



South32 Worsley Alumina

29 September 2022 Audit and Review Report

South32 Worsley Alumina Pty Ltd
3 October 2022



→ The Power of Commitment

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Client name	South32 Worsley Alumina Pty Ltd
Project name	South32 Worsley Alumina Asset Management Audit
Document title	South32 Worsley Alumina Audit and Review Report
Revision version	Rev A
Project number	12579971

Document status

Status Code	Revision	Author	Reviewer			Approved for issue	
			Name	Signature	Name	Signature	Date
A	Draft	H Le					
0	IFU	H Le	Marcel Oosthuizen	On file	Paul Buch	On file	21/09/2022
1	IFU	H Le	Marcel Oosthuizen		Paul Buch		3/10/2022

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Executive Summary

Background

The Economic Regulation Authority (ERA) is Western Australia's independent economic regulator that is responsible for administering the licensing schemes for gas, electricity, and water services. The licensing regime is intended to ensure that Western Australian consumers and businesses operate in a fair, competitive and efficient environment.

South32 Worsley Alumina Pty Ltd (WAPL or the licensee) has been granted an electricity generation licence (EGL12) in June 2006. The latest version of EGL12 was updated on 1 July 2018 and is valid until 29 June 2036. This license was issued by the ERA under section 19 of the Electricity Industry Act 2004 and enable the licensee to generate electricity.

Asset overview

WAPL's EGL12 version 7 defines the scope of the electricity generation assets as follows:

- The Facility 110 Powerhouse consisting of: 3 Coal Fired and 2 Gas Fired boilers, 3 dual extraction condensing steam turbines, 1 pass through steam turbine and all associated infrastructure to generate both steam and electrical power. Electricity is generated at 11.5kV and distributed to the refinery.
- Additional electricity for the refinery is drawn from a separate Multi-fuel Cogeneration facility (MFC) and electricity grid. The MFC facility does not fall within the scope of this audit and review
- Excess electricity generated is exported to the South-West Interconnected System (SWIS), or the grid at 132kV.

Audit and review objectives

This audit has been conducted to assess the following:

1. WAPL's level of compliance with the conditions of their electricity generation licence.
2. The effectiveness of WAPL's asset management system.

This report outlines the findings of the audit and review conducted by GHD to assess WAPL's performance against the above objectives. The audit and review covered the period from 1 July 2017 to 30 June 2022.

Licence Conditions Audit: Control Assessment – Findings and recommendations

Out of the applicable 36 obligations, 3 obligations were assessed for controls. 1 obligation is found to have generally adequate control but needing improvements (rating B) and in accordance with Section 5.1.8 of the ERA's guideline no recommendation is provided for this control deficiency finding.

Control assessment for the remaining 33 obligations were 'not performed' or N/P as they were either not applicable to WAPL, or their audit priority was greater than 3 (and where they were either compliant or 'not rated') in accordance with the Audit Guidelines Section 5.1.6.

Licence Conditions Audit: Compliance Assessment – Findings and recommendations

Out of the applicable 36 obligations, 13 obligations were assessed for compliance. Performance against 1 obligation is found to be non-compliant with minor effect on third parties (rating 2) and in accordance with Section 5.1.8 of the ERA's guideline the following recommendation is provided for this non-compliance finding in Table 10:

- **1/2022** (associated with Compliance Manual No 124)

Compliance assessment for the remaining 23 obligations were 'not rated' or N/R as they were either not applicable to WAPL, or some prescribed event did not occur, or activities or decisions were not undertaken during the audit period.

Asset Management System Review – Findings and recommendations

All observations and findings are collated in Table 11 of this report. The key issues found and observed during the review period that have resulted in proposed recommendations are listed here in order of importance:

- It was found during review that a suite of documents, including the Strategic Asset Management Plan, had reviews outstanding, documents provided for review were past their respective nominated due dates
- Many documents for WAPLs AMS for EGL12 fall within business wide processes and planning. However, it was observed during the site inspection that management of the asset is considerably detailed using WAPL's resource and asset management systems.

The following recommendation is proposed.

Table 1 Recommendations Summary

Effectiveness Criteria	Rating	Recommendation	No.
Asset Planning 1.9 Asset management plan is regularly reviewed and updated	B3	It is recommended that WAPL revise their document review environment, utilising existing management systems, such as integration into Power BI and SAP on a schedule to ensure documents reviews are completed on schedule.	2/2022

Asset Management System Review – Overall effectiveness

On completion of this review, the auditor's conclusion is that WAPL's asset management system is operating effectively; however, the auditor has identified proposed areas of improvement for WAPL to apply during the next audit period. The disciplined remediation of identified issues should be actioned as a priority to continue the effective management of the Facility 110's generation assets.

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1. Introduction

1.1 Background

The Economic Regulation Authority (ERA) is Western Australia's independent economic regulator that is responsible for administering the licensing schemes for gas, electricity, and water services. This ensures Western Australian consumers and businesses operate in a fair, competitive and efficient environment.

South32 Worsley Alumina Pty Ltd (referred to hereafter as WAPL) has an electricity generation licence (EGL12). This licence was issued by ERA under section 19 of the Electricity Industry Act 2004 and enables the licensee to generate electricity.

1.2 Overview

The licence is granted for electricity generation at the Worsley Alumina Refinery which is located just off the Hamilton River in southwest Western Australia, 140km south of Perth.

The Facility 110 Powerhouse consists of: 3 Coal Fired and 2 Gas Fired boilers, 3 dual extraction condensing steam turbines, one pass through steam turbine and associated infrastructure to generate both steam and electrical power. Additional electricity for the refinery is drawn from a separate Multi-fuel Cogeneration facility (MFC) and electricity grid. Facility 110 Powerhouse also has the ability to send surplus electricity generated into the grid.

Section 3 of the Electricity Industry Act 2004 defines a distribution system as infrastructure associated with the transportation of electricity at nominal voltages less than 66kV. The Act goes further to define a transmission system as infrastructure associated with the transportation of electricity at nominal voltages of 66kV or higher. Electricity within Facility 110 Powerhouse is generated at 11.5kV and distributed to the refinery and connected to the South-West Interconnected System (SWIS) at 132kV.

The audit and review were conducted through remote meetings via Microsoft Teams, and extensive document review. A physical inspection of the Facility 110 Powerhouse was also conducted.

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1.3 Purpose and Limitation of this Report

1.3.1 Purpose

As required by the license, licensees are required to conduct a performance audit and asset management review that assesses the performance of the licensee against the license obligations.

The purpose of the performance audit was to assess the effectiveness of measures taken by the licensee to meet the conditions and legislative obligations referred to in the licence. The scope of the audit report includes assessing the adequacy and effectiveness of performance against the requirements of the licensee. This is conducted by considering:

- Process compliance
- Outcome compliance
- Output compliance
- Integrity of reporting; and
- Compliance with individual license conditions.

The asset management system review covers:

- a description of the audit or review objectives and the methodology used to conduct the review.

- the period over which the review has been performed.
- details of the licensee's representatives participating in the review
- details of key documents and other information sources examined by the auditor during the audit
- any other information the auditor considers relevant to the audit or review scope of work.

1.3.2 Limitations

This report has been prepared by GHD for South32 Worsley Alumina Pty Ltd and may only be used and relied on by South32 Worsley Alumina Pty Ltd for the purpose agreed between GHD and South32 Worsley Alumina Pty Ltd as set out in section 1.3.1 of this report.

GHD otherwise disclaims responsibility to any person other than South32 Worsley Alumina Pty Ltd arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report. GHD disclaims liability arising from any of the assumptions being incorrect.

GHD has prepared this report on the basis of information provided by South32 Worsley Alumina Pty Ltd and others who provided information to GHD (including Government authorities)], which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

2. Scope and Objective

2.1 Objectives

The objective of this Audit and Review is to:

- Provide the ERA an independent assessment of WAPL’s compliance with all the relevant obligations under the licences.
- Provide to the ERA an independent assessment of the effectiveness of WAPL’s asset management system in relation to (EGL12).
- Provide recommendations to address identified non-compliances.

2.2 Scope of Works

This audit and review involve an assessment of the following key areas using a risk-based approach (similar to ISO31000:2009):

- Process compliance: Effectiveness of systems and procedures
- Outcome compliance: Effectiveness of actual performance against license standards
- Output compliance: Effectiveness of records to indicate procedures are maintained
- Integrity of reporting: assessment of the completeness and accuracy of compliance and performance documentation

The scope of this audit and review involves:

- Assess performance against licence conditions for EGL12
- Assess performance against each asset management system effectiveness criteria

2.2.1 Performance Audit Excluded Conditions

Some of the license obligations have been excluded from the audit because they are not applicable to WAPL. These excluded obligations are tabulated below:

Table 2 Licence Obligation Exclusions

Obligation Type	Obligation(s) No.	Comment
Type 1 reporting obligations for all licence types	127-128 234-238 257-258	Obligations do not apply to Generation Licensee
Electricity Industry Customer Transfer Code – Licence conditions and obligations	1 – 71	Customer Transfer Code does not apply as WAPL is not a retailer
Electricity Industry (Customer Contracts) Regulations – Licence conditions and obligations	72-77A	Obligations do not apply to Generation Licensee
Electricity Industry (Customer Contracts) Regulations – Licence conditions and obligations	78-100	Obligations do not apply to Generation Licensee
Electricity Industry Act – Licence conditions and obligations	108-113	Obligations do not apply to Generation Licensee
Electricity licences – Licence conditions and obligations	114-118 127-128	Obligations do not apply to Generation Licensee
Code of Conduct – Licence conditions and obligations	129-316	South32 has no residential customers

Obligation Type	Obligation(s) No.	Comment
Electricity Industry Metering Code – Licence conditions and obligations	317-323 325-338 340-370 374-387 389-400 402-404 406-415 418-447 448A-450A 452	South32 is not a network operator
Electricity Industry (Network Quality and Reliability of Supply) Code – Licence conditions and obligations	462-485	Obligations do not apply to Generation Licensee's
Electricity licences - Licensee specific conditions and obligations	486 – 501	The target licensee for these obligations do not include WAPL.

