

# PAXON

## **SOUTH WEST IRRIGATION MANAGEMENT COOPERATIVE LIMITED T/AS HARVEY WATER**

**2022 OPERATIONAL AND ASSET  
MANAGEMENT REVIEW**

**FINAL**

Version 2.0 | June 2023

[paxongroup.com.au](https://paxongroup.com.au)

Perth • Sydney • Melbourne • Brisbane • Adelaide • Darwin |

Liability Limited by a scheme under Professional Standards Legislation

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>1. INDEPENDENT AUDITOR’S REPORT .....</b>	<b>6</b>
<b>2. OPERATIONAL AUDIT .....</b>	<b>8</b>
2.1 OBJECTIVE AND SCOPE .....	8
2.2 AUDIT COMPLIANCE AND CONTROLS RATING SCALE.....	8
2.3 SUMMARY OF AUDIT RATINGS .....	9
2.4 DETAILED AUDIT OBSERVATIONS.....	27
2.5 PREVIOUS AUDIT RECOMMENDATIONS.....	78
<b>3. ASSET MANAGEMENT REVIEW.....</b>	<b>85</b>
3.1 ASSET MANAGEMENT SYSTEM RATING SCALES .....	85
3.2 ASSET MANAGEMENT SYSTEM: RATINGS SUMMARY .....	87
3.3 REVIEW OBSERVATIONS AND RECOMMENDATIONS.....	94
3.4 CURRENT REVIEW: ASSET MANAGEMENT SYSTEM DEFICIENCIES AND RECOMMENDATIONS .....	115
<b>APPENDIX A.....</b>	<b>119</b>
<b>KEY DOCUMENTS, LICENCEE’S REPRESENTATIVES, AUDIT REVIEW TEAM.....</b>	<b>119</b>

# EXECUTIVE SUMMARY

## Background

South West Irrigation Management Cooperative Limited t/as Harvey Water (HW) is a self funded co-operative that provides non-potable water to its members and a broad customer base in Harvey, Waroona and Collie River districts. HW has a Water Services Licence as issued by the Economic Regulation Authority (ERA) under the Water Services Act 2012 (Act).

Paxon has been engaged by the Economic Regulation Authority (ERA) to audit and review HW Operating Licence.

The audit and review cover the period from 1 December 2019 to 30 November 2022 (“audit period”).

The audit and review assessment is based on the compliance obligations as set out as per the following:

- Licence – WL31 version 7, 8, 9, 10, 11, 12;
- Associated and applicable legislation;
- Regulatory Guidelines – Water Compliance Reporting Manual 2021 (and versions May 20); and
- ERA 2019 Audit and Review Guidelines: Water Licences.

## Operational Audit

Through the execution of the approved Audit Plan, Paxon has gained reasonable assurance that HW has fully complied with its Water Services Licence obligations during the audit period.

Out of 216 application compliance obligations, the audit and review found:

- 155 obligations were rated compliant and 1 rated non-compliant (moderate impact).
- 59 were not rated for compliance, as no relevant activity took place during the audit period

The audit confirmed that HW has complied with its information reporting obligations for the audit period.

The control environment has been reviewed to be effective to meet compliance with the conditions of the ERA Licence.

## Asset Management Review

This review concludes that HW operates its irrigation, potable and non-potable water supply services in accordance with the requirements of its water services Licence No. WL 31.

HW’s management and staff are a competent professional team. HW’s documentation of its asset management policies, procedures are soundly based. The controls, monitoring, and management of its assets are excellent.

HW is consistently achieving the service and quality standards of its customer commitments and the requirements of the various licences and agreements related to the services provided under its water services licence.

HW recently developed and commissioned a ground water source, treatment plant and saline waste outfall for the supply of potable and non-potable water for the Abermarle Lithium treatment plant at Kemerton Strategic Industrial Area. Contracts for the facilities are currently under maintenance and are being operated and monitored jointly by the contractor and HW staff.

As required under the contract, copies of operation and maintenance manuals, inspection schedules, layout and process drawings have been provided, together with software associated with remote control of operations, maintenance and monitoring/recording of the processes - which has been installed on HW’s computer system. These will form the foundation of a detailed Asset Management Plan for the facilities. Document preparation of a detailed Asset Management Plan awaits a decision on the ultimate ownership of and operational responsibility for the facilities.

Of the twelve key processes reviewed, nine were awarded the highest “A1” rating, two “B2” and one “C2”.

Three recommendations were made - including recommendation No. 10/20 of the 2019 report, which was not implemented. See Table 2.5

Tables 9 and 10 of the ERA's: "2019 Audit and Review Guidelines - Water Licences – August 2022" provided the basis for the ratings allocated during the Review to:

- Asset Management;
- Policy; and
- Asset Management Performance.

Paxon's rating of the twelve key processes (based on the above tables) of the effectiveness of HW's asset management system is summarised in the below table titled: "Summary of Review Ratings".

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

Summary of Review Ratings

# 1. INDEPENDENT AUDITOR'S REPORT

South West Irrigation Management Cooperative Limited t/as Harvey Water (HW) is a self funded co-operative that provides non-potable water to its members and a broad customer base in Harvey, Waroona and Collie River district. HW has a Water Services Licence issued by the ERA under the auspice of the Water Services Act 2012. HW is required to comply under the specific conditions of the issued licence. During the review period, there were the following versions of the Water Licence WL31 in operation:

- Water Services Licence – Harvey Water – WL31, Version 7, January 2018;
- Water Services Licence – Harvey Water – WL31, Version 8, 1 May 2020;
- Water Services Licence – Harvey Water – WL31, Version 9, 27 August 2020;
- Water Services Licence – Harvey Water – WL31, Version 10, 1 June 2021;
- Water Services Licence – Harvey Water – WL31, Version 11, 3 December 2021;
- Water Services Licence – Harvey Water – WL31, Version 12, 13 June 2022.

Paxon has performed reasonable assurance engagement on HW compliance as per the conditions set out within the issued licences over the review period (1 December 2019 to 30 November 2022).

Our assessment was made against the licence obligations listed in the Water Compliance Reporting Manual 2021 and previous versions May 2018 and May 2020 and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences. The scope of our review relates to assessing HW systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations required by the Licence issued under the Act.

Our opinion is based on the audit and review activities that were performed as per the approved Audit Plan by the ERA. This included collating, reviewing and retaining all evidence to determine that HW has complied in all necessary aspects of the licence conditions and the respective legislative obligations during the review period.

Our engagement has been conducted on a risk assessment approach as per the Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements.

## Summary of Procedures

Our procedures for this Review is as per the approved Audit and Review Plan as approved by the ERA, this in combination of the ERA's 2019 Audit and Review Guidelines: Water Licences. During our field work we interviewed relevant HW'S staff who were involved in both the operational and asset maintenance. This allowed us to have an understanding of the control environment, processes and obligations as per HW licence.

We reviewed the various plant and facilities with senior engineer and other staff. We also reviewed the various information that HW provided, both electronic and in hard form to perform risk based testing that is aligned with the approved Audit and Review Plan.

## Reasonable Assurance and Material Non-Compliance

Reasonable assurance is a high level of assurance but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.

Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Licensee's compliance with the compliance requirements.

## Inherent Limitations

Due to the inherent limitations in any internal control structure, it is possible errors, fraud or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that have been reviewed operate, has not been reviewed in its entirety and therefore no opinion is expressed as to the effectiveness of the greater internal control structure.

A reasonable assurance engagement for the review period does not provide assurance for the Licensee that the compliance requirements will continue in the future.

### **Management's responsibility**

HW's management are responsible for:

- The compliance activities undertaken to meet the requirements of the Licence;
- Identifying risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements;
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA; and
- Implementing corrective actions for instances of non-compliance (if any).

### **Our responsibility**

Our responsibility is to perform a reasonable assurance engagement in relation to ERA's compliance with its License requirements throughout the period and to issue an assurance report that includes our conclusion.

### **Our Independence and Quality Control**

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the Australian Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

We confirm that to the best of our ability and knowledge, this audit and review report is an accurate presentation of our findings and opinions.

### **Paxon Group**

Cameron Palassis

Executive Director

## 2. OPERATIONAL AUDIT

### 2.1 Objective and Scope

The objective of the Audit is to assess the effectiveness of measures taken by the Licensee to meet the conditions referred to in the Licence including the legislative obligations called up by the Licence.

