance with a moderate effect on customers and 11 non-compliances with a minor effect on customers.	The non-compliance with moderate effect on customers is listed in table 1 the remaining 11 non-compliances with a minor effect on customers are listed in this table including this item. Action by BW to address these recommendations is listed in tables 1 and 2.	N/A	N/A
158	<ul style="list-style-type: none"> B2 Licence conditions. Clause 5.3, Apr.-Jun. 2016, Compliance with Code of Conduct The licensee must comply with any code of conduct made by the ERA to the extent it applies to the licensee and is not inconsistent with the terms and conditions of the licence. 	The auditor reviewed compliance with the Code of Conduct as per obligations listed in this audit report, and concluded that the licensee complies with the Code of Conduct with the exception of 1 noncompliance with a moderate effect on customers and 11 non-compliances with a minor effect on customers.	The non-compliance with moderate effect on customers is listed in table 1 the remaining 11 non-compliances with a minor effect on customers are listed in this table including this item. Action by BW to address these recommendations is listed in tables 1 and 2.	N/A	N/A

3. Asset Management System Review

All the recommendations for improvement are rated A2 by the review and are not included in the Quantum Assurance Audit/Review report but have been provided directly to BW for their consideration. Therefore, in accordance with section 5.1.8 of the 2019 Audit and Review Guidelines, there are no listed recommendations and no action for Busselton Water to take.

Busselton Water will however review those recommendations internally and take appropriate action as a means of continual improvement.