2.2.2 Asset Management System Review

The review of WAPL's asset management system (AMS) covers the following asset management components:

1. Asset planning
2. Asset creation and acquisition
3. Asset Disposal
4. Environmental analysis
5. Asset operations
6. Asset maintenance
7. Asset management information system
8. Risk management
9. Contingency planning
10. Financial planning
11. Capital expenditure planning
12. Review of AMS

2.3 Methodology and Approach

GHD's approach involved working closely with WAPL to identify actions and documents as soon as possible before the audit report was finalised. GHD's process and approach included:

- An initial discussion via teleconference with WAPL to:
 - Identify the key processes and roles to be discussed
 - Review license conditions to be excluded
 - Discuss the audit plan
- Preparation of the draft audit plan for comment by the licensee. The audit plan listed the license obligations to be examined.
- Submission of the draft Audit Plan to the ERA for approval
- A start-up meeting and follow meetings via in person and teleconference with business staff responsible for the audit area and assets. The call involved:
 - Demonstration of key systems
 - Identifying documents to be sampled to confirm procedures and assess compliance with AMS criteria and license obligations
 - Review of procedures
- Site visit to audit location on 10 August to review asset and locations and conduct face-face discussion with business staff.
- Preparation of a draft audit report for KP's review and comment
- Preparation of a final report for submission to the ERA

2.3.1 Deviations From the Audit Plan

There are no deviations from the performance audit or AMS review plan described in the Audit Plan submitted to the ERA.

3. Audit Details

3.1 Previous Audit

The previous audit conducted with a review period between 1 July 2013 and 30 June 2017 will be used as a basis for assigning priority for the audit and review. The action plan from the previous (2018) audit has been reviewed.

The previous (2018) audit report identified that the two outstanding non-compliances were resolved, and no new recommendations were made.

It also identified the following two non-compliances that were quickly corrected and hence there were no follow-up actions:

- Compliance Manual No 103 (see A01/2017)
- Compliance Manual No 124 (see A02/2017)

Accordingly, there has been no ERA's notice with respect to its areas of special focus and assignment of audit priority to assess South32's compliance performance and the effectiveness of its control procedure and control environment.

3.2 Time Period Covered by the Audit/Review

The audit and review will cover the period from 1 July 2017 to 30 June 2022.

3.3 Time Period of the Audit/Review Process

The audit/review commenced in August 2022 with the preparation of the draft Audit Plan taking place in July 2022. Interviews with WAPL were conducted on the following dates:

- 2 August – Asset Management review via teleconference call on Microsoft Teams
- 3 August – Transmission License Performance Audit via teleconference call on Microsoft Teams
- 10 August – Site visit and in person observation of Asset Management systems and processes

3.4 Details of the Licensee Representatives Participating in the Audit/Review

Details of representatives from WAPL are tabulated below.

Table 3 Details of Licensee

Personnel	Organisation
Maintenance Engineer	WAPL
Shutdown Engineer	WAPL
Compliance Specialist	WAPL
Electrical Engineer	WAPL
Process Engineer	WAPL

3.5 Details of Key Documents and Other Information Sources

A list of documents reviewed in the audit and AMS review is listed in Appendix A.

3.6 Details of Auditors Participating in the Audit/Review

The audit and review team comprised of three (3) staff members from GHD.

Details of their roles in the audit/review process are summarised in Table 4.

Table 4 Details of Audit and Review Team Members from GHD

Name	Role	Summary of Task	Hours Utilised (hrs)
Henry Le	Auditor/Reviewer	<ul style="list-style-type: none">• Audit preparation• Audit• AMS Review• Preparation of report	120
Marcel Oosthuizen	Lead AMS Reviewer	<ul style="list-style-type: none">• Audit preparation• AMS Review• Project management	50
Anuraag Malla	Lead License Auditor	<ul style="list-style-type: none">• Audit preparation• Performance audit	50

4. Performance Summary

Findings of the performance audit are summarised in a table with an adequacy of control and a compliance rating.

4.1 Assessment Rating Scales

In accordance with the Audit Guidelines, an assessment of WAPL's performance was completed using a rating of adequacy of control and compliance, as summarised in Table 5. The asset management effectiveness rating scale is outlined in Table 6 and Table 7.

Table 5 *Audit Compliance and Control Rating Scales*

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls - no improvement needed	A	Compliant
B	Generally adequate controls - improvement needed	B	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	C	Non-compliant – moderate impact on customers or third parties
D	No controls evident	D	Non-compliant – major impact on customers or third parties
NR	Not rated – not applicable during the audit period	NR	Not rated – not applicable during the audit period

Table 6 *Asset Management Process and Policy Definition Rating*

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) are 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 significant 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 7 Performance Rating Scale (Reviews)

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.

4.2 Licence Conditions Compliance and Control Audit Ratings Summary

In accordance with the Audit Guidelines, an assessment of WAPL’s controls and compliance performance against its EGL12 licence obligations, that existed during the audit period (from 1 July 2017 to 30 June 2022) was undertaken. The following Table 8 list the number of licence obligations that were given each combination of control and compliance ratings. This table also allows WAPL and the ERA to confirm that we have rated all relevant licence obligations and provides a simple summary of the WAPL’s performance during the audit period.

Table 8 Licence Conditions compliance and control audit ratings summary table

		Compliance rating					Total
		1	2	3	4	N/R	
Controls rating	A					1	2
	B		1			1	1
	C						
	D						
	N/P	12				21	33
	Total	12	1			23	36

We also noted the previous recommendations (A001/2017 and A002/2017) from the 2017 licence audit. The findings from the previous licence audit informed the audit priority ranking of these affected obligations and hence we assessed WAPL’s performance against both the control procedure and control environment criteria and compliance criteria for the Compliance Manual No 103 and No 124.

We did not assess WAPL’s control procedures and control environment for those 33 licence obligations and have accordingly labelled them as ‘not performed’ or N/P as they were either not applicable to WAPL, or their audit priority was greater than 3 (and where they were either compliant or ‘not rated’) in accordance with the Audit Guidelines Section 5.1.6.

Similarly, we did not assess WAPL’s compliance to 23 licence obligations and have accordingly labelled them as ‘not rated’ or N/R as they were either not applicable to WAPL, or some prescribed event did not occur, or activities or decisions were not undertaken during the audit period.

4.3 AMS Review Effectiveness Summary

The AMS review assessed the effectiveness in delivering the services required under the operating license.

The review was conducted using the asset management adequacy and performance ratings as described in Table 6 and Table 7. A summary of outcomes of the review is provided in Table 9.

Table 9 AMS Review Results Summary

AMS Component	Adequacy Rating	AMS Performance Rating
1. Asset Planning	B	2
Asset management plan covers the processes in this table	A	1
Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	B	1
Service levels are defined in the asset management plan	B	2
Non-asset options (e.g. demand management) are considered	A	1
Lifecycle costs of owning and operating assets are assessed	B	2
Funding options are evaluated	A	1
Costs are justified and cost drivers identified	A	1
Likelihood and consequences of asset failure are predicted	A	1
Asset management plan is regularly reviewed and updated	B	3
2. Asset creation and acquisition	A	1
Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	A	1
Evaluations include all life-cycle costs	A	2
Projects reflect sound engineering and business decisions	A	1
Commissioning tests are documented and completed	A	1
Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	A	1
3. Asset Disposal	A	1
Under-utilised and under-performing assets are identified as part of a regular systematic review process	A	1
The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	A	1
Disposal alternatives are evaluated	A	1
There is a replacement strategy for assets	B	1
4. Environmental Analysis	A	2
Opportunities and threats in the Asset Management System environment are assessed	A	2
Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	B	1
Compliance with statutory and regulatory requirements	A	1
Service standard (customer service levels etc) are measured and achieved.	A	1