The Audit will be a reasonable assurance engagement.

The Audit will focus on the effectiveness of systems and processes used to ensure compliance with the standards, outputs and outcomes required by the Licence. The Audit Report will identify areas where improvement is required and recommend corrective action as deemed necessary.

The scope of the Audit will include the adequacy and effectiveness of performance against the requirements of the licence by considering:

Area	Description
Process Compliance	The effectiveness of systems and procedures in place throughout the Audit period, including the adequacy of internal controls.
Outcome Compliance	The actual performance against standards prescribed in the Licence throughout the Audit period.
Output Compliance	The existence of output from systems and procedures throughout the Audit period (that is, proper records exist to provide assurance procedures are being consistently followed and controls are being maintained).
Integrity of Reporting	The completeness and accuracy of the compliance and performance reports provided to the ERA.
Compliance with Any Individual Licence Conditions	The requirements imposed on the specific Licensee by the ERA or specific issues advised by the ERA.

### 2.2 Audit Compliance and Controls Rating Scale

The appropriateness of the controls and HW compliance with the legislative obligations were reviewed against the following ratings scale.

Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improved needed	2	Non-compliant – minor effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

Table 1: Audit Compliance & Controls Rating Scale



### 2.3 Summary of Audit Ratings

HW was assessed to have complied with the legislative obligations applicable to its activities during the Audit Period. Where deemed necessary, recommendations were made for these instances of non-compliance.

The following table provides a summary of the Audit ratings for both controls and compliance:

		Compliance Rating					Total
		1 Compliant	2 Non-compliant (minor impact)	3 Non-compliant (moderate impact)	4 Non-compliant (major impact)	N/R Not rated	
Controls Rating	Rating						
	A - Adequate	120	-	-	-	35	155
	B – Generally Adequate	-	1	-	-	1	2
	C - Inadequate	-	-	-	-	-	0
	D – No controls	-	-	-	-	-	0
	NP – Not performed	-	-	-	-	59	59
Total		120	1	0	0	95	216

Detailed Audit Ratings of Control and Compliance by Obligation<sup>1</sup>

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
1	21(1)(a)	4.3.1(a)		N/A					✓					✓
2	21(1)(b)	4.3.1(b)	Duty to provide services and do works	2	✓					✓				
3	21(1)(c)	4.3.1		2	✓					✓				
4	22	4.4.1(a)		Provision of water services outside operating areas	4	✓					✓			
5	23	4.5.1	Works holding arrangements	4	✓					✓				
6	24(1)(a) & (2)	5.1.1	Asset management system	4	✓					✓				
7	24(1)(b)	5.1.2 & 5.1.3	Changes to asset management system	4					✓					✓
8	24(1)(c)	5.1.4	Asset management system review	4	✓					✓				
9	25	5.3.1	Operational audit	4	✓					✓				
10	26(3)	4.1.1	Compliance with codes of practice made by Minister	2	✓					✓				
11	Not Used													
12	Not Used													
13	36	4.1.1	Ceases to provide a water service in an area	4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
14	60	6.3.1	Duty to perform functions of supplier of last resort	4	✓									✓
15	70(2)	6.2.1	Water Services Ombudsman Scheme	4	✓					✓				
16	77(3)	4.1.1	Interruption of water services generally	2	✓					✓				
17	82(4) & (5)	4.1.1	Notification of and requirements as to building work	N/A					✓					✓
18	84(2)	4.1.1	Ensuring water service works are done	2	✓									✓
19	87(2)	4.1.1	Review of certain decisions under or relating to this division	4	✓									✓
20	90(7)	4.1.1	Construction over or in vicinity of water service works of licensee	5	✓					✓				
21	95(3)	4.1.1	Cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that	2					✓					✓
22	96(1)	4.1.1	Fire hydrants	4	✓									✓
23	96(5)	4.1.1		5	✓									✓
24	98(3)	4.1.1	Minister may require connection to sewerage works	N/A					✓					✓
25	106(2)	4.1.1	Compliance notices (discharge or wastewater inlet)	N/A					✓					✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
26	110(3)	4.1.1	Minister may require connection to drainage works	N/A					✓					✓
27	112(5)	4.1.1	Requirement to maintain or modify drainage assets	N/A					✓					✓
28	119(2)	4.1.1	Compliance notices (non-compliance with specific sections of Act)	4	✓					✓				
29	122(2)	4.1.1	Review of decisions relating to giving compliance notices	4	✓					✓				
30	125(2)	4.1.1	Supplying groups of dwellings	4					✓					✓
31	128(4)	4.1.1	Dealings of Memorials	4	✓					✓				
32	129(5)	4.1.1	Reading meters, routine inspection and maintenance	2	✓									✓
33	139(3)	4.1.1	Ancillary works powers	5	✓					✓				
34	141(1)	4.1.1	Special provisions applicable to road works	4	✓									✓
35	142	4.1.1	Prerequisites to provision of major works	4	✓					✓				
36	143 (2)	4.1.1	Licensee to prepare plans and publish and give notice of major works	4	✓					✓				
37	143 (3)	4.1.1		4	✓					✓				
38	144(3)	4.1.1	Objections and submissions	4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
39	145(2)	4.1.1	Licensee may amend proposal	4	✓					✓				
40	147(3)	4.1.1	Powers of Minister in respect of proposal	5	✓					✓				
41	147(4)	4.1.1		5	✓					✓				
42	151(1)	4.1.1	Licensee to prepare plans and give notice of general works	4	✓					✓				
43	151(2)	4.1.1		4	✓					✓				
44	152(3)	4.1.1	Objections and submissions	4	✓									✓
45	153(3)	4.1.1	Licensee may amend proposal	4	✓									✓
46	166(5)	4.1.1	Taking an interest in land for purposes of licensee	5	✓									✓
47	166(6)	4.1		5	✓									
48	170	4.1.1	Sale of land	4	✓									✓
49	173(4)	4.1.1	Entry with consent or under notice or warrant	4	✓					✓				
50	174(1)	4.1.1	Notice of entry	4	✓					✓				
51	174(3)	4.1.1		4	✓					✓				
52	175(2)	4.1.1	Rights of occupier of dwelling	4					✓					✓
53	175(5)	4.1.1	When authorised person must leave	4					✓					✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
54	176(1)	4.1.1		4	✓									✓
55	176(3)	4.1.1		4	✓									✓
56	176(4)	4.1.1		4					✓					✓
57	181	4.1.1	Actions of authorised persons and others	5	✓									✓
58	186	4.1.1	Contents of application (warrant to enter)	4	✓									✓
59	187(1) – (3)	4.1.1	How application to be made (warrant to enter)	4	✓									✓
60	190(4)	4.1.1	Execution of warrant	4	✓									✓
61	190(5)	4.1.1	Execution of warrant	4	✓									✓
62	210(5)	4.1.1	Designation of inspectors and compliance officers	5		✓					✓			
63	218(2)	4.1.1	Liability of certain persons for damage caused in exercise of powers	5	✓									✓
64	218(3)	4.1.1		4		✓								✓
65	23(2)	4.1.1	Installation of certain meters	4					✓					✓
66	24(4)	4.1.1	Access to meters	4	✓					✓				
67	26(3)	4.1.1	Testing water meters	4	✓									✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
68	26(5)	4.1.1		4	✓					✓				
69	29(1)	4.1.1	Subdivision: deferring infrastructure contributions	4					✓					✓
70	42(2)	4.1.1	Backflow prevention devices: installation	4					✓					✓
71	43(3)	4.1.1	Backflow prevention devices: testing and maintenance	4					✓					✓
72	43(6)	4.1.1	Backflow prevention devices: testing and maintenance	4					✓					✓
73	Not Used													
74	60(2)	4.1.1	Altering position of service infrastructure in roads	4	✓									✓
75	63	4.1.1	Roads broken up to be reinstated	4	✓					✓				
76	65(1)	4.1.1	Records	N/R					✓					✓
77	65(2)	4.1.1		N/R					✓					✓
78 – 78A	65(4) 65(6)	4.1.1	Records to be basis for water service charges	N/R					✓					✓
79	67	4.1.1		N/R					✓					✓
80	68(5)	4.1.1	Objections to entries in records	N/R					✓					✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
81	68(6)	4.1	Objections written notice	N/R					✓					✓
82	68(7)	4.1.1	Objection process	N/R					✓					✓
83	68(8)	4.1.1	Objection process	N/R					✓					✓
84	69(3)	4.1.1	State Administrative Tribunal review of licensee's decision on objection	N/R					✓					✓
85	70(2)	4.1.1	SAT review: licensee's decision not to extend time for objection/review	N/R					✓					✓
86	74(1)	4.1.1	Amending records after objection or review	N/R					✓					✓
87	74(2)	4.1.1	Amending records after objection or review	N/R					✓					✓
88	75(1)	4.1.1	Certain information to be available to tenants and others	N/R					✓					✓
88A	80H	4.1.1	Water efficiency management plan	N/R					✓					✓
89	85	4.1.1	Compliance notices	4	✓					✓				
90	86(6)	4.1	Infringement notices	N/R					✓					✓
91	86(9)	4.1.1		N/R					✓					✓
92	8(2)a	4.1.1	Information about connections	N/R					✓					✓



Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
93	9(2) (4)	4.1	Minimum performance standards: standard water supply connections	4	✓					✓				
94	10(2)	4.1.1	Fixed charge	4	✓					✓				
95	11(2)	4.1.1	Bills for quantities charged	4	✓					✓				
96	11(3)	4.1.1	Bills for usage	4	✓					✓				
97	11(4)	4.1.1	Bill usage based on estimate	4	✓					✓				
98	11(5)	4.1.1		4	✓					✓				
98A	11(6)	4.1.1	Sending bills	4	✓					✓				
99	12	4.1.1	Sending bills	4	✓					✓				
100	13(1)	4.1.1		4	✓					✓				
100A	13(3)	4.1.1		4	✓					✓				
101	13(4)	4.1.1	Information on bills	4	✓					✓				
101A	13(5)	4.1.1		4	✓					✓				
102	Not Used													
102A	13(6)	4.1.1	Information on bills	4	✓					✓				
103	14(1)	4.1.1	Bill estimate	4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
104	14(2)	4.1.1		4	✓					✓				
104A	15(3)	4.1.1	Bill for usage	4	✓					✓				
105	16(1)	4.1.1	Customer request on meter reading and charges on request	4	✓					✓				
106	17(2) & (3)	4.1.1	Undercharging in bills	4	✓					✓				
107	18(2)	4.1.1	Undercharging in bills	4	✓					✓				
108	18(3)	4.1.1		4	✓					✓				
109	18(4)	4.1.1		4	✓					✓				
110	18(5)	4.1.1		4	✓					✓				
111	Not used													
111A	19(2)	4.1.1	Overcharge in bills	4	✓					✓				
112	Not used													
112A	19(3)	4.1.1	Overcharge Notice	4	✓					✓				
112B	19(4)	4.1.1	Overcharge Notice	4	✓					✓				
112C	19(5)	4.1.1	Overcharge Notice	4	✓					✓				
113	20(1)	4.1.1	Review of bills	4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
114	20(2)	4.1.1		4	✓									✓
115	20(3) & (6)	4.1.1		4	✓									✓
116	20(4)	4.1.1		4	✓					✓				
117	20(5)	4.1.1		4	✓									✓
117A	21	4.1.1	Notification of change of charge	4	✓					✓				
118	23	4.1.1	When payment due if not set under regulations	4	✓					✓				
119	24(1)	4.1.1	Payment methods	4	✓					✓				
120	24(2)	4.1.1		4	✓					✓				
121	25(1)	4.1.1	Consent for direct debits	4	✓					✓				
122	26(1)	4.1.1	Payment in advance	4	✓					✓				
123	27	4.1.1	Free redirection in absence, illness	4	✓					✓				
124	Not used													
124A	28(2)	4.1.1	Assistance for customers experiencing payment difficulties	4	✓					✓				
124B	28(3)	4.1.1		4	✓					✓				
124C	28(4)	4.1.1		4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
125	29(1) & (2)	4.1.1	Financial hardship policy	N/A					✓					✓
126	Not Used													
126A	29(3)	4.1.1	Financial hardship policy	N/A					✓					✓
126B	29(4)	4.1.1		N/A					✓					✓
127	29(5)	4.1.1		N/A					✓					✓
128	29(6)	4.1.1		N/A					✓					✓
129	Not used													
129A	29(7)	4.1.1	Review financial hardship policy	N/A					✓					✓
129B	29(8)	4.1.1		N/A					✓					✓
129C	29(9)	4.1.1		N/A					✓					✓
130	Not used													
130A	30(2)	4.1.1	Financial hardship advice	4	✓					✓				
130B	30(3)	4.1.1	Formulating payment plan	4	✓					✓				
131	Not used													
131A	30(4)(a)	4.1.1		4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
131B	30(4)(b)	4.1.1	Matters relating to customers experiencing payment difficulties or financial hardship	4	✓					✓				
131C	30(4)(C)	4.1.1		4	✓					✓				
132	Not used													
133	31(4) & (5)	4.1.1	Information on payment schemes	4	✓					✓				
133A	32	4.1.1	No interest or fees for late payments for specified circumstances	4	✓					✓				
134	33(1)(a)-(c)	4.1.1	No debt collection in certain cases	4	✓					✓				
134A	33(1)(d)-(e)	4.1.1		4	✓					✓				
135	40(1)	4.1.1	Restoration of drinking water supply	4	✓					✓				
136	40(2)	4.1.1		4	✓					✓				
137	Not used													
137A	36(1)	4.1.1	Water supply restrictions in relation to debt collection	4	✓					✓				
137B	36(2)	4.1.1	Water supply restrictions in relation to debt collection	4	✓					✓				
137C	36(3)	4.1.1		4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
138	37(1)(a)-(e) & (h)	4.1.1		4	✓									✓
138A	37(1)(f)-(g)	4.1.1	No reduction in certain cases	4	✓									✓
138B	38	4.1.1		4	✓									✓
139	39	4.1.1	Water flow not to be reduced below minimum rate	4	✓									✓
140	41(2)	4.1.1		N/A					✓					✓
141	41(3)	4.1.1		N/A					✓					✓
142	41(4)	4.1.1	Restore of services within a specified timeframe	4	✓					✓				
143	41(5)	4.1.1		N/A					✓					✓
144	41(6)	4.1.1	90% Compliance Rate	4	✓					✓				
144A	43(1)	4.1.1	Notice of planned service interruptions	4	✓					✓				
144B	43(2)	4.1.1	Notice of planned service interruptions	4	✓					✓				
144C	44(1)	4.1.1	Policy for dealing with leaks and blockages	4	✓					✓				
144D	44(2)	4.1.1	Policy for dealing with leaks and blockages	4	✓					✓				

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
144E	45	4.1.1	24 hour information line	4	✓					✓				
145	46(1)	4.1.1	Complaints procedure - written	4	✓					✓				
146	46(2)	4.1.1	Complaints procedure - written	4	✓					✓				
147	46(3)	4.1.1	Complaints procedure - details	4	✓					✓				
148	Not used													
148A	46(4)	4.1.1	Complaints procedure – appeal	4	✓					✓				
149	46(5)	4.1.1	Complaints procedure publicly available	4	✓					✓				
149A	47	4.1.1	Resolution of complaints	4	✓					✓				
150	48(1)	4.1.1	No charge for information	4	✓					✓				
151	Not used													
152	48(2)	4.1.1	Access to customer information	4	✓					✓				
153	49(1)	4.1.1	All information to be publicly available	4	✓					✓				
154	49(2)	4.1.1	All information to be publicly available	4	✓					✓				
154A	49(3)	4.1.1	Link to WA website	4					✓					✓
154B	51(1) & (3)	4.1.1	Preserved supply register	4					✓					✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
154C	52	4.1.1	Section 95(1)(b) reduce the rate of flow	5					✓					✓
154D	53	4.1.1	Service Interruption for preserved supply register notice is required	4					✓					✓
155	Section 12	4.2.1	Fees to regulator	4	✓					✓				
156	Not used													
157	Not used													
158	Not used													
159	Section 12	4.1.2	Direction from ERA	4	✓									✓
159A	Not used													
160	Section 12	4.6.1	Compliance with Accounting Standards	4	✓					✓				
161	Section 12	5.2.1	Compliance with performance standards	4	✓					✓				
162	Section 12	5.3.4	Operational audit	4	✓					✓				
163	Section 12	4.7.1(a),(b),(c)	External administration	4	✓					✓				
164	Not used													



Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
165	Section 12	4.8.1	Provision of information to the ERA	4	✓					✓				
166	Not used													
167	Section 12	4.8.2	Performance reporting to ERA	4	✓					✓				
168	Section 12	3.8.1, 3.8.2	Publishing information	4	✓					✓				
169	Section 12	3.7.1	Notices in writing	4	✓					✓				
170	Not used													
170A	Section 12	5.1.2(a), (b)	Notify ERA of the details of AMS within 5 business days	4	✓									✓
171	Section 12	5.1.3	Notify ERA of material change to AMS	4	✓									✓
172	Section 12	5.1.7	AMS review	4	✓					✓				
172A	Section 12	6.1.1	Standard terms	4	✓									✓
172B	Section 12	6.1.2	Comply with directions	4	✓									✓
173-180	Not used													

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
181	Section 12	6.3.1	Supplier of last resort	4					✓					✓
182	Section 12	4.4.1(b)	No services outside operating area	4	✓					✓				
183	Not used													
184	Section 12	7.1.1	MOU with Department of Health exist for potable water	5	✓					✓				
184A	Section 12	7.1.2		N/A					✓					✓
184B	Section 12	7.1.3		N/A					✓					✓
185	Section 12	7.1.4	MOU with Department of Health exist for potable water with specified legal standing	4	✓					✓				
186	Section 12	7.1.5	MOU – compliance	4	✓					✓				
187	Section 12	7.1.6	MOU – publishing	4	✓					✓				
188	Section 12	7.1.7	MOU – publish audit report	4	✓					✓				
189	Section 12	7.1.7	MOU-publish other	4					✓					✓

Obligation Under:					Controls Rating					Compliance Rating				
No.	Water Services Act 2012	Water Services Licence Version 10	Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating (1=high, 5=low)	Refer to rating in Table 1					Refer to rating in Table 1				
	Section Number	Clause Number			A	B	C	D	NP	1	2	3	4	NR
190	Section 12	Schedule 2	Service and performance standards	4	✓					✓				
<b>Licence Conditions – Water Services Code of Practice (Family Violence) 2020</b>														
191	5(1)	4.1.1	Family violence policy	4					✓					✓
192	5(2)	4.1.1	Family violence policy prior to 9 December 2020	4					✓					✓
193	6	4.1.1	Publish Family Violence Policy	4					✓					✓
194	7	4.1.1	Review Family Policy	4					✓					✓
195	8(1)	4.1.1	Adequate record keeping in compliance with the code	4	✓					✓				
196	8(2)	4.1.1	Record retained for at least 7 years	4	✓									✓
197	9	4.1.1	Advising customer of complaints procedure	4					✓					✓
198	10	4.1.1	Website that has provides access to the current version of the code	4	✓					✓				

**2.4 Detailed Audit Observations**

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
1	21(1)(a)	4.3.1(a)	The licensee must provide a water service authorised by the licence to persons entitled to the service under the Act, except to the extent otherwise provided for by the Act	N/A	N/A	N/A	N/A
2	21(1)(b)	4.3.1(b)	The licensee must if requested, offer to provide the water s service authorised by the licence to any other person (not covered by section 21(1)(a) of the Act) within the operating area of the licence on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	2	Paxon confirmed that HW provides water to the Water Corporation in terms of an agreement between the parties	A	1
3	21(1)(c)	4.3.1	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence for the purposes of section 11(3).	2	The operation and maintenance of the water service has been confirmed by Paxon. This is documented in the Asset Management Plan.	A	1
4	22	4.4.1(a)	The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the licence.	4	Paxon confirmed with HW representatives and observations that the licence does not provide water services outside of the operating area, Plan Number OWR-OA-178/3(l), OWR-OA-300(A), OWR-OA-315(A).	A	1
5	23	4.5.1	All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.	4	Paxon confirmed with management of HW and upon review of the Asset Management Plan that this obligation is met.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
6	24(1)(a) & (2)	5.1.1	The licensee must provide for an asset management system in respect of the licensee's water service works.	4	Paxon confirm as per the Strategic Plan Asset Management D20/47.	A	1
7	24(1)(b)	5.1.2 & 5.1.3	The licensee must give details of the asset management system and any changes to it to the ERA (the licence prescribes timeframes for providing this information to the ERA – see obligations 170A and 171)	4	N/A	N/P	N/R
8	24(1)(c)	5.1.4	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	4	HW Operational and Asset Management Review was last reported by Paxon Group dated June 2020 available on ERA website.	A	1
9	25	5.3.1	A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	4	HW Operational and Asset Management Review was last reported by Paxon Group dated June 2020 available on ERA website	A	1
10	26(3)	4.1.1	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	2	Paxon confirms that there has been no codes of practice issued by the Minister	A	1
11	Not Used						
12	Not Used						

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
13	36	4.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.	4	Paxon confirms there were no instances where HW had not ceased to provide water service in the operation area.	A	1
14	60	6.3.1	If the licensee is the supplier of last resort for a designated area in relation to the provision of a particular water service, the licensee must perform the functions of the supplier of last resort and must comply with the relevant duties and carry out the relevant operations prescribed.	4	Paxon confirms that this obligation is documented within HW Compliance Register checklist. There were no instances of last resort.	A	NR
15	70(2)	6.2.1	The licensee must not supply water services to customers unless the licensee: <ul style="list-style-type: none"> <li>is a member of the water services ombudsman scheme; and</li> <li>is bound by the scheme; and</li> <li>will comply with any decision or direction of the water services ombudsman under the scheme.</li> </ul>	4	Paxon has confirmed with the Energy and Water Ombudsman (WA) Annual Reports that were issued during the review period that HW is a member of the scheme.	A	1
16	77(3)	4.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	2	Paxon has confirmed that HW has the necessary organisational structure in place via both operational & asset management with procedural documentation to ensure that	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
						Section Number	Clause Number
					interruption of water services are mitigated effectively. Where interruptions occurred they were recorded within HW Shutdown Register and appropriate actions were followed.		
17	82(4) & (5)	4.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	N/A	N/A	N/P	N/R
18	84(2)	4.1.1	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the licensee must give the person 21 days' notice of its intention to commence the works.	2	No notices were issued during the review period.	A	NR
19	87(2)	4.1.1	If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a	5	No applications during the review period.	A	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.				
20	90(7)	4.1.1	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.	5	Paxon confirms that there was one instance within the review period where a compliance notice was issued.	A	1
21	95(3)	4.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	2	N/R	N/P	N/R
22	96(1)	4.1.1	If the licensee provides water supply reticulation works, or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant.	4	<p>Paxon confirmed that, during the Audit Period, HW did not:</p> <ul style="list-style-type: none"> <li>• Provide water supply reticulation works;</li> <li>• Enter into an agreement for the provision of water supply reticulation works; and</li> <li>• Receive any requirements from DFES, or the relevant local government as to the location and type of fire hydrant to be installed.</li> </ul>	A	N/R



Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
23	96(5)	4.1.1	The licensee must comply with requests made by FESA or a local government under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.	5	As per obligation 22.	A	N/R
24	98(3)	4.1.1	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	N/R		NP	N/R
25	106(2)	4.1.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	N/R		NP	N/R
26	110(3)	4.1.1	If required to by the Minister, the licensee must connect a drainage asset on land to the drainage works of the licensee.	N/R		NP	N/R
27	112(5)	4.1.1	If required by the Minister, drainage connection.	N/R		NP	N/R
28	119(2)	4.1.1	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation, as per the HW Connections register. There were no compliance notices issued during the review period.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
						Section Number	Clause Number
29	122(2)	4.1.1	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation. There were no applications to the State Administrative Tribunal during the review period.	A	1
30	125(2)	4.1.1	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the <i>Strata Titles Act 1985</i> .	4	N/R.	N/P	N/R
31	128(4)	4.1.1	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.	4	Paxon examined HW's "Caveat Checklist". This checklist is required when caveats are lodged against customers who have taken the 5 year deferred payment option on new connections or become bad debts. Paxon also examined HW's caveat's register that details all withdrawn caveats by the date.	A	1
32	129(5)	4.1.1	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the	2	Paxon confirms that the licensee meet this obligation as per HW's Customer Service Charter. The review confirmed	A	NR

