

Hamersley Iron Pty Ltd

Water Services Licence

Operational Audit and Asset
Management System
Review

Report
18 November 2019

PAXON GROUP

Table of Contents

1	Executive Summary	3
1.1	Operational Audit	3
1.2	Asset Management System Effectiveness Review	5
2	Scope of Work	7
2.1	Objectives	7
2.2	Scope	7
2.3	Audit/Review Methodology	8
2.4	Time Interval Covered in Audit/Review	9
2.5	Audit/Review Dates	10
2.6	Licensee’s Representatives	10
2.7	Key Documents and Other Information Sources	10
2.8	Audit and Review Team Members and Hours Utilised	12
3	Licensee’s Response to Previous Recommendations	13
3.1	Previous Audit: Inadequate Controls, Non-Compliances and Recommendations ..	13
3.2	Previous Review: Deficiencies and Recommendations	22
4	Operational Audit: Comprehensive Report	24
4.1	Audit: Controls and Compliance Rating Scales	24
4.2	Audit: Obligation Ratings Summary	25
4.3	Audit Observations and Recommendations	46
4.4	Current Audit: Inadequate Controls, Non-Compliances and Recommendations ..	198
5	Asset Management System Review: Comprehensive Report	203
5.1	Asset Management System Rating Scales	203
5.2	Asset Management System: Ratings Summary	205
5.3	Review Observations and Recommendations	212
5.4	Current Review: Asset Management System Deficiencies and Recommendations	221
6	Audit Opinion	223

1 Executive Summary

1.1 Operational Audit

Audit Objective

The operational audit (Audit) was carried out to assess Hamersley Iron Pty Ltd.'s level of compliance with the conditions of its licence.

The Audit covered the period from 1 July 2016 to 30 June 2019 (Audit Period).

Licence, Water Services and Major Changes

Hamersley Iron Pty Ltd (HIPL) provides water services under the provisions of a Water Services Licence issued by the Economic Regulation Authority (ERA).

The ERA granted HIPL a Water Services Licence (WL33) which commenced on 29 June 2001. WL33 authorises HIPL to provide potable water supply services and sewerage services. WL33 version 8, dated 1 July 2016 was in force throughout the Audit Period (thus, all references to WL33 within this Report are to WL33, version 8).

The legislation that governs the licensing of water service providers is the Water Services Act 2012 (Act). The Act, except for some sections, commenced on 18 November 2013.

No major change took place in the business of HIPL during the Audit Period.

HIPL's Response to Previous Audit Report Recommendations

The previous Audit was conducted by Cardno in respect of the period 1 July 2013 to 30 June 2016. The Cardno report, dated 18 October 2016, identified ten instances of inadequate controls and/or non-compliance with individual obligations and made recommendations, therefore.

Paxon found all ten identified instances of inadequate controls and/or non-compliance with individual obligations for which recommendations were made have been resolved. Comprehensive details of these ten identified instances are provided in Table 6: Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part A) as included in section 3.1 of this Report.

Summary of Inadequate Controls, Non-Compliances and Recommendations Arising from the Current Audit

The Audit identified a small number of instances of non-compliances with the conditions of WL33.

Two separate assessments are provided in respect of HIPL's compliance obligations. These assessments disclose Paxon's findings for both controls and compliance:

- A summarised assessment of both controls and compliance per individual obligation is disclosed in Table 9 entitled: "Audit: Obligation Ratings Summary" as included in section 4.2 of this Report; and

- A detailed assessment of both controls and compliance per individual obligation, including recommendations for findings of inadequate controls or non-compliance, is disclosed in Table 10 entitled: “*Audit Observations and Recommendations*” as included in section 4.3 of this Report.

Furthermore, specific detailed information as to those individual obligations assessed as having inadequate controls or being non-compliant is disclosed in Table 11 entitled: “*Current Audit: Inadequate Controls, Non-Compliances and Recommendations*” as included in section 4.4 of this Report.

Auditor’s Opinion on the Control Environment

HIPL was assessed to have had good controls during the Audit Period to help ensure compliance with its WSL obligations.

Auditor’s Opinion on Compliance

HIPL complied with nearly all the legislative obligations applicable to its activities during the Audit Period. Paxon found:

- 6 obligations which were rated “2”, meaning “non-compliant – minor effect on customers or third parties”; and
- 2 obligations which were rated “3”, meaning “non-compliant – moderate effect on customers or third parties”.

A recommendation for 1 obligation which was rated “3” is recorded in Table 11 entitled: “*Current Audit: Inadequate Controls, Non-Compliances and Recommendations*” as included in section 4.4 of this Report.

A summary of the Audit ratings for HIPL’s compliance with WL33 is disclosed in Table 1 below:

		Compliance Rating						Total
		1	2	3	4	NR	NA	
Controls Rating	A	77	4	2		105	1	189
	B		2			6		8
	C							
	D							
	NP							
	NA	1					6	7
	Total	78	6	2		111	7	204

Table 1: Summary of Audit Ratings

1.2 Asset Management System Effectiveness Review

Review Objective:

The Act and HIPL's WL33 require that HIPL provides for and maintains an asset management system. The system should set out the processes to be taken by HIPL to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services. The Act requires HIPL to provide the ERA with a report by an independent expert on the effectiveness of the system.

This asset management system effectiveness review (Review) will provide the ERA with an independent opinion on whether or not HIPL has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

A detailed description of the scope of the Review and the methodology adopted is provided in Section 2 of this Report.

The Review covered the period from 1 July 2016 to 30 June 2019.

Summary of Conclusions:

This Review concludes that HIPL operates all areas of its ground water extraction, treatment, and potable water distribution, together with its sewerage collection treatment and disposal systems – including its re-cycled non-potable water supply system, to a high standard and in a professional and competent manner.

HIPL's personnel are a well-trained, focussed and cooperative team and its computer-based asset management system and associated implementation practises are broad ranging and practical. Overall, the management of its assets is of the highest standard.

HIPL is consistently achieving or exceeding the standards required of its customer commitments and the various licences and agreements related to the services provided under its water services licence.

This Review, having identified no issues of consequence, awarded the highest "A1" rating to all twelve of the key processes reviewed. Accordingly, no recommendations are made as a result of this Review.

HIPL's Actions on Previous Review Report Recommendations

The previous Review was conducted by Cardno in respect of the period 1 July 2013 to 30 June 2016. The Cardno report, dated 18 October 2016, identified only one issue which was resolved during the current review period. Comprehensive details of this single instance are provided in Table 7: Previous Review: Deficiencies and Recommendations (Part A) as included in section 3.2 of this Report.

Asset Management System Effectiveness Assessment

Tables 9 and 10 of the ERA's: "2019 Audit and Review Guidelines - Water Licences – March 2019" provided the basis for the 'Process and Policy Ratings' and 'Performance Ratings' allocated during the Review.

A summary of the Review ratings of HIPL's Asset Management System is disclosed in Table 2 on the next page:

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Process	A	B	C	D	1	2	3	4
Asset Planning	✓				✓			
Asset Creation and Acquisition	✓				✓			
Asset Disposal	✓				✓			
Environmental Analysis	✓				✓			
Asset Operations	✓				✓			
Asset Maintenance	✓				✓			
Asset Management Information System	✓				✓			
Risk Management	✓				✓			
Contingency Planning	✓				✓			
Financial Planning	✓				✓			
Capital Expenditure Planning	✓				✓			
Review of Asset Management System	✓				✓			

Table 2: Summary of Review Ratings

2 Scope of Work

2.1 Objectives

2.1.1 Operational Audit

The objective of the Audit was to assess the effectiveness of measures taken by HIPL to meet the quality and performance standards required by WL33 in relation to the provision of the water services authorised by WL33.

The Audit was performed as a reasonable assurance engagement.

This Audit Report identifies areas where improvement is required and recommends corrective action (see Table 11 entitled: *“Current Audit: Inadequate Controls, Non-Compliances and Recommendations”* as included in section 4.4 of this Report).

2.1.2 Asset Management System Review

The Act requires HIPL to provide for and maintain an asset management system. The system should set out the processes to be taken by HIPL to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services. The Act requires HIPL to provide the ERA with a report by an independent expert on the effectiveness of the system.

The review was performed as a limited assurance engagement.

This review provides the ERA with an independent opinion on whether HIPL has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

This Review Report identifies areas where improvement is required and recommends corrective action (see Table 16 entitled: *“Current Review: Asset Management System Deficiencies and Recommendations”* as in section 5.4 of this Report).

2.2 Scope

2.2.1 Operational Audit

The Audit focused on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by WL33. The Audit considered:

- **Process compliance** – the effectiveness of systems and procedures in place throughout the Audit Period, including the adequacy of internal controls;
- **Outcome compliance** – the actual performance against standards prescribed in WL33 throughout the Audit Period;
- **Output compliance** – the existence of output from systems and procedures throughout the Audit Period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained);
- **Integrity of reporting** – the completeness and accuracy of the compliance and performance reports provided to the ERA during the Audit Period; and

- **Compliance with any individual licence conditions** – the requirements imposed on HIPL during the Audit Period by the ERA or specific issues advised by the ERA.

Further references to the Audit scope are included in this section of the Report.

2.2.2 Asset Management System Review

The Review focused on the asset management system, including asset management plans, which set out the measures taken by HIPL for the proper operation and maintenance of assets. The plans must convey HIPL's business strategies to ensure the effective management of assets over at least a five-year period.

The scope of the Review included an assessment of the adequacy and effectiveness of the asset management system by evaluation of the 12 key asset management processes mandated, being:

- Asset planning;
- Asset creation and acquisition;
- Asset disposal;
- Environmental analysis;
- Asset operations;
- Asset maintenance;
- Asset management information system;
- Risk management;
- Contingency planning;
- Financial planning;
- Capital expenditure planning; and
- Asset management system.

Further references to the Review scope are included in this section of the Report.

2.3 Audit/Review Methodology

2.3.1 Audit Plan

A risk-based approach was used to develop an Audit and Review Plan. This approach assessed the appropriate risk factors and consequently the Audit and Review fieldwork focused on higher risk areas, with less intensive coverage of medium and lower risk areas.

2.3.2 Fieldwork

The Audit fieldwork consisted of the following steps:

- Conducted an initial meeting with relevant staff at HIPL and reviewed processes to obtain an understanding of procedures, systems and controls which were in place to ensure compliance with license conditions;
- Evaluated the adequacy of the controls to cover the identified risks and performed more extensive testing of higher risk areas to provide sufficient assurance and confirmed lower risk areas by discussion and observation;
- Assessed compliance with WL33 over the Audit Period as well as at the time of the

Audit;

- Researched instances of inadequate controls and non-compliances with WL33 obligations as identified; and
- Developed appropriate recommendations for improvement for discussion with management.

The Review fieldwork consisted of the following steps:

- In company with the relevant staff of HIPL's Operations Centre and local area staff, inspected the potable water services facilities, including bore installations, treatment and chlorination processes, pumping and storage, together with sewerage collection, treatment and disposal facilities;
- Discussed general operation practises and strategies, process implications, production and quality monitoring. The adequacy or otherwise of the outputs of the system were discussed - including documentation of performance standards and statutory requirements, system opportunities and threats, preparation of operations manuals, maintenance schedules and action records, registers of the location, condition, age etc. of assets;
- The extent to which the risks associated with the system environment and/or unexpected system failures have been assessed, quantified, documented as contingency plans and reduced by specific practices - such as stocking selected spare parts or, equipment items subject to extended delivery or repair periods, additional storage etc.;
- The existence and effectiveness of systems implemented for the assessment, planning, financing and construction of new, replacement and major maintenance works and disposal of redundant assets;
- Whether or not the system has been subject to regular internal review; with systems in place to ensure that plans are regularly updated to current status, provide for prior identification of new or replacement assets, their implementation; and initiatives to improve the overall effectiveness of the asset management system; and
- HIPL's response to the recommendations made in previous reviews.

2.3.3 Audit/Review Reporting

The Audit/Review reporting consisted of the following steps:

- Provided a draft Audit and Review Report to the ERA for review. The ERA forwarded the draft Audit and Review Report to HIPL for their comment;
- The ERA and HIPL provided comments on the draft Audit and Review Report to Paxon. Paxon considered the comments received and made amendments to the draft Audit and Review Report, as appropriate; and
- Paxon provided the final Audit and Review Report to the ERA.

The ERA will procure the post-Audit/Review implementation plan from HIPL.

2.4 Time Interval Covered in Audit/Review

The Audit and review both covered the period from 1 July 2016 to 30 June 2019.

2.5 Audit/Review Dates

The Audit/Review fieldwork was conducted during July 2019.

2.6 Licensee's Representatives

HIPL representatives who participated in the Audit are as follows:

HIPL Representative	Position
Karyn McDougall	Advisor Compliance - Core Services
Jimmy Tanesky	Specialist – Customer Service

Table 3: HIPL Representatives Who Participated in the Audit

HIPL representatives who participated in the Review are as follows:

HIPL Representative	Position
Tony Collier	Specialist Hydrocarbons Engineer - Utilities Maintenance Engineering
Marlon Vargas	Project Engineer - Utilities Maintenance Engineering
Neal Kearney	Specialist Engineer – Utilities Maintenance Engineering
David Coutts	Specialist Adviser - Utilities Maintenance Engineering
David Hunt	Superintendent - Utilities Maintenance Engineering
Ash Bray	Mechanical Supervisor - Utilities Tom Price
Stephen Taylor	Planner – Utilities Maintenance Inland

Table 4: HIPL Representatives Who Participated in the Review

2.7 Key Documents and Other Information Sources

2.7.1 Operational Audit

Details of key documents and other information sources examined during the Audit are as follows:

- Water Services Act 2012;
- Water Services Code of Conduct (Customer Service Standards) 2013;
- Water Services Code of Conduct (Customer Service Standards) 2018;
- Water Services Regulations 2013;
- ERA: Water Services Licence – Hamersley Iron Pty Ltd – WL33, Version 8, 1 July 2016;
- ERA: 2019 Audit and Review Guidelines - Water Licences – March 2019;
- Cardno: Operational Audit and Asset Management System Review – Hamersley

Iron Pty Ltd – 3605-53 – October 2016;

- ERA: Water Compliance Reporting Manual – Water Services Act 2012 – July 2016;
- ERA: Water Compliance Reporting Manual – Water Services Act 2012 – October 2017;
- ERA: Water Compliance Reporting Manual – Water Services Act 2012 – May 2018;
- HIPL: Annual compliance reports for 2016/2017 and 2017/2018;
- ERA: Water Services Act 2012 - Water, Sewerage and Irrigation Licence Performance Reporting Handbook – May 2017;
- ERA: Water Services Act 2012 - Water, Sewerage and Irrigation Licence Performance Reporting Handbook – April 2018;
- HIPL: Water, sewerage and irrigation licence performance reporting datasheets for 2016/2017 and 2017/2018;
- Rio Tinto: Complaint and dispute resolution policy;
- HIPL: Financial hardship and payment difficulty policy;
- HIPL: Compliance datasheets for 2016/2017, 2017/2018 and 2018/2019;
- Rio Tinto: various other policies, work procedures and an internal guideline;
- Rio Tinto: Certificates of Designation;
- Rio Tinto: Memorandum of Understanding between the Department of Health and Hamersley Iron Pty Ltd for Drinking Water;
- HIPL: Life Support Register – Preserved Supply Register; and
- HIPL: correspondence with the ERA (during the Audit Period).

2.7.2 Asset Management System Review

Details of key documents and other information sources examined during the Review are as follows:

- ERA: Water Services Licence – Hamersley Iron Pty Ltd – WL33, Version 8, 1 July 2016;
- ERA: 2019 Audit and Review Guidelines - Water Licences – March 2019;
- Rio Tinto: Asset Improvement Plan – 2019;
- Rio Tinto: Asset Management Strategy;
- Rio Tinto: Memorandum of Understanding between the Department of Health and Hamersley Iron Pty Ltd for Drinking Water and three letters of extension;
- HIPL: Annual compliance reports for 2016/2017 and 2017/2018;
- HIPL: Water, sewerage and irrigation licence performance reporting datasheets for 2016/2017 and 2017/2018;
- Department of Health - Approval of Dampier Recycled Water Scheme;
- RTIO: Annual Reports to Department of Health – Dampier Recycled Water for 2016/2017 and 2017/2018;
- Rio Tinto: Annual Reports to Department of Health – Drinking Water Quality for 2016/2017 and 2017/2018;

- Department of Environment Regulation – Licences for WWTPs at Tom Price, Paraburdoo & Dampier;
- HIPL: Annual Environmental Reports to Department of Water & Environmental Regulation – Dampier, Tom Price and Paraburdoo WWTP for 2016/2017, 2017/2018 and 2018/2019;
- HIPL: Annual Audit Compliance Reports to Department of Water & Environmental Regulation – Dampier, Tom Price and Paraburdoo WWTP for 2016/2017, 2017/2018 and 2018/2019;
- HIPL: Schedule of Statutory Services Requirements 2019;
- Rio Tinto: Sample of Capital Proposal Form (*Blue Sheet*);
- Rio Tinto: Sample Capital Expenditure Application;
- Training Register Tom Price, Paraburdoo and Dampier;
- Core Service Organisation Chart (Part);
- Rio Tinto: Risk Assessment Matrix – Water Services;
- Tank Inspectors – Five Yearly Water Tank Inspection Town Tank 1 (ST1);
- Rio Tinto: Site Reliability (Operations and Maintenance Plan) - Paraburdoo Wastewater Services 2019;
- Rio Tinto: Site Reliability (Operations and Maintenance Plan) - Paraburdoo Town Water Services 2019;
- Rio Tinto: Potable/Recycling Water Sampling (Chemical);
- Rio Tinto: Water and Wastewater Contingency Plans;
- Water and Wastewater 5 Year Capital Plan;
- Rio Tinto: Disposal of Asset – Work Practice Overview - also Work Cycle Overview; and
- Rio Tinto: Production Resource Tool(s) for Chlorine Station Inspection and Pump Station Inspection.

2.8 Audit and Review Team Members and Hours Utilised

The Audit and Review team members and the hours utilised were as follows:

Audit and Review Team Member	Hours
Cameron Palassis – Executive Director	8
Anton Prinsloo – Senior Consultant	52
Barry Robbins - Barry Robbins Engineering and Project Management	60
TOTAL	120

Table 5: Audit and Review Team Members and Hours Utilised

3 Licensee’s Response to Previous Recommendations

3.1 Previous Audit: Inadequate Controls, Non-Compliances and Recommendations

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations						
A. Resolved During Current Audit Period						
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating					Details of Further Action Required (Including the Recommendation Reference, if Applicable)
	Legislative Obligation					
	Details of Inadequate Controls and/or Non-Compliance					
A2/2016		<ul style="list-style-type: none"> • Obligation: not applicable; • Rating: NP 1; • LO: Water Services Licensing Act 1995, clause 8; and • Details: <ul style="list-style-type: none"> ○ Although this obligation has been made obsolete with the introduction of the <i>Water Services Act 2012</i>, we note that the Customer Charter that has been retained by the licensee is dated December 2011, and informs customers that “Rio Tinto provides customer information and consultation by two methods: by conducting annual surveys and by the publication of magazines and newsletters. We will publish and make available at our premises information on matters relating to our 		<ul style="list-style-type: none"> • We recommend that the licensee reviews this information at the next review of its Customer Charter in order to decide whether the text is still relevant or needs to be revised or removed. 	<ul style="list-style-type: none"> • Not applicable. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ This obligation was applicable to HIPL’s operations in terms of the Water Services Licensing Act 1995 and was removed by the Act. Thus, this obligation was not applicable to HIPL’s operations during the Audit Period.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations							
A. Resolved During Current Audit Period							
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)	
	Controls and Compliance Rating					Details of Further Recommendation (Including the Recommendation Applicable)	Action Required Reference, if Current if
	Legislative Obligation						
	Details of Inadequate Controls and/or Non-Compliance						
A2/2016 (continued)	<i>water and waste water supply services and on other aspects such as complaints handling. Rio Tinto company representatives will provide their name and section in business discussions with customers."</i>						
A3/2016	<ul style="list-style-type: none"> • Obligation: 156; • Rating: B 2; • LO: Act, section 12 and WL33, clause 5.1; and • Details: <ul style="list-style-type: none"> ○ Licensee has not complied with all applicable legislation. We have identified a number of non-compliances with applicable legislation as follows: <ul style="list-style-type: none"> • Section 27 – Requirements for Licences (Obligation 11); and • Section 29 – Duties of the Licensee (Obligation 12). 			<ul style="list-style-type: none"> • Refer to the relevant recommendations included in this table. • Not applicable. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ Paxon found HIPL addressed recommendations: <ul style="list-style-type: none"> • A2/2016 as detailed above; and • A5/2016 to A9/2016 as detailed below. 		