AMS Component	Adequacy Rating	AMS Performance Rating
5. Asset operations	A	1
Operational policies and procedures are documented and linked to service levels required	A	1
Risk management is applied to prioritise operations tasks	A	1
Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	A	1
Accounting data is documented for assets	A	1
Operational costs are measured and monitored	A	1
Staff resources are adequate, and staff receive training commensurate with their responsibilities	A	1
6. Asset maintenance	A	1
Maintenance policies and procedures are documented and linked to service levels required	A	1
Regular inspections are undertaken of asset performance and condition	A	1
Maintenance plans (emergency, corrective, and preventative) are documented and completed on schedule	A	1
Failures are analysed and operational/maintenance plans adjusted where necessary	A	1
Risk management is applied to prioritise maintenance tasks	A	1
Maintenance costs are measured and monitored	A	1
7. Asset management information system	A	1
Adequate system documentation for users and IT operators	A	1
Input controls include suitable verification and validation of data entered into the system	A	1
Security access controls appear adequate, such as passwords	A	1
Physical security access controls appear adequate	A	1
Data backup procedures appear adequate, and backups are tested	A	1
Computations for licensee performance reporting are accurate	A	1
Management reports appear adequate for the licensee to monitor licence obligations	A	1
Adequate measures to protect asset management data from unauthorised access	A	1
8. Risk management	A	1
Risk management policies and procedures exist and are applied to minimise internal and external risks	A	1
Risks are documented in a risk register and treatment plans are implemented and monitored	A	1
Probability and consequences of asset failure are regularly assessed	A	1
9. Contingency planning	A	1
Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	A	1

AMS Component	Adequacy Rating	AMS Performance Rating
10. Financial planning	A	1
The financial plan states the financial objectives and identifies strategies and actions to achieve those	B	1
The financial plan identifies the source of funds for capital expenditure and recurrent costs	A	1
The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	A	1
The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	B	1
The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	A	1
Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	A	1
11. Capital expenditure planning	A	1
There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	A	1
The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	A	1
The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	A	1
There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	A	1
12. Review of AMS	A	1
A review process is in place to ensure the asset management plan and the Asset Management System described in it remain current	A	1
Independent reviews (e.g. internal audit) are performed of the Asset Management System	A	1

5. Observations and Recommendations

5.1 Licence Conditions Compliance and Control Audit

The following Table 10 summarises the audit findings of WAPL's performance against its Electricity Generation (EGL12) licence obligations and corresponding recommendations where non-control and/or non-compliance were identified during the audit period. This table does not provide the observation commentary against the control rating and compliance rating for the sake of brevity in the body of the report. Our assessment observation is detailed in Appendix B.

Table 10 Licence condition compliance and control audit – summary finding table and recommendations

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
101	Electricity Industry Act, section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.					✓	✓						
102	Electricity Industry Act, section 14(1)(a)	A licensee must provide for an asset management system.					✓	✓						
103	Electricity Industry Act, section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.		✓									✓	Section 5.1.8 of the ERA's guidelines require a recommendation only if there is a controls deficiency finding (ratings C or D) or a non-compliance finding (ratings 2, 3 and 4). Hence, no recommendation is provided in this instance.
104	Electricity Industry Act, section 14(1)(c)	A licensee must provide the ERA with a report by an independent expert about the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.					✓	✓						
105	Economic Regulation Authority (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.					✓	✓						
106	Electricity Industry Act, section 31(3)	A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an					✓	✓						

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
		accident, emergency, potential danger or other unavoidable cause.												
107	Electricity Industry Act, section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.					✓	✓						
119	Distribution Licence, condition 4.3.1 Generation Licence, condition 4.3.1 Integrated Regional Licence, condition 4.3.1 Retail Licence, condition 4.3.1 Transmission Licence, condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.					✓	✓						
120	Distribution Licence, condition 5.2.4 Generation Licence, condition 5.2.4 Integrated Regional Licence, condition 5.2.4 Retail Licence, condition 5.2.4 Transmission Licence, condition 5.2.4	A licensee must comply with any individual performance standards prescribed by the ERA.					✓						✓	
121	Distribution Licence, condition 5.3.2 Generation Licence, condition 5.3.2 Integrated Regional Licence, condition 5.3.2 Retail Licence, condition 5.3.2 Transmission Licence, condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.					✓	✓						
122	Distribution Licence, condition 5.1.5	A licensee must comply, and must require the licensee's expert to					✓	✓						

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations
			A	B	C	D	N/P	1	2	3	4	N/R	
	Generation Licence, condition 5.1.5 Integrated Regional Licence, condition 5.1.5 Transmission Licence, condition 5.1.5	comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review.											
123	Distribution Licence, condition 4.4.1 Generation Licence, condition 4.4.1 Integrated Regional Licence, condition 4.4.1 Retail Licence, condition 4.4.1 Transmission Licence, condition 4.4.1	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the Licence was granted which may affect the licensee's ability to meet its obligations.					✓						✓
124	Distribution Licence, condition 4.5.1 Generation Licence, condition 4.5.1 Integrated Regional Licence, condition 4.5.1 Retail Licence, condition 4.5.1 Transmission Licence, condition 4.5.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.		✓					✓				Section 5.1.8 of the ERA's guidelines require a recommendation only if there is a controls deficiency finding (ratings C or D) or a non-compliance finding (ratings 2, 3 and 4). Hence, the following recommendation is provided: 1/2022: Utilise Global360 risk management system by inputting an annual prompt with responsibility and delegation to prepare and submit the compliance report to the ERA. This will raise and track compliance actions within WAPL.
125	Distribution Licence, condition 3.8.1 and 3.8.2 Generation Licence, condition 3.8.1 and 3.8.2 Integrated Regional Licence, condition 3.8.1 and 3.8.2 Retail Licence, condition 3.8.1 and	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	✓										✓

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations
			A	B	C	D	N/P	1	2	3	4	N/R	
	3.8.2 Transmission Licence, condition 3.8.1 and 3.8.2												
126	Distribution Licence, condition 3.7.1 Generation Licence, condition 3.7.1 Integrated Regional Licence, condition 3.7.1 Retail Licence, condition 3.7.1 Transmission Licence, condition 3.7.1	All notices must be in writing, unless otherwise specified.					✓	✓					
324	Electricity Industry Metering Code, clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.					✓					✓	
339	Electricity Industry Metering Code, clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.					✓					✓	
371	Electricity Industry Metering Code, clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.					✓					✓	
372	Electricity Industry Metering Code, clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.					✓					✓	

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
373	Electricity Industry Metering Code, clause 4.5(2)	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.					✓						✓	
388	Electricity Industry Metering Code, clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).					✓						✓	
401	Electricity Industry Metering Code, clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.					✓						✓	
405	Electricity Industry Metering Code, clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.					✓						✓	
416	Electricity Industry Metering Code, clause 5.21(5)	A Code participant must not request a test or audit under subclause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the AEMO.					✓						✓	
417	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with					✓						✓	

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
		any access arrangement or agreement.												
448	Electricity Industry Metering Code, clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.					✓	✓						
451	Electricity Industry Metering Code, clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.					✓	✓						
453	Electricity Industry Metering Code, clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.					✓						✓	
454	Electricity Industry Metering Code, clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.					✓						✓	
455	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed, or another purpose contemplated by the Code.					✓						✓	

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
456	Electricity Industry Metering Code, clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.					✓						✓	
457	Electricity Industry Metering Code, clause 8.1(1)	If any dispute arises between any Code participants, then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.					✓						✓	
458	Electricity Industry Metering Code, clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.					✓						✓	
459	Electricity Industry Metering Code, clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.					✓						✓	
460	Electricity Industry Metering Code, clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.					✓						✓	

No	Obligation under Licence conditions	Description	Control rating					Compliance rating					Recommendations	
			A	B	C	D	N/P	1	2	3	4	N/R		
461	Electricity Industry Metering Code, clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).					✓						✓	

5.2 Asset Management System Review

The AMS review conducted is in Table 11. As per the ERA guidelines, recommendations are only given to performance ratings of 3 and 4 or process and policy ratings of C and D.