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
			occupier of the place unless the occupier agrees otherwise.		appropriate notice via letters of 48 hours notice has been given.		
33	139(3)	4.1.1	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	5	Paxon confirms that the licensee meet this obligation by having the appropriate procedures within its Customer Service Charter. The Licensee confirmed that there were one instance during the review period, where a MOU with the land owner was completed where fences were erected.	A	1
34	141(1)	4.1.1	A person authorised by the licensee may enter a road and exercise a works power of the licensee without consent, notice or warrant unless the exercise of the power involves opening or breaking up the surface of the road, or would cause a major obstruction of the road or disruption of the traffic, in which case the licensee must give at least 48 hours' notice to the public authority that has control or management of the road.	4	No events occurred during the review period as per Water & Customer Service Supervisor.	A	N/R
35	142	4.1.1	The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works, and has given any notice required by section 148.	4	Paxon confirms HW has the appropriate policy and procedure documentation, as per the HW Compliance register. Major works occurred during the review period for the Brine Ocean Outfall pipeline.	A	1
36	143 (2)	4.1.1	Before the licensee submits a proposal for the provision of major works to the	4	Paxon confirms HW that the appropriate policy and procedure documentation as	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.		per the works for the Brine Ocean Outfall pipeline. The proposal was made available on respective websites.		
37	143 (3)	4.1.1	The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	4	Paxon has reviewed the information prepared and provided to the relevant authorities for the single event during the review period, Brine Ocean Outfall pipeline. Paxon can confirm that HW meets this obligation.	A	1
38	144(3)	4.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	Paxon has reviewed the information prepared and provided to the relevant authorities for the single event during the review period, Brine Ocean Outfall pipeline. Paxon can confirm that HW meets this obligation.	A	1
39	145(2)	4.1.1	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	Paxon has reviewed the information prepared and provided to the relevant authorities for the single event during the review period, Brine Ocean Outfall pipeline. Paxon can confirm that HW meets this obligation.	A	1
40	147(3)	4.1.1	The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	5	Paxon has reviewed the information prepared and provided to the relevant authorities for the single event during the review period, Brine Ocean Outfall pipeline. Paxon can confirm that HW meets this obligation.	A	1
41	147(4)	4.1.1	If the Minister gives a direction that further notices in relation to the proposed major	5	Paxon has reviewed the information prepared and provided to the relevant	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			works be given under section 143(3), the licensee must resubmit the proposal.		authorities for the single event during the review period, Brine Ocean Outfall pipeline. Paxon can confirm that HW meets this obligation.		
42	151(1)	4.1.1	A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	4	Paxon confirms HW has the appropriate control environment by having policy and procedure documentation. HW provided had undertaken various ground water works during the review period. Paxon has reviewed the information and were notices for works were published and can confirm that HW meets its obligations.	A	1
43	151(2)	4.1.1	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	4	Paxon confirms HW has the appropriate control environment by having policy and procedure documentation. HW provided had undertaken various ground water works during the review period. Paxon has reviewed the information and were notices for works were published and can confirm that HW meets its obligations.	A	1
44	152(3)	4.1.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	4	Paxon can confirm that there were no objections or submission lodged during the review period per conditions of this obligation.	A	N/R
45	153(3)	4.1.1	If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the	4	None recorded during the review period.	A	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			alterations to any person who is likely to be adversely affected by those alterations.				
46	166(5)	4.1.1	On being advised by the Minister that an interest in land is appropriate to the licensee's needs, the licensee is required to acquire the interest.	5	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register. HW confirmed that no advice was received during the review period.	A	N/R
47	166(6)	4.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	5	As per obligation 46.	A	N/R
48	170	4.1.1	The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the <i>Planning and Development Act 2005</i> , unless the Minister permits the licensee to do so.	4	As per obligation 46.	A	N/R
49	173(4)	4.1.1	In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register. In addition supported with the Customer Service Charter that is readily available on HW website. Notice provided to owners were as per the licence obligations.	A	1
50	174(1)	4.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the	4	As per obligation 49.	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
Section Number	Clause Number						
			purpose of the entry, including (if applicable) any work proposed to be carried out.				
51	174(3)	4.1.1	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	4	As per obligation 49.	A	1
52	175(2)	4.1.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	4	N/R	N/P	N/R
53	175(5)	4.1.1	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice, which includes the prescribed information, or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.	4	N/R	N/P	N/R
54	176(1)	4.1.1	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	4	HW Water & Customer Service Supervisor confirmed there were no instances during the review period.	A	N/R
55	176(3)	4.1.1	The licensee must produce their certificate of authority if asked to do so, and must not	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register.	A	N/R

Obligation Under:				Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10	Description			Controls	Compliance
	Section Number	Clause Number					
			perform, or continue to perform, a function under the Act if they are not able to do so.				
56	176(4)	4.1.1	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.	4	N/R	N/P	N/R
57	181	4.1.1	The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	5	Paxon reviewed a sample of “Notice of Entry” forms issued by HW during the review period and found that they met the requirements of this obligation. Paxon confirmed by interview of HW’s Water & Customer Service Supervisor that, HW did not receive any requests from owners or occupiers to limit interference with the lawful activities of the owner or occupier.	A	N/R
58	186	4.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register. There were no instances during the review period.	A	N/R
59	187(1) – (3)	4.1.1	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified	4	As per obligation 58.	A	N/R



Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
Water Services Act 2012	Water Services Licence Version 10	Controls				Compliance	
Section Number	Clause Number						
			depending on the location of the applicant and the justice.				
60	190(4)	4.1.1	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	4	As per obligation 58.	A	N/R
61	190(5)	4.1.1	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	4	As per obligation 58.	A	N/R
62	210(5)	4.1.1	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.	5	Paxon could not find any direct reference to the stipulations of section 210(5) of the Act in the HW Manuals. This was confirmed also by the Water & Compliance Service Supervisor, there were no one employed as inspector or compliance officer.	B	2
63	218(2)	4.1.1	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	5	Paxon confirmed by the Water & Compliance Service Supervisor stipulated with this obligations and there were no instances recorded as per this obligation during the review period.	A	N/R
64	218(3)	4.1.1	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay	4	Paxon review the current Notice of Entry Form. The form does provide requirements by HW to undertake reinstatement of works, but does not mention explicitly to pay compensation	B	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			compensation to the extent that it is not practicable to make good the damage.		as per the obligation. Paxon confirmed by the Water & Compliance Service Supervisor that there were no instances during the audit period where any physical damage was recorded where HW was not able to remedy.		
65	23(2)	4.1.1	If the licensee provides a water supply service in respect of a multi-unit development, the licensee must, on the request of the owner or the strata company, assess whether a sub-meter is satisfactory for measuring the quantity or flow of water passing through a pipe supplying water to the unit.	4	N/R	N/P	N/R
66	24(4)	4.1.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	4	Paxon confirmed by the Water & Compliance Service Supervisor that there were no instances during the audit period.	A	1
67	26(3)	4.1.1	If the owner or occupier requests the licensee to test a meter and pays the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with a procedure approved by the CEO for the purpose of this regulation.	4	Paxon confirms that HW has the appropriate procedures in place to meet this obligation. HW advised Water & Compliance Service Supervisor that there were no instances where customers requested for their meter to be tested.	A	N/R
68	26(5)	4.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the	4	Paxon confirms that HW has the appropriate procedures in place to meet this obligation. This is via the 'Customer	A	1

Obligation Under:						
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)
	Section Number	Clause Number				Controls      Compliance
			specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).		Service Charter'. HW advised that there were no instances of meters having results outside the tolerance levels as per HW policy.	
69	29(1)	4.1.1	The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the contribution unless regulations 29(3) or 29(4) applies.	4	N/P	N/P      N/R
70	42(2)	4.1.1	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date by which the device must be installed and tested (which must be at least 7 days after the day on which the order is given to the owner or occupier).	4	N/P	N/P      N/R
71	43(3)	4.1.1	The compliance notice given by the licensee to the owner or occupier of land must specify that the backflow prevention device be tested or maintained in accordance with the standard and the date by which the testing or maintenance is required to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).	4	N/P	N/P      N/R
72	43(6)	4.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is	4	N/P	N/P      N/R