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations						
A. Resolved During Current Audit Period						
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating					Details of Further Action Required (Including the Recommendation Reference, if Applicable)
	Legislative Obligation					
	Details of Inadequate Controls and/or Non-Compliance					
A4/2016 and A10/2016	<ul style="list-style-type: none"> Obligations: 11 and 158; Rating: B 2; LO: Act, sections 12 and 27 and WL33, clause 5.3; and Details: <ul style="list-style-type: none"> Licensee has not complied with all of the obligations of the Water Services Code of Conduct (Customer Service Standards) 2013 (2013 Code of Conduct). 			<ul style="list-style-type: none"> We recommend that the licensee addresses the recommendations A5/2016 to A9/2016. 		<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> Paxon found HIPL addressed recommendations A5/2016 to A9/2016 as detailed below.
A5/2016	<ul style="list-style-type: none"> Obligation: 102; Rating: B 2; LO: Act, section 27 and 2013 Customer Service Standards), clause 12(3); and Details: <ul style="list-style-type: none"> We observed that the bill does not state that it can be reviewed in accordance with the licensee's review procedure mentioned in clause 18 (Clause 12(3)(e)). This information is available in the Bill Review Policy that is readily 			<ul style="list-style-type: none"> We recommend that the licensee updates its bill templates to inform customers that the bill can be reviewed in accordance with the licensee's review procedure. 	<ul style="list-style-type: none"> Not determined. 	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> Paxon examined a sample of "Water Consumption Invoices" and found invoices issued in 2018 state: <p>"Invoice Review and Complaints"</p> <i>Invoices can be reviewed in accordance with our Bill Review Policy, which can be found at www.pilbarautilities.riotinto.com"; and</i> Obligation 102 was removed for the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations							
A. Resolved During Current Audit Period							
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)	
	Controls and Compliance Rating					Details of Inadequate Controls and/or Non-Compliance	Details of Further Action Required (Including the Recommendation Reference, if Applicable)
	Legislative Obligation						
A5/2016 (continued)	available to be viewed or downloaded from the licensee's website.					2018" and is no longer applicable to HIPL's operations.	
A6/2016	<ul style="list-style-type: none"> • Obligation: 148; • Rating: B 2; • LO: Act, section 27 and 2013 Code of Conduct, clause 35(4); and • Details: <ul style="list-style-type: none"> ○ The information provided by the licensee does not set out the costs and benefits to the customer if they use the complaint resolution procedure instead of the procedures under the Act; and ○ In addition, the licensee's procedure does not provide any information related to the provision for customer to appeals from, or the review of, decisions using the procedures under the Water Services Act 2012, including applications to the State Administrative Tribunal for the review of such decisions. 			<ul style="list-style-type: none"> • We recommend that the licensee reviews the information provided in the Complaints and Dispute Resolution Policy, the Customer Complaints Resolution Guideline and the Financial Hardship and Payment Difficulty Policy to provide details of the costs and benefits to the customer if they use the complaint resolution procedure instead of the procedures under the Act; and • We also recommend that the licensee include information related to the customer's ability to make an application for an appeal or apply for a review of the decision that gave rise to the complaint to the State Administrative Tribunal. 	<ul style="list-style-type: none"> • Not determined. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ Paxon examined the HIPL's "Complaint and Dispute Resolution Policy" which is available on the Rio Tinto website. This policy document states under the heading: <p><i>"Benefit for use of our internal complaint and dispute resolution policy":</i></p> <ul style="list-style-type: none"> • "All complaints are welcomed, and actions are managed efficiently and as professionally as possible • We will be responsive to your complaint and the resolution will be fair • We are dedicated to understanding and addressing system issues raised from any customer complaints through a continual process of improvement". 	

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations							
A. Resolved During Current Audit Period							
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)	
	Controls and Compliance Rating					Details of Inadequate Controls and/or Non-Compliance	Details of Further Recommendation (Including the Action Required Current Reference, if Applicable)
	Legislative Obligation						
A6/2016 (continued)						<ul style="list-style-type: none"> ○ This policy document states under the heading: <i>How can I escalate my complaint?</i> <i>You are also able to make an application for an appeal from, or apply for a review of, the decision relating to your complaint to the State Administrative Tribunal. “; and</i> ○ Obligation 148 was removed for the ERA’s: <i>“Water Compliance Reporting Manual – Water Services Act 2012 – May 2018”</i> and is no longer applicable to HIPL’s operations. 	
A7/2016	<ul style="list-style-type: none"> • Obligation: 148; • Rating: B 2; • LO: Act, section 27 and 2013 Code of Conduct, clause 35(4); and • Details: <ul style="list-style-type: none"> ○ The information provided by the licensee does not set out the costs and benefits to the customer if they use the complaint resolution procedure 			<ul style="list-style-type: none"> • We recommend that the licensee updates the Charter to remove the references to the Department of Water and replace them with the appropriate information for referring complaints to the Energy and Water Ombudsman. 	<ul style="list-style-type: none"> • Not determined. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ Paxon examined the HIPL’s <i>“Complaint and Dispute Resolution Policy”</i> which states under the heading: <i>“How can I escalate my complaint?”</i>: <i>“You may also wish to contact an external body such as the Water Ombudsman or Energy Safety to review your complaint.”</i>; and 	

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations						
A. Resolved During Current Audit Period						
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating					Details of Further Action Required (Including the Recommendation Reference, if Applicable)
	Legislative Obligation					
	Details of Inadequate Controls and/or Non-Compliance					
A7/2016 (continued)		instead of the procedures under the Act; and				<ul style="list-style-type: none"> ○ Obligation 148 was removed for the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" and is no longer applicable to HIPL's operations.
A8/2016		<ul style="list-style-type: none"> • Obligation: 153; • Rating: B 2; • LO: Act, section 27 and 2013 Code of Conduct, clause 37(1); and • Details: <ul style="list-style-type: none"> ○ The Conditions of Connections section of licensee's Customer Charter sets out the licensee's powers in relation to entry of property. It is also set out in the Interruption to Supply section of the Standard Connections for Water, 		<ul style="list-style-type: none"> • We recommend that the licensee adds appropriate text to at least one of these documents. 	<ul style="list-style-type: none"> • Not determined. • FAR: no; and • Details: <ul style="list-style-type: none"> ○ Paxon examined the HIPL's: "Invoicing and meter reading policy" which states under the heading: "Meter reading – (a) Standard meter reading": "Also, please be aware that an authorised person may enter, at all reasonable times, a place without consent, notice or warrant to read a meter connected to our water service works. However, these 	

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations								
A. Resolved During Current Audit Period								
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)		
	Controls and Compliance Rating					Details of Inadequate Controls and/or Non-Compliance	Details of Further Recommendation (Including the Recommendation Applicable)	Action Required Reference, if Current if
	Legislative Obligation							
A8/2016 (continued)		Sewerage and Electricity Supply document; and <ul style="list-style-type: none"> However, neither of these documents, nor the Invoicing and Meter Reading Policy, clearly informs customers with regard to the power of a person authorised under section 129 to enter a place without consent, notice or warrant to read a meter connected to the licensee's water service works. 				<i>powers of entry only extend to the area associated with a dwelling but not the dwelling itself.</i>		
A9/2016		<ul style="list-style-type: none"> Obligation: 153; Rating: B 2; LO: Act, section 27 and 2013 Code of Conduct, clause 37(1); and Details: <ul style="list-style-type: none"> Although reduced services and disconnections are set out in the Financial Hardship and Payment Difficulty Policy, the information provided does not specify that the supply of water cannot be cut off to an occupied dwelling unless the occupier agrees to it. The Policy does inform 	<ul style="list-style-type: none"> Although the licensee does not cut off the water supply to its customers, we recommend that it updates the Financial Hardship and Payment Difficulty Policy to inform customers of the requirements of 37(1)(i) of the Code. 	<ul style="list-style-type: none"> Not determined. 	<ul style="list-style-type: none"> FAR: no; and Details: <ul style="list-style-type: none"> Paxon examined the HIPL's "Financial hardship and payment difficulty policy" which states under the heading: "Reduced or disconnected services": <i>"...however supply of water cannot be cut off to an occupied dwelling unless the occupier agrees."</i> 			

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations						
A. Resolved During Current Audit Period						
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating					Details of Further Action Required (Including the Recommendation Reference, if Applicable)
	Legislative Obligation					
	Details of Inadequate Controls and/or Non-Compliance					
A9/2016 (continued)	customers that <i>"It is our general policy to only reduce or disconnect services in health or safety emergencies. Will generally avoid this approach for the non-payment of bills."</i>					
A11/2016	<ul style="list-style-type: none"> • Obligation: 12; • Rating: B 2; • LO: Act, section 29 and WL33, clause 26; and • Details: <ul style="list-style-type: none"> ○ The licensee has not complied with all the duties imposed on it by the Act as it was unable to meet all Code requirements. 			<ul style="list-style-type: none"> • Refer to A3/2016. 	<ul style="list-style-type: none"> • Not determined. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ Paxon found HIPL addressed recommendations A2/2016 and A5/2016 to A9/2016 as detailed above.

Table 6: Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part A)

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating		Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		

There is no content in Part B.

Table 6: Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)

3.2 Previous Review: Deficiencies and Recommendations

Previous Review: Deficiencies and Recommendations					
A. Resolved During Current Review Period					
Recommendation Reference (no./year)	Rating		Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management Effectiveness Criterion	Process and			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Details of Deficiency				
R1/2016	<ul style="list-style-type: none"> • Rating: B 2; • Component: Environmental Analysis - Compliance with statutory and regulatory requirements; and • Details: <ul style="list-style-type: none"> ○ The treated effluent from Hamersley Iron's Dampier treatment facility is disinfected by chlorination, stored on-site and then used to irrigate the town's sports ovals (Hampton Oval and Dampier Oval) at night. While Hampton Oval is freehold land that is owned by Hamersley Iron, Dampier Oval (also known as Windy Ridge Oval) is a Shire-owned reserve; and ○ We note that under the two operating licences that were in place during the review period, Version 6 and Version 7, Hamersley Iron was not authorised under the licence to provide non-potable water. 		<ul style="list-style-type: none"> • We recommend that Hamersley Iron discusses an application for an amendment to its operating licence with the ERA to allow for the provision of a non-potable water service to the Shire-owned Dampier Oval that it currently supplies. 	<ul style="list-style-type: none"> • Not determined. 	<ul style="list-style-type: none"> • FAR: no; and • Details: <ul style="list-style-type: none"> ○ HIPL has been granted a licence exemption to provide non-potable water services in Dampier.

Table 7: Previous Review: Deficiencies and Recommendations (Part A)

Previous Review: Deficiencies and Recommendations					
B. Unresolved at End of Current Review Period					
Recommendation Reference (no./year)	Rating		Reviewer's Recommendation		Further Action Required (Yes/No/Not Applicable)
	Asset Management Effectiveness Criterion	Process and			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Details of Deficiency				

- There is no content in Part B.

Table 7: Previous Review: Deficiencies and Recommendations (Part B)

4 Operational Audit: Comprehensive Report

4.1 Audit: Controls and Compliance Rating Scales

The controls and compliance ratings allocated to each obligation are set out in Table 6 - taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019" (ERA's Guidelines, Table 6).

Audit : Controls and Compliance Rating Scales			
Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
NP	Not performed – a controls rating was not required	NR	Not rated - no activity took place during the Audit Period
NA	Obligation identified as not applicable during the Audit Period	NA	Obligation identified as not applicable during the Audit Period

Table 8: Audit: Controls and Compliance Rating Scales

The Operational Audit: Controls and Compliance Rating Scales, as contained in the ERA's Guidelines: Table 6 were amended to include the following ratings:

- Controls rating: "NA"; and
- Compliance rating: "NA".

4.2 Audit: Obligation Ratings Summary

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
2	21(1)(b)	3.3.1(b)	Provide services and do works	2	✓									✓		
3	21(1)(c)	3.1.1 & 3.5		2	✓					✓						
4	22	3.4.1	Provide water services outside operating areas	2	✓									✓		
5	23	3.5	Manage of water service works	4	✓					✓						
6	24(1)(a) & 24(2)	4.1.1	Asset management system	2	✓					✓						
7	24(1)(b)	4.1.2 & 4.1.1		4	✓									✓		
8	24(1)(c)	4.1.3		4	✓					✓						
9	25	4.3.1	Provide an operational audit	4	✓					✓						
11	27	3.1.1	Comply with code of conduct made by ERA	4	✓						✓					
12	29	3.1.1	Comply with the Act	4		✓					✓					
13	36	3.1.1	Perform duties on ceasing to provide a water service	2	✓									✓		
14	60	5.6.1	Perform functions of supplier of last resort	2						✓				✓		
1	The “No.” refers to the compliance obligation reference number, as per the ERA’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018”.															

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Section Number	Clause Number														
15	66	5.5.1	Comply with Water Services Ombudsman Scheme	4	✓							✓				
16	77(3)	3.1.1	Minimise water services interruption	2	✓							✓				
17	82(4) & (5)	3.1.1	Respond to notification of building works	4	✓										✓	
18	84(2)	3.1.1	Give notice of intention to commence works	4	✓										✓	
19	87(2)	3.1.1	Defer works on application to State Administrative Tribunal	4	✓										✓	
20	90(7)	3.1.1	Consult with landowner	4	✓										✓	
21	95(3)	3.1.1	Refrain from cutting off water supply to occupied dwelling	2	✓										✓	
22	96(1)	3.1.1	Install fire hydrants	2	✓										✓	
23	96(5)	3.1.1	Comply with FESA of local government request	4	✓										✓	
24	98(3)	3.1.1	Connect a wastewater inlet	2	✓										✓	
25	106(2)	3.1.1	Include specified information in a compliance notice	4	✓										✓	
28	119(2)	3.1.1	Include specified information in compliance notice	4	✓										✓	
29	122(2)	3.1.1	Refrain from acting on application to State Administrative Tribunal	4	✓										✓	
30	125(2)	3.1.1	Apportion fees discretion	4	✓										✓	

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 8			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
31	128(4)	3.1.1	Lodge withdrawal of memorial with Registrar	4	✓									✓		
32	129(5)	3.1.1	Notify occupants of a place of proposed entry	4	✓								✓			
33	139(3)	3.1.1	Notify before exercising a works power	4	✓								✓			
34	141(1)	3.1.1	Notify public authority managing a road	4	✓									✓		
35	142	3.1.1	Comply with Act in case of proposed major works	4	✓									✓		
36	143 (2)	3.1.1	Publicise major works	4	✓									✓		
37	143 (3)	3.1.1	Notify specified persons and agencies of proposed major works	4	✓									✓		
38	144(3)	3.1.1	Have regard to objections and submissions	4	✓									✓		
39	145(2)	3.1.1	Give written notice of alterations to plans or details	4	✓									✓		
40	147(3)	3.1.1	Comply with Minister’s direction as to major works	4	✓									✓		
41	147(4)	3.1.1	Resubmit major works proposal	4	✓									✓		
42	151(1)	3.1.1	Publicise proposed general works	4	✓									✓		
43	151(2)	3.1.1	Notify specified persons and agencies of general works	4	✓									✓		
44	152(3)	3.1.1	Have regard to objections and submissions	4	✓									✓		

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Section Number	Clause Number														
45	153(3)	3.1.1	Give written notice of alterations to plans or details	4	✓									✓		
46	166(5)	3.1.1	Acquire an interest in land	4	✓									✓		
47	166(6)	3.1.1	Pay costs for acquiring land	4	✓									✓		
48	170	3.1.1	Refrain from selling an interest in land	4	✓									✓		
49	173(4)	3.1.1	Notify owner or occupier of a place of proposed entry	4	✓						✓					
50	174(1)	3.1.1	Give written notice of proposed entry	4	✓						✓					
51	174(3)	3.1.1	Give notice of entry to occupier when practicable	4	✓									✓		
52	175(2)	3.1.1	Perform prescribed actions prior to entry of premises	4	✓									✓		
53	175(5)	3.1.1	Leave notice or warrant copy in prominent position in dwelling	4	✓									✓		
54	176(1)	3.1.1	Leave premises at request of owner or occupier	4	✓									✓		
55	176(3)	3.1.1	Produce a certificate of authority	4	✓									✓		
56	176(4)	3.1.1	Leave a place if no evidence of authority to enter can be presented on request	4	✓									✓		
57	181	3.1.1	Comply with reasonable request from owner or occupier	4	✓						✓					
58	186	3.1.1	Include prescribed information in a warrant application	4	✓									✓		

No. ¹	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Section Number	Clause Number														
59	187(1) – (3)	3.1.1	Make entry warrant application as per specified procedures	4	✓										✓	
60	190(4)	3.1.1	Produce warrant for inspection by occupier of a place	4	✓										✓	
61	190(5)	3.1.1	Record prescribed information on warrant	4	✓										✓	
62	210(5)	3.1.1	Give certificate of authority to designated inspector or compliance officer	4	✓						✓					
63	218(2)	3.1.1	Maintain free use of a place and limit damage, harm or inconvenience	4	✓						✓					
64	218(3)	3.1.1	Make good damage or pay compensation	4	✓										✓	

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (Numbers 2 to 64)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Regulations 2013	Water Services Licence – Version 8			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Regulation Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
65	23(2)	3.1.1	Assess meter for measuring water flow or quantity	4	✓									✓		
66	24(4)	3.1.1	Include specified information in compliance notice for meter access	4	✓									✓		
67	26(3)	3.1.1	Test meter as per approved procedure	4	✓									✓		
68	26(5)	3.1.1	Take actions - meter is outside prescribed tolerance	4	✓									✓		
69	29(1)	3.1.1	Defer payment of infrastructure contribution on request	4						✓					✓	
70	42(2)	3.1.1	Stipulate date for backflow prevention device installation and testing	4	✓									✓		
71	43(3)	3.1.1	Stipulate date for backflow prevention device testing or maintenance	4	✓									✓		
72	43(6)	3.1.1	Stipulate actions for making good backflow prevention device	4	✓									✓		
73	53(3)	3.1.1	Provide a plan of the existing drainage plumbing for a building on request and on receipt of payment	4	✓					✓						
74	60(2)	3.1.1	Give notice of altering position of infrastructure in roads	4	✓									✓		
75	63	3.1.1	Reinstate or make good road surface opened or broken up	4	✓									✓		
88A	80H	3.1.1	Approval of water efficiency management plan	4	✓									✓		

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Regulations 2013	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
89	85	3.1.1	Include stipulated information in compliance notices	4	✓										✓	

Table 9: Audit: Obligation Ratings Summary
 [Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (Numbers 65 to 89)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			Clause Number	Clause Number	A	B	C	D	NP	NA	1	2	3	4
92	8(1)-(3)	3.1.1	Have written information available for customers	4	✓						✓					
93	9(2) and (4)	3.1.1	Complete 90% of connections within 10 business days	4	✓											✓
94	10(2)	3.1.1	Issue bills for fixed charges at least annually	4	✓						✓					
95	11(2)	3.1.1	Issue bills for quantity charges every 4 months	4	✓						✓					
96	11(3)	3.1.1	Base bill for usage on a meter reading	4	✓						✓					
97	11(4)	3.1.1	Base bill for usage on an estimate (as per prescribed regulations)	4	✓						✓					
98	11(5)	3.1.1	Base bill for usage on a reasonable estimate (no applicable regulations)	4	✓						✓					
98A	11(6)	3.1.1	Issue usage bill based on a meter reading at least annually	4	✓						✓					
99	12	3.1.1	Send bill to stipulated address	4	✓						✓					
100	13(1)	3.1.1	Include prescribed information in each bill	4	✓											✓
100A	13(3)	3.1.1	Specify charges payable for different water services included on the same bill	4							✓					✓

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
101	13(4)	3.1.1	Include prescribed information in each usage bill for a metered service	4	✓							✓				
101 A	13(5)	3.1.1	Include reference to prescribed information on a usage bill (usage based on an estimate)	4	✓							✓				
102	12(3)	3.1.1	Include specified information in each bill (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓								✓			
102A	12(3)	3.1.1	Include prescribed information in each bill	4	✓							✓				
103	14(1)	3.1.1	Tell customer on request of basis and reason for estimate	4	✓							✓				
104	14(2)	3.1.1	Make changes to next bill if previous estimate was unreasonable	4	✓										✓	
104A	15(3)	3.1.1	Include prescribed information in each usage bill	4	✓								✓			
105	16(1)	3.1.1	Provide customers on request with a meter reading and bill	4	✓							✓				
106	17(2) and (3)	3.1.1	Have written rules for granting a discount	4	✓										✓	
107	18(2)	3.1.1	Limit recovery period for undercharged amounts	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
108	18(3)	3.1.1	Explain undercharged amounts in bills	4	✓									✓		
109	18(4)	3.1.1	Do not charge interest or late payment fees on an undercharged amount	4	✓									✓		
110	18(5)	3.1.1	Allow customer to pay undercharged amount by way of a repayment plan	4	✓									✓		
111	17(1)	3.1.1	Credit customer account with overcharged amount or inform accordingly (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
111 A	19(2)	3.1.1	Credit customer account with overcharged amount or inform accordingly	4	✓									✓		
112	17(2)	3.1.1	Refund or credit the customer's account within 15 business days (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
112 A	19(3)	3.1.1	Refund or credit customer's account with overcharged amount within 15 business days	4	✓									✓		
112 B	19(4)	3.1.1	Credit customer's account within 15 business days if no instructions were received	4	✓									✓		

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
112 C	19(5)	3.1.1	Notify customer immediately after crediting overcharged amount to customer's account	4	✓										✓	
113	20(1)	3.1.1	Review a bill on a customer's request	4	✓										✓	
114	20(2)	3.1.1	Have a written bill review procedure	4	✓										✓	
115	20(3) and (6)	3.1.1	Include specified information in bill review procedure	4	✓										✓	
116	20(4)	3.1.1	Refer to alternative review procedure in bill review procedure	4	✓										✓	
117	20(5)	3.1.1	Inform customer of bill review outcome	4	✓										✓	
117 A	21	3.1.1	Notify customers of change in water service charge rate or amount	4	✓										✓	
118	23	3.1.1	Set bill due date after 14 days from issue date	4	✓										✓	
119	24(1)	3.1.1	Allow customers to pay bill using any prescribed method selected	4	✓										✓	
120	24(2)	3.1.1	Inform customers of bill payment methods' fees and charges	4	✓										✓	
121	25(1)	3.1.1	Obtain express consent for direct debit bill payment	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
122	26(1)	3.1.1	Accept advance payment from a customer	4	✓									✓		
123	27	3.1.1	Redirect a customer's bill on request	4	✓									✓		
124	25	3.1.1	Allow a customer to pay a bill under a payment plan or other arrangement (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
124A	28(2)	3.1.1	Inform customer of bill payment plan right	4	✓									✓		
124B	28(3)	3.1.1	Consider the customer's capacity to pay a bill	4	✓									✓		
124C	28(4)	3.1.1	Consider if payment plan should be interest-free or fee-free or both	4	✓									✓		
125	29(1) and (2)	3.1.1 and 5.4.1	Have a written financial hardship policy as approved by ERA	4	✓									✓		
126	26(3)	3.1.1	Have a financial hardship policy before the end of the 6-month period starting on the day on which section 27 of the Act comes into effect (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4										✓	✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
126 A	29(3)	3.1.1	Ensure financial hardship policy complies with ERA Guidelines	4	✓							✓				
126 B	29(4)	3.1.1	Ensure financial hardship policy amendments are ERA approved	4	✓							✓				
127	29(5)	3.1.1	Ensure financial hardship policy is in effect 6 months after licence issue	4								✓			✓	
128	29(6)	3.1.1 and 5.4.1	Make financial hardship policy available as specified	4	✓							✓				
129	26(6)	3.1.1	Review financial hardship policy every 5 years (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓							✓				
129A	29(7)	3.1.1 and 5.4.1	Review financial hardship policy every 5 years	4	✓							✓				
129B	29(8)	3.1.1 and 5.4.1	Review financial hardship policy on ERA direction	4	✓							✓				
129C	29(9)	3.1.1 and 5.4.1	Consult with relevant customer organisations	4	✓							✓				
130	27(2)	3.1.1	Apply financial hardship policy (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
130A	30(2)	3.1.1	Advise customer of right to pay bill under an interest-free and fee-free payment plan	4	✓									✓		
130B	30(3)	3.1.1	Consider the customer's capacity to pay a bill	4	✓									✓		
131	27(3)	3.1.1	Miscellaneous tasks (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
131A	30(4)(a)	3.1.1	Consider reducing the amount the customer owes	4	✓									✓		
131B	30(4)(b)	3.1.1	Review how a customer is paying a bill	4	✓									✓		
131C	30(4)(c)	3.1.1	Provide specified written information to a customer	4	✓									✓		
132	28(1)	3.1.1	Inform landowner of payment plan or other similar arrangement (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
133	31(4) and (5)	3.1.1	Have written information on payment schemes available for customers	4	✓									✓		
133A	32	3.1.1	Refrain from charging interest or fees for late bill payments	4	✓									✓		