Table 11 Asset Management Review Observations and Recommendations

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset planning Asset planning strategies focuses on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price).			B	2
1.1	Asset management plan covers the processes in this table	2	Asset management planning falls under WAPL's overarching business operations. As such, the systems developed demonstrates a robust reporting structure and captures the effectiveness criteria in this table.	A	1
1.2	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	4	The Strategic Asset Management Plan (SAMP) has been evidenced. This SAMP is a corporate document and applies the same principals across all sites, including the powerhouse. The SAMP does make references to stakeholder engagement and includes stakeholder requirements as part of its' asset management objective. There is no asset management planning document for the asset(s) specifically. The key stakeholder for the assets is the refinery itself which is operated by WAPL. The software package Platform is used to monitor the refinery operation and can be used to track power requirements.	B	1
1.3	Service levels are defined in the asset management plan	4	The SAMP defines an asset management assessment to be undertaken by WAPL. The last asset management assessment was undertaken during the review period in 2019. In this assessment, underperforming KPIs are identified. This is all outlined in general terms in the SAMP. Discussions with WAPL maintenance and shutdown staff have also indicated that typical service levels and guidelines are drawn from relevant Australian Standards, such as AS3788 for boilers. The SAMP also includes a provision to define and measure KPIs. However, KPIs referenced in the SAMP are business wide and no specific service levels have been defined for assets relevant to EGL12.	B	2
1.4	Non-asset options (e.g. demand management) are considered	4	Electricity generation is a by-product of WAPL's refinery operations. As part of the refinery operation, steam is produced which gives the opportunity for a steam turbine to generate electricity. As part of WAPL decarbonisation strategy, as suite of projects to achieve scope 1,2 and 3 emissions targets were initiated within the audit review period. This includes non-asset options like efficiency improvement initiatives aimed at being implemented withing the next 5 years.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1.5	Lifecycle costs of owning and operating assets are assessed	2	<p>WAPL engaged a contractor to perform a high-level asset life assessment of the four steam turbines. Projected operating costs are a requirement of the typical Investment Analysis Report (IAR) process. The IAR form template and a sample has been evidenced.</p> <p>This document has been evidenced and provides an assessment of the current state of the equipment and advises on their current stage in their life cycle. However, costs have not been assessed in this document.</p>	B	2
1.6	Funding options are evaluated	2	<p>IAR forms are used for business submissions for all capital works. This IAR form is a standard document from WAPL and is used for all assets business wide.</p> <p>This document requires each project to present the business case, justifications, and analysis of expenditure to WAPL's financial controllers which serves as the source of funds for the AMS.</p>	A	1
1.7	Costs are justified and cost drivers identified	2	<p>The IAR form evidenced requires an analysis of consequences, multiple options, and justifications to be included for approval.</p>	A	1
1.8	Likelihood and consequences of asset failure are predicted	4	<p>WAPL have evidenced a capital investment business submission procedure. Where an application project business case is not driven by cost or production improvements, the procedure mandates that a risk assessment be carried out.</p> <p>A sample populated IAR form was evidenced and demonstrates this risk assessment is conducted on a per-application basis. All risks are documented and submitted to WAPL's global risk management software Global360 (or G360). A sample provided shows that asset failures are predicted and managed with appropriate mechanisms to rate consequences. To submit a risk in G360, all risk types must be identified. The register then captures the likelihood and consequences of each risk, including asset failures.</p>	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1.9	Asset management plan is regularly reviewed and updated	2	<p>WAPL have evidenced a Controlled Document Development Approval and Deployment Procedure. This document defines WAPL's process for controlled documents that are created or modified within the business.</p> <p>Document reviews are conducted on a per department basis, with dedicated document controllers based on site. The document controllers will manage scheduling and notify the compliance specialist for WAPL who will act as the trigger point to initiate the review cycle. Document controllers are also the processing point for all new and revised documents into the document management system. The document management system is based on SharePoint.</p> <p>The SAMP was last updated and approved 2 January 2020, with a nominated review date of 31 March 2020.</p> <p>The SAMP also states that it every revision outlines the objectives for WAPL for three (3) financial years. However, an annual review schedule is nominated for this document which is currently outstanding. It has also been found that a suite of documents has reviews outstanding.</p> <p>Recommendation 2/2022:</p> <p>It is recommended that WAPL revise their document review environment, utilising existing management systems, such as integration into Power BI and SAP on a schedule to ensure documents reviews are completed on schedule.</p>	B	3
2	<p>Asset creation and acquisition Asset creation/acquisition is the provision or improvement of assets</p>			A	1
2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	2	<p>See Observation 1.6</p> <p>The IAR form requires the business case to be developed with comprehensive evaluations to be performed outlining non-asset options, a consequence assessment for not acquiring assets and risk assessments as required.</p>	A	1
2.2	Evaluations include all life-cycle costs	2	<p>The IAR evidenced requires a cost/savings analysis where the applicant must nominate the recurring annual cost/savings for the project or asset presented in the business case.</p> <p>This section does not require all life-cycle costs be assessed. The sample populated IAR forms annual savings but does not require all life-cycle costs to be evaluated.</p>	A	2

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
2.3	Projects reflect sound engineering and business decisions	2	<p>All asset creation and acquisition endeavours for WAPL undergo the capital investment business submission procedure which has been evidenced. This procedure outlines at a high level the key engineering and business flow for projects with an expenditure or capital value of up to US\$50,000. Projects that exceed this value will then fall under the jurisdiction of the South32 Project Management Framework.</p> <p>The procedure details sound engineering and business procedures, outlining processes for accountabilities, business case development and document control.</p> <p>WAPL have also evidenced an Engineering Design Management Procedure and Engineering Change Management documents. The Design Management Procedure sets out the design process to be followed with the aim of ensuring designs are fit for purpose. The change management document sets out the procedure for modifications to plant including notification of stakeholders, approval flow and implementing measures and controls.</p>	A	1
2.4	Commissioning tests are documented and completed	2	WAPL have evidenced a sample and archive of commissioning planning and documentation for projects. The commissioning documents demonstrate commissioning planning, scheduling, and testing reports. WAPL have also evidenced as-built drawings.	A	1
2.5	Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	2	<p>G360 is WAPL's risk management tool is used business wide. G360 is used by WAPL to identify all sources of risks across a wide range of categories with nominated schedules, action plans and responsible personnel.</p> <p>These risk categories include provisions for management of legal, environmental, and safety-based risks for one off or continual management by WAPL personnel.</p>	A	1
3	<p>Asset disposal Asset disposal is the consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets.</p>			A	1
3.1	Under-utilised and under-performing assets are identified as part of a regular systematic review process	4	<p>WAPL uses the asset and enterprise resource planning software package SAP to schedule maintenance activities. All maintenance activities and operational tasks are called Safe Work Instructions (SWI) and are logged into SAP and approved for action by WAPL management.</p> <p>Following discussions with key operational staff, it is understood that SWIs can be implemented on a once off or recurring basis via SAP, based on various drivers. One key driver for SWI development is via action plans in G360. Systematic asset condition reviews and maintenance tasks are covered under this process. During the review period, various assets have been decommissioned with replacement equipment installed. However, no equipment has undergone the disposal process during the review period.</p>	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
3.2	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	4	G360 is the portal used by WAPL to assess, manage, and control all risks identified during maintenance and operation. This includes underutilisation and poor performance of equipment. A sample of the prompt windows for G360 has been evidenced and demonstrates that G360 requires detailed descriptions for a critical examination of underperforming or under-utilised assets. Power BI is also used by WAPL staff to continually monitor and flag asset and operational performance on a weekly basis. Also required to submit a risk on G360 is an action plan for management or corrective actions to be undertaken within a nominated schedule.	A	1
3.3	Disposal alternatives are evaluated	2	WAPL have evidenced a Disposal Procedure document. This document outlines WAPL's policies and procedures with respect to disposal of plant. Included in this procedure are provisions for disposal alternatives to scrapping such as include sale or transfer, auction, and donation. The procedure outlines requirements of the equipment to ensure suitability of each disposal method is adequately evaluated for equipment due for disposal.	A	1
3.4	There is a replacement strategy for assets	4	The SAMP includes a provision for replacement costs to be included in asset CAPEX and OPEX reporting data. WAPL also have a sustainability briefing posted via public statements expressing WAPL's commitment to higher utilisation of greener assets generally.	B	1
4	Environmental analysis Environmental analysis examines the asset management system environment and assesses all external factors affecting the asset management system.			A	2
4.1	Opportunities and threats in the asset management system environment are assessed	2	WAPL have evidenced an Environmental Obligations Register which identifies and assesses all relevant legislation with action plans. However, this is not specific to the AMS and appears to apply business wide. A risk and Opportunity Analysis Report was also evidenced which includes an assessment of opportunities and risks at the refinery level, no specific assessment was conducted for the powerhouse and associated assets. An Environmental Management System document has also been evidenced, this is a general document used business wide and includes a provision to identify opportunities for continual improvement. As described in Observation 3.2, G360 is used to assess all threats and risks business wide. WAPL have not evidenced any documentation which has assessed the opportunities for the powerhouse and associated assets. However, discussions with WAPL have indicated a preference for optimised efficiency in the generation equipment. Also evidenced is an Energy Risk Register, which is a risk assessment document that is used to identify and record risks specific to a group of facilities, including facility 110. This register identifies various threats to facility 110	A	2