Obligation Under:				Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10	Description			Controls	Compliance
	Section Number	Clause Number					
			required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).				
73	Not Used						
74	60(2)	4.1.1	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance Register. This was confirmed also by the Water & Customer Service Supervisor, there were no recorded instances.	A	N/R
75	63	4.1.1	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance checklist. This was confirmed also by the Water & Customer Service Supervisor.	A	1
76	65(1)	4.1.1	The licensee must maintain records for all land in respect of which water service charges apply.	N/R	N/R	N/P	N/R
77	65(2)	4.1.1	The records for all land in respect of which water service charges apply must contain the prescribed information.	/R	N/R	N/P	N/R

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
78	65(4)	4.1.1	Unless regulation 65(5) applies, the licensee must make the records for all land in respect of which water service charges apply available for inspection by any person without charge, and give a copy of particular records to a person with a material interest in them, on payment of the prescribed charge, if any, for giving a copy of the records.	N/R	/R	N/P	N/R
78A	65(6)	4.1.1	Unless a customer gives their consent under regulation 65(6), the licensee must not make a record relating to a customer available for inspection by a person, or give a copy of a particular record relating to the customer to a person, if doing so would disclose information that the customer has requested be kept confidential because the customer believes that disclosure could increase the risk of family violence to the customer or an associated person.	N/R	N/R	N/P	N/R
79	67	4.1.1	Except as otherwise provided under the Act, the records maintained by the licensee for a period in relation to land are the basis upon which the licensee must determine the water service charges applicable for the period.	N/R	N/R	N/P	N/R
80	68(5)	4.1.1	The licensee must consider an objection to the records maintained by a licensee under regulation 65 as soon as practicable.	N/R	N/R	N/P	N/R
81	68(6)	4.1	The licensee must give the person by whom the objection was made written	N/R	N/R	N/P	N/R

Obligation Under:				Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10	Description			Controls	Compliance
	Section Number	Clause Number					
			notice of the licensee's decision on the objection together with a brief statement of the licensee's reasons for the decision.				
82	68(7)	4.1.1	If the licensee allows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person who objected of any consequent amendment of the records.	N/R	N/R	N/P	N/R
83	68(8)	4.1.1	If the licensee disallows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person of the time within which and the manner in which a review of the decision may be sought.	N/R	N/R	N/P	N/R
84	69(3)	4.1.1	Upon receipt of a notice from a person dissatisfied with a decision of the licensee on an objection, the licensee must promptly refer the relevant records to the State Administrative Tribunal for a review.	N/R	N/R	N/P	N/R
85	70(2)	4.1.1	Upon receipt of a notice from a person dissatisfied with a decision of the licensee to refuse to extend the time for giving an objection to the licensee or a notice under regulation 69(2), the licensee must promptly refer the decision to the State Administrative Tribunal for a review.	N/R	N/R	N/P	N/R
86	74(1)	4.1.1	The licensee must make any amendment of the records necessary as a consequence of an allowance, wholly or in	N/R	N/R	N/P	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			part, of an objection under the Act or the <i>Valuation of Land Act 1978</i> or as a consequence of a review by the State Administrative Tribunal.				
87	74(2)	4.1.1	The licensee must, if necessary as a consequence of the amendment to the records under regulation 74(1), determine or re-determine any water service charge; and, if necessary, provide a rebate or refund.	N/R	N/R	N/P	N/R
88	75(1)	4.1.1	If a person is liable, under an agreement with the owner of land, for payment of the water service charges in respect of certain land, the person is entitled to receive from the licensee all information necessary for the person to assess his or her liability under the agreement.	N/R	N/R	N/P	N/R
88A	80H	4.1.1	The licensee must, within 60 days after receiving a water efficiency management plan from an owner or occupier of a non-residential lot, approve the plan, request further information, or request a revised plan by written notice.	N/R	N/R	N/P	N/R
89	85	4.1.1	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance Register. This was confirmed also by the Water & Customer Service Supervisor, and there were no notices during the review period.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
90	86(6)	4.1	If the licensee appoints an employee as an authorised or approved officer for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, the licensee must issue the officer a certificate, badge or identity card identifying the officer as a person authorised to issue infringement notices.	N/R	N/R	N/P	N/R
91	86(9)	4.1.1	The licensee must maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, and must, on request, give a copy of the list to the CEO or to the chief executive officer of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i> .	N/R	N/R	N/P	N/R
92	8(2)a	4.1.1	The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available.	N/R	N/R	N/P	N/R
93	9(2) (4)	4.1	The licensee must ensure that, in any 12-month period, 90% of water supply service connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.	4	Paxon can confirm that the licensee has met the requirements of this obligation. Paxon has sighted and reviewed the Connection Spreadsheet, in addition to the "Datalogger" management system that HW has active reporting form. In addition to this, it is noted that the Operations Manager, monitors this via regular reports	A	1



Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
94	10(2)	4.1.1	If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12-month period.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and rates charges. This is confirmed by the Water & Customer Service Supervisor by a review of a sample within the audit period.	A	1
95	11(2)	4.1.1	If the licensee charges a quantity charge, the licensee must issue a bill -for a quantity charge to each customer at least once in every 4-month period.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance Register. A sample of invoices that were provided during the review period, were issued to customers monthly.	A	1
96	11(3)	4.1.1	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	Paxon can confirm that water consumption is based on meter readings by the licensee.	A	1
97	11(4)	4.1.1	If an accurate meter reading is not possible, a bill for usage must be based on an estimate, in accordance with the prescribed regulations (if any), of the quantity of water supplied or wastewater discharged. (Note: The Water Services Regulations 2013 did not address the estimation of bills at the time this Reporting Manual was published).	4	Paxon review a sample of estimated billing provided by HW, this is aligned with HW internal procedure that meets the requirements of this obligation.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
98	11(5)	4.1.1	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.	4	Paxon review a sample of estimated billing provided by HW, this is aligned with HW internal procedure that meets the requirement of this obligation.	A	1
98A	11(6)	4.1.1	Despite subclauses 11(4) and (5), a bill for usage based on a meter reading must be issued at least once in every 12-month period.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance Register. As per HW procedure 'Bill Estimates'.	A	1
99	12	4.1.1	The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, in addition to the sample review of customer invoices to support the confirmation over the review period.	A	1
100	13(1)	4.1.1	Each bill must contain the prescribed information.	4	As per Obligation 99.	A	1
100A	13(3)	4.1.1	A bill issued for 2 or more water services must specify the charge payable for each water service.	4	As per Obligation 99.	A	1
101	13(4)	4.1.1	Each bill for usage for a metered water service must contain the specified information.	4	As per Obligation 99.	A	1
101A	13(5)	4.1.1	If a bill for usage for a metered water service was based on an estimate, the bill	4	As per Obligation 99.	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			must inform the customer that the licensee will tell the customer the prescribed information on request.				
102	Not Used						
102A	13(6)	4.1.1	Each bill must contain the prescribed information.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, in addition to the sample review of customer invoices to support the confirmation over the review period.	A	1
103	14(1)	4.1.1	If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, and HW's website policies section. Water supply tax invoices issued, in respect of estimates during the period did disclose the reason for the estimate.	A	1
104	14(2)	4.1.1	If a bill is based on an estimate, the licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	4	As per obligation 103.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
104A	15(3)	4.1.1	Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the prescribed information.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and as per Water & Customer Service Supervisor. Paxon reviewed a sample of customer invoices to support the confirmation over the review period and water summary page that is available to customers online.	A	1
105	16(1)	4.1.1	The licensee must provide to the customer on request a meter reading and a bill (or revised bill if applicable) for outstanding charges outside of the usual bill cycle, or in case the customer disputes an estimate.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, in addition to the sample audit of customer invoices to support the confirmation over the review period.	A	1
106	17(2) & (3)	4.1.1	The licensee must have a written policy, standard or set of guidelines (available on the licensee's website and a hardcopy provided to a customer upon request at no charge) in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak from the customer's system.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and Customer Service Charter.	A	1
107	18(2)	4.1.1	The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day on	4	Paxon confirms there was one undercharging event during the review period. The process of treating this	A	1

Obligation Under:				Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10	Description			Controls	Compliance
	Section Number	Clause Number					
			which the licensee informed the customer of the undercharging.		evident met the requirements of this obligation, as per HW's policy.		
108	18(3)	4.1.1	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	4	As per Obligation 107.	A	1
109	18(4)	4.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	4	As per Obligation 107.	A	1
110	18(5)	4.1.1	The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.	4	As per Obligation 107.	A	1
111	Not used						
111A	19(2)	4.1.1	The licensee must, within 15 business days of becoming aware of an overcharge, credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and internal spreadsheet for recording any event. A sample was reviewed within the audit period with the Water & Customer Service Supervisor and can HW comply with this obligation.	A	1
112	Not used						