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
134	33(1)(a) – (c)	3.1.1	Refrain from recovering a customer debt	4	✓									✓		
134 A	33(1)(d) – (e)	3.1.1	Refrain from recovering a customer debt in case of bill complaint	4	✓						✓					
135	40(1)	3.1.1	Restore water supply if amount owing is paid	4	✓									✓		
136	40(2)	3.1.1	Restore water supply in specified circumstances	4	✓									✓		
137	31	3.1.1	Limitation on right to reduce the rate of flow of drinking water to a customer (Water Services Code of Conduct (Customer Service Standards) 2013 stipulation)	4	✓									✓		
137 A	36(1)	3.1.1	Refrain from water supply restriction in specified circumstances	4	✓									✓		
137 B	36(2)	3.1.1	Refrain from restriction notice less than 7 days before commencement date	4	✓									✓		
137C	36(3)	3.1.1	Include specified information in restriction notice	4	✓									✓		
138	37(1)(a) – (e) and (h)	3.1.1	Refrain from starting a water supply restriction in specified circumstances	4	✓									✓		

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
138A	37(1)(f) – (g)	3.1.1	Refrain from starting a water supply restriction in specified circumstances	4	✓									✓		
138 B	38	3.1.1	Refrain from starting a water supply restriction during specified times	4	✓									✓		
139	39	3.1.1	Refrain from reducing water flow to below 2.3 litre per minute	4	✓									✓		
142	41(4)	3.1.1	Restore water supply to land within specified timeframe	4	✓									✓		
144	41(6)	3.1.1	Ensure a 90% compliance rate with clause 41(4)	4	✓									✓		
144 A	43(1)	3.1.1	Give notice of planned service interruption to all affected customers	4	✓								✓			
144 B	43(2)	3.1.1	Give notice of planned service interruption within specified timeframes	4	✓								✓			
144 C	44(1)	3.1.1	Maintain policies, practices and procedures for stipulated circumstances	4	✓								✓			
144 D	44(2)	3.1.1	Include prescribed matters in policies, practices and procedures	4	✓								✓			
144E	45	3.1.1	Provide a 24-hour information line for specified customer contact	4	✓								✓			

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
145	46(1)	3.1.1	Have a written complaints procedure	4	✓										✓	
146	46(2)	3.1.1	Develop complaints procedure using as a minimum standards AS/NZS 10002-2014	4	✓										✓	
147	46(3)	3.1.1	Include specified matters in complaints procedure	4	✓										✓	
148	35(4)	3.1.1	Alternative complaint avenues	4	✓										✓	
148 A	46(4)	3.1.1	List procedures available under the Act in the complaint's procedure	4	✓										✓	
149	46(5)	3.1.1	Make complaints procedure available to customers	4	✓										✓	
149 A	47	3.1.1	Provide customer with specified information on resolving complaint	4	✓										✓	
150	48(1)	3.1.1	Provide customer with specified services	4	✓										✓	
152	48(2)	3.1.1	Make personal account information available to customer	4	✓										✓	
153	49(1)	3.1.1	Make prescribed information available as specified	4	✓										✓	
154	49(2)	3.1.1	Ensure specified information about bills can be obtained from website	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8			Clause Number	Clause Number	A	B	C	D	NP	NA	1	2	3	4
154A	49(3)	3.1.1	Ensure website contains a link to a current version of this code	4	✓						✓					
154B	51(1) and (3)	3.1.1	Maintain an up to date preserved supply register	4	✓						✓					
154C	52	3.1.1	Refrain from reducing the rate of flow of water supply to a preserved supply register address	2	✓											✓
154D	53	3.1.1	Sent notice required by clause 43(1) by post or deliver to preserved supply register address	4	✓											✓

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (Numbers 92 to 154D)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
155	12	3.2.1	Pay fees and charges	4	✓								✓			
156	12	3.1.1	Comply with applicable legislation	4		✓							✓			
159	12	3.1.2	Comply with ERA direction	4	✓											✓
160	12	3.6.1	Maintain accounting records	4	✓								✓			
161	12	4.2.1	Comply with individual performance standards	2	✓								✓			
162	12	4.3.4	Comply with operational audit responsibilities	4	✓								✓			
163	12	3.7.1(a), (b), (c)	Report specific situations to the ERA	2	✓											✓
165	12	3.8.1	Provide specified information to the ERA	2	✓											✓
166	12	3.8.2	Comply with ERA prescribed information reporting requirements	2	✓								✓			
167	12	3.8.3	Provide performance reporting data to the ERA	2	✓								✓			
168	12	2.8.1 and 2.8.2	Publish information as specified by the ERA	4	✓											✓
169	12	2.7.1	Give all notices in writing	4	✓								✓			
171	12	4.1.2	Notify ERA of material asset management system changes	2	✓											✓
172	12	4.1.6	Comply with asset management system review responsibilities	4	✓								✓			

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
173	12	5.5.1	Supply water only if a member of the water services ombudsman scheme	4	✓							✓				
175	12	5.1.1	Submit a draft customer contract for approval	4	✓										✓	
176	12	5.1.2	Comply with Customer Contract Guidelines	4	✓										✓	
177	12	5.1.3	Amend customer contract only with ERA's approval	4	✓										✓	
178	12	5.1.5	Comply with ERA direction to amend customer contract	4	✓										✓	
179	12	5.3.1 and 5.3.2	Obtain ERA approval to vary customer agreement	4	✓										✓	
180	12	5.3.4	Publish annual report containing specified information	4	✓										✓	
181	12	5.6.1	Comply with Act if supplier of last resort	4							✓				✓	
182	12	3.4.1(b)	Apply for licence amendment if providing water services outside operating area	4	✓										✓	
183	12	5.4.3	Comply with ERA's Financial Hardship Policy Guidelines	4	✓							✓				
184	12	6.1.1	Enter a MOU with the Department of Health	4							✓				✓	
185	12	6.1.2	Ensure MOU comply with specified requirements	4	✓							✓				
186	12	6.1.3	Comply with MOU terms	4	✓							✓				

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012	Water Services Licence – Version 8			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Section Number	Clause Number														
187	12	6.1.4	Publish MOU in a form agreed with the Department of Health	4	✓										✓	
188	12	6.1.5	Publish audit report on compliance with MOU obligations on website	4	✓										✓	
189	12	6.1.6	Publish reports required by the Department of Health or set out in MOU on website	4	✓						✓					
190	12	Schedule 2	Comply with service and performance standards	2	✓						✓					

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (Numbers 155 to 190)]

4.3 Audit Observations and Recommendations

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
2	21(1)(b)	3.3.1(b)	If requested to provide a water service authorised by the licence to a person not covered by section 21(1)(a) but within the operating area of the licence, the licensee must offer to provide the service on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon examined a HIPL datasheet for 2018-2019 which records compliance with legislative obligations (2019 Compliance Datasheet). The 2019 Compliance Datasheet is based on the ERA’s “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018”. Paxon found the 2019 Compliance Datasheet includes different sections with reference to obligations included in the: <ul style="list-style-type: none"> ○ Act; ○ Water Services Regulations 2013; ○ Water Services Code of Conduct (Customer Service Standards) 2018; and ○ WL33. • The 2019 Compliance Datasheet also includes a separate section for Type 1 reporting obligations; • All sections of the 2019 Compliance Datasheet record a comprehensive set of information for each listed obligation which includes: 	A	NR

² The “No.” refers to the compliance obligation reference number, as per the ERA’s document entitled: “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018”.

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
2 (cont.)					<ul style="list-style-type: none"> ○ References to legislative instruments; ○ Summary description of the obligation; Responsible unit within HIPL; ○ Comments (references to activities during the reporting period and other); and ○ References to evidence (registers, policies, procedure manuals, guidance notes, etc.). ● Paxon examined a HIPL datasheet for 2017-2018 which records compliance with legislative obligations (2018 Compliance Datasheet). The 2019 Compliance Datasheet has the same structure as the 2018 Compliance datasheet whilst bearing in mind legislative changes; ● Paxon examined a HIPL datasheet for 2016-2017 which records compliance with legislative obligations (2017 Compliance Datasheet). The 2017 Compliance Datasheet has the same structure as the 2018 Compliance Datasheet; ● Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL's obligation relating to section 21(1)(b) of the Act; ● Paxon also examined the Rio Tinto document entitled: "Standard connections for water, sewerage and electricity supply" which states: 		

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
2 (cont.)					<p><i>“We are licensed to provide water and sewerage services to Dampier, Pannawonica, Paraburdoo and Tom Price town properties.”</i></p> <p>Paxon regards this as an all-inclusive statement which will help ensure HIPL’s compliance with section 21(1)(b) of the Act.</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the Advisor Compliance – Core Services of HIPL (HIPL Representative) that, during the Audit Period, no persons within the operating area of WL33 not covered by section 21(1)(a) of the Act requested provision of a water service authorised by WL33; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Water services provided to persons within operating areas.”</i> 		
3	21(1)(c)	3.1.1 and 3.5	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence.	2	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> • The provision, operation and maintenance of the water service works during the Audit Period are covered in comprehensive detail in section 5 of this Report. The reviewer rated HIPL’s asset management system across 12 asset management system processes, as referred to in the Review 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
3 (cont.)					<p>section of this Report. The Reviewer has stated:</p> <p><i>“This review concludes that Hamersley Iron Pty Ltd (HI) operates all areas of its ground water extraction, treatment, and potable water distribution, together with its sewerage collection treatment and disposal systems – including its re-cycled non-potable water supply system, to a high standard and in a professional and competent manner.”</i></p> <p><i>HI’s personnel are a well-trained, focussed and cooperative team and its computer based asset management system and associated implementation practises are broad ranging and practical. Overall, the management of its assets is of the highest standard.”</i></p> <p>A summary of the Reviewer’s findings is included in Table 2 above.</p>		
4	22	3.4.1	The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the license.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 22 of the Act; and Refer to an “UMS register of properties and connections within operating areas” to help HIPL keep track of the location of service points for water services it provided during the Audit Period. 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
4 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, LSPL did not provide a water service outside of the outside operating area of WL33; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“No operations outside of OA in the reporting period”.</i> 		
5	23	3.5	All water service works used by the licensee in the provision of a water service must be held by the licensee or must be covered by a works holding arrangement.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 23 of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL owned all water service works it used in the provision of water services; and Paxon notes all three Compliance Datasheets record: <i>“Water services works are held by licensee.”</i> 	A	1
6	24(1)(a) & 24(2)	4.1.1	The licensee must have an asset management system that provides for the operation and maintenance of the water service works.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligations relating to sections 24(1)(a) and 24(2) of the Act; and 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
6 (cont.)					<ul style="list-style-type: none"> ○ Refer to “RTIO-AM-0099745 - Rio Tinto Iron Ore (WA) Utilities Water Services Asset Management Improvement Plan” to help HIPL comply with the above-mentioned obligations. <p>Compliance:</p> <ul style="list-style-type: none"> • See the findings for obligation number 3 above. 		
7	24(1)(b)	4.1.1 and 4.1.2	The licensee must give details of the asset management system and any changes to it to the ERA.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL’s obligation relating to section 24(1)(b) of the Act; and ○ Refer to RTIO-AM-0099745 - Rio Tinto Iron Ore (WA) Utilities Water Services Asset Management Improvement Plan” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not make any changes to its asset management system; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <p>“No changes in the reporting period.”</p> 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number				Controls	Compliance
8	24(1)(c)	4.1.3	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to sections 24(1)(c) and section 25 of the Act; and Paxon found the 2019 Compliance Datasheet refers to “RTIO-AM-0148966 - Rio Tinto (WA) Pilbara Utilities Statutory Reporting and Communications Guidance Note” to help HIPL comply with the said obligations. <p>Compliance:</p> <ul style="list-style-type: none"> Cardno performed an operational audit and asset management system review of WL33 in 2016. Both the Audit and Review covered the period 01/07/2013 to 30/06/2016; and Paxon was appointed by the ERA to conduct an operational audit and asset management system review of WL33 for the period 01/07/2016 to 30/06/2019. 	A	1
9	25	4.3.1	A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> See the findings for obligation 8 above. 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
11	27	3.1.1	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.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> An assessment of controls for, and compliance with the “Water Services Code of Conduct (Customer Service Standards) 2018” (2018 Customer Service Standards) is included in this Report - see reference numbers 92 to 154D below; and Recommendations for individual obligations, as considered appropriate, were made and are disclosed within this Report. 	A	2
12	29	3.1.1	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.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> An assessment of controls for, and compliance with the Act is included in this Report - see reference numbers 2 to 64 and 155 to 190 below; and Recommendations for individual obligations, as considered appropriate, were made and are disclosed within this Report. 	B	2
13	36	3.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition and must not remove any part of the works except with the approval of the Minister.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 36 of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
13 (cont.)					<p>HIPL did not cease to provide a water service in an area; and</p> <ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not applicable in the reporting period.”</i> 		
14	60	5.6.1	If the licensee is the supplier of last resort for a designated area, the licensee must perform the functions of the supplier of last resort and must comply with the relevant duties and carry out the relevant operations prescribed.	2	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL was not a supplier of last resort for a designated area. 	NA	NA
15	66	5.5.1	Licensees who are required to be a member of the water services ombudsman scheme agree to be bound by, and compliant with, any decision of direction of the water services ombudsman under the scheme.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 66 of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL was a member of the water services ombudsman scheme and did comply with, any decision of direction of the water services ombudsman under the scheme; and Paxon notes all three Compliance Datasheets confirm HIPL membership of the water services ombudsman scheme. 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
16	77(3)	3.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 77(3) of the Act; and State the following: <p><i>“General policy is always to minimise outages and impact to customers.”</i></p> Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which includes a section entitled: <i>“Interruption to supply”</i>. However, this document does not explicitly state that HIPL must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL took reasonable steps to minimise the extent or duration of any interruption of water services it was responsible for; and Paxon examined complaints registers for HIPL for the 2016-2017, 2017-2018 and 2018-2019 reporting years and found only one recorded complaint (2018-2019) which related to an 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
16 (cont.)					invoice. Thus, the lack of recorded complaints for water interruptions supports the said statement made by the HIPL Representative.		
17	s 82(4) & (5)	3.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligations relating to sections 82(4) and 82(5) of the Act; and Refer to “ RTIO-AM-0121785 - Rio Tinto (WA) Utilities Land Development & Customer Evidence Register” to help HIPL comply with the said obligations. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no person gave HIPL notice of any building work to be carried out on land in the operating area of WL33; and Paxon notes all three Compliance Datasheets record regarding this obligation: “Not exercised in the reporting period.” 	A	NR
18	84(2)	3.1.1	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 84(2) of the Act; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
18 (cont.)			licensee must give the person 21 days’ notice of its intention to commence the works.		<ul style="list-style-type: none"> Refer to “ RTIO-AM-0121785 - Rio Tinto (WA) Utilities Land Development & Customer Evidence Register” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL was not obliged to give any person 21 days’ notice of its intention to commence works; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
19	87(2)	3.1.1	If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee’s notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 87(2) of the Act; and Refer to recording “SAT proceedings” in a register. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that she has no knowledge of any person who made an application to the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services during the Audit 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
19 (cont.)					Period; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i>		
20	90(7)	3.1.1	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.	4	Controls: • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL’s obligation relating to section 90(7) of the Act; and ○ Refer to “RTIO-AM-0168892 - Compliance Officers (Water) Notice Register” to help HIPL comply with the said obligation. Compliance: • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give a compliance notice to a person who was undertaking construction or carrying out similar works in the vicinity of water service works; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i>	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number				Controls	Compliance
21	95(3)	3.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 95(3) of the Act; and Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which includes a section entitled: <i>“Interruption to supply”</i> which states: <i>“We will not cut off the supply of water to an occupied dwelling unless the occupier has agreed to this...”</i>! <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not cut off the supply of water to an occupied dwelling; Paxon examined complaints registers for HIPL for the 2016-2017, 2017-2018 and 2018-2019 reporting years and found only one recorded complaint (2018-2019) which related to an invoice. Thus, the lack of recorded complaints for water cut off’s supports the said statement made by the HIPL Representative; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised.”</i> 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number				Controls	Compliance
22	96(1)	3.1.1	If the licensee provides water supply reticulation works, or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 96(1) of the Act; and Refer to “RTIO-AM-0135336 - SS-M122 - Fire Mitigation Design and Installation Standard” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL was not obligated to install fire hydrants; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 	A	NR
23	96(5)	3.1.1	The licensee must comply with requests made by FESA or a local government under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 96(5) of the Act; and Refer to “RTIO-AM-0162953 - SS-M123 - Fire Mitigation Systems Maintenance Standard” to help HIPL comply with the said obligation. 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
23 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not receive any requests from FESA or a local government under sections 96(3) and 96(4) of the Act; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
24	98(3)	3.1.1	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ◦ Record HIPL’s obligation relating to section 98(3) of the Act; and ◦ Refer to <i>“RTIO-AM-0118754 - Utilities Division - Standard Connection of Water and Electricity Policy”</i> to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, the Minister did not require HIPL to connect a wastewater inlet on land to the sewerage works of the licensee; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
24 (cont.)					<ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
25	106(2)	3.1.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 106(2) of the Act; and Refer to <i>“RTIO-AM-0137981 - Iron Ore (WA) Pilbara Utilities Compliance officers (water) - internal guidance”</i> to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give compliance notices in relation to failure to maintain fittings, fixtures and pipes; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 	A	NR
28	119(2)	3.1.1	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 119(2) of the Act; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
28 (cont.)					<ul style="list-style-type: none"> ○ Refer to “RTIO-AM-0137981 - Iron Ore (WA) Pilbara Utilities Compliance officers (water) - internal guidance” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give compliance notices in relation to the matters set out in section 119(1); and • Paxon notes all three Compliance Datasheets record regarding this obligation: “Not exercised in the reporting period.” 		
29	122(2)	3.1.1	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL’s obligation relating to section 122(2) of the Act; and ○ Refer to “RTIO-LE-0000842 - Rio Tinto (WA) Utilities Legal Advice, Claims & Other Proceedings Register” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that she has no knowledge of any person who made an application to the State Administrative Tribunal under section 122(1) of 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
29 (cont.)					the Act during the Audit Period; and <ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
30	125(2)	3.1.1	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the <i>Strata Titles Act 1985</i> .	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 125(2) of the Act; and Refer to <i>“RTIO-AM-0118746 - Development and planning policy”</i> to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, each property had a separate meter which was used to measure consumption. Thus, HIPL did not apportion fees; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 	A	NR
31	128(4)	3.1.1	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 128(4) of the Act; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
31 (cont.)			the prescribed fee (if any) if the charge or contribution has been paid.		<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not lodge a withdrawal of memorial with the Registrar; and Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
32	129(5)	3.1.1	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours’ notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 129(5) of the Act; and Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which includes a section entitled: <i>“Interruption to supply”</i> which states: <i>“If a routine inspection or maintenance is likely to cause disruption to an occupant, we will provide the occupier with at least 48 hours’ notice of any proposed entry, unless the occupier agrees otherwise.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did give 48 hours’ notice of routine inspection or maintenance which were likely to 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
32 (cont.)					<p>cause disruption to the occupants of a place; and</p> <ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“General policy is to provide 48 written notice.”</i> 		
33	139(3)	3.1.1	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 139(3) of the Act; and Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which includes a section entitled: <i>“Other works”</i> which states: <i>“If we remove or erect a fence or gate when exercising any works power, we will take all reasonable steps to notify the owner before doing so.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did remove fences in Dampier as part of its 2018 upgrade. The HIPL Representative stated that a <i>“door knock”</i> was executed prior to the removal of the fences in Dampier; Paxon examined a <i>“Notice of Intended Works”</i> issued by the Utilities Manager – Dampier, dated 30/09/2018 which states: 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
33 (cont.)					<p><i>“...you will experience some inconvenience, including: ... The temporary removal of some surface assets such as fences, gardens and paving for the excavation of potentially deep keyhole pits”; and</i></p> <ul style="list-style-type: none"> • Paxon notes the 2019 Compliance Datasheet records regarding this obligation: <p><i>“Sewer Upgrades in Dampier 2018. Letter Drop occurred before. Some sections of boundry fences removed and replaced to allow for access to sewer for upgrades.”</i></p>		
34	141(1)	3.1.1	In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours’ notice to the public authority managing the road.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 141(1) of the Act; and • Paxon examined the Rio Tinto Standard Work Procedure entitled: <i>“Working at premises and in roads”</i> which includes an appropriate reference to section 141(1) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not carry out road work that involved breaking the surface of the road or caused major obstruction to road traffic; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
34 (cont.)					<ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
35	142	3.1.1	The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works and has given any notice required under section 148.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to sections 142, 143(2), 143(3), 144(3), 145(2), 147(3) and 147(4) of the Act; and Paxon examined the Rio Tinto Standard Work Procedure entitled: <i>“Major and general works”</i> which includes appropriate references to the above-mentioned sections of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not carry out major works; and Paxon notes all three Compliance Datasheets record regarding these obligations: <i>“Not exercised in the reporting period.”</i> 	A	NR
36	143 (2)	3.1.1	Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 35 above. 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number				Controls	Compliance
37	143 (3)	3.1.1	The licensee must, within 5 days of publishing the plans and details on the licensee’s website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	4	• See the findings for compliance obligation number 35 above.	A	NR
38	144(3)	3.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	See the findings for compliance obligation number 35 above.	A	NR
39	145(2)	3.1.1	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	• See the findings for compliance obligation number 35 above.	A	NR
40	147(3)	3.1.1	The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	4	• See the findings for compliance obligation number 35 above.	A	NR
41	147(4)	3.1.1	If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.	4	• See the findings for compliance obligation number 35 above.	A	NR
42	151(1)	3.1.1	A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	4	Controls: • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to sections 151(1), 151(2), 152(3) and 153(3) of the Act; and	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
42 (cont.)					<ul style="list-style-type: none"> Paxon examined the Rio Tinto Standard Work Procedure entitled: “Major and general works” which includes appropriate references to the above-mentioned sections of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not carry out general works. The HIPL representative confirmed with HIPL’s Maintenance Engineering Team that the Dampier Sewer Project which was undertaken during the Audit Period was “preventative maintenance” and not general works as defined in the Act; and Paxon notes all three Compliance Datasheets record regarding these obligations: “Not exercised in the reporting period.” 		
43	151(2)	3.1.1	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 42 above. 	A	NR
44	152(3)	3.1.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 42 above. 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
45	153(3)	3.1.1	If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 42 above. 	A	NR
46	166(5)	3.1.1	On being advised by the Minister that an interest in land is appropriate to the licensee’s needs, the licensee is required to acquire the interest.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to sections 166(5) and 166(6) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, the Minister did not advise HIPL to acquire an interest in land; and Paxon notes all three Compliance Datasheets record regarding these obligations: <i>“Not exercised in the reporting period.”</i> 	A	NR
47	166(6)	3.1.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 46 above. 	A	NR
48	170	3.1.1	The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the <i>Planning and Development</i>	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 170 of the Act; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
48 (cont.)			Act 2005, unless the Minister permits the licensee to do so.		<ul style="list-style-type: none"> Refer to “RTIO-AM-0118746 - Development and planning policy” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not sell an interest in land; and Paxon notes all three Compliance Datasheets record regarding this obligation: “Not exercised in the reporting period.” 		
49	173(4)	3.1.1	In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours’ notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to sections 173(4) and 174(1) of the Act; and Paxon examined the Rio Tinto Standard Work Procedure entitled: “Working at premises and in roads” which includes appropriate references to sections 173(4) and 174(1) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did give: <ul style="list-style-type: none"> 48 Hours’ notice of proposed entry to a place for the purposes of doing works to the occupier 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
49 (cont.)					<ul style="list-style-type: none"> or owner; and o Notices in writing, setting out the purpose of the entries and including the work proposed to be carried out. • Paxon examined a notice which was given during the audit period and found is was in writing and set out the purpose of the entry including the work proposed to be carried out. 		
50	174(1)	3.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	4	<ul style="list-style-type: none"> • See the findings for compliance obligation 49 above. 	A	1
51	174(3)	3.1.1	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 174(3) of the Act; and • Paxon examined the Rio Tinto Standard Work Procedure entitled: “<i>Working at premises and in roads</i>” which includes an appropriate reference to sections 174(3) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no situation arose where HIPL was entitled to enter 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
51 (cont.)					a place without having to give notice of proposed entry.		
52	175(2)	3.1.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligations relating to sections 175(2) and 175(5) of the Act; and • Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> which includes appropriate references to the obligations included in sections 175(2) and 175(5) of the Act in: <ul style="list-style-type: none"> ○ Section 5.2.5.1 entitled: <i>“Process for entering occupied Dwellings”</i>; and ○ Section 5.2.5.2 entitled: <i>“If the Dwelling entered is unoccupied”</i>. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not enter a dwelling; and • Paxon notes all three Compliance Datasheets record regarding these obligations: <i>“Not exercised in the reporting period.”</i> 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
53	175(5)	3.1.1	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 52 above. 	A	NR
54	176(1)	3.1.1	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 176(1) of the Act; and Paxon examined the Rio Tinto Standard Work Procedure entitled: <i>“Working at premises and in roads”</i> which includes an appropriate reference to section 176(1) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no owner or occupier refused or withdrawn their consent for HIPL to enter a place; and Paxon notes all three Compliance Datasheets record regarding these obligations: <i>“Not exercised in the reporting period.”</i> 	A	NR
55	176(3)	3.1.1	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 176(3) of the Act; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
55 (cont.)					<ul style="list-style-type: none"> • Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> which includes an appropriate reference to sections 176(3) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL representatives did not use their authority under the Act to enter a place and were thus not required to produce certificates of authority; and • Paxon examined a sample of <i>“Certificate of Designation – Compliance Officer (Water)”</i> issued by HIPL. Paxon notes these certificates record: <ul style="list-style-type: none"> ○ Name of the compliance officer; ○ Date of designation; ○ Expiry date of designation; ○ Certification (reference to the Act); ○ Signature of a General Manager; ○ Photo of the compliance officer; and ○ Reference to the powers of the compliance officer in terms of the Act. • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012 Section Number	Water Services Licence – Version 8 Clause Number				Controls	Compliance
56	176(4)	3.1.1	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 176(4) of the Act; and • Paxon examined the Rio Tinto Standard Work Procedure entitled: <i>“Working at premises and in roads”</i> which includes an appropriate reference to section 176(4) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL representatives did not enter a place and were not requested to produce evidence of authority; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 	A	NR
57	181	3.1.1	The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 181 of the Act; and • Paxon examined the Rio Tinto Standard Work Procedure entitled: <i>“Working at premises and in</i> 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
57 (cont.)					<p><i>roads</i>” which includes an appropriate reference to section 181 of the Act.</p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL representatives complied with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier. 		
58	186	3.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to sections 186, 187(1)-(3), 190(4) and 190(5) of the Act; and Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> which includes appropriate references to the above-mentioned obligations in the Act within: <ul style="list-style-type: none"> Section 5.2.6.1 entitled: <i>“Applying for a warrant”</i>; Section 5.2.6.3 entitled: <i>“Execution of warrant – section 190”</i>. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not apply for warrants; and 	A	NR