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	2	The environmental management system does include a provision for defining and performance standards KPIs based on business wide targets and compliance metrics. WAPL have evidenced an ERP (Enterprise Resource Planning) Governance Standard. This document sets out the ecosystem that all parties working within South32's system, including the powerhouse, will need to satisfy to ensure adequate governance.	B	1
4.3	Compliance with statutory and regulatory requirements	2	See Observation 4.1 As mentioned, WAPL identify and put an action plan against all statutory and regulatory requirements in an Environmental Obligations Register. This is in accordance with WAPL's Environmental Management System. Power BI also allows WAPL users to continually monitor compliance-based performance indicators of the AMS.	A	1
4.4	Service standard (customer service levels etc) are measured and achieved.	4	All reporting of maintenance and operations activities happen within SAP. Additional work as an outcome of issues identified are fed back into the G360 and SWI approval flow for further works to ensure continued service. Indicators of asset performance are measured regularly via Power BI including weekly and monthly reporting. The powerhouse does not service customers as part of its generation license. The primary consumer of the generated electricity is the refinery and excess generation is exported to the SWIS.	A	1
5	Asset operations Asset operations is the day-today running of assets (where the asset is used for its intended purpose).			A	1
5.1	Operational policies and procedures are documented and linked to service levels required	4	WAPL have evidenced an Operational Guideline and Operating Strategy document for the Powerhouse. These documents are specific to the facility and provide an overview of the operation of the plant. The operation guideline has procedures to change turbine operation in response to service requirements. These service requirements are driven by the refinery operational requirements which is monitored on the Platform software. The operation strategy document evidenced also has an emphasis on plant operation rather than the assets relevant to the license. Operation, management, and disruption response for the turbines are also covered in the operating strategy All SWIs, including those for asset operation, requires a procedure to be documented in SAP. The outcome of the action plan for all SWIs are also put into SAP with the approval flow going to management to close out work orders.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5.2	Risk management is applied to prioritise operations tasks	2	<p>The SAP platform used to schedule, implement and track SWIs has the provision to nominate a task criticality which will allow operational staff to prioritise tasks.</p> <p>When a new SWI is created, there is a review and approval process to ensure identified risks are managed adequately.</p>	A	1
5.3	Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	2	<p>WAPL uses SAP to maintain a live register of all their assets. SAP is an extensive asset management and enterprise resource management tool.</p> <p>WAPL have a recurring schedule of SWI's maintained by SAP. As part of these operations tasks, the assets in SAP are updated as part of the SWI reporting process. These changes are reviewed and approved through WAPL management. A sample of the asset list and asset profiles were evidenced by WAPL. SAP records asset location, maintenance planning and allows for additional notes to track and assess asset condition.</p> <p>A separate asset register is maintained by WAPL's finance team. This register is more high level and is used for business planning.</p>	A	1
5.4	Accounting data is documented for assets	4	<p>All aspects associated with business planning falls within the roles and responsibilities of WAPL's finance team. This includes accounting data specific to the powerhouse and associated assets.</p> <p>The finance team at WAPL documents, records, and reconciles expenditures monthly. SAP is used to record and track expenditures for the powerhouse, this is fed into the finance team as an input to their financial reporting.</p>	A	1
5.5	Operational costs are measured and monitored	4	<p>See Observation 5.4</p> <p>All costs are monitored by WAPL's finance team. Reporting and tracking are not captured at the asset or powerhouse level in business planning documents, rather they are reported at the refinery level.</p> <p>Asset performance is continually monitored by on-site personnel on a 24 x 7 basis through a SCADA and control system.</p>	A	1
5.6	Staff resources are adequate, and staff receive training commensurate with their responsibilities	2	<p>WAPL have indicated they have fulfilled all current vacancies associated with asset operations, which undergo WAPL's internal recruitment procedures.</p> <p>Training plans are being implemented for all new staff with an internal portal that has training materials for WAPLs' IT system. WAPL also have internal competency KPIs to ensure adequate training of staff. Training materials are also provided by WAPL to ensure competency through their Learning Management System. A schedule of these materials has been evidenced.</p> <p>WAPL also conducts internal audits to assess operations staff competency against design parameters and operator KPIs. A report of an internal audit conducted by WAPL's Senior Assurance Specialist during the review period has been evidenced. The report identifies deficiencies and links them to relevant internal training materials for rectification.</p>	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
6	Asset maintenance Asset maintenance is the upkeep of assets.			A	1
6.1	Maintenance policies and procedures are documented and linked to service levels required	4	All maintenance activities are issued, tracked, and documented in SAP via SWIs. Development of all SWI's undergo WAPL's internal review and approval process and is driven by risks identified in G360.	A	1
6.2	Regular inspections are undertaken of asset performance and condition	2	All regular operations and maintenance tasks are implemented with SAP as a basis. A regular schedule for all maintenance tasks and inspections is nominated during SWI development and SAP is configured to trigger these work orders at the intervals nominated. Power BI is used by management to continually manage actions for asset management that are ongoing or outstanding.	A	1
6.3	Maintenance plans (emergency, corrective, and preventative) are documented and completed on schedule	2	See Observation 6.2 All activities undergo an approval loop to close out SWIs, preventative, corrective or emergency maintenance opportunities that develop will generate new SWIs that will become integrated in SAP following review and approval from WAPL management.	A	1
6.4	Failures are analysed and operational/maintenance plans adjusted where necessary	2	All breakdowns and asset failures are recorded in SAP with a review and approval look to ensure adequate analysis. This will trigger the SWI development process to adjust maintenance SWIs where necessary in SAP.	A	1
6.5	Risk management is applied to prioritise maintenance tasks	4	See Observation 5.2	A	1
6.6	Maintenance costs are measured and monitored	3	See Observation 5.4	A	1
7	Asset management information system An asset management information system is a combination of processes, data and software supporting the asset management functions.			A	1
7.1	Adequate system documentation for users and IT operators	4	SAP is the system used by WAPL. WAPL provides a self-service portal with training material for users to self-train on how to navigate SAP. Internal mentoring and training are done by senior staff as required for personnel in training and new hires.	A	1
7.2	Input controls include suitable verification and validation of data entered into the system	2	The SWI process has a review and approval flow with WAPL management to close out work orders in SAP. WAPL's KPI drivers include provisions to ensure adequate verification of data input into SAP.	A	1
7.3	Security access controls appear adequate, such as passwords	2	WAPL utilises user authorisation to access SAP. All users of the SAP system are given an authorisation level which will determine their access level to SAP accounting data and reporting.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7.4	Physical security access controls appear adequate	2	The powerhouse physical security measures for access. Measures include: Boom gates, fencing and asset protection officers. There are also internal protocols which include emergency contact with local police and visitor procedures.	A	1
7.5	Data backup procedures appear adequate, and backups are tested	4	WAPL have evidenced a register of daily backups conducted for SAP. The register tracks each instance of backup testing and the status for each test. Also included in this register is a provision to analysis reasons for failure and actions to be taken.	A	1
7.6	Computations for licensee performance reporting are accurate	4	Annual reports are created by WAPL as required by the ERA. These reports undergo WAPL's internal review processes to ensure accuracy. All information inputs into SAP undergo WAPL's internal review and approval flow to ensure accuracy of input data and information.	A	1
7.7	Management reports appear adequate for the licensee to monitor licence obligations	4	Annual compliance reports have been deemed satisfactory by the ERA. WAPL have demonstrated continual business planning at the refinery level as a minimum. WAPL have a high utilisation of SAP with processes in place to ensure adequate review and approval flow to capture information for license obligation monitoring. Operations and maintenance processes are scheduled regularly via SAP with G360 being utilised to initiate investigations and risk assessments of all issues. Alongside SAP, the data visualisation software Power BI is used by management at WAPL for continual monitoring of ongoing and outstanding tasks. This tool also allows for visibility of key metrics such as reporting compliance, utilisation of staff and compliance monitoring. A weekly work management summary sample has also been evidenced. This document tracks key performance metrics which include adherence to schedule and compliance monitoring.	A	1
7.8	Adequate measures to protect asset management data from unauthorised access	4	Alongside user authentication for all employees. WAPL requires annual data and privacy training be conducted for all staff. As part of all contractor staff requirements, WAPL includes an acceptable use of technology standard and a technology security standard.	A	1
8	Risk management Risk management involves the identification of risks and their management within an acceptable level of risk.			A	1
8.1	Risk management policies and procedures exist and are applied to minimise internal and external risks	2	WAPL uses G360 to identify, track and manage all risks within the business. Furthermore, WAPL have evidenced a Material Risk Management Standard, which lays out the minimum requirements for management of risks WAPL's purpose, strategy, and business plans.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
8.2	Risks are documented in a risk register and treatment plans are implemented and monitored	2	G360 acts as WAPL's means to track and manage all risks. Also evidenced is an Energy Risk Register, which is a risk assessment document that is used to identify and record risks specific to a group of facilities, including facility 110. This register includes risk controls with nominated due dates.	A	1
8.3	Probability and consequences of asset failure are regularly assessed	4	Probability and consequences of asset failure are tracked regularly in G360. This acts as the key process to produce SWIs, which can initiate further input into G360 if required.	A	1
9	Contingency planning Contingency plans document the steps to deal with the unexpected failure of an asset.			A	1
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	2	WAPL have evidenced a sample business continuity plan which documents processes to cover higher order risks to the refinery. Also evidenced is a sample control effectiveness test report which tests critical control procedures for the facility. Response to various critical scenarios, such as black start, power failure is tested regularly (every 5 years).	A	1
10	Financial planning Financial brings together the financial elements of the service delivery to ensure its financial viability over the long term.			A	1
10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those	5	WAPL's financial planning is conducted at the business-wide level by their finance team. Business planning is conducted annually which outlines WAPL's strategies and intended actions. The annual report has been evidenced, this document identifies SW's overall financial strategy and includes actions and tracking of achievement of these objectives.	B	1
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	4	See Observation 1.6 The IAR process is the typical financial procedure of procuring funds and capital expenditure.	A	1
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	4	Budgeting and forecasting are continually updated WAPL's finance team. This is documented as part of WAPL's global processes. WAPL have evidenced a sample of their balance sheets in Power BI which allows for continual tracking of financial position.	A	1
10.4	The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	4	Short- and long-term forecasts for budget and costs are reviewed regularly by WAPL's finance team as part of regular, global business planning. This budgeting and costing include operations and maintenance costs as well as capital expectations.	B	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	4	See Observation 10.4	A	1
10.6	Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	2	Budgeting is documented monthly. Reports produced are separated on a per-team basis within WAPL. Large variances in actual/budget will initiate a review process where corrective actions are identified and assessed on a per team basis.	A	1
11	Capital expenditure planning The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure for these works over the next five or more years.			A	1
11.1	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	2	WAPL have evidenced a 5-year capital plan. This document is a comprehensive register of planned capital expenditures for a lookahead period of 5 years. Details include a project description, project phasing, accountabilities, and proposed schedule.	A	1
11.2	The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	4	See Observation 1.6, 1.8, 2.2 and 11.1. The 5-year capital plan lists proposed timing of capital expenditures and includes a reference to a project definition. WAPL have outlined their requirements and process for new capital expenditures in their Investment Business Submission Procedure. This procedure requires a developed business.	A	1
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	4	The 5-year capital plan include life cycle-based projects such as asset replacement projects. This coincides with asset life studies conducted via external parties.	A	1
11.4	There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	2	The 5-year capital plan is a live document, updated regularly with the version provided being a lookahead starting from July 2022. WAPL's uses robust task management systems in SAP and all data feeds into monthly reporting and business planning. Tracking of all projects is implemented via SAP using WAPL's review and approval flow. All operations for WAPL business wide are consolidated into a monthly report which tracks ongoing and outstanding projects. This allows for the opportunity to implement further action and updates in regular meetings.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
12	Review of AMS The asset management system is regularly reviewed and updated.			A	1
12.1	A review process is in place to ensure the asset management plan and the asset management system described in it remain current	2	See Observation 1.9. Maintenance and operation activities are continually updated and modified as optimisation opportunities are identified via the SWI modification/creation procedure. WAPL have an effective review process during this SWI process.	A	1
12.2	Independent reviews (e.g. internal audit) are performed of the asset management system	2	WAPL regularly perform audits across the first, second and third level assurance to maintain their AMS. A yearly inspection of operations and maintenance processes is also driven by WAPL.	A	1