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
112A	19(3)	4.1.1	If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer's account within 15 business days of the licensee receiving the instructions.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and internal spreadsheet for recording any event. A sample was reviewed within the audit period with the Water & Customer Service Supervisor and can HW comply with this obligation.	A	1
112B	19(4)	4.1.1	If instructions from the customer about the refunding or crediting of the overcharged amount have not been received by the licensee at the end of the period of 10 business days starting on the day an overcharging notice is sent, the licensee must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and internal spreadsheet for recording any event. A sample was reviewed within the audit period with the Water & Customer Service Supervisor and can HW comply with this obligation.	A	1
112C	19(5)	4.1.1	The licensee must notify the customer immediately after crediting the overcharged amount to the customer's account under subclause (2)(a), (3) or (4).	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and internal spreadsheet for recording any event. A sample was reviewed within the audit period with the Water & Customer Service Supervisor and can HW comply with this obligation.	A	1

Obligation Under:						
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)
	Section Number	Clause Number				Controls      Compliance
113	20(1)	4.1.1	The licensee must review a bill on the customer's request.	4	HW adhered to this obligation as per "Bill Review Policy". As per Paxon's review of sampled invoices, the Water & Customer Service Supervisor confirmed the obligation process.	A      1
114	20(2)	4.1.1	The license must have a written procedure for the review of a bill on the customer's request.	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register, Customer Service Charter and that is publicly available on the website.	A      N/R
115	20(3) & (6)	4.1.1	The review procedure in clause 20(2) must include the specified information and be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	Paxon confirms that the licensee has the necessary information available online via its website and in hard copy when requested.	A      N/R
116	20(4)	4.1.1	The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register, Customer Service Charter and that is publicly available on the website.	A      1
117	20(5)	4.1.1	The licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 15 business days from the day the customer's request for review was received.	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register and Customer Service Charter.	A      N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
117A	21	4.1.1	The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in clause 21(2).	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register and a record of notifications provide to customers. Paxon sample auditing confirmed the obligation requirements being adhered to by HW	A	1
118	23	4.1.1	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance checklist, Paxon sample auditing confirmed the obligation requirements being adhered to by HW	A	1
119	24(1)	4.1.1	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	As per this obligation, HW meet the requirements of this obligation, a sample of invoices were sighted for water charged to customers and the review determined that the invoice amounts included the applicable payment methods, in addition to information available on HW's website.	A	1
120	24(2)	4.1.1	The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.	4	HW customer invoices state the no transaction fee that will apply to payments where fees and charges are applicable.	A	1



Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
121	25(1)	4.1.1	Before receiving a bill payment by direct debit the licensee must obtain the express consent of the customer or of an adult person nominated by the customer to give consent.	4	Paxon can confirm that HW uses a document entitled 'Direct Debit Request Application' during the review period. This is an online document with Westpac and requires express authority from the account holders.	A	1
122	26(1)	4.1.1	The licensee must accept payment in advance from a customer on a customer's request.	4	Paxon confirms HW did accept payment in advance from a customer on a customer's request during the audit period.	A	1
123	27	4.1.1	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	Paxon can confirm that this obligation was met by the licensee, via the Water & Customer Service Supervisor that on request bills were redirected and at no charge.	A	1
124	Not used						
124A	28(2)	4.1.1	The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	Paxon can confirm that HW has an active procedure that allows customers to pay bills under a payment plan or other arrangement under which the customer is given more time to pay the bill or to pay arrears during the period. This was determined via a sample of customer invoices that were sighted from within the review period.	A	1
124B	28(3)	4.1.1	When formulating a payment plan or other arrangement for a customer that the	4	HW has a payment plan form that is provided to its members who are	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
			licensee has assessed as experiencing payment difficulties, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.		experience financial difficulties. The form provides a formula on how the payment plan can be calculated.		
124C	28(4)	4.1.1	The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	4	HW has a payment plan form that is provided to its members who are experience financial difficulties. The form provides a formula on how the payment plan can be calculated.	A	1
125	29(1) & (2)	4.1.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	N/P	N/P	N/R
126	Not Used						
126A	29(3)	4.1.1	Unless the ERA approves otherwise, the licensee's financial hardship policy must comply with the ERA's guidelines (if any) in relation to financial hardship policies.	N/R	N/P	N/P	N/R
126B	29(4)	4.1.1	Unless the ERA approves otherwise, amendments to the licensee's financial hardship policy must be approved by the ERA and comply with the ERA's guidelines (if any) in relation to financial hardship policies.	N/R	N/P	N/P	N/R

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
127	29(5)	4.1.1	The licensee's financial hardship policy must be in effect within 6 months of the day of the grant of the license.	N/R	N/P	N/P	N/R
128	29(6)	4.1.1	The licensee's financial hardship policy must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	N/R	N/P	N/P	N/R
129	Not used						
129A	29(7)	4.1.1	The licensee must review its financial hardship policy at least once in every 5-year period.	N/R	N/P	N/P	N/R
129B	29(8)	4.1.1	The licensee must review its financial hardship policy if directed to do so by the ERA.	N/R	N/P	N/P	N/R
129C	29(9)	4.1.1	The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	N/R	N/P	N/P	N/R
130	Not used						
130A	30(2)	4.1.1	The licensee must advise a customer who has been assessed as experiencing financial hardship that they have a right to pay the bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an	4	HW has a payment plan form that is provided to its members who are experience financial difficulties. The form provides a formula on how the payment plan can be calculated.	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			appropriate plan or arrangement with the customer.				
130B	30(3)	4.1.1	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing financial hardship, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	As per obligation 130A.	A	1
131	Not used						
131A	30(4)(a)	4.1.1	Matters relating to customers experiencing payment difficulties or financial hardship	4	As per obligation 130A.	A	1
131B	30(4)(b)	4.1.1	The licensee must review, upon request, how a customer is paying a bill under clause 30(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.	4	As per obligation 130A.	A	1
131C	30(4)(C)	4.1.1	The licensee must provide the specified written information to a customer.	4	As per obligation 130A.	A	1
132	Not used						

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
133	31(4) & (5)	4.1.1	The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	As per obligation 130A.	A	1
133A	32	4.1.1	The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	4	As per obligation 130A.	A	1
134	33(1)(a)-(c)	4.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship	4	Paxon can confirm that HW complied with this obligation during the review period. Paxon reviewed a sample of debt arrangements during the audit period with the Water & Customer Service Supervisor and confirmed the practicable approach to debt collection, and as per HW Debt Collection Policy.	A	1
134A	33(1)(d)-(e)	4.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water services ombudsman, which directly relates to the water service charge to which the debt relates, is not resolved by the licensee (or is not determined or is upheld by the ombudsman).	4	As per obligation 134.	A	1
135	40(1)	4.1.1	If the licensee has cut off or reduced the rate of flow of water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register,	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.		and as per the Water & Customer Service Supervisor. Where restriction measures have been applied HW has complied with the obligation.		
136	40(2)	4.1.1	If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, through sample testing confirm the adherence to this obligation.	A	1
137	Not used						
137A	36(1)	4.1.1	The licensee must not start a water supply restriction unless the licensee has given the customer a reminder notice (that includes the information specified in clause 35), the water service charge has still not been paid in full, and the licensee has given the customer a restriction notice.	4	Paxon confirms procedure in place called 'Installation and Removal of Restriction Devices'. HW did comply with the stipulations of this clause during the period. HW's procedure includes five different notifications to the customer prior to reduction in water flow: note on the relevant water supply tax invoice, further notice, 72 hour notice, site visit and door knock on date of reduction.	A	1
137B	36(2)	4.1.1	The licensee must not give a customer a restriction notice less than 7 days before the day on which the water supply restriction is proposed to start.	4	Paxon confirms procedure in place and adherence of this obligation during the review period, with the maintenance of "RWS Overdue Accounts" register. This was confirmed via the sample that was reviewed over the audit period.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
137C	36(3)	4.1.1	The restriction notice must include the specified information.	4	As per obligation 137B.	A	1
138	37(1)(a)-(e) & (h)	4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	As per obligation 137B	A	N/R
138A	37(1)(f)-(g)	4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	Refer to obligation 138.	A	N/R
138B	38	4.1.1	The licensee must not start a water supply restriction on or during the specified times.	4	Refer to obligation 138.	A	N/R
139	39	4.1.1	The licensee must not, under section 95(1)(b) or (2) of the Act, reduce the rate of flow of water to a customer to below 2.3 litres each minute.	4	Refer to obligation 138.	A	N/R
140	41(2)	4.1.1	The Water Corporation must restore a water supply to land in the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.	N/R		N/P	N/R
141	41(3)	4.1.1	The Water Corporation must restore a water supply to land outside the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.	N/R		N/P	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
142	41(4)	4.1.1	The licensee (other than the Water Corporation) must restore a water supply to land within the specified timeframe, unless the licensee and customer expressly agree otherwise.	4	Paxon confirms procedure in place and adherence of this obligation during the review period, with the maintenance of "RWS Overdue Accounts" register. This was confirmed via the sample that was reviewed over the audit period where restrictions were applied and once bill has been paid or arrangement in place the service was restored.	A	1
143	41(5)	4.1.1	The Water Corporation must ensure that there is a 90% compliance rate with clauses 41(2) and 41(3) in any 12-month period ending on 30 June.	N/R		N/P	N/R
144	41(6)	4.1.1	The licensee (other than the Water Corporation) must ensure that there is a 90% compliance rate with clause 41(4) in any 12-month period ending on 30 June.	4	Paxon confirms procedure in place and adherence of this obligation during the review period, with the maintenance of "RWS Overdue Accounts" register. This was confirmed via the sample that was reviewed over the audit period where restrictions were applied and once bill has been paid or arrangement in place the service was restored.	A	1
144A	43(1)	4.1.1	The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register that the Shutdown Register. This was confirmed via the sample reviewed during the audit and as per the interview	A	1