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
58 (cont.)					<ul style="list-style-type: none"> Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the reporting period.”</i> 		
59	187(1) – (3)	3.1.1	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 58 above. 	A	NR
60	190(4)	3.1.1	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 58 above. 	A	NR
61	190(5)	3.1.1	On completing the execution of a warrant, the licensee must record the prescribed information on that warrant.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 58 above. 	A	NR
62	210(5)	3.1.1	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 210(5) of the Act; and Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> which includes an appropriate reference to section 210(5) of the Act. 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
62 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL issued compliance officers with a “Certificate of Designation – Compliance Officer (Water)”; and • See the findings for compliance obligation number 55 above regarding the contents of these certificates. 		
63	218(2)	3.1.1	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to section 218(2) of the Act; and • Paxon examined the Rio Tinto Standard Work Procedure entitled: “Working at premises and in roads” which includes an appropriate reference to section 218(2) of the Act. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL, in the exercise or purported exercise of a power under the Act, did not: <ul style="list-style-type: none"> ○ Obstruct the free use of a place; or ○ Cause any damage, harm or inconvenience. 	A	1

No. ²	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 8				Controls	Compliance
	Section Number	Clause Number					
64	218(3)	3.1.1	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good and pay compensation to the extent that it is not practicable to make good the damage.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligation relating to section 218(3) of the Act; and Refer to “RTIO-LE-0000842 - Rio Tinto (WA) Utilities Legal Advice, Claims & Other Proceedings Register” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not cause physical damage in the exercise of a works power or a power of entry and therefore HIPL was not required to make any damage good or pay compensation; and Paxon notes all three Compliance Datasheets record regarding this obligation: “No claims during the audit period.” 	A	NR

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018” (Numbers 2 to 64)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
65	23(2)	3.1.1	If the licensee provides a water supply service in respect of a multi-unit development, the licensee must, on the request of the owner or the strata company, assess whether a meter is satisfactory for measuring the quantity or flow of water passing through a pipe supplying water to the unit.	4	<p>Controls – Obligations 65 to 72:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> Record HIPL’s obligations relating to regulations 23(2), 24(4), 26(3), 26(5), 29(1), 42(2), 43(3) and 43(6) of the Water Services Regulations 2013 (2013 Regulations); and State: <i>“Not applicable to HIPL”</i>. Paxon examined the 2013 Regulations, dated 14/11/2013 and found it stated in regulation 20 as included in <i>“Part 4 – Water services”</i>: <i>“In this Part, a reference to a licensee is a reference to a water corporation that is a licensee, unless the contrary intention appears.”</i>; Paxon found that Part 4 included regulations 20 to 75 and thus included all the regulations listed above. Thus, prima facie it appears justification may be found for all three Compliance Datasheets stating: <i>“Not applicable to HIPL”</i>. <p>Controls – Obligation 65-68:</p> <ul style="list-style-type: none"> Paxon examined the 2013 Regulations, dated 1/07/2018 and found it stated in Regulation 20A as included in <i>“Division 2 - Meters and associated fittings”</i>: 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
65 (cont.)	Regulation Number	Clause Number			<p><i>“This Division, other than regulation 26, applies to, and in respect of, the following licensees only –</i></p> <ul style="list-style-type: none"> <i>(a) a water corporation licensee;</i> <i>(b) Hamersley Iron Pty Ltd (ABN 49 004 558 276);</i> <i>(c) Robe River Mining Company Pty Ltd (ABN 71 008 694 246).”;</i> <ul style="list-style-type: none"> • Paxon found the: <ul style="list-style-type: none"> ○ Addition of section 20A was gazetted on 13/12/2016; and ○ <i>“Division 2”</i> includes regulations 20 to 26 of the 2013 Regulations. • Thus, regulations 23(2), 24(4), 26(3) and 26(5) was applicable to HIPL as from 13/12/2016. Consequently, all three Compliance Datasheets are incorrect when stating regarding regulations 23(2), 24(4), 26(3) and 26(5) of the 2013 Regulations: <p><i>“Not applicable to HIPL”.</i></p> <p>Controls - Obligation 65:</p> <ul style="list-style-type: none"> • Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>“Review of meter reading or estimation”</i>: 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
65 (cont.)					<p><i>“If you believe that your usage charge is inaccurate due to a faulty meter or unreasonable estimation, you may wish to request a meter reading or test to verify the usage charge on your bill.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not provide a water supply service in respect of a multi-unit development. 		
66	24(4)	3.1.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	4	<p>Controls:</p> <ul style="list-style-type: none"> See the controls findings section for compliance obligation number 65 above; and Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> which in section 7.1 entitled: <i>“Issuing a Compliance Notice”</i> records an appropriate reference to regulation 24(4) of the 2013 Regulations. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give a compliance notice to a person in respect of access to meters. 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
67	26(3)	3.1.1	If the owner or occupier requests the licensee to test a meter, subject to the payment of the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with the approved procedure.	4	<p>Controls:</p> <ul style="list-style-type: none"> • See the controls findings section for compliance obligation number 65 above; and • Paxon examined several Rio Tinto process documents and found appropriate references to performing meter test on request and that charges are applicable, therefore. However, Paxon could not find a direct reference to the testing procedure having to be “in accordance with a procedure approved by the CEO” as stipulated in regulation 26(3) of the 2013 Regulations. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no owner or occupier requested HIPL to test a meter. 	B	NR
68	26(5)	3.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).	4	<p>Controls:</p> <ul style="list-style-type: none"> • See the controls findings section for compliance obligation number 65 above; and • Paxon examined the Rio Tinto document entitled: “Bill Review Policy” and found appropriate references to the stipulations of regulation 26(5) of the 2013 Regulations. 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
68 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no owner or occupier requested HIPL to test a meter. 		
69	29(1)	3.1.1	The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the contribution unless regulations 29(3) or 29(4) applies.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> See the controls findings section for compliance obligation number 65 above. As discussed, Paxon found that in terms of regulation 20 of the 2013 Regulations, dated 14/11/2013 regulation 29(1) was not applicable to the HIPL’s operations; Paxon examined the 2013 Regulations, dated 1/07/2018 and found it stated in regulation 28A as included in “<i>Subdivision 2 - Subdividing lots: deferring infrastructure contributions and concessions on water service charges</i>”: “<i>This Subdivision applies to, and in respect of, water corporation licensees only.</i>”; Paxon found the: <ul style="list-style-type: none"> Addition of section 28A was gazetted on 13/12/2016; and “<i>Subdivision 2</i>” includes regulations 28A to 30 of the 2013 Regulations. 	NA	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations – 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
69 (cont.)					<ul style="list-style-type: none"> Thus, regulation 29 of the 2013 Regulations was not applicable to HIPL’s operations during the Audit Period. 		
70	42(2)	3.1.1	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given).	4	<p>Controls:</p> <ul style="list-style-type: none"> See the controls findings section for compliance obligation number 65 above. As discussed, Paxon found that in terms of regulation 20 of the 2013 Regulations, dated 14/11/2013 regulation 42(2) was not applicable to the HIPL’s operations; Paxon examined the 2013 Regulations, dated 1/07/2018 and found it stated in Regulation 38A as included in “Subdivision 3 – Protection of water quality”: <i>“This Subdivision applies to, and in respect of, the following licensees only –</i> <i>(a) a water corporation licensee;</i> <i>(b) Hamersley Iron Pty Ltd (ABN 49 004 558 276);</i> <i>(c) Robe River Mining Company Pty Ltd (ABN 71 008 694 246).”</i> Paxon found the: <ul style="list-style-type: none"> o Addition of section 38A was gazetted on 13/12/2016; and o “Subdivision 2” includes regulations 38A to 44 of the 2013 Regulations. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
70 (cont.)					<ul style="list-style-type: none"> Thus, regulations 42(2), 43(3) and 43(6) was applicable to HIPL as from 13/12/2016; and Paxon was informed by the HIPL Representative that the “<i>Property Owners and Plumbers Handbook</i>”, section 5.4 addresses this obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give a written order requiring the owner or occupier of land to install a backflow prevention device. 		
71	43(3)	3.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or maintained in accordance with the standard by a specified date (which must be at least 7 days after the notice is given).	4	<p>Controls:</p> <ul style="list-style-type: none"> See the controls findings section for compliance obligation number 70 above; and Paxon examined the Rio Tinto document entitled: “<i>Compliance Officers (Water) – internal guideline</i>” and found section 7.1.2 does not refer to the fact the specified date must be at least seven days after the notice is given. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give a compliance notice requiring the owner or occupier of land to have 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
71 (cont.)					their backflow prevention device tested or maintained.		
72	43(6)	3.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given).	4	<p>Controls:</p> <ul style="list-style-type: none"> See the controls findings section for compliance obligation number 70 above; and Paxon examined the Rio Tinto document entitled: <i>“Compliance Officers (Water) – internal guideline”</i> and found section 7.1.2 does not refer to the fact the date by which the work is to be done must be at least seven days after the notice is given. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not give a compliance notice requiring the owner or occupier of land to have their backflow prevention device made good. 	B	NR
73	53(3)	3.1.1	<ul style="list-style-type: none"> The licensee must provide a person with a plan of the existing drainage plumbing for a building on request and on receipt of payment from the person. 	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon was informed by the HIPL Representative that the HIPL’s <i>“Land Development Policy”</i> addresses this obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
73 (cont.)					<p>HIPL did:</p> <ul style="list-style-type: none"> ○ On request, provide plans of existing drainage plumbing for a building; ○ Not charge any fees, therefore. 		
74	60(2)	3.1.1	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to regulation 60(2) of the 2013 Regulations; and • Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i>. The section entitled: <i>“Other works”</i> includes an appropriate reference to regulation 60(2) of the 2013 Regulations. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not exercise a works power in a road which would have necessitated altering the position of infrastructure; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the audit period.”</i> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
75	63	3.1.1	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road and must take all reasonable measures to prevent that part of the road from being hazardous.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to regulation 63 of the 2013 Regulations; and Paxon examined the Rio Tinto document entitled: “Standard connections for water, sewerage and electricity supply”. The section entitled: “Other works” includes an appropriate reference to regulation 63 of the 2013 Regulations. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not open or broke up the surface of a road; and Paxon notes all three Compliance Datasheets record regarding this obligation: “Not exercised in the audit period.” 	A	NR
88A	80H	3.1.1	The licensee must, within 60 days after receiving a water efficiency management plan from an owner or occupier of a non-residential lot, approve the plan, request further information, or request a revised plan by written notice.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> Records HIPL’s obligation relating to regulation 80H of the 2013 Regulations; and 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
	Regulation Number	Clause Number					
88A (cont.)					<ul style="list-style-type: none"> o Refers to RTIO-AM-0188250 - 2017.10.28 - WC to RT - Exemption of Rio Tinto from WEMPs". <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>"Not exercised in the audit period.</i> <i>A request for a WEMP was received in Sept 2017, however HI was found to be exempt is due to the Bungaroo Water Transfer Agreement dated 25 December 2013 (BWTA) between the Water Corporation and relevant RTIO companies and as such, we do not supply water to RTIO under this agreement."</i> 		
89	85	3.1.1	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to regulation 85 of the 2013 Regulations; and • Paxon examined the Rio Tinto document entitled: <i>"Compliance Officers (Water) – internal guideline"</i> which includes an appropriate reference to regulation 85 of the 2013 Regulations. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 8				Controls	Compliance
89 (cont.)	Regulation Number	Clause Number			<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not issue compliance notices; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <i>“Not exercised in the audit period...”</i> 		