6. Confirmation of the Audit and Review

I confirm that the audit and review carried for WAPL on 2 August – 30 August 2022 and recorded in this report is an accurate presentation of our findings and opinions.

Marcel Oosthuizen
GHD Pty Ltd
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Perth 6000

Anuraag Malla
GHD Pty Ltd
29 Christie St
NSW 2065

Appendix A

Key Documents Reviewed

Filename	Description	Ver	Revision
12507-CPL-004 - FAC110 Coal Chute Level Detection - Commissioning Plan for Modulator Removal - as built.pdf	Commissioning Drawings	-	21/10/2020
0 Notice - 2017 Audit & Review - EGL012 - South32 Worsley Alumina Pty Ltd.pdf	ERA Notice	-	29/03/2018
1SAP Production Integration Standard.pdf		-	15/09/2015
2022 AM dashboard screenshot.docx	Power BI - Asset management view	-	-
2022 WM dashboard screenshot.docx	Power BI - Daily adherence	-	-
Acceptable Use of Technology Standard.pdf		2	30/06/2022
Annual Environmental Report FY2021.FINAL.pdf		-	1/07/2021
Boiler 2 Statutory SB2L2101.docx	Boiler inspection report	-	1/10/2021
Demo_L4 Wk22 2022 WMT Weekly Cadence Summary.pdf	Weekly report	-	30/05/2022
DMS screenshot.docx	Document management system SharePoint screenshot	-	-
Energy MEC Meeting Minutes.msg		-	-
Energy Risk Register (2019.08.13).xlsx		-	13/08/2013
ERP Governance Standard.pdf		1	1/07/2018
ETAC (Schedule 3,9,10).pdf		-	-
Fac 110 Evac Drill WP.PNG	SAP Screenshot - Maintenance plan	-	-
FW Operating strategy.msg		0	15/05/2022
FW Worsley Alumina - Generator Life of Assessment Report FAC110 Commentary.msg		-	-
HLC2022040 - FAC110 Power station remaining life study.pdf		Draft	1/05/2022
HLC2022040 - FAC110 Remaining Life Study of Boilers 1 to 3.pdf		0	13/06/2022
HLC2022052 - FAC110 Generator condition assesment review.pdf		0	13/03/2022
HRL HLC2022_098 S32 Turbine LA Report Jun22.pdf		0	1/05/2022
HRL S32 Turbine Report May22.pdf	Condition assessment report	1	30/01/2022
Information Management Standard.pdf		1	30/01/2022
Material Risk Management Standard (English).pdf		4	30/04/2019
Our Care Strategy.pdf		-	1/07/2016
Perth energy Po's.PNG	SAP Screenshot - Energy purchases	-	-
PowerHouse 5 Year Capital Plan.xlsx		-	-
Pressure Relief Device Management.pdf		6	9/01/2017
Pressure Vessel and Boiler Management.pdf		5	22/09/2016
Proof of payment ERA.docx		-	-
RE Energy MEC Meeting Minutes 30052022.msg		-	-
RE Refinery MEC.msg		-	-
RE Worsley Daily Production - TEAMS.msg		-	-

Filename	Description	Ver	Revision
Refinery map- D-300-L-10008.pdf		8	10/07/2018
Safety management plan facility 110 copy.docx		-	28/11/2014
SCE Energy Report CY'22 Week 22.xlsx		-	10/02/2020
Screenshot- Function locations.PNG	SAP Screenshot - Asset locations	-	-
Strategic Asset Management Plan.pdf		3	2/01/2020
Technology Security Standard.pdf		2	25/01/2022
WM-PR-300 Work Planning and Control Procedure.pdf		1	2/07/2019
Worsley Asset Management Plans Location Screenshot.png		-	1/11/2020
IAR Business Submission-Compressed air.pdf		-	-
Asset management sharepoint page.PNG	SharePoint screenshot	-	-
Worsley Capital Investment Business Submission Procedure.pdf		4	31/12/2020
IAR Business Submission.pdf		12	27/08/2020
Screenshot G360 Risks.PNG	Global360 Screenshot	-	-
Environmental Management System.pdf		4	6/06/2022
Worsley Environmental Obligations Register_vC.xlsx		A	19/10/2021
Risk and Opportunity Analysis Outcomes_FINAL.PDF		-	1/09/2018
Energy Docs July 2022.xlsx	Learning modules catalogue	-	-
Internal Audit Report CELB Production Training Competency April 2022.docx		0	7/04/2022
Business Continuity Plan Boiler Explosion.pdf		1	10/02/2020
Material Risk in G360.docx	Global360 screenshot - risk input	-	-
Disposal Procedure.pdf		1	9/09/2021
ES-PR-100 Engineering Design Management Procedure.pdf		2	2/07/2019
Engineering Change Management.pdf		2	5/06/2019
Commissioning reports.PNG	Screenshot - Commissioning document directory	-	-
15523-PCP-MEC-001 - Package Boiler 4_5 Mech Commissioning Plan Rev1(Approved).pdf		1	8/05/2019
IT Service Level Agreement.pptx		-	3/07/2015
Controlled Document Development Approval and Deployment.pdf		3	29/03/2022
Operating Guidelines - Powerhouse & MFC.pptx		-	29/06/2022
Operating Strategy - Energy 110 112 113 15 May 22 rev0 (002).docx		0	15/05/2022
Worsley Cost report.PNG	PowerBI - financial information	-	-
Risk Assessment Template.xlsx		-	10/09/2015
S32 AMIP Report Worsley 2019.pdf	Asset management improvement plan report	0	27/05/2019

Filename	Description	Ver	Revision
Notifications.PNG	SAP Screenshot - Notifications	-	-
CET-Loss+of+Electricity+March+2022+.docx	Control Effectiveness Test Report	-	1/03/2022
annual-report-2021.pdf		0	3/09/2021
August_2022_ERP_Daily_Backup_Report.xlsx	Backup register	-	1/08/2022
ERP_Daily_2022-08-04.pdf	Backup Job Summary Report	-	4/08/2022
FY23 Worsley Business Plan Poster.pptx		-	-
Metering plans.docx		-	-
Competency audit July22.xls		-	1/07/2022
Internal Audit Report CELB Production Training Competency July 2022.docx		-	13/01/2022

Appendix B

License Performance Audit

Compliance Manual No	Obligation under Licence conditions	Description	Type (1, 2 or 3)	Audit Priority (1=highest, 5=lowest)	Control rating						Compliance rating								
					A	B	C	D	N/P	Control observation					1	2	3	4	N/R
101	Electricity Industry Act, section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓						South32 Worsley Alumina Pty Ltd (or WAPL) was granted an extension of the license condition performance audit by the ERA on 29 March 2018 from the usual 24-month cycle to 60 months after its last 2017 license condition performance audit. ERA stipulated the 'next' audit (i.e., this audit) to cover the period from 1 July 2017 to 30 June 2022 and to be undertaken and reported to ERA by 30 September 2022. This letter from ERA was provided as evidence during the audit. This performance against this obligation is deemed compliant.	
102	Electricity Industry Act, section 14(1)(a)	A licensee must provide for an asset management system.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓						WAPL has referred to its SAP system to be the central and focal point for its AMS pertaining its EGL12 electricity generation purpose, assets, functions or activities. The AMS and its provisions are described or detailed within the SAP and the budgeting process has feedback loop with the asset management activities and provisions listed in the SAP system. This performance against this obligation is deemed compliant.	
103	Electricity Industry Act, section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.	2	3		✓					WAPL uses Global360 risk management system or tool to raise and track compliance actions. Action emails to risk owners or to designated staff once assigned are auto generated by this system and the progress/completion is regularly tracked. Actions, if overdue are flagged or escalated to higher management. WAPL also uses PMO2 procurement system or tool that process its external work order and can be used to set periodic management reminder. Finally, if changes to AMS activities as registered in the SAP is needed, notification needs to be raised and approved within SAP. The existence of these system helps WAPL in maintaining a control environment and control procedure in achieving obligation. In past, there has been a lack of this control with changes in management/personnel and lack of awareness of the EGL12 conditions due to retirement of a SME (as demonstrated by the 2017 audit findings). Recently, Lauren Cole is the officer within WAPL responsible for maintaining compliance and providing assurance to WAPL management. Interview with Lauren Cole demonstrate the knowledge of EGL12 conditions and the ERA requirements including the need to notify details of substantial changes to WAPL's AMS pertaining to EGL12 electricity generation assets and functions. In Lauren's absence, the above-mentioned tools (like Global360) allow assignment of and nominates a delegate to manage compliance activities. However, the knowledge and awareness of the EGL12 conditions and the need to notify the ERA							✓	There has been changes to the management team responsible for asset managing WAPL's electricity generation assets pertaining to EGL12 in last 5 years. There has also been organisational restructure in last 5 years. However, these changes did not impact the asset management activities nor were there any changes to the systems, tools, processes, or IT in last 5 years. WAPL did not receive any new ISO accreditation regarding asset management, environmental management, safety management nor got de-accredited of its ISO9001 certification. The 132kV connection switchyard configuration and asset specification did not change. WAPL upgraded it gas fired boiler for steam (and electricity) generation in 2019, but this work did not change the profile or capacity of electricity generation. No notification was provided to ERA in last 5 years. Hence performance against this obligation is not rated.