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018” (Numbers 65 to 89)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
92	8(1)-(3)	3.1.1	The licensee must have written information for customers about the prescribed matters regarding connections and the information must be available on the licensee’s website and a hardcopy provided to a customer upon request at no charge.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligations relating to clauses 8(1)-(3) of the Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Customer Service Standards); and • Paxon found the 2017 Compliance Datasheet and the 2018 Compliance Datasheet records HIPL’s obligations relating to clauses 7 of the Water Services Code of Conduct (Customer Service Standards) 2013 (2013 Customer Service Standards). <p>Compliance:</p> <p>Paxon examined the Rio Tinto document entitled: “Standard connections for water, sewerage and electricity supply” which was found on the Rio Tinto website;</p> <ul style="list-style-type: none"> • Paxon examined the Rio Tinto document entitled: “Standard connections for water, sewerage and electricity supply” (Connections Document) which states regarding clauses 8(2)(a) and (b) of the 2018 Customer Service Standards: 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
92 (cont.)					<p><i>" We are licensed to provide water and sewerage services to Dampier, Pannawonica, Paraburdoo and Tom Price town properties...Further, we are committed to ensuring we comply with all relevant legislation, standards and principles, including the requirements set out in our water licence."</i></p> <ul style="list-style-type: none"> • Paxon examined the Connections Document which states regarding clause 8(2)(c) of the 2018 Customer Service Standards: <p><i>"It is our preference that we will not disconnect or restrict water services to a property for the non-payment of bills; however we will restrict water services as last resort should we not receive payment for your bill."</i></p> • Paxon found the Connections Document distinguishes, regarding clause 8(2)(d) and (e) of the 2018 Customer Service Standards between <i>"New connections"</i> and <i>"Setting up a new water account (premises already attached to distribution system)"</i>; • Paxon found the Connections Document records, regarding clause 8(2)(f) of the 2018 Customer Service Standards: 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
92 (cont.)					<ul style="list-style-type: none"> o Timing for paying applicable fees; and o Informing customers via invoice of fees payable. • Paxon found the Connections Document records, regarding clause 8(2)(g) of the 2018 Customer Service Standards: <ul style="list-style-type: none"> <i>“We will connect our water system to your premises and activate the service within 10 business days of receiving your payment or from the completion of any other pre-connection requirements, or at a later date with your express agreement in writing. This is subject to compliance with any conditions in our agreement and any other applicable law.”</i>; and • Paxon notes all three Compliance Datasheets record regarding this obligation: <ul style="list-style-type: none"> <i>“...hard copies are available on request.”</i> 		
93	9(2) and (4)	3.1.1	The licensee must ensure that, in any 12-month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clauses 9(2) and (4) of the 2018 Customer Service Standards (2017 and 2018 Compliance 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
93 (cont.)					<p>Datasheets record a reference to clause 8 of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon found the Connections Document records, regarding clause 8(2)(g) of the 2018 Customer Service Standards: <p><i>“We will connect our water system to your premises and activate the service within 10 business days of receiving your payment or from the completion of any other pre-connection requirements, or at a later date with your express agreement in writing. This is subject to compliance with any conditions in our agreement and any other applicable law.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not make any connection of water services; and Paxon notes all three Compliance Datasheets record regarding this obligation: <p><i>“Customer Services has reported that no new connections were made...”</i></p> 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
94	10(2)	3.1.1	If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12-month period.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 10(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 9 of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>"Invoicing and meter reading policy"</i> and found it states under the heading: <i>"Invoicing – Water bill"</i> <p><i>"We also will issue you separately with a quarterly (three months) invoice of the annual water service and wastewater charges four times a year."</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of <i>"Water Rate Invoices"</i> issued during the Audit Period and found these invoices levied both a sewerage charge and a service charge for a quarterly period. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
95	11(2)	3.1.1	If the licensee charges a quantity charge, the licensee must issue a bill for a quantity charge to each customer at least once in every 4-month period.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clauses 11(2) and 11(3) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record references to clauses 10(2) and 10(3) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> and found it states under the heading: <i>“Invoicing – Water bill”</i>: <i>“We take a reading of your meter every three months. We then issue you a quarterly invoice for your metered water use for that three month period.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of <i>“Water Consumption Invoices”</i> issued during the Audit Period and found these invoices levied a consumption charge based on a meter reading for a quarterly period. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
96	11(3)	3.1.1	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	Controls and Compliance <ul style="list-style-type: none"> See the findings for compliance obligation number 95 above. 	A	1
97	11(4)	3.1.1	If an accurate meter reading is not possible, a bill for usage must be based on an estimate (in accordance with the prescribed regulations) of the quantity of water supplied or wastewater discharged.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clauses 11(4) and 11(5) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record references to clauses 10(4) and 10(5) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: “Invoicing and meter reading policy” and found it states under the heading: “Meter reading – (b) Estimations”: <i>“While we use our best endeavours to ensure that metering data is obtained, occasionally we may be required to estimate the reading. Your bill will state whether the reading was an estimate, the basis of the estimate and the reason for the estimate. We will base your usage charge on a reasonable estimate by:</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
97 (cont.)					<ul style="list-style-type: none"> referring to an average usage in a previous period; or same time last year for the premise town average for properties in same category / tariff type on a basis agreed with you.” <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL issued bills where usage was based on an estimate. 		
98	11(5)	3.1.1	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 97 above. 	A	1
98A	11(6)	3.1.1	Despite subclauses 11(4) and (5), a bill for usage based on a meter reading must be issued at least once in every 12-month period.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheets records HIPL’s obligation relating to clause 11(6) of the 2018 Customer Service Standards; and Paxon examined the Rio Tinto document entitled: “Invoicing and meter reading policy” and 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
98A (cont.)					<p>found it states under the heading: “Meter reading – (c) Review of meter reading or estimation”:</p> <p><i>“We will once in every 12 month period issue a bill for usage charges based on a meter reading.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did issue bills for usage at least once in every 12 month-period; and • Paxon notes the 2019 Compliance Datasheet records regarding this obligation: <p><i>“Best endeavours to ensure that metering data is obtained once every 12 months.</i></p> <p><i>Each quarter report is run to identify any customers that have had estimates to ensure a actual can be obtained during the 12 month period.”</i></p> 		
99	12	3.1.1	The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 12 of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
99 (cont.)					<p>reference to clause 11 of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> and found it states under the heading: <i>“Invoicing”</i>: <i>“We will send bills to the address of the property connected to the service or to an address nominated by you.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL sent bills to customer nominated addresses (postal or other); and Paxon examined a sample of <i>“Water Consumption Invoices”</i> issued during the Audit Period and found these invoices provides for recording postal addresses. 		
100	13(1)	3.1.1	Each bill must contain the prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 13(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record 	A	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
100 (cont.)					<p>a reference to clause 12(1) of the 2013 Customer Service Standards).</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon notes the 2017 Compliance Datasheet records regarding this obligation: <p><i>“Bill meets this requirement from first billing period (see example invoice), except for 12(1)k the amount of any arrears or credit standing to the customer’s name. Outstanding arrears is not present on the bills and has not been since 18th Nov 2015.”;</i></p> • Paxon notes the 2018 Compliance Datasheet records regarding this obligation: <p><i>...Outstanding arrears was not present on the bills from 18th Nov 2015 until January 2018.”;</i></p> • Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found not all invoices sampled included a statement advising the customer that interest or fees may be charged for late payment of bills; 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
100 (cont.)					<ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that: <ul style="list-style-type: none"> During the Audit Period, no interest or other fees were levied for late payment of bills; and Notwithstanding, HIPL made an internal decision to include wording to the effect interest or fees may be charged for late payment of bills, on all bills issued as from July 2018 onwards. Paxon is satisfied the sampled invoices record the information stipulated in clause 13(1) of the 2018 Customer Service Standards and therefore no recommendation is made. 		
100A	13(3)	3.1.1	A bill issued for 2 or more water services must specify the charge payable for each water service.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL issued separate invoices for potable water supply services and sewerage services. Thus, this obligation was not applicable to HIPL during the Audit Period. 	NA	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
101	13(4)	3.1.1	Each bill for usage for a metered water service must contain the specified information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 13(4) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 12(2) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of "Water Consumption Invoices" issued during the Audit Period and found these invoices record the information stipulated in clause 13(4) of the 2018 Customer Service Standards. Paxon did not find, within the sample examined, any instances of bills based on estimates. 	A	1
101A	13(5)	3.1.1	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.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL's obligation relating to clause 13(5) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of "Water Consumption Invoices" issued during the Audit 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
101A (cont.)					Period and found these invoices record the information stipulated in clause 13(5) of the 2018 Customer Service Standards.		
102	12(3)	3.1.1	Each bill must inform the customer of the specified information and where further details can be obtained. (Obligation as per the 2013 Customer Service Standards)	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 12(3) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found these invoices does not record the following information: <ul style="list-style-type: none"> That the customer may request a meter reading and bill to determine outstanding charges for a period that is not the same as the usual billing cycle; That the customer may request a meter reading and revised bill if the customer disputes an estimate on which a bill is based and that if the customer so requests, information about the fees that apply; and 	A	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
102 (cont.)					<ul style="list-style-type: none"> Information about the fees that apply (meter testing) and when the fees may be reimbursed in accordance with the regulations mentioned in section 79(3)(c). Paxon does not make a recommendation as these deficiencies were in respect of the 2013 Customer Service Standards and not the current 2018 Customer Service Standards. 		
102A	13(6)	3.1.1	Each bill must contain the prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 13(6) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found sampled invoices record the information stipulated in clause 13(6) of the 2018 Customer Service Standards. 	A	1
103	14(1)	3.1.1	If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 14(1) of the 2018 Customer Service Standards 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
103 (cont.)					<p>(2017 and 2018 Compliance Datasheets record a reference to clause 13(1) of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> • See the findings for compliance obligation number 97 above. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did make estimates of usage; and • Paxon examined a sample of “Water Consumption Invoices” and found these invoices included a statement that in cases of estimates, HIPL will inform customers upon request of the: <ul style="list-style-type: none"> ○ Basis for the estimation; and ○ Reason for the estimation. 		
104	14(2)	3.1.1	If a bill is based on an estimate, the licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL’s obligation relating to clause 14(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 13(2) of the 2013 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
104 (cont.)					<p>Customer Service Standards); and</p> <ul style="list-style-type: none"> o Refer to RTIO-AM-0169517 - Core Services - Water High Bills Checklist to help HIPL comply with the said obligation. • Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> and found it states under the heading: <i>“Meter – reading – (b) Estimations”</i>: <i>“We will provide you with a revised bill if it is found that the estimate was not reasonable having regard to a subsequent and accurate meter reading.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, all estimates of usage made by HIPL were reasonable. Thus, no adjustments were needed to subsequent bills. 		
104A	15(3)	3.1.1	Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 15(3) of the 2018 Customer Service Standards. 	A	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
104A (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon notes the 2019 Compliance Datasheet records regarding this obligation: <p><i>“Water tariff changes per kL are provided on invoice.</i></p> <p><i>WSSCC2018 cl.15(3)d. The date on which the customers tariff year restarts is not included on the bills for 2018.2019. Customer Services are currently updating invoices to include this information.”</i></p> <p>Recommendation 1/2019:</p> <ul style="list-style-type: none"> HIPL should ensure its bills disclose, in compliance with section 15(3)(d) of the 2018 Customer Service Standards: <p><i>“the day on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the day on which the customer’s next consumption year starts.”</i></p> 		
105	16(1)	3.1.1	The licensee must provide to the customer on request a meter reading and a bill (or revised bill if applicable) for outstanding charges outside of	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 16(1) of the 2018 Customer Service Standards 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
105 (cont.)			the usual bill cycle, or in case the customer disputes an estimate.		<p>(2017 and 2018 Compliance Datasheets record a reference to clause 14(1) of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> and found it states under the heading: <i>“Invoicing – Water bill”</i>: <i>“As a minimum standard, we are required to: Issue you, on request, in the case of a metered water service, a meter reading and bill to determine outstanding charges for a period that is not the same as the usual billing cycle.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of <i>“Water Consumption Invoices”</i> and found these invoices were for shorter periods than the standard quarterly period charges for water usage. 		
106	17(2) & (3)	3.1.1	The licensee must have a written policy, standard or set of guidelines (available on the licensee’s website and a hardcopy provided to a customer upon request at no charge) in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 17(2) and (3) of the 2018 Customer Service Standards (2017 and 2018 Compliance 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
106 (cont.)			normal for the customer but is likely to have been wasted because of a leak from the customer’s system.		<p>Datasheets record a reference to clause 15 of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: “Bill review policy” which states under the heading: “Water leak allowance policy”: <i>“A leak from a fitting, fixture or pipe that you are responsible for may result in higher than expected water consumption. Once a leak has been detected and repaired by a licensed plumber, you may apply to us for a leak allowance to offset a portion of the water wasted.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customers applied for a discount for higher than normal water usage charges due to water leaks. 		
107	18(2)	3.1.1	The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day on which the licensee informed the customer of the undercharging.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 18(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
107 (cont.)					<p>a reference to clause 16(2) of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: “Bill review policy” which states under the heading: “Our bill review process – (c) Undercharging”: <p><i>“We will not recover an undercharged amount from you unless it is for services provided in the 12 month period ending on the day we informed you that you had been undercharged.:</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not recover undercharged amounts from customers. 		
108	18(3)	3.1.1	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 18(3) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 16(3) of the 2013 Customer Service Standards); and 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
108 (cont.)					<ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Bill review policy”</i> which states under the heading: <i>“Our bill review process – (c) Undercharging”</i>: <i>“If it is found that you were undercharged, we will:</i> <ul style="list-style-type: none"> <i>issue you an interim bill for the undercharged amount; or</i> <i>include the amount as an item in your next bill.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 107 above. 		
109	18(4)	3.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 18(4) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 16(4) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>“Bill review policy”</i> which states under the heading: <i>“Our bill review process – (c) Undercharging”</i>: 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
109 (cont.)					<p><i>"We will not charge interest or late payment fees on an undercharged amount."</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 107 above. 		
110	18(5)	3.1.1	The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 18(5) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 16(5) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>"Bill review policy"</i> which states under the heading: <i>"Our bill review process – (c) Undercharging"</i>: <i>"We can offer you a repayment plan to pay off the undercharged amount. The length of the plan will be the lesser of the following periods (starting on the day on which the bill is issued):</i> <ul style="list-style-type: none"> <i>a period for the same amount of time in which the undercharging occurred; or</i> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
110 (cont.)					<ul style="list-style-type: none"> • a period of 12 months.” <p>Compliance:</p> <ul style="list-style-type: none"> • See the findings for compliance obligation number 107 above. 		
111	17(1)	3.1.1	If the licensee overcharges a customer, the licensee must credit the customer's account and must immediately afterwards notify the customer, or inform the customer of the overcharging and recommended options for refunding or crediting the overcharged amount. (Obligation as per the 2013 Customer Service Standards)	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 17(1) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not overcharge customers 	A	NR
111A	19(2)	3.1.1	The licensee must, within 15 business days of becoming aware of an overcharge, credit the overcharged amount to the customer’s account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer’s account.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 19(2) of the 2018 Customer Service Standards; and • Paxon examined the Rio Tinto document entitled: “Bill review policy” which states under the heading: “Our bill review process – (a) 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
111A (cont.)					<p><i>Overcharging</i>”:</p> <p>“ If it is found that you were overcharged, we will proceed with the following within 10 business days of becoming aware of the error:</p> <ul style="list-style-type: none"> • If the amount is less than \$75, credit your account and advise you immediately; or • Inform you of the overcharging and pay the amount in accordance with your instructions (this may include a request for a refund via cheque) within 12 business days.” <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not overcharge customers. 		
112	17(2)	3.1.1	<p>The licensee must, in accordance with the customer's instructions, refund or credit the customer's account within 15 business days from starting on the day the licensee receives the instructions.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 17(2) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
112 (cont.)					HIPL did not overcharge customers.		
112A	19(3)	3.1.1	If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer’s account within 15 business days of the licensee receiving the instructions.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 19(3) of the 2018 Customer Service Standards; and See the reference to the Rio Tinto document entitled: “Bill review policy” as included for compliance obligation 111A above. <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 111A above. 	A	NR
112B	19(4)	3.1.1	If instructions from the customer about the refunding or crediting of the overcharged amount have not been received by the licensee at the end of the period of 10 business days starting on the day an overcharging notice is sent, the licensee must credit the overcharged amount to the customer’s account before the end of the period of the next 15 business days.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 19(4) of the 2018 Customer Service Standards; and Paxon found the Rio Tinto document entitled: “End to End Billing – Procedure Manual” includes an appropriate reference to the above-mentioned obligation. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
112B (cont.)					Compliance: <ul style="list-style-type: none"> See the findings for compliance obligation number 111A above. 		
112C	19(5)	3.1.1	The licensee must notify the customer immediately after crediting the overcharged amount to the customer’s account under subclause (2)(a), (3) or (4).	4	Controls: <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 19(5) of the 2018 Customer Service Standards; and Paxon found the Rio Tinto document entitled: “End to End Billing – Procedure Manual” includes an appropriate reference to the above-mentioned obligation. Compliance: <ul style="list-style-type: none"> See the findings for compliance obligation number 111A above. 	A	NR
113	20(1)	3.1.1	The licensee must review a bill on the customer's request.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 20(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 18(1) of the 2013 Customer Service Standards); and 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
113 (cont.)					<ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: “Bill review policy” which states under the heading: “Our bill review process”: <i>“If you believe your bill may contain an error, please contact us on 1800 992 777 or piics.utilities@riotinto.com to have your bill reviewed. We will review your bill in accordance with our Bill Review Procedure and will provide you with a revised bill if it is found that you were overcharged or undercharged.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did review bills at customers’ request. 		
114	20(2)	3.1.1	The license must have a written procedure for the review of a bill on the customer’s request.	4	<p>Controls and compliance:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 20(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 18(2) of the 2013 Customer Service Standards); 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
114 (cont.)					<ul style="list-style-type: none"> • Paxon examined the Rio Tinto document entitled: “Bill review policy” which provides comprehensive details as to bill review procedure; and • Paxon also examined the Rio Tinto document entitled: “Bill Review Procedure” which covers the same content as the “Bill review policy”. 		
115	20(3) & (6)	3.1.1	The review procedure in clause 20(2) must include the specified information and be available on the licensee’s website and a hardcopy provided to a customer upon request at no charge.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 20(3) and (6) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record references to clauses 18(3) and (6) of the 2013 Customer Service Standards); • Paxon examined the Rio Tinto document entitled: “Bill review policy” which addresses the specified information under the heading: <ul style="list-style-type: none"> ○ “Our bill review process – (a) Overcharging”; ○ “Our bill review process – (b) Meter reading or testing”; 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
115 (cont.)					<ul style="list-style-type: none"> o “Our bill review process – (c) Undercharging”; and o “Further information and complaints” <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customer requested a hardcopy of the “Bill review policy”; and • Paxon found the “Bill review policy” is available on the Rio Tinto website. 		
116	20(4)	3.1.1	The review procedure must state that the customer may, but does not have to, use the licensee’s complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 20(4) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 18(4) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined the Rio Tinto document entitled: “Bill Review Procedure” which states under the heading: “Appealing decisions”: 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
116 (cont.)					<p><i>“If the customer does not wish to have their complaint handled by Rio Tinto, they may instead:</i></p> <p><i>(a) apply to the water services ombudsman by contacting 1800 754 004 ...</i></p> <p><i>(b) make an appeal, or apply for a review of, the decision that gave rise to the complaint, by contacting Pilbara Utilities on 1800 992 777...”</i></p>		
117	20(5)	3.1.1	The licensee must inform the customer of the outcome of a review of the customer’s bill as soon as practicable or otherwise less than 15 business days from the day the customer’s request for review was received.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 20(5) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 18(5) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>“Bill review policy”</i> which states under the heading: <i>“Our bill review process”</i>: <i>“We will inform you of the outcome of the bill review as soon as possible, and will make all reasonable endeavours to ensure this is within 15 business days from the date we received your request for review.”</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
117 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL informed customers of bill review outcomes less than 15 business days from the day the customer’s review request was received. 		
117A	21	3.1.1	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).	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> Records HIPL’s obligation relating to clause 21 of the 2018 Customer Service Standards; and Refers to RTIO-AM-0206436 - Invoice Generation QA Workload Timeline 2019” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records regarding this obligation: <p>“Water quantity changes occur on the 1st of September each year. Notification occurs July each year.</p> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
117A (cont.)					<i>“Water rates changes occur on the 1st of October each year. Notification occurs July each year.”</i>		
118	23	3.1.1	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 23 of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 20 of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>“Invoicing”</i>: <i>“We require you to pay an invoice within 30 calendar days.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of <i>“Water Consumption Invoices”</i> and found these invoices record a payment date thirty days or more after the bill issue date. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
119	24(1)	3.1.1	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 24(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 21(1) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of "Water Consumption Invoices" and found these invoices record the following stipulated payment options: <ul style="list-style-type: none"> o CentrePay; o Internet; o Telephone; and o Post. Paxon found the 2017 Compliance Datasheet records regarding this obligation: <p><i>"There are a period of time during the compliance period that telephone (21(1)d) payment was not available."</i></p> 	A	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
119 (cont.)					<ul style="list-style-type: none"> Paxon found the 2018 Compliance Datasheet records regarding this obligation: <p><i>“There are a period of time during the compliance period that telephone (21(1)d) payment was not available (from 1 July 2017 to 1 Nov 2017).”</i></p> Paxon makes no recommendation as this absence of the option of telephone payment of bills has been resolved. 		
120	24(2)	3.1.1	The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 24(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 21(2) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not levy fees and charges on bill payment methods options. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
121	25(1)	3.1.1	Before receiving a bill payment by direct debit, the licensee must obtain the express consent of the customer or of an adult person nominated by the customer to give consent.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 25(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 22 of the 2013 Customer Service Standards); and • Paxon examined a sample of invoices issued prior to 01/07/2018 and found these invoices included direct debit as a payment option <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that bill payment by direct debit was: <ul style="list-style-type: none"> ◦ Removed from 01/07/2018; and ◦ No customers used it prior to that date. • Paxon found both the 2017 and 2018 Compliance Datasheets record regarding this obligation: <p><i>"No direct debit customers other than employees".</i></p> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
122	26(1)	3.1.1	The licensee must accept payment in advance from a customer on a customer's request.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 26(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 23(1) of the 2013 Customer Service Standards); and • Paxon examined the Rio Tinto document entitled: <i>"Invoicing and meter reading policy"</i> which states under the heading: "Payment methods": <i>"We accept payments in advance at your request"</i>. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customers requested HIPL to accept payment in advance. 	A	NR
123	27	3.1.1	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 27 of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
123 (cont.)					<p>reference to clause 24 of the 2013 Customer Service Standards); and</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>“Invoicing”</i>: <i>“In the event of your illness or absence, we will redirect your bill to another person at your request at no charge.”</i>. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customers requested HIPL to redirect a customer’s bills because of the customer’s absence or illness. 		
124	25	3.1.1	<p>The licensee must allow a customer to pay a bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or to pay arrears if the customer is assessed by the licensee as experiencing payment difficulties.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 25 of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that to the best of her 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
124 (cont.)					knowledge, during the Audit Period, HIPL did not enter into payment arrangements with customers assessed as experiencing payment difficulties.		
124A	28(2)	3.1.1	The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 28(2) of the 2018 Customer Service Standards; and Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>“Late payment or failure to pay your bill – (b) Hardship”</i>: <i>“A payment extension may be offered if you contact us on 1800 992 777 as soon as possible. If you are experiencing difficulty paying your bill, please speak to one of our customer service staff to determine whether further assistance is available. We will not collect debt or reduce/de-energise your service if you are in a payment plan or other arrangement in accordance with our Financial hardship and payment difficulty policy.”</i> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
124A (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that to the best of her knowledge, during the Audit Period, HIPL did not enter into payment arrangements with customers assessed as experiencing payment difficulties; and • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>“0 customers are on a payment plan under FH.”</i> 		
124B	28(3)	3.1.1	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing payment difficulties, the licensee must take the customer’s capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> ○ Records HIPL’s obligation relating to clause 28(3) of the 2018 Customer Service Standards; and ○ Refers to <i>“RTIO-AM-0118449 - Financial hardship and payment difficulty (Dampier, Tom Price and Paraburdoo customers) [HI]”</i> to help HIPL comply with the said obligation. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
124B (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not enter into payment arrangements with customers assessed as experiencing payment difficulties; and Paxon found the 2019 Compliance Datasheet records regarding this obligation: <p><i>“0 customers are on a payment plan under FH.”</i></p> 		
124C	28(4)	3.1.1	The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> Records HIPL’s obligation relating to clause 28(4) of the 2018 Customer Service Standards; and Refers to “RTIO-AM-0118449 - Financial hardship and payment difficulty (Dampier, Tom Price and Paraburdoo customers) [HI]” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not enter into payment arrangements 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
124C (cont.)					with customers assessed as experiencing payment difficulties; and <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>"0 customers are on a payment plan under FH."</i> 		
125	29(1) & (2)	3.1.1 and 5.4.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligations relating to clauses 29(1) and (2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record references to clauses 26(1) and (2) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined three letters HIPL received from the ERA, during the Audit Period, approving amendments to HIPL's financial hardship policy. These letters were dated: <ul style="list-style-type: none"> o 14/07/2016; o 26/03/2018; and o 18/12/2018. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
126	26(3)	3.1.1	<p>If the licensee’s licence was in place before the commencement of the Act, the licensee must have a financial hardship policy before the end of the 6-month period starting on the day on which section 27 of the Act comes into effect.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> • HIPL’s water services licence commenced on 29/06/2001. Thus, HIPL was obligated to have a financial hardship policy before the end of the 6-month period starting on the day on which section 27 of the Act came into effect; • Section 27 of the Act commenced on 18/11/2013. Thus, HIPL was required to have had a financial hardship policy by 18/05/2014; and • Thus, no need exists for controls after 18/05/2014. <p>Compliance:</p> <ul style="list-style-type: none"> • The ERA approved HIPL’s financial hardship policy on 16/05/2014. 	NA	1
126A	29(3)	3.1.1	<p>Unless the ERA approves otherwise, the licensee’s financial hardship policy must comply with the ERA’s guidelines (if any) in relation to financial hardship policies.</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 29(3) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined a letter HIPL received from the ERA, dated 18 December 2018 in which the 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
126A (cont.)					ERA approved HIPL’s financial hardship policy. This letter specifically referred to the amended “Financial Hardship Policy Guidelines for Water Services – June 2018”.		
126B	29(4)	3.1.1	Unless the ERA approves otherwise, amendments to the licensee’s financial hardship policy must be approved by the ERA and comply with the ERA’s guidelines (if any) in relation to financial hardship policies.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 29(4) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligations numbers 125 and 126A above. 	A	1
127	29(5)	3.1.1	The licensee’s financial hardship policy must be in effect within 6 months of the day of the grant of the license.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> The ERA granted HIPL a Water Services Licence (WL33) which commenced on 29 June 2001. Thus, this clause was not applicable to HIPL during the Audit Period. 	NA	NA
128	29(6)	3.1.1 and 5.4.1	The licensee’s financial hardship policy must be available on the licensee’s website and a hardcopy provided to a customer upon request at no charge.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 29(6) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
128 (cont.)					<p>references to clauses 26(5) of the 2013 Customer Service Standards).</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not receive any requests for hard copies of its “Financial Hardship and Payment Difficulty Policy”; and • Paxon found the HIPL’s “Financial Hardship and Payment Difficulty Policy” is available on the Rio Tinto website. 		
129	26(6)	3.1.1	<p>The licensee must review its financial hardship policy at least once in every 5-year period and, as part of the review process, consult with relevant consumer organisations.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 26(6) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> • See the compliance findings sections for compliance obligations 129A and 129C below. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
129A	29(7)	3.1.1 and 5.4.1	The licensee must review its financial hardship policy at least once in every 5-year period.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 29(7) of the 2018 Customer Service Standards <p>Compliance:</p> <ul style="list-style-type: none"> The ERA approved HIPL’s financial hardship policy on 16/05/2014. Thus, this policy should have been reviewed at the latest by 16/05/2019; and Paxon examined three letters HIPL received from the ERA, during the Audit Period, approving amendments to HIPL’s financial hardship policy. These letters were dated: <ul style="list-style-type: none"> 14/07/2016; 26/03/2018; and 18/12/2018. 	A	1
129B	29(8)	3.1.1 and 5.4.1	The licensee must review its financial hardship policy if directed to do so by the ERA.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 29(8) of the 2018 Customer Service Standards. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
129B (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> The ERA has stated it directed HIPL on 2/8/2018 to review its financial hardship policy; and Paxon examined a letter HIPL received from the ERA, dated 18/12/2018 approving amendments to HIPL’s financial hardship policy. 		
129C	29(9)	3.1.1 and 5.4.1	The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 29(9) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined an e-mail dated 27/05/2019, which the Financial Counsellors’ Association sent HIPL regarding a completed review of HIPL’s <i>“Financial Hardship and Payment Difficulty Policy”</i>. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
130	27(2)	3.1.1	The licensee must allow a customer experiencing financial hardship to pay a bill under an interest-free or fee-free payment plan other arrangement under which the customer is given more time to pay the bill or to pay arrears. (Obligation as per the 2013 Customer Service Standards)	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 27(2) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not assess any customers as experiencing financial hardship. 	A	NR
130A	30(2)	3.1.1	The licensee must advise a customer who has been assessed as experiencing financial hardship that they have a right to pay the bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 30(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clauses 27(2) of the 2013 Customer Service Standards); and Paxon examined HIPL’s “Financial Hardship and Payment Difficulty Policy” which states under the heading: “Residential customers in financial hardship”: 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
130A (cont.)					<p><i>“We will work with you to set up an interest-free and fee-free payment plan or other arrangement under which you are given more time to pay the bill or to pay arrears (including any disconnection and reconnection charges).”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not assess any customers as experiencing financial hardship; and • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>“0 customers are on a payment plan under FH.”</i> 		
130B	30(3)	3.1.1	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing financial hardship, the licensee must take the customer’s capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 30(3) of the 2018 Customer Service Standards; and • Paxon examined HIPL’s <i>“Financial Hardship and Payment Difficulty Policy”</i> which states under the heading: <i>“Residential customers in financial hardship”</i>: 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
130B (cont.)					<p><i>“We will involve you and your financial counsellor (where applicable) in determining the most suitable payment plan for your circumstances. We will also consider your usage needs and capacity to pay when determining the appropriate assistance.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not assess any customers as experiencing financial hardship; and • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>“0 customers are on a payment plan under FH.”</i> 		
131	27(3)	3.1.1	The licensee must also consider reducing the amount owed, review and revise, if appropriate, how a customer is paying a bill under clause 27(2) and provide the specified written information to a customer. (Obligation as per the 2013 Customer Service Standards)	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 27(3) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> • See the compliance findings sections for compliance obligations 131A, 131B and 131C below. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
131A	30(4)(a)	3.1.1	The licensee must consider reducing the amount owing by the customer.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 30(4)(a) of the 2018 Customer Service Standards; and Paxon examined HIPL’s <i>“Financial Hardship and Payment Difficulty Policy”</i> which states under the heading: <i>“Residential customers in financial hardship”</i>: <i>“For residential customers experiencing financial hardship, we will always consider reducing or waiving an outstanding amount (including any fees or charges) on your account where we consider it to be appropriate.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not reduce an amount owing by a customer. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
131B	30(4)(b)	3.1.1	The licensee must review, upon request, how a customer is paying a bill under clause 30(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 30(4)(b) of the 2018 Customer Service Standards; and • Paxon examined HIPL’s “Financial Hardship and Payment Difficulty Policy” which states under the heading: “Residential customers in financial hardship”: <i>“If you are already in a payment plan with us, we may review and revise the existing arrangement if appropriate.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not review or revise payment plans or arrangements. 	A	NR
131C	30(4)(c)	3.1.1	The licensee must provide the specified written information to a customer.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 30(4)(c) of the 2018 Customer Service Standards; and 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
131C (cont.)					<ul style="list-style-type: none"> Paxon examined HIPL’s “Financial Hardship and Payment Difficulty Policy” which refers appropriately to clause 30(4)(c) in the following sections: <ul style="list-style-type: none"> “Rio Tinto rebates and concessions”; and “Frequently asked questions”. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not assess any customers as experiencing financial hardship. Thus, HIPL was not obligated to provide the specified written information to a customer. 		
132	28(1)	3.1.1	<p>Before the licensee enters into a payment plan or other similar arrangement with a customer who is not the owner of the land in respect of which the water service is provided, the licensee must ensure that the owner is aware of the proposed plan or arrangement.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 28(1) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that to the best of her knowledge, during the Audit Period, HIPL did 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
132 (cont.)					not enter into payment arrangements with customers assessed as experiencing payment difficulties. Thus, HIPL was not obligated to inform the owner of the land in respect of which the water service is provided of a payment plan or other similar arrangement.		
133	31(4) & (5)	3.1.1	The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee’s website and a hardcopy provided to a customer upon request at no charge.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 31(4) and (5) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record references to clauses 28(4) and (5) of the 2013 Customer Service Standards); and • Paxon examined HIPL’s “Financial Hardship and Payment Difficulty Policy” which addresses payment schemes and other assistance that is available to customers. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon found the HIPL’s “Financial Hardship and Payment Difficulty Policy” is available on the Rio Tinto website. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
133A	32	3.1.1	The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 32 of the 2018 Customer Service Standards; • Paxon examined HIPL’s <i>“Financial Hardship and Payment Difficulty Policy”</i> which states under the heading: <i>“Residential customers in financial hardship”</i>: <i>“We will work with you to set up an interest-free and fee-free payment plan or other arrangement under which you are given more time to pay the bill or to pay arrears (including any disconnection and reconnection charges).”</i>; and • Paxon examined the Rio Tinto document entitled: <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>“Late payment or failure to pay bills – (a) Payment reminders, collection and fees:</i> <i>“You may be charged a late payment fee including interest if you do not pay your bill by the due date. However this only applies if it has been determined that you are not suffering from financial hardship, and you do not have a pending compliant with us or</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
133A (cont.)					<p><i>the water services ombudsman that directly replates to the non-payment of the bill."</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did: <ul style="list-style-type: none"> ○ Receive late payments for bills; and ○ Not charge interest or fees for late payment of a bill by a customer; and • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <p><i>"No interest or late fees charged within the compliance period."</i></p> 		
134	33(1)(a)-(c)	3.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligations relating to clauses 33(1)(a) to (c) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 29 of the 2013 Customer Service Standards); and • Paxon examined HIPL's "Financial Hardship and Payment Difficulty Policy" which states 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
134 (cont.)					<p>under the heading: “Residential customers in financial hardship”:</p> <p>“We will suspend action to recover an outstanding debt if you are complying with a payment plan or other arrangement under this policy, or while your situation is being assessed.”</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not commence or continue proceedings to recover a debt from a customer in the specified circumstances. • Paxon found the 2019 Compliance Datasheet records regarding this obligation: <p>“BCA Debt have read access to CSP so they can confirm that customers in debt are no in FH and also are not on a payment plan”.</p> 		
134A	33(1)(d)-(e)	3.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water services ombudsman, which directly relates to the water service charge to which the	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 33(1)(d) to (e) of the 2018 Customer Service Standards; 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
134A (cont.)			debt relates, is not resolved by the licensee (or is not determined or is upheld by the ombudsman).		<ul style="list-style-type: none"> Paxon examined HIPL’s <i>“Financial Hardship and Payment Difficulty Policy”</i> which states under the heading: <p><i>“If you have made a complaint to the water services ombudsman, we will not proceed to recover the debt until the conclusion of the investigation, and will not proceed to recover the debt if the result of the investigation is not determined or if the water services ombudsman upholds your complaint.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not commence or continue proceedings to recover a debt from a customer subsequent to a complaint made by the customer to the licensee or water services ombudsman in the specified circumstances. Paxon found the 2019 Compliance Datasheet records regarding this obligation: <p><i>“Records of customer complaints are retained in RTTMS. Each month Pilbara Utilities sends BCA Debt a list of customers with debt, this list excludes customers who have a compliant”.</i></p> 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
135	40(1)	3.1.1	If the licensee has cut off or reduced the rate of flow of water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 40(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 30(1) of the 2013 Customer Service Standards); and Paxon examined the Rio Tinto document entitled: <i>"Invoicing and meter reading policy"</i> which states under the heading: <i>"Late payment or failure to pay bills – (b) Hardship"</i>: <i>"We will not collect debt or reduce/de-energise your service if you are in a payment plan or other arrangement in accordance with our Financial hardship and payment difficulty policy."</i> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not cut off or reduced the rate of flow of water to land under section 95(1)(b) of the Act. Paxon found all three Compliance Datasheets record regarding the said obligation a general 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
135 (cont.)					policy or preference not to: <i>“restrict water for any reason other than threat to health and safety.”</i>		
136	40(2)	3.1.1	If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 40(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 30(2) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not cut off or reduced the rate of flow of water to land under sections 95(1)(a), (c), (d) or (e) of the Act; and Paxon found all three Compliance Datasheets record regarding the said obligation a general policy or preference not to: <i>“restrict water for any reason other than threat to health and safety.”</i> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
137	31	3.1.1	The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of drinking water to a customer without having first used its best endeavours to inform the customer in person of its intention to do so if the amount owing is not paid. (Obligation as per the 2013 Customer Service Standards)	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL’s obligation relating to clause 31 of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not reduce the rate of flow of drinking water to a customer. 	A	NR
137A	36(1)	3.1.1	The licensee must not start a water supply restriction unless the licensee has given the customer a reminder notice (that includes the information specified in clause 35), the water service charge has still not been paid in full, and the licensee has given the customer a restriction notice.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 36(1) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not start a water supply restriction; and Paxon found all three Compliance Datasheets record regarding the said obligation a general policy or preference not to: <i>“restrict water for any reason other than threat to health and safety.”</i> 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
137B	36(2)	3.1.1	The licensee must not give a customer a restriction notice less than 7 days before the day on which the water supply restriction is proposed to start.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> Records HIPL’s obligations relating to clauses 36(2) and 36(3) of the 2018 Customer Service Standards; Refers to “RTIO-AM-0206430 – Water Restriction Final Notice” to help HIPL comply with the said obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not start a water supply restriction. 	A	NR
137C	36(3)	3.1.1	The restriction notice must include the specified information.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 137B above. 	A	NR
138	37(1)(a)-(e) & (h).	3.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 37(1)(a) to (e) and (h) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 32 of the 2013 Customer Service Standards); and 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
138 (cont.)					<ul style="list-style-type: none"> Paxon found the 2018 and 2019 Compliance Datasheets refer to “RTIO-AM-0187672 - Disconnection or Restriction Checklist” to help HIPL comply with this obligation. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not start a water supply restriction; and Paxon found all three Compliance Datasheets record regarding the said obligation: <i>“General internal policy is not to restrict water for any reason other than threat to health and safety.”</i> 		
138A	37(1)(f)-(g)	3.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet: <ul style="list-style-type: none"> Records HIPL’s obligations relating to clauses 37(1)(f) to (g) and 38 of the 2018 Customer Service Standards; Refers to “RTIO-AM-0187672 - Disconnection or Restriction Checklist” to help HIPL comply with this obligation. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
138A (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not start a water supply restriction; and Paxon found the 2019 Compliance Datasheet records regarding the said obligation: <p><i>“General internal policy is not to restrict water for any reason other than threat to health and safety. Did not occur within audit period”.</i></p> 		
138B	38	3.1.1	The licensee must not start a water supply restriction on or during the specified times.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 138A above. 	A	NR
139	39	3.1.1	The licensee must not, under section 95(1)(b) or (2) of the Act, reduce the rate of flow of water to a customer to below 2.3 litres each minute.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 39 of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 33 of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
139 (cont.)					<p>HIPL did not start a water supply restriction; and</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding the said obligation: <p><i>“General internal policy is not to restrict water for any reason other than threat to health and safety.”</i></p> 		
142	41(4)	3.1.1	The licensee (other than the Water Corporation) must restore a water supply to land within the specified timeframe, unless the licensee and customer expressly agree otherwise.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 41(4) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 34(4) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not start a water supply restriction; and Paxon found the 2018 and 2019 Compliance Datasheets record regarding the said obligation: 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
142 (cont.)					<p><i>“Our preference is to not to restrict water for any reason other than threat to health and safety. Not exercised during the reporting period”.</i></p>		
144	41(6)	3.1.1	The licensee (other than the Water Corporation) must ensure that there is a 90% compliance rate with clause 41(4) in any 12-month period ending on 30 June.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 41(6) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 34(6) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 142 above. 	A	NR
144A	43(1)	3.1.1	The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligations relating to clauses 43(1) and 43(2) of the 2018 Customer Service Standards; and Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which states under the heading: <i>“Terms and conditions for</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
144A (cont.)					<p><i>water and sewerage services – Interruption to supply”:</i></p> <p><i>“We sometimes need to carry out planned or unplanned (e.g. burst pipes) maintenance on our services which may affect your water supply services. If a planned service interruption is scheduled to occur, we will give you at least 48 hours’ notice before the start of the service interruption. If 48 hours’ notice is not possible, we will give you notice at the earliest practicable time before the start of the service interruption.”</i></p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did give 48 notice of planned service interruption to each customer affected by the service interruption. 		
144B	43(2)	3.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.	4	<ul style="list-style-type: none"> • See the findings for compliance obligation number 144A above. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
144C	44(1)	3.1.1	The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 44(1) of the 2018 Customer Service Standards; and • Paxon examined the Rio Tinto document entitled: <i>“Standard connections for water, sewerage and electricity supply”</i> which states under the heading: <i>“Terms and conditions for water and sewerage services – Interruption to supply”</i>: <i>“In the event of a burst pipe, leak or a blockage, please contact us on 1800 992 777 so we can promptly attend the site and rectify the situation. We will take all reasonable actions to rectify the burst pipe, leak or blockage in order to reduce the potential or actual impact on:</i> <ul style="list-style-type: none"> • <i>our customers;</i> • <i>the community;</i> • <i>property; and</i> • <i>the environment.</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
144C (cont.)					We commit to promptly cleaning up the affected area as required."		
144D	44(2)	3.1.1	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 44(2) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 144C above; and Paxon examined the Rio Tinto document entitled: “Standard connections for water, sewerage and electricity supply” which states under the heading: “Terms and conditions for water and sewerage services – Interruption to supply”: <p>“In the event of an unplanned interruption to your supply, we aim to undertake prompt repairs and clean-up where there is water flooding or wastewater overflow on your property due to any failure of our system.”</p>	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
144E	45	3.1.1	The licensee must provide a 24 hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 45 of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did provide a 24-hour information line for emergencies and faults, and to obtain information which was operated by SODEXO; and Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found these invoices recorded an 1800 number for the “Pilbara Service Centre”. 	A	1
145	46(1)	3.1.1	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 46(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 35(1) of the 2013 Customer Service Standards). 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
145 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Complaints and dispute resolution policy”</i> which addresses the investigation and resolving of customer complaints. 		
146	46(2)	3.1.1	The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's guidelines (if any).	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 46(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 35(2) of the 2013 Customer Service Standards). <p>Compliance</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that HIPL developed its complaints procedure using as minimum standards the relevant provisions of AS/NZS 10002-2014; Paxon found the 2017 and 2018 Compliance Datasheets records regarding this obligation: <i>“Complaints Resolution Guideline is based on AS ISO 10002:2006”</i>; and 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
146 (cont.)					<ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet states regarding this obligation: <i>“Complaints Resolution Guideline is based on AS/NZS 10002-2014”</i>. 		
147	46(3)	3.1.1	The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 46(3) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 35(3) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>“Complaints and dispute resolution policy”</i> which comprehensively addresses this obligation under the headings: <ul style="list-style-type: none"> <i>“How do I lodge a complaint?”</i>; <i>“How will my complaint be resolved?”</i>; and <i>“How can I escalate my complaint?”</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
148	35(4)	3.1.1	<p>The licensee's complaints procedure must inform the customer that they do not have to use the licensee's complaints procedure, provide details of procedures under the Act, and set out the costs and benefits to the customer if the use the complaint resolution procedure or instead of the procedures under the Act.</p> <p>(Obligation as per the 2013 Customer Service Standards)</p>	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2017 and 2018 Compliance Datasheets record HIPL's obligation relating to clause 35(4) of the 2013 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>"Complaints and dispute resolution policy"</i> which under the heading: <i>"Benefits for use of our internal complaint and dispute resolution policy"</i> set out the costs and benefits to the customer if they use the complaint resolution procedure instead of the procedures under the Act; and Paxon examined the Rio Tinto document entitled: <i>"Complaints and dispute resolution policy"</i> which under the heading: <i>"How can I escalate my complaint?"</i> informs the customer that they do not have to use the licensee's complaints procedure and provides details of procedures under the Act. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
148A	46(4)	3.1.1	The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL's obligation relating to clause 46(4) of the 2018 Customer Service Standards <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined the Rio Tinto document entitled: <i>"Complaints and dispute resolution policy"</i> which addresses alternative complaints procedures available to customers under the heading: <i>"How can I escalate my complaint?"</i>. 	A	1
149	46(5)	3.1.1	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.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 46(5) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 35(6) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found the Rio Tinto website includes the following Rio Tinto documents: <ul style="list-style-type: none"> <i>"Complaints and dispute resolution policy"</i>; and <i>"Customer Complaint Form"</i>. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
149A	47	3.1.1	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.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 47 of the 2018 Customer Service Standards; • Paxon examined the Rio Tinto document entitled: <i>“Complaints and dispute resolution policy”</i> which states under the heading: <i>“How will my complaint be resolved? – (a) Service standard timeframes”</i>: <i>“We will advise you accordingly when we have resolved your complaint.”</i>; and • Paxon examined the Rio Tinto document entitled: <i>“Complaints and dispute resolution policy”</i> which addresses under the heading: <i>“How can I escalate my complaint?”</i>: <ul style="list-style-type: none"> ○ Referral of complaints to the water services ombudsman; and ○ Contact particulars for the said official. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did: 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
149A (cont.)					<ul style="list-style-type: none"> ○ Advise customers appropriately on resolving their complaints; ○ Inform customers regarding their right to apply to the water services ombudsman; and ○ Provide contact particulars for the water services ombudsman. 		
150 - 151	48(1)	3.1.1	The licensee must provide a customer with the specified services on request and at no charge.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 48(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 36(1) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found these invoices recorded contact telephone numbers for: <ul style="list-style-type: none"> ○ “National Relay Services” (for use by people who are deaf or have a hearing or speech impairment; and ○ “Interpreter Services”. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
150 - 151 (cont.)					<ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customer requested a large-print version of any of the licensee’s publicly available documents. 		
152	48(2)	3.1.1	The licensee must make available to each customer, at no charge, the customer’s personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 48(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 36(2) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of “Water Consumption Invoices” issued during the Audit Period and found these invoices recorded: <ul style="list-style-type: none"> o Personal account information; o Information about bills previously issued to the customer; and o Information about the quantity of water supplied to in previous billing periods. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
153	49(1)	3.1.1	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.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 49(1) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 37(1) of the 2013 Customer Service Standards). <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found the Rio Tinto website includes the following documents: <ul style="list-style-type: none"> Rio Tinto’s “<i>Invoicing and meter reading policy</i>” which records details of: <ul style="list-style-type: none"> Fees and charges that will be imposed and collected by HIPL; HIPL’s bill payment method options; Power of a person authorised by a licensee under section 129 to enter a place without consent, notice or warrant to read a meter connected to the licensee’s water service works; 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
153 (cont.)					<ul style="list-style-type: none"> • The obligations of customers under the regulations to ensure that access to a meter is available; and • Personal account information, previous bills and previous consumption. ○ HIPL’s <i>“Financial hardship and payment difficulty policy”</i> which provides details of: <ul style="list-style-type: none"> • <i>“National Relay Services”</i> and <i>“Interpreter Services”</i>; • That under section 95(1)(b), HIPL may reduce the rate of flow of, a supply of water if a water service charge remains unpaid for 30 days after it becomes due; and • Limitations on reducing the rate of flow of, a supply of water for unpaid water service charges. ○ Rio Tinto’s <i>“Community subsidies and concessions policy”</i>; ○ Rio Tinto’s <i>“Standard connections for water, sewerage and electricity supply”</i> which provides details of: 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
153 (cont.)					<ul style="list-style-type: none"> The supply of water cannot be cut off to an occupied dwelling unless the occupier agrees; The quality of water and its management; and Planned and unplanned interruptions of water supply or other incidents that may significantly affect the provision of water services to customers. <ul style="list-style-type: none"> Rio Tinto’s “Sustainable and efficient use of water and electricity policy”. Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, no customer requested a hardcopy of the prescribed information. 		
154	49(2)	3.1.1	The licensee must ensure that the specified information about bills may be obtained from its website.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 49(2) of the 2018 Customer Service Standards (2017 and 2018 Compliance Datasheets record a reference to clause 37(2) of the 2013 Customer Service Standards). 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
154 (cont.)					<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon found the Rio Tinto website includes the following documents: <ul style="list-style-type: none"> ○ Rio Tinto’s “<i>Invoicing and meter reading policy</i>” which records details of: <ul style="list-style-type: none"> • Informing customers of the basis and reasons for an estimate; • Customers’ right to request a meter reading and a revised bill in case of an unreasonable estimate; • Requests for a meter reading and bill to determine outstanding charge for a period that is not the same as the usual billing cycle; and ▪ Testing of a meter and the fees that apply therefor. ○ Rio Tinto’s “<i>Bill review policy</i>” which records details of: <ul style="list-style-type: none"> • Review of bills; and • Refunding of meter test fees if a meter is found to be defective. ○ Rio Tinto’s “<i>Complaint and dispute resolution policy</i>”. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
154A	49(3)	3.1.1	The licensee must ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 49(3) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found the Rio Tinto website records a link to Western Australian legislation which opens on a webpage for the 2018 Customer Service Standards. 	A	1
154B	51(1) & (3)	3.1.1	The licensee must maintain an up to date preserved supply register for the purposes of Part 9 of the Code. The register must record the prescribed information.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligations relating to clauses 51(1) and (3) of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon examined the HIPL’s <i>“Life Support Register – Preserved Supply Register”</i> which records: <ul style="list-style-type: none"> Name of the person; and Supply address. Paxon found both entries in the HIPL’s <i>“Life Support Register – Preserved Supply Register”</i> 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
154B (cont.)					refer to dependency on electricity supply and not water supply. Thus, HIPL had no “preserved supply” water customers during the Audit Period.		
154C	52	3.1.1	The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of a supply of water to a supply address recorded on the preserved supply register.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 52 of the 2018 Customer Service Standards; and Paxon examined Rio Tinto’s <i>“Invoicing and meter reading policy”</i> which states under the heading: <i>Late payment or failure to pay your bill - (a) Payment reminders, collection and fees“:</i> <i>“If you are a preserved supply customer we will not turn off your electricity or reduce your water flow as a result of non-payment of invoices.”</i> <p>Compliance:</p> <ul style="list-style-type: none"> See the compliance findings section for compliance obligation number 154B above. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 8				Controls	Compliance
	Clause Number	Clause Number					
154D	53	3.1.1	Despite clause 43(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 43(1) must be sent by post or delivered to that supply address.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found the 2019 Compliance Datasheet records HIPL’s obligation relating to clause 53 of the 2018 Customer Service Standards. <p>Compliance:</p> <ul style="list-style-type: none"> See the compliance findings section for compliance obligation number 154B above. 	A	NR