Compliance Manual No	Obligation under Licence conditions	Description	Type (1, 2 or 3)	Audit Priority (1=highest, 5=lowest)	Control rating						Compliance rating						
					A	B	C	D	N/P	Control observation					Compliance observation		
											under certain circumstances (like details and substantial changes to AMS) exists within limited individuals only and is not widely socialised or embedded within the organisation and its systems. Without such individual, fulfilling this obligation is not guaranteed or automated. Therefore, this is rated having generally adequate control with some improvement needed.						
104	Electricity Industry Act, section 14(1)(c)	A licensee must provide the ERA with a report by an independent expert about the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓					WAPL was granted an extension of the asset management system (AMS) effectiveness review by the ERA on 29 March 2018 from the usual 24-month cycle to 60 months after its last 2017 AMS effectiveness review. ERA stipulated the 'next' review to cover the period from 1 July 2017 to 30 June 2022 and to be undertaken and reported to ERA by 30 September 2022. This letter from ERA was provided as evidence during the audit. This performance against this obligation is deemed compliant.
105	Economic Regulation Authority (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓					WAPL pays quarterly fee to ERA for standing charges and annual fee to ERA for license charges. Evidence of these invoices received from ERA and their payments to ERA was extracted from WAPL procurement system and sighted during the audit. This performance against this obligation is deemed compliant.
106	Electricity Industry Act, section 31(3)	A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓					Examination of the AEMO portal record, as submitted/reported by WAPL, for recent historic outages including both planned outages and unplanned (or forced) outages and also its proposed and unplanned outage logging process indicates business priority on its alumina refinery purpose and the need for steam generation. This is understandable and there is no similar priority on uninterrupted creation of byproduct (i.e., electricity generation) of this industrial process. Planning and analysis of generation interruption causes (for planned and unplanned respectively), preventive and corrective steps to minimise such occurrence (duration and frequency) is solely done for the purpose of steam generation to supply its industrial refinery process. WAPL communicates with the AEMO and Western Power and all stakeholders are aware its business priority given it is registered as non-dispatchable intermittent generation (and also load) in the energy market. During the peak summer season months (from 1 December to 31 March), the AEMO imposes/expects neutral energy outcome wherein WAPL must maintain a median neutral load-generation profile. Planned generation asset outages are proposed (and considered by AEMO resulting in either approval or rejection) within AEMO portal two weeks in advance. Record of these proposed outages and their rejection/approval were sighted during the audit. Similarly,

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					A	B	C	D	N/P	Control observation					Compliance observation		
																	unplanned (or forced) generation outages are reported within AEMO portal within two days after the event. Record of these unplanned outages were sighted during the audit. Given this context, this performance against this obligation is deemed compliant.
107	Electricity Industry Act, section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓					WAPL operates under WA mining lease and its two main areas (Saddleback and Marradong) and its refinery sits on the State Forest (crown land vested in the State of WA). WAPL has the right to operate on this land via a State Agreement Mining Lease (M258SA) granted pursuant to the Alumina Refinery (Worsley) Agreement Act 1973, along with a suite of sub-leases which cover areas outside the main lease. The refinery sits on one of these sub-leases. WAPL provided evidence consisting of title deed (lot and folio) references, maps, Crown Lease references, yearly rent, annual land tax records, annual LGA rates for Shire of Colie, and annual LGA rates for Shire of Harvey during the audit to demonstrate that it pays for taking an interest in land or an easement over land. Accordingly, WAPL performance against this EGL12 obligation is rated compliant.
119	Distribution Licence, condition 4.3.1 Generation Licence, condition 4.3.1 Integrated Regional Licence, condition 4.3.1 Retail Licence, condition 4.3.1 Transmission Licence, condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓					South32 (which owns WAPL) is a publicly listed company in Australian Stock Exchange. Its financial reportings and accounting books follows Australian accounting standards and rules. This is specified in the SAMP and was also verified within the 2021 Annual Reporting's Directors' declaration and signature from the Chair during the audit. KPMG auditor report verifying this compliance was also sighted. This performance against this obligation is deemed compliant.
120	Distribution Licence, condition 5.2.4 Generation Licence, condition 5.2.4 Integrated Regional Licence, condition 5.2.4 Retail Licence, condition 5.2.4 Transmission	A licensee must comply with any individual performance standards prescribed by the ERA.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.					✓	In last 5 years WAPL has not been issued with any additional or special performance criteria. Hence performance against this obligation is not rated.

Compliance Manual No	Obligation under Licence conditions	Description	Type (1, 2 or 3)	Audit Priority (1=highest, 5=lowest)	Control rating					Compliance rating									
					A	B	C	D	N/P	Control observation					Compliance observation				
	Licence, condition 5.2.4																		
121	Distribution Licence, condition 5.3.2 Generation Licence, condition 5.3.2 Integrated Regional Licence, condition 5.3.2 Retail Licence, condition 5.3.2 Transmission Licence, condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓							Interview with Lauren Cole demonstrate the knowledge of EGL12 conditions and the ERA requirements including the need for independent performance auditing in accordance with its guideline and compliance manual. Lauren Cole is the WAPL officer responsible for maintaining compliance and providing assurance to WAPL management. These requirements were included in the RFQ and independent auditor selection and engagement process. This performance against this obligation is deemed compliant.
122	Distribution Licence, condition 5.1.5 Generation Licence, condition 5.1.5 Integrated Regional Licence, condition 5.1.5 Transmission Licence, condition 5.1.5	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓							Interview with Lauren Cole demonstrate the knowledge of EGL12 conditions and the ERA requirements including the need for independent performance auditing in accordance with its guideline and compliance manual. Lauren Cole is the WAPL officer responsible for maintaining compliance and providing assurance to WAPL management. These requirements were included in the RFQ and independent auditor selection and engagement process. This performance against this obligation is deemed compliant.
123	Distribution Licence, condition 4.4.1 Generation Licence, condition 4.4.1 Integrated Regional Licence, condition 4.4.1 Retail Licence, condition 4.4.1 Transmission Licence, condition 4.4.1	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the Licence was granted which may affect the licensee's ability to meet its obligations.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	In last 5 years WAPL was not under external administration, nor there was significant changes in WAPL's business circumstances (such as its financing arrangement, change in risk appetite or commercial focus) which affected its ability to meet the EGL12 obligations. While there were changes to the management team and organisational restructure, none of these impacted WAPL's ability to meet the EGL12 obligations. WAPL did not receive any new ISO accreditation regarding asset management, environmental management, safety management nor got de-accredited of its ISO9001 certification. The 132kV connection switchyard configuration and asset specification did not change. WAPL upgraded its gas fired boiler for steam (and electricity) generation in 2019, but this work did not change the profile or capacity of electricity generation. No notification was provided to ERA in last 5 years. Hence performance against this obligation is not rated.	
124	Distribution Licence, condition 4.5.1 Generation	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA	2	3		✓					Any ERA notices or request for information or other instruction when received is handled and delegated to responsible officer within WAPL. This is registered in Global360 risk management		✓						There has been instances in recent past of the ERA requesting information or clarification from WAPL, and WAPL responding in timely fashion in the manner prescribed with the information that the ERA requested.