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 – May 2018” (Numbers 92 to 154D)]

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
155	3.2.1	The licensee must pay the applicable fees and charges in accordance with the applicable regulations.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 3.2.1 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did pay the applicable fees and charges to the ERA; and • Paxon found all three Compliance Datasheets record regarding the said obligation: <i>“...annual fees also paid”</i> 	A	1
156	3.1.1	Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation.	4	<ul style="list-style-type: none"> • HIPL’s compliance during the Audit Period, with the following legislative instruments is specifically addressed within this Report: <ul style="list-style-type: none"> ○ Water Services Act 2012 (see reference numbers within the range from 2 to 64 and 155 to 190); ○ Water Services Regulations 2013 (see reference numbers within the range from 65 to 89); 	B	2

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
156 (cont.)				<ul style="list-style-type: none"> o Water Services Code of Conduct (Customer Service Standards) 2018 and Water Services Code of Conduct (Customer Service Standards) 2013 (see reference numbers within the range from 92 to 154D); and o Water Services Licence, WL33, version 8, 1 July 2016 (see reference numbers within the range from 155 to 190). • Recommendations for individual obligations, as considered appropriate, were made and are disclosed within this Report. 		
159	3.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 3.1.2 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not receive an ERA direction in 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
159 (cont.)				relation to a breach of applicable legislation; and <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: <i>"No directions from ERA received in the reporting period"</i>. 		
160	3.6.1	The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 3.6.1 of WL33. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did maintain accounting records that complied with the Australian Accounting Standards Board Standards. 	A	1
161	4.2.1	The licensee must comply with any individual performance standards prescribed by the ERA.	2	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 4.2.1 of WL33. 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
161 (cont.)				<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined “Schedule 2 – Performance Standards” as included in WL33. Paxon found Schedule 2 includes the following pressure and flow standards for HIPL’s potable water system: <ul style="list-style-type: none"> ○ Minimum static pressure (metres of water) – 15; ○ Maximum static pressure (metres of water) – 100; and ○ Minimum flow (litres per minute) – 20. • Paxon examined HIPL’s performance datasheet for 2016-2017 and 2017-2108 both of which state: <p><i>Percentage of connected properties that have been supplied at a pressure and flow that meets the standards set out in the licence (12-month data): 100%</i></p> <p>Thus, HILP was not obligated to inform customers of pressure and flow exemptions during the Audit Period;</p> 		

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
161 (cont.)				<ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not cut off or reduced the rate of flow of water to land under sections 95(1) of the Act. Thus, HIPL was not obligated to inform the ERA of any restrictions applied to a potable water supply. 		
162	4.3.4	The licensee must cooperate with the independent expert and comply with the ERA's standard audit guidelines dealing with the operational audit.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 4.3.4 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> HIPL cooperated with Paxon during the performance of the operational audit and specifically complied with section 4.1 "Assistance provided by the Licensee" as included in the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019". 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
163	3.7.1(a), (b), (c)	The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a material change in the circumstances upon which the licence was granted which may affect a licensee’s ability to meet its obligations.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 3.7.1(a), (b) and (c) of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period: <ul style="list-style-type: none"> ○ HIPL was not under external administration; and ○ No material change took place in HIPL’s circumstances upon which WL33 was granted which affected HIPL’s ability to meet its obligations. 	A	NR
165	3.8.1	The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA’s function under the Act in the manner and form specified by the ERA.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets: <ul style="list-style-type: none"> ○ Record HIPL’s obligation relating to clause 3.8.1 of WL33; and ○ Refers to “RTIO-AM-0104510 - Rio Tinto (WA) Utilities Government & Regulator Correspondence Register - 2013 – current” to help HIPL comply with this obligation. . 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
165 (cont.)				<p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not receive ERA requests for specified information; other than annual compliance reports and performance reports; and • Paxon found all three Compliance Datasheets record regarding this obligation: <i>“No requests from ERA received in the reporting period”</i> 		
166	3.8.2	The licensee must comply with any information reporting requirements prescribed by the ERA, including but not limited to the provisions of the <i>Water Compliance Reporting Manual</i> that apply to the licensee.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 3.8.2 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined HIPL’s compliance reports for both 2016-2017 and 2017-2018 and found it recorded details of two non-compliances: <ul style="list-style-type: none"> ○ <i>“Bill does not contain prescribed information of the amount of arrears or credit standing to the customer’s name”</i> 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
166 (cont.)				<p>(see compliance obligation number 100 above); and</p> <ul style="list-style-type: none"> o "...during the compliance period telephone payment was unavailable" <p>(see compliance obligation number 119 above).</p> <ul style="list-style-type: none"> • Paxon found HIPL's compliance reports for both 2016-2017 and 2017-2018 followed the format prescribed in the ERA's "Water Compliance Reporting Manual – Water Services Act 2012" (July 2016 and May 2018 versions respectively); • Paxon found HIPL's 2016-2017 compliance report was submitted to the ERA by e-mail on 25/08/2017; • Paxon found HIPL's 2017-2018 compliance report was submitted to the ERA by e-mail on 28/08/2018; • Paxon examined the 2018 Compliance Datasheet and found it identified two non-compliances for the 2018-2019 reporting period, being: 		

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
166 (cont.)				<ul style="list-style-type: none"> ○ "Water tariff changes per kL are provided on invoice. WSCC2018 cl.15(3)d. The date on which the customers tariff year restarts is not included on the bills for 2018.2019. Customer Services are currently updating invoices to include this information. (see compliance obligation number 104A above); and ○ "HI 2017.2018 Performance Report was not supplied by the deadline of 31st of August 2018. It was submitted on the 13th of September 2018." 		
167	3.8.3	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the <i>Water, Sewerage and Irrigation Licence Performance Reporting Handbook</i> , and the National Performance Framework that apply to the licensee.	2	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 3.8.3 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined HIPL's performance datasheets for both 2016-2017 and 2017-2018 and found it recorded details for: <ul style="list-style-type: none"> ○ Small potable water; and 	A	2

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
167 (cont.)				<ul style="list-style-type: none"> o Small sewerage. • Paxon found HIPL’s 2016-2017 performance report was submitted to the ERA by e-mail on 29/08/2017; • Paxon found HIPL’s 2017-2018 performance report was submitted late to the ERA - by e-mail on 13/09/2018 (see compliance obligation number 166 above). Paxon is satisfied HIPL has adequate controls in place to prevent a repeat of this instance of non-compliance. Thus, Paxon does not make a recommendation, therefore; and • The 2018-2019 compliance report has not been submitted by the date of this Report. 		
168	2.8.1 and 2.8.2	Subject to clause 2.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 2.8.1.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL’s obligations relating to clauses 2.8.1 and 2.8.2. of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
168 (cont.)				<p>HIPL did not receive any ERA direction to publish any information; and</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: <i>"No notices in the reporting period"</i>. 		
169	2.7.1	Unless otherwise specified, all notices must be in writing.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 2.7.1 of WL33. <p>Compliance</p> <ul style="list-style-type: none"> Paxon found HIPL gave notices in writing during the Audit Period. Numerous examples, as referred to throughout this Audit Report, were sighted to support this statement. 	A	1
171	4.1.2	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	2	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 4.1.2 of WL33. 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
171 (cont.)				Compliance <ul style="list-style-type: none"> See the findings for compliance obligation number 7 above. 		
172	4.1.6	The licensee must cooperate with the independent expert and comply with the ERA’s standard guidelines dealing with the asset management system review.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 4.1.6 of WL33. Compliance: <ul style="list-style-type: none"> HIPL cooperated with Paxon during the performance of the asset management system review and specifically complied with section 4.1 “Assistance provided by the Licensee” as included in the ERA’s document entitled: “2019 Audit and Review Guidelines - Water Licences – March 2019”. 	A	1
173	5.5.1	The licensee must not supply water services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL’s obligation relating to clause 5.5.1 of WL33. 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
173 (cont.)				Compliance <ul style="list-style-type: none"> See the findings for compliance obligation number 15 above. 		
175	5.1.1	If directed by the ERA, the licensee must submit a draft customer contract for approval.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligations relating to clauses 5.1.1, 5.1.2, 5.1.3, 5.1.5, 5.3.1, 5.3.2 and 5.3.4 of WL33. Compliance <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that, during the Audit Period, HIPL did not enter into any customer contracts; and Paxon found all three Compliance Datasheets record regarding this obligation: <p><i>"No requests from ERA received in the audit period. No standard contract used. Rio Tinto publish standard terms and conditions for the provision of water services on its website (s. 71(c) of the Act)".</i></p> 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
176	5.1.2	The licensee must comply with any <i>Customer Contract Guidelines</i> that apply to the licensee.	4	<p>Controls:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 175 above. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon inspected the ERA’s website but did not find any <i>Customer Contract Guidelines</i>. 	A	NA
177	5.1.3	The licensee may only amend the customer contract with the ERA’s approval.	4	<p>Controls:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 175 above. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: “Not used”. 	A	NR
178	5.1.5	The licensee must comply with any direction by the ERA to amend the customer contract.	4	<p>Controls:</p> <ul style="list-style-type: none"> See the findings for compliance obligation number 175 above. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
178 (cont.)				"No requests from ERA received in the reporting period."		
179	5.3.1 and 5.3.2	Unless clause 5.3.3 applies, the licensee cannot enter into an agreement with a customer to provide water services that exclude, modify or restrict the terms and conditions of the licence or the requirements of the <i>Code of Conduct</i> without the prior approval of the ERA.	4	Controls: <ul style="list-style-type: none"> See the findings for compliance obligation number 175 above. Compliance: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: <i>"Not exercised in the reporting period."</i> 	A	NR
180	5.3.4	If the licensee enters into an agreement that excludes, modifies or restricts the terms and conditions of the licence or the requirements of the <i>Code of Conduct</i> , the licensee must publish an annual report containing the information specified.	4	Controls: <ul style="list-style-type: none"> See the findings for compliance obligation number 175 above. Compliance: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: <i>"Not exercised in the reporting period."</i> 	A	NR
181	5.6.1	If the licensee is appointed as the supplier of last resort for a designated area, the licensee must perform the functions of a supplier of last resort, comply with the duties imposed by the Act and carry out its operations	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 14 above. 	NA	NA

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
181 (cont.)		under or for the purpose of the last resort plan in accordance with the Act.				
182	3.4.1(b)	If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 3.4.1(b). Compliance: <ul style="list-style-type: none"> See the findings for compliance obligation number 4 above. 	A	NR
183	5.4.3	The licensee must comply with the ERA's Financial Hardship Policy Guidelines as they apply to the licensee.	4	<ul style="list-style-type: none"> See the findings for compliance obligation number 126B above. 	A	1
184	Clause 6.1.1	The licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	4	Compliance and Controls: <ul style="list-style-type: none"> Paxon examined a Memorandum of Understanding (MOU) entered between HIPL and the Department of Health on 20/01/2012. Thus, this clause was not applicable to HIPL during the Audit Period. 	NA	NA
185	Clause 6.1.2	The Memorandum of Understanding must comply with the specified requirements in relation to legal	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 	A	1

No.	Obligation Under:	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
185 (cont.)	Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	standing of the document and compliance audits by the Department of Health.		6.1.2 of WL33. Compliance: <ul style="list-style-type: none"> Paxon examined a letter written by HIPL, dated 26/11/2018 and addressed to the Department of Health (DOH), in which HIPL agreed to the DOH's request to extend the MOU to 30/11/2019. Thus, Paxon believes the MOU is a valid document; and Paxon found the 2019 Compliance Datasheet records regarding this obligation: <i>"KMPG were engaged in 2015 to conduct an MOU audit at the request of HI. The next elective MOU audit is scheduled for 2020. NO MOU audit has been requested by the DoH"</i> 		
186	Clause 6.1.3	The licensee must comply with the terms of the Memorandum of Understanding.	4	Controls: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 6.1.2 of WL33. Compliance: <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
186 (cont.)				<i>"Quarterly and annual reports are issued to the DoH."</i>		
187	Clause 6.1.4	The licensee must publish in the form agreed with the Department of Health, the Memorandum of Understanding and any amendments to the Memorandum of Understanding within one month of signing or making the amendment.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 6.1.4 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record regarding this obligation: <i>"MOU already in place. No change"</i> <p>Thus, no amendments were made to the MOU during the Audit Period which necessitated its publication.</p>	A	NR
188	Clause 6.1.5	The licensee must publish the audit report on compliance with its obligations under the Memorandum of Understanding on its website within one month of the completion of the audit.	4	<p>Controls:</p> <ul style="list-style-type: none"> Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 6.1.5 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the HIPL Representative that: 	A	NR

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
188 (cont.)				<ul style="list-style-type: none"> ○ The DOH did not request an audit of HIPL's compliance with its obligations under the MOU during the Audit Period; ○ An internal audit of HIPL's compliance with its obligations under the MOU was conducted in 2015 by an external audit firm; and ○ Another such internal audit is scheduled for 2020. 		
189	Clause 6.1.6	The licensee must publish any reports required by the Department of Health or set out in the Memorandum of Understanding on the licensee's website quarterly or at a reporting frequency specified by the Department of Health.	4	<p>Controls:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record HIPL's obligation relating to clause 6.1.6 of WL33. <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon found all three Compliance Datasheets record regarding this obligation: <i>"Quarterly and annual reports are issued to the DoH. Annual reports are all published online."</i> 	A	1

No.	Obligation Under: Water Services Licence - Version 8 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
190	Schedule 2	The licensee must comply with the service and performance standards as set out in Schedule 2.	2	See the findings for compliance obligation number 161 above.	A	1

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (Numbers 155 to 190)]

4.4 Current Audit: Inadequate Controls, Non-Compliances and Recommendations

Current Audit: Inadequate Controls, Non-Compliances and Recommendations			
A. Resolved During Current Audit Period			
Recommendation Reference	Licence Obligation Reference Number	Auditor's Recommendation	HIPL Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
Not Applicable	<ul style="list-style-type: none"> • Number: 100; • Rating: A 3; • Obligation: clause 13(1) of the Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Customer Service Standards) and clause 3.1.1 of WL33; and • Details: <ul style="list-style-type: none"> ○ Paxon notes the 2017 Compliance Datasheet records regarding this obligation: <p><i>“Bill meets this requirement from first billing period (see example invoice), except for 12(1)k the amount of any arrears or credit standing to the customer’s name. Outstanding arrears is not present on the bills and has not been since 18th Nov 2015.”;</i></p> ○ Paxon notes the 2018 Compliance Datasheet records regarding this obligation: 	<ul style="list-style-type: none"> • Paxon makes no recommendation as current HIPL invoices sampled, comply with the stipulations of clause 13(1) of the 2018 Customer Service Standards. 	<ul style="list-style-type: none"> • Not applicable.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

A. Resolved During Current Audit Period

Recommendation Reference	Licence Obligation Reference Number	Auditor's Recommendation	HIPL Action Taken by End of Audit Period
Controls and Compliance Rating			
Legislative Obligation			
Details of Inadequate Controls and/or Non-Compliance			

	<p><i>"...Outstanding arrears was not present on the bills from 18th Nov 2015 until January 2018.";</i></p> <ul style="list-style-type: none"> o Paxon examined a sample of "Water Consumption Invoices" issued during the Audit Period and found not all invoices sampled included a statement advising the customer that interest or fees may be charged for late payment of bills; o Paxon confirmed by interview of the HIPL Representative that: <ul style="list-style-type: none"> • During the Audit Period, no interest or other fees were levied for late payment of bills; and • Notwithstanding, HIPL made an internal decision to include wording to the effect interest or fees may be charged for late payment of bills, on all bills issued as from July 2018 onwards. o Paxon is satisfied the sampled invoices record the information stipulated in clause 13(1) of the 2018 Customer Service Standards. 		
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Current Audit: Inadequate Controls, Non-Compliances and Recommendations			
A. Resolved During Current Audit Period			
Recommendation Reference	Licence Obligation Reference Number	Auditor's Recommendation	HIPL Action Taken by End of Audit Period
	<p>Controls and Compliance Rating</p> <hr/> <p>Legislative Obligation</p> <hr/> <p>Details of Inadequate Controls and/or Non-Compliance</p>		
Not Applicable	<ul style="list-style-type: none"> • Number: 119; • Rating: A 2; • Obligation: clause 24(1) of the Water Services Code of Conduct (Customer Service Standards) 2018 and clause 3.1.1 of WL33; and • Details: <ul style="list-style-type: none"> ○ Paxon found the 2017 Compliance Datasheet records regarding this obligation: <p><i>“There are a period of time during the compliance period that telephone (21(1)d) payment was not available.”;</i></p> ○ Paxon found the 2018 Compliance Datasheet records regarding this obligation: <p><i>“There are a period of time during the compliance period that telephone (21(1)d) payment was not available (from 1 July 2017 to 1 Nov 2017).”;</i> and</p> ○ Paxon examined a sample of “Water Consumption Invoices” and found these invoices record the following stipulated payment options: 	<ul style="list-style-type: none"> • Paxon makes no recommendation as this absence of the option of telephone payment of bills has been resolved. 	<ul style="list-style-type: none"> • Not applicable.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference	Licence Obligation Reference Number	Auditor's Recommendation	HIPL Action Taken by End of Audit Period	
	Controls and Compliance Rating <hr/> Legislative Obligation <hr/> Details of Inadequate Controls and/or Non-Compliance			
	<ul style="list-style-type: none"> • CentrePay; • Internet; • Telephone; and • Post. 			

Table 11: Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part A)

Current Audit: Inadequate Controls, Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Recommendation Reference	Licence Obligation Reference Number	Auditor's Recommendation	HIPL Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
1/2019	<ul style="list-style-type: none"> • Number: 104A; • Rating: A 3; • Obligation: clause 15(3) of the 2018 Customer Service Standards and clause 3.1.1 of WL33; and • Details: <ul style="list-style-type: none"> ○ Paxon notes the 2019 Compliance Datasheet records regarding this obligation: <p><i>“Water tariff changes per kL are provided on invoice.</i></p> <p><i>WSSC2018 cl.15(3)d. The date on which the customers tariff year restarts is not included on the bills for 2018.2019. Customer Services are currently updating invoices to include this information.”</i></p> 	<ul style="list-style-type: none"> • HIPL should ensure its bills disclose, in compliance with section 15(3)(d) of the 2018 Customer Service Standards: <p><i>“the day on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the day on which the customer’s next consumption year starts.”</i></p> 	<ul style="list-style-type: none"> • Zero.

Table 11: Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)

5 Asset Management System Review: Comprehensive Report

5.1 Asset Management System Rating Scales

The asset management process and policy ratings allocated to each asset management system component are set out in Table 9 - taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences - March 2019".

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> Processes and policies are documented. Processes and policies adequately document the required performance of the assets. Processes and policies are subject to regular reviews and updated where necessary. The asset management information system(s) is adequate in relation to the assets being managed.
B	Requires some improvement	<ul style="list-style-type: none"> Processes and policies require improvement. Processes and policies do not adequately document the required performance of the assets. Reviews of processes and policies are not conducted regularly enough. The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).
C	Requires substantial improvement	<ul style="list-style-type: none"> Processes and policies are incomplete or require substantial improvement. Processes and policies do not document the required performance of the assets. Processes and policies are considerably out of date. The asset management information system(s) requires substantial improvements (taking into consideration the assets being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented. The asset management information system(s) is not fit for purpose (taking into consideration the assets being managed).

Table 12: Asset Management Process and Policy Rating Scale

The asset management performance ratings allocated to each asset management system component are set out in Table 10 - taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019".

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> The performance of the process meets or exceeds the required levels of performance. Process effectiveness is regularly assessed, and corrective action taken where necessary.
2	Improvement required	<ul style="list-style-type: none"> The performance of the process requires some improvement to meet the required level. Process effectiveness reviews are not performed regularly enough. Recommended process improvements are not implemented.
3	Corrective action required	<ul style="list-style-type: none"> The performance of the process requires substantial improvement to meet the required level. Process effectiveness reviews are performed irregularly, or not at all. Recommended process improvements are not implemented.
4	Serious action required	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor the process is considered to be ineffective.

Table 13: Asset Management Performance Rating Scale

5.2 Asset Management System: Ratings Summary

The ratings for the asset management processes, including their effectiveness criteria, are indicated in Table 14 below:

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Asset Planning	✓				✓			
• Asset Management Plan covers key requirements;	✓				✓			
• Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning;	✓				✓			
• Service levels are defined;	✓				✓			
• Non-asset options are considered;	✓				✓			
• Life cycle costs of owning and operating the assets are assessed;	✓				✓			
• Funding options are evaluated;	✓				✓			
• Costs are justified, and cost drivers identified;	✓				✓			
• Likelihood and consequences of asset failure are predicted; and	✓				✓			
• Plans are regularly reviewed and updated.	✓				✓			
Asset Creation and Acquisition	✓				✓			
• Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions;	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
<ul style="list-style-type: none"> Evaluations include all lifecycle costs; 	✓				✓			
<ul style="list-style-type: none"> Projects reflect sound engineering and business decisions; 	✓				✓			
<ul style="list-style-type: none"> Commissioning tests are documented and completed; and 	✓				✓			
<ul style="list-style-type: none"> On-going legal/environmental/safety obligations of the asset owner are assigned and understood. 	✓				✓			
Asset Disposal	✓				✓			
<ul style="list-style-type: none"> Under performing and underutilised assets are identified as part of a regular systematic review process; 	✓				✓			
<ul style="list-style-type: none"> The reasons for underutilisation or poor performance are critically examined and corrective action or disposal undertaken; 	✓				✓			
<ul style="list-style-type: none"> Disposal alternatives are evaluated; and 	✓				✓			
<ul style="list-style-type: none"> There is a replacement strategy for assets. 	✓				✓			
Environmental Analysis	✓				✓			
<ul style="list-style-type: none"> Opportunities and threats in the system are assessed; 	✓				✓			
<ul style="list-style-type: none"> Performance standards (availability of service, capacity, 	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
continuity, emergency response etc.) are measured and achieved;								
• Compliance with statutory and regulatory requirements; and	✓				✓			
• Achievement of customer service levels.	✓				✓			
Asset Operations	✓				✓			
• Operational procedures and policies are documented and linked to service levels required;	✓				✓			
• Risk management is applied to prioritise operations tasks;	✓				✓			
• Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical/structural condition and accounting data;	✓				✓			
• Operational costs are measured and monitored; and	✓				✓			
• Staff resources are adequate, and staff receive training commensurate with their responsibilities.	✓				✓			
Asset Maintenance	✓				✓			
• Maintenance policies and procedures are documented and linked to service levels required;	✓				✓			
• Regular inspections are undertaken of asset performance and condition;	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule; 	✓				✓			
<ul style="list-style-type: none"> Failures are analysed, and operation/maintenance plans are adjusted where necessary; 	✓				✓			
<ul style="list-style-type: none"> Risk management is applied to prioritise maintenance tasks; and 	✓				✓			
<ul style="list-style-type: none"> Maintenance costs are measured and monitored. 	✓				✓			
Asset Management Information System	✓				✓			
<ul style="list-style-type: none"> Adequate system documentation for users and IT operators; 	✓				✓			
<ul style="list-style-type: none"> Input controls include appropriate verification and validation of data entered into the system; 	✓				✓			
<ul style="list-style-type: none"> Logical access controls appear adequate such as passwords; 	✓				✓			
<ul style="list-style-type: none"> Physical security access controls appear adequate; 	✓				✓			
<ul style="list-style-type: none"> Data back-up procedures appear adequate and back-ups are tested; 	✓				✓			
<ul style="list-style-type: none"> Key computations related to Licensee performance reporting are materially accurate; and 	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
<ul style="list-style-type: none"> Management reports appear adequate for the Licensee to monitor licence obligations. 	✓				✓			
Risk Management	✓				✓			
<ul style="list-style-type: none"> Risk management policies and procedures exist and are being applied to minimise internal and external risk associated with the asset management system; 	✓				✓			
<ul style="list-style-type: none"> Risks are documented in a risk register and treatment plans are actioned and monitored; and 	✓				✓			
<ul style="list-style-type: none"> The probability and consequences of asset failure are regularly assessed. 	✓				✓			
Contingency Planning	✓				✓			
<ul style="list-style-type: none"> Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks. 	✓				✓			
Financial Planning	✓				✓			
<ul style="list-style-type: none"> The financial plan states the financial objectives and strategies and actions to achieve the objectives; 	✓				✓			
<ul style="list-style-type: none"> The financial plan identifies the source of funds for capital expenditure and recurrent costs; 	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria								
<ul style="list-style-type: none"> The financial plan provides projections of operating statements (profit and loss) and financial position (balance sheet); 	✓				✓			
<ul style="list-style-type: none"> The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period; 	✓				✓			
<ul style="list-style-type: none"> The financial plan provides for the operation, maintenance, administration, and capital expenditure requirements of the services; and 	✓				✓			
<ul style="list-style-type: none"> Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary. 	✓				✓			
Capital Expenditure Planning	✓				✓			
<ul style="list-style-type: none"> There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates; 	✓				✓			
<ul style="list-style-type: none"> The plan provides reasons for capital expenditure and timing of expenditure; 	✓				✓			
<ul style="list-style-type: none"> The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan; and 	✓				✓			
<ul style="list-style-type: none"> There is an adequate process to ensure that the capital 	✓				✓			

Asset Management System	Process and Policy Rating				Performance Rating			
	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria	A	B	C	D	1	2	3	4
expenditure plan is regularly updated and actioned.								
Review of Asset Management System	✓				✓			
<ul style="list-style-type: none"> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current; and 	✓				✓			
<ul style="list-style-type: none"> Independent reviews (e.g., internal audit) are performed of the asset management system. 	✓				✓			

Table 14: Asset Management System: Ratings Summary

5.3 Review Observations and Recommendations

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning	2	<ul style="list-style-type: none"> • HIPL’s Asset Management Plan is set out in its detailed “<i>Asset Management Improvement Plan – Water & Wastewater Services</i>” (AMIP), which is reviewed and updated annually as part of a rolling five-year capital plan. Asset management procedures within the AMIP are set out under the same headings as Table 23 of the ERA’s: “<i>2019 Audit and Review Guidelines - Water Licences – March 2019</i>”; • Assets are provided to service the maximum intended size of the four towns – little or no development or extension is planned. When mining ceases, closure plans will be implemented; • The AMIP applies to the company’s water services at Cape Lambert, Dampier, Paraburdoo, Tom Price and Pannawonica and addresses all elements of this review; • Details of legislative and licences applicable to the services are set out – as are the customer service obligations and water services quality criteria; • Risk assessment and management is applied to all areas of the services, including those related to safety, business continuity, operations, maintenance and individual assets; • The lifecycle of assets is not the only consideration in assessing the cost of business operations. Assets are monitored for condition, performance, criticality and age. Decisions are made regarding the necessity to increase on-going monitoring and maintenance, refurbishment, replacement, or process changes; • A services failure would necessitate evacuation of a town’s residents - the consequence would be the cessation of mining or associated processing related to that town. As funding is not based on revenue for the provision of services, funding is provided from the company’s mining revenue; and • Both the Asset Management Improvement Plan and its associated planning processes are extensive and appropriate. 	A	1
2	Asset Creation and Acquisition	4	<ul style="list-style-type: none"> • The procedure for the procurement of assets is described in the Procurement Principles of Rio Tinto’s Capital Accounting Manual; • Following capital expenditure approval, and inclusion in the Five Years Rolling Capital Expenditure Plan (as described in Section 11 – Capital Expenditure Planning), the acquisition project is then described as being “<i>in plan</i>”; 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
2	Asset Creation and Acquisition (continued)	4	<ul style="list-style-type: none"> Detailed design, preparation of final cost estimates, drawings, specifications and tender documentation can be undertaken in anticipation of implementation; and Reviewer was provided with a copy of an approved "bluesheet", together with an application for Capital Expenditure. 	A	1
3	Asset Disposal	5	<ul style="list-style-type: none"> A general outline of HIPL's asset condition/performance procedures and actions leading to the disposal of assets is provided in the AMIP, together with a flow chart of the process. The specifics of individual actions, identification and documentation of asset disposal procedures are addressed in separate documents entitled: "Disposal of Assets – Work Cycle" and "Disposal of Asset – Work Practice"; In summary the procedure is as follows: <ul style="list-style-type: none"> Standard maintenance, a notification following an earlier assessment, under performance, or a process change initiates a review of an asset for disposal; Previous records of operation data, condition, age and performance are reviewed; Options to retain/dispose, including decreased maintenance intervals, process changes and refurbishment are considered, together with an assessment of the extent and value of back-up spares and the effects costs to associated assets; If decided that the asset is to be replaced, decisions will be taken regarding whether or not supporting documentation, spares, and peripheral equipment shall also be partially or fully disposed of. Asset documentation will also be submitted to the Master Maintaining Officer to subsequently delete the asset from the register and adjust financial information e.g. written down value. An application is then submitted for approval of the proposed disposal; and On approval of application the asset(s) are disposed of as proposed. Reviewer was provided with copies of "Asset Disposal Work Cycle and Work Practice" documents. No assets were disposed of during the Review Period. 	A	1
4	Environmental Analysis	5	<ul style="list-style-type: none"> All water services information related to service levels, quality and reporting are measured and achieved; Annual performance and compliance reports for the review period - to the ERA, Department of Health (DOH), and Department of Environment and Regulation (DER) were provided to Reviewer; Two non-compliances regarding WL33 were noted in 2016/2017 and 2017/2018. These related to (a) a lack of previous payments information on accounts and (b) lack of ability to 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
4	Environmental Analysis (continued)	5	<p>pay by telephone. Reviewer noted compliance with both (a) and (b) in 2018/19 accounts. Similarly, non-compliances were noted for WWTP effluent as follows:</p> <ul style="list-style-type: none"> ○ Paraburdoo – isolated BOD/SS higher than target 2016, 2017, 2019, E.coli 2016; ○ Dampier – flow readings incorrect due to flow-meter malfunction; and ○ Tom Price – SS higher than target – 2016. <ul style="list-style-type: none"> ● The WWTP non-compliances offered no environmental threat. Higher BOD and SS readings at Paraburdoo and Tom Price appear due to significant sludge deposits in the ponds. A sludge removal program is underway at Tom Price and when complete will be undertaken at Paraburdoo. 	A	1
5	Asset Operations	2	<ul style="list-style-type: none"> ● Water supply operations in Tom Price and Paraburdoo are automated and controlled via CITECT software. Source bores are activated by the pre-set start and shut off level in storage tanks. Similarly, the supply levels in storage tanks activate bores and other supply pumps; ● Pump flow rate and residual chlorine levels control chlorination of the supply in the system. The supply to high-level tanks is chlorinated prior to entry and on exit from the tanks. Chlorine residual levels in the reticulation systems are also continuously monitored at single locations in Paraburdoo and Dampier; ● CITECT allows continuous monitoring of flows, storage and chlorination at the company's Operations Centre in Perth and the regional offices at Paraburdoo, Tom Price and Dampier. Only the regional offices can exercise operational control of the water supply systems, or vary the settings via CITECT; ● CITECT software also allows automatic operation of the sewerage systems at Paraburdoo, Tom Price and Dampier. Pumping stations are operated by pre-set start and shut off levels in their wet wells. Rising mains deliver sewage flows to wastewater treatment plants (WWTPs) serving each town. Effluent from WWTP lagoons at Paraburdoo and Tom Price discharge to adjacent watercourses and are no longer chlorinated. Effluent from the Dampier WWTP (which features Imhoff tanks and trickling filters) is stored and chlorinated prior to discharge to irrigation (at night) on the plant site and town oval. A small proportion of the Dampier effluent which is not disposed to irrigation is discharged to the ocean on an outgoing tide; ● Apart from normal induction /OHS training, HIPL offers both optional and obligatory training for its staff; 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5	Asset Operations (continued)	2	<ul style="list-style-type: none"> • Reviewer was provided with staff training registers for Paraburdoo, Tom Price and Dampier. The registers included employees' names and SAP identification, site location and the year of expiry date of each topic. Topics include: <ul style="list-style-type: none"> ○ Chlorine & Chlorination Systems, Work Safely with Chlorine, Chlorine Awareness – parts A and B and Chlorine Handler; and ○ Water Operations and Certificate 111 in Water Operations. • Additional asset management and training courses are also available including: <ul style="list-style-type: none"> ○ Reliability Fundamentals; ○ Works Management Planning & Scheduling; and ○ Works Management Execution and Completion. 		
6	Asset Maintenance	2	<ul style="list-style-type: none"> • The maintenance of assets is based on the Rio Tinto “<i>Asset Maintenance Strategy</i>” (document No. RTIO-AM-0077192). The document sets out the approach to assessing the condition and criticality of assets and the maintenance strategy to be implemented. Reliability based maintenance strategies - designed to preserve the function of overall systems, are preferred to standard plant maintenance strategies, which are intended to continue the performance of individual assets; • The strategy document addresses the formulation of maintenance tasks including the necessity to include monitoring, inspection and fault-finding - including the resources and spares required to undertake maintenance planned. A flow chart is provided for determining spares critical to specific maintenance tasks, highlighting the requirement for advanced ordering; • The AMIP describes the use of risk assessments in the prioritising and scheduling of maintenance tasks and the subsequent recording and verification of work completed. On advice of forthcoming maintenance requirements. Planners in regional offices determine the availability of staff, arrange the provision of materials and equipment necessary for the tasks before passing on to project staff for implementation; • In addition to recording maintenance verification, the cost of labour materials and equipment hire etc. are captured and recorded in the asset register; • Reviewer was provided with examples of maintenance plans including lists of materials and plant required, safety checks required etc.; and • Documentation and implementation of HIPL’s water services asset maintenance is considered excellent. 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7	Asset Management Information System	4	<ul style="list-style-type: none"> • HIPL has a sophisticated system of monitoring and recording its business activities – and the ability to recover and collate information, for the purpose of progress review and report preparation; • Apart from commercial software such as the Microsoft Office software suite, HIPL applies its own software for the following purposes: <ul style="list-style-type: none"> ○ SAP - for maintenance, planning, asset registers, cost collation and tracking; ○ HSEQ – a controlled document system with limited access; ○ FDMS – for document management, also with limited access; ○ LAORS - a Legal & Other Requirements System with controlled access; ○ Prospect – a Business Management, including incident reporting system – used as an “<i>add on</i>” to SAP; ○ CAPS - The system to facilitate Capital Approval & Planning; ○ ARMS – Asset Register Mapping System; ○ CITECT – a multi-layered visual monitoring and operational control system for water and wastewater facilities. Allows centralised monitoring at the airport centre and localised monitoring and operational control at Paraburdoo, Tom Price and Dampier regional offices; and ○ Reporting - for operating licence performance and compliance reports compilation. • Access to software programs at various levels is controlled by passwords – which must be changed at regular intervals; • There are no physical servers as the systems are hosted on the Microsoft Azure platform, which provides multiple layers of security; • Full backups are undertaken weekly and incremental backups taken daily at specific times; and • The backup team undertakes sample validation restoration from backups monthly. A full business continuity/data recovery test is performed each year to validate the contingency systems and processes are functional. 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
8	Risk Management	4	<ul style="list-style-type: none"> • Risk assessment and management is a prime consideration in HIPL’s decision-making across its water services delivery spectrum, including staff health and safety, operations, maintenance, continuity of the business and contingency planning; • AMIP advises that a critical assessment of water supply wastewater and hydrocarbons systems was undertaken - for town, mine, and port facilities, by Hawcroft consultants in October 2015. The assessment was updated twice in 2016 and again in 2018. The AMIP adds that no critical risks were identified for the water services systems of the four towns. However, Reviewer notes that four such assessments currently appear on the Paraburdoo risk register – each of which is associated with chlorination facilities; • The results of the external assessments and together with assessments of service levels, asset failures and condition monitoring are considered in updates of the Asset Risk and Contingency Plans; • Reviewer was provided with a matrix of some ninety-three risk assessments for the water and wastewater services at Paraburdoo. Each risk scenario is evaluated in terms of Likelihood, Consequence and Effect, together with up to five levels of control actions; and • The risk management undertaken by HIPL is broad ranging and rigorous. 	A	1
9	Contingency Planning	4	<ul style="list-style-type: none"> • HIPLs has developed a series of contingency plans for the business as follows: <ul style="list-style-type: none"> ○ Site contingency plans which address water quality and major asset failure within the towns; ○ Specific emergency response plans for unplanned wastewater release and treatment pond wall failure at Tom Price and Paraburdoo. A standard work procedure has been developed for handling sewer overflows and spills; and ○ Incident response plans for drinking water quality. These plans are assessed during emergency exercises conducted annually with Health Department officers. • Reviewer was provided with a copy set of site contingency plans as follows: <ul style="list-style-type: none"> ○ Water main failure; ○ Storage tank failure; ○ Pump station failure; ○ Chlorination system failure; ○ Sewer pump station failure; ○ Sewer main failure (blockage, collapse, overflow); and 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
9	Contingency Planning (continued)	4	<ul style="list-style-type: none"> ○ Failure of re-cycled water supply system (Dampier). ● Each of the above contingency plans address the: <ul style="list-style-type: none"> ○ Scenario - including likely causes and consequences; ○ Prevention actions – maintenance, monitoring, testing etc. as appropriate and the group responsible; ○ Preparedness – equipment, spares, materials etc. required for the response and the responsible group; and ○ Response – the actions necessary to undertake the response and the group responsible for the response. ● Each plan includes a list of key regulatory and contractor contacts; and ● Reviewer recalls that when hazardous substances are released to the environment, the Fire Authority takes charge of the overall response. It is suggested that HIPL confirms the above and add the Fire Service contact details – particularly where chlorine leakage is concerned. 	A	1
10	Financial Planning	4	<ul style="list-style-type: none"> ● Responsibility for Rio Tinto’s financial planning rests with the company’s Business Planning Group and is based on Rio Tinto’s global business requirements; ● The Utilities Leadership team, assisted by Business and Operational Analysts, prepares financial plans for individual business locations. Water services are considered as operating costs associated with their business location - and are therefore not the subject of separate financial plans; ● Budgets are also prepared for specific business locations. For water services associated with this review i.e. Paraburdoo, Tom Price, Dampier and Bungaroo Creek, budgets are based on the Capital Expenditure Plan and Maintenance expenditure – estimated on the basis of the proposed annual maintenance program and historical costs derived from records in SAP; and ● Expenditure is monitored and reported monthly in comparison with budget. 	A	1
11	Capital Expenditure Planning	4	<ul style="list-style-type: none"> ● Capital Expenditure planning is based on the procedures outlined in the Rio Tinto Capital Accounting Manual; ● When a business opportunity, or the need for an asset to be replaced is identified, a number of investigations are undertaken to progressively verify the project and - if verified, the preparation of a submission for capital expenditure approval; ● The investigations may include all or some of the following: 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
11	Capital Expenditure Planning (continued)	4	<ul style="list-style-type: none"> ○ A concept study to indicate whether or not the project warrants order of magnitude technical and economic investigation; ○ Order of magnitude studies as above; ○ Pre-feasibility studies of the options available and identification of a preferred option; and ○ Feasibility study to further develop the technical, implementation and economic attributes of the preferred option. ● Preparation and submission of a “Blue sheet” which briefly summarises: <ul style="list-style-type: none"> ○ The project title and number, proposing and responsible division and status of the project; ○ The current problem, or opportunity offered by the project; ○ The object of the project; ○ The tasks and deliverables associated with the project and alternatives available; ○ Associated actions which need to be undertaken as a consequence of implementing the project; ○ The classification, detail and impact on risks associated with the project; ○ Overall cost expected timing and project cash flows; and ○ Name and initials of those who will be responsible for the project. ● If the division General Manager signs off on the “Blue sheet”, the project is submitted for capital expenditure approval; ● On receiving approval for Capital Expenditure, the project is included in the Five Years Rolling Capital Expenditure Plan and is identified as being “in plan” ● Reviewer was provided with a copy of HIPL’s “Water & Wastewater Five Year Capital Plan” for the period 2019 to 2024. The plan includes some one hundred and ten projects on which estimated expenditure is stated for each year. The cumulative estimated total expenditure over the plan period is significant. 	A	1
12	Review of the Asset Management System	5	<ul style="list-style-type: none"> ● The AMIP refers to several areas of review of the company’s review of its asset management system. These are: <ul style="list-style-type: none"> ○ Annual in-house review and upgrade of the Asset Management Improvement Plan (AMIP) and its associated documentation; ○ Independent reviews of: (a) - Risk and Compliance Audit by KPMG; (b) - Process Safety on Chlorination Systems Audit; and (c) - Recycled Water Audit on Tom Price and 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
12	Review of the Asset Management System (continued)	5	<p>Dampier; and</p> <ul style="list-style-type: none"> ○ During 2019, a review of the Rio Tinto Asset Management Standard resulted in improvements to: (a) - Asset management standards implementation; (b) - AM standard group level documents; (c) - Critical asset management; and (d) - Asset Integrity Assessment Guidance Note. These documents will be incorporated in the 2020 Asset Management Improvement Plan. ● Reviewer was provided with forty-five documents relevant to the company’s management of its assets. Some twenty-eight of these documents addressed company policy and procedures - of which all but one was annotated with the name of the reviewer, the 2019 date and amendments where appropriate; and ● Reviewer noted the following document oversights - which although relatively minor, should be corrected: <ul style="list-style-type: none"> ○ RTIO – Asset maintenance strategy document was last reviewed in 2010; ○ Tom Price inspection procedures for chlorine station and pump station inspection have no review details. Similarly, disposal of asset documents WP0592-01 and WC4027 have no review details - despite HIPL’s document management system recording review and approval dates for all documents; and ○ Appendix 2 of the AMIP states that effluent from the wastewater treatment plants (WWTP’s) at Paraburdoo and Tom Price are chlorinated, whereas chlorination has been discontinued. Similarly, the Imhoff tank at Paraburdoo WWTP has been taken out of service due to poor structural condition. 	A	1

Table 15: Review Observations and Recommendations

5.4 Current Review: Asset Management System Deficiencies and Recommendations

Current Review: Asset Management System Deficiencies and Recommendations			
A. Resolved During Current Review Period			
Reference	Rating	Date Resolved	Reviewer's Comments
	Asset Management Process and Effectiveness Criterion	HIPL Action Taken	
	Details of Deficiency		

- There is no content in Part A.

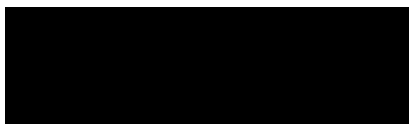
Table 16: Current Review: Asset Management System Deficiencies and Recommendations (Part A)

Current Review: Asset Management System Deficiencies and Recommendations						
B. Unresolved at End of Current Review Period						
Recommendation Reference (no./year)	Rating			Reviewer's Recommendation	HIPL Action Taken by End of Review Period	
	Asset Management Process and Effectiveness Criterion					
	Details of Deficiency					
<ul style="list-style-type: none"> There is no content in Part B. 						

Table 16: Current Review: Asset Management System Deficiencies and Recommendations (Part B)

6 Audit Opinion

To the best of my knowledge, this audit and review report is an accurate presentation of my findings and opinions.



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