Compliance Manual No	Obligation under Licence conditions	Description	Type (1, 2 or 3)	Audit Priority (1=highest, 5=lowest)	Control rating						Compliance rating					
					A	B	C	D	N/P	Control observation					Compliance observation	
					1	2	3	4	N/R							
	Licence, condition 4.5.1 Integrated Regional Licence, condition 4.5.1 Retail Licence, condition 4.5.1 Transmission Licence, condition 4.5.1	requires in connection with its functions under the Electricity Industry Act.														Evidence of one such communication between ERA and WAPL was sighted during the audit regarding the change in primary contact details. Additionally, each year WAPL submits its annual compliance reporting to the ERA in a prescribed manner. However, the ERA has highlighted that the 2021 annual compliance report was submitted late by WAPL. Hence this performance against this EGL12 obligation is rated non-compliant with minor effect on third parties.
125	Distribution Licence, condition 3.8.1 and 3.8.2 Generation Licence, condition 3.8.1 and 3.8.2 Integrated Regional Licence, condition 3.8.1 and 3.8.2 Retail Licence, condition 3.8.1 and 3.8.2 Transmission Licence, condition 3.8.1 and 3.8.2	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	2	3	✓										✓	In last 5 years no such ERA directive has been received by WAPL. Accordingly, WAPL has not published any information. Hence performance against this obligation is not rated.

Compliance Manual No	Obligation under Licence conditions	Description	Type (1, 2 or 3)	Audit Priority (1=highest, 5=lowest)	Control rating						Compliance rating									
					A	B	C	D	N/P	Control observation					Compliance observation					
											1	2	3	4	N/R					
126	Distribution Licence, condition 3.7.1 Generation Licence, condition 3.7.1 Integrated Regional Licence, condition 3.7.1 Retail Licence, condition 3.7.1 Transmission Licence, condition 3.7.1	All notices must be in writing, unless otherwise specified.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓						In last 5 years all notices were in writing. This performance against this obligation is deemed compliant.		
324	Electricity Industry Metering Code, clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There were in total of four tariff meters connected at 132kV level in the WAPL-Western Power connection switchyard. One of them was decommissioned in March 2016 (associated with the now decommissioned co-generation assets). Presently there are three remaining tariff metering installation all of which are bi-directional meters. They are owned by WAPL with NMI numbers but operated and read by Western Power. Any work or repair (if needed) is the joint responsibility of WAPL and Western Power. These three bi-directional meters are 'visible' to all code participants associated with WAPL. Western Power remotely reads the meter (using its own communication channels) and provides the load data to Perth Energy (retailer) for billing purposes in regular frequency. WAPL consumes the electricity for its business purpose and does not on-sell electricity to anyone. There has been no change in this status in last 5 years. Hence performance against this obligation is not rated.		
339	Electricity Industry Metering Code, clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL has advised that all tariff meters with NMI numbers are owned by them but operated and read by Western Power. Any work or repair (if needed) is the joint responsibility of WAPL and Western Power. This requirement is well understood within WAPL. Also, physical access to the metering panel is restricted to only Western Power staff and their approved contractors. Western Power remotely reads the meter (using its own communication channels) and can detect meter outage or malfunction. Query of last 6 years of SAP record (for SY604 functional code denoting 132kV connection switchyard) shows that there has not been any outages or malfunction of metering installations and hence no work has been performed on them. Evidence supporting this finding was sighted and there has not been any instance for WAPL to inform Western Power as such. Hence performance against this obligation is not rated.		

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371	Electricity Industry Metering Code, clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL does not have access to either metering installation or the metering database. It does not maintain metering database and rely on Western Power to read the tariff meters and Perth Energy to provide billing services. The only other means to cross-check the meter readings/tariff bills are the readings from the non-NMI meters connected to its 132kV GIS busbar immediately after the Western Power - WAPL connection points. In last 5 years there has not been any discrepancy, beyond the set tolerance limit, between the Western Power meter readings and the internal 132kV GIS busbar meters. There has been no need for WAPL and Western Power to liaise to determine the most appropriate way to resolve the discrepancy and as such performance against this obligation is not rated.
372	Electricity Industry Metering Code, clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL does not have access to either metering installation or the metering database. It does not maintain metering database and rely on Western Power to read the tariff meters and Perth Energy to provide billing services. The only other means to cross-check the meter readings/tariff bills are the readings from the non-NMI meters connected to its 132kV GIS busbar immediately after the Western Power - WAPL connection points. In last 5 years there has not been any discrepancy, beyond the set tolerance limit, between the Western Power meter readings and the internal 132kV GIS busbar meters. WAPL is not aware of any material inaccuracy in the metering installation or the metering database. Hence performance against this obligation is not rated.
373	Electricity Industry Metering Code, clause 4.5(2)	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL is an alumina refinery infrastructure and has bi-directional tariff meters to measure its electricity consumption (and electricity export if it generates surplus steam). It relies on Western Power to read the tariff meters and Perth Energy to provide billing services. It does not maintain metering database, nor does it on-sell electricity to anyone. It does not provide retailing or billing services. It does not have any standing data apart from its own connection details. There has been no change in this status in last 5 years and hence no need for it to notify Western Power as such. As such performance against this obligation is not rated.
388	Electricity Industry Metering Code, clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There has been no such request from Western Power per the Electricity Industry Metering Code, clause 5.4(1) in last 5 years. Accordingly, performance against this obligation is not rated.
401	Electricity Industry	If a user collects or receives energy data from a metering installation	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control						✓	WAPL does not have access to either metering installation or the metering database. It does not maintain metering database and rely on Western Power to read the tariff

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											1	2	3	4	N/R					
	Metering Code, clause 5.16	then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.									environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						meters remotely and Perth Energy to provide billing services. It does not collect or receives energy data from any NMI registered metering installation. Accordingly, performance against this obligation is not rated.			
405	Electricity Industry Metering Code, clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL does not have access to either metering installation or the metering database. It relies on Western Power to read the tariff meters remotely and Perth Energy to provide billing services. It does not collect or receives energy data from any NMI registered metering installation. Its existing tariff meters have not changed their energisation status in last 5 years. There has been no need for it to inform Western Power as such. Accordingly, performance against this obligation is not rated.		
416	Electricity Industry Metering Code, clause 5.21(5)	A Code participant must not request a test or audit under subclause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the AEMO.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL has not requested any test or audit of its metering installations to Western Power in last 5 years. Accordingly, performance against this obligation is not rated.		
417	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	WAPL has not requested any test or audit of its metering installations to Western Power in last 5 years. Accordingly, performance against this obligation is not rated.		
448	Electricity Industry Metering Code, clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓						WAPL has an Electricity Transfer Access Contract with Western Power. Both parties have complied with the terms and conditions in this contract in last 5 years. In last 5 years the term of this contract was extended and also there has been some edits with respect to the generation technical conditions. There have been no edits with respect to metering terms. This performance against this obligation is deemed compliant.		
451	Electricity Industry Metering Code, clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.	✓						Any code participants associated with WAPL (like Western Power, Perth Energy or AEMO) can send them a notice by post and electronic communication. There has been no change to its contact details in last 5 years and hence no need to inform Western Power. Accordingly the performance against this obligation is deemed compliant.		

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		operator of a telephone number for voice communication in connection with the Code.																								
453	Electricity Industry Metering Code, clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.										✓	Western Power did not request from WAPL such details in last 5 years hence there was no need for WAPL to inform them as such. Accordingly, performance against this obligation is not rated.				
454	Electricity Industry Metering Code, clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.										✓	There has been no change to WAPL contact details in last 5 years and hence no need to inform Western Power. Accordingly, the performance against this obligation is not rated.				
455	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed, or another purpose contemplated by the Code.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.										✓	WAPL does not have any customer and does not maintain any metering database, or load data or standing data for anyone else. Hence it cannot disclose any confidential information pertaining to metering. Further all other information that WAPL receives and stores in the course of undertaking its business (for example its contractors, staff, suppliers) are handled confidentially. All staff goes through data security training and all contracts have non-disclosure conditions. Accordingly, performance against this obligation is not rated.				
456	Electricity Industry Metering Code, clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.										✓	WAPL does not have any customer and does not maintain any metering database, or load data or standing data for anyone else. Hence it cannot disclose any confidential information pertaining to metering. Further all other information that WAPL receives and stores in the course of undertaking its business (for example its contractors, staff, suppliers) are handled confidentially. All staff goes through data security training and all contracts have non-disclosure conditions. Accordingly, performance against this obligation is not rated.				
457	Electricity Industry Metering Code, clause 8.1(1)	If any dispute arises between any Code participants, then (subject to subclause 8.2(3)) representatives of	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit										✓	There have not been any instances of dispute between WAPL and other code participants such as Western Power or Perth Energy in last 5 years. Hence the performance against this obligation is not rated.				

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		disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.									guideline the control rating has not been assigned for this obligation.							
458	Electricity Industry Metering Code, clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There have not been any instances of dispute between WAPL and other code participants such as Western Power or Perth Energy in last 5 years. Hence the performance against this obligation is not rated.
459	Electricity Industry Metering Code, clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There have not been any instances of dispute between WAPL and other code participants such as Western Power or Perth Energy in last 5 years. Hence the performance against this obligation is not rated.
460	Electricity Industry Metering Code, clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	2	4						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There have not been any instances of dispute between WAPL and other code participants such as Western Power or Perth Energy in last 5 years. Hence the performance against this obligation is not rated.
461	Electricity Industry Metering Code, clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	NR	5						✓	Given the audit priority score of greater than '3' and lack of non-compliance findings against this obligation, the assessment of established control environment and control procedure was not performed. Accordingly, and as per the ERA audit guideline the control rating has not been assigned for this obligation.						✓	There have not been any instances of dispute between WAPL and other code participants such as Western Power or Perth Energy in last 5 years. Hence the performance against this obligation is not rated.



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