Obligation Under:						
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)
	Section Number	Clause Number				Controls      Compliance
					with the Water & Customer Service Supervisor.	
144B	43(2)	4.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.	4	As per obligation 144A.	A      1
144C	44(1)	4.1.1	The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.	4	As per obligation 144A.	A      1
144D	44(2)	4.1.1	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	4	As per obligation 144A	A      1
144E	45	4.1.1	The licensee must provide a 24 hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, and as per the Water & Customer Service Supervisor, website has emergency number and after hour numbers with appropriate answering services to support.	A      1
145	46(1)	4.1.1	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, and as per Water & Customer Service Supervisor Complaints Procedure and register.	A      1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
146	46(2)	4.1.1	The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's guidelines (if any).	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the Water & Customer Service Supervisor and the Complaints Procedure and register.	A	1
147	46(3)	4.1.1	The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the Water & Customer Service Supervisor and the Complaints Procedure and as per public available information on HW's website.	A	1
148	Not used						
148A	46(4)	4.1.1	The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, and as per Complaints Procedure and register.	A	1
149	46(5)	4.1.1	The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register, and is available via the website and on request.	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
149A	47	4.1.1	When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer accordingly, inform the customer that the customer has a right to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman.	4	Paxon confirm that this obligation is being met with adherence to the Complaints policy, as advised by interview with the Water & Customer Service Supervisor where samples from the audit period were reviewed and the process followed as per HW policy.	A	1
150	48(1)	4.1.1	The licensee must provide a customer with the specified services on request and at no charge.	4	Paxon confirms adherence to this obligation as per HW 'Customer Services Charter'.	A	1
151	Not used						
152	48(2)	4.1.1	The licensee must make available to each customer, at no charge, the customer's personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods.	4	Paxon confirms adherence to this obligation as per HW 'Customer Services Charter' in addition each customer can access their billing information via the website.	A	1
153	49(1)	4.1.1	The licensee must make the prescribed information publicly available.	4	Paxon confirms that the requirements of this obligation are met with information available via HW's website.	A	1
154	49(2)	4.1.1	The licensee must ensure that the specified information about bills may be obtained from its website.	4	Paxon confirms that the requirements of this obligation are met with Policies and Customer service charter via the website and on request.	A	1

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
154A	49(3)	4.1.1	The licensee must ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	N/P	N/P	N/R
154B	51(1) &(3),	4.1.1	The licensee must maintain an up-to-date preserved supply register for the purposes of Part 9 of the Code if the licensee meets the criteria in clause 51(2). The register must record the prescribed information in clause 51(3) if the criteria in clause 51(2) applies to the licensee.	4	N/P	N/P	N/R
154C	52	4.1.1	The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of a supply of water to a supply address recorded on the preserved supply register.	5	N/P	N/P	N/R
154D	53	4.1.1	Despite clause 43(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 43(1) must be sent by post or delivered to that supply address.	4	N/P	N/P	N/R
155	Section 12	4.2.1	The licensee must pay the applicable fees and charges in accordance with the	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as	A	1

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			<i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i>		per the HW Water Compliance register, and as per the information provided by HW and review of the annual fee amounts that were paid to the ERA were applicable for the period.		
156	Not used						
157	Not used						
158	Not used						
159	Section 12	4.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance register, and as per the Water & Customer Service Supervisor.	A	N/R
159A	Not used						
160	Section 12	4.6.1	The licensee and any related body corporate must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.	4	HW maintains accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. AMD External Auditors expressed unqualified audit opinions in respect of the annual financial statements. Paxon confirms compliance with this obligation.	A	1
161	Section 12	5.2.1	The licensee must comply with any individual performance standards prescribed by the ERA.	4	Paxon confirms that HW complies with this obligation as per the Water Services Operating License and	A	1

Obligation Under:				Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10	Description			Controls	Compliance
	Section Number	Clause Number					
					Water Services Compliance Reporting Manual, as issued by the ERA.		
162	Section 12	5.3.4	The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the operational audit.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance Register. This review is as per the ERA Audit Guidelines. HW management and staff have assisted professionally with this review.	A	1
163	Section 12	4.7.1(a),(b),(c)	The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	The licensee is not under external administration during the review period.	A	1
164	Not used						
165	Section 12	4.8.1	The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register. In accordance with the Water Compliance Reporting Manual 2021, the licensee is required to submit to the ERA Annual Performance Reports and Compliance reports by the legislated due dates.	A	1

Obligation Under:						
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)
	Section Number	Clause Number				Controls      Compliance
					Paxon can confirm that during the review period, HW met this obligation.	
166	Not used					
167	Section 12	4.8.2	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the <i>Water, Sewerage and Irrigation Licence Performance Reporting Handbook</i> , and the National Performance Framework that apply to the licensee.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register. Paxon can confirm that during the review period, HW met this obligation.	A      1
168	Section 12	3.8.1, 3.8.2	Subject to clause 3.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 3.8.1.	4	The licensee was not directed by ERA during the audit period as per the conditions of this obligation.	A      1
169	Section 12	3.7.1	Unless otherwise specified, all notices must be in writing.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance checklist. Paxon can confirm that during the review period, HW met this obligation as all correspondence is written letters or email.	A      1
170	Not used					
170A	Section 12	5.1.2(a), (b)	The licensee must notify the ERA of the details of the asset management system within five business days from the later of: a) the commencement date; or	4	HW has met this obligation. There has not been any notification required during the review period.	A      N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			b) the completion of construction of the licensee's water service works.				
171	Section 12	5.1.3	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	4	Paxon confirms HW has the appropriate policy and procedure documentation as per the HW Water Compliance checklist.	A	N/R
172	Section 12	5.1.7	The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the asset management system review.	4	Paxon can confirm that HW has complied with this obligation, including providing all the necessary assistance.	A	1
172A	Section 12	6.1.1	If the ERA considers that one or more of a licensee's standard terms and conditions of service is no longer in the public interest, the ERA may direct the licensee: a) to amend: i) the standard term or condition of service; or ii) the standard term or condition of service in accordance with a term proposed by the ERA; and b) to do so within a specified period.	4	ERA has not directed HW during the review period as per this obligation. HW's Water Service Licence version 11 and new version 12 being issued on 13 June	A	N/R
172B	Section 12	6.1.2	The licensee must comply with a direction given to the licensee under clause 6.1.1	4	As per obligation 172A	A	N/R
173-180	Not used						



Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
181	Section 12	6.3.1	If the licensee is appointed as the supplier of last resort for a designated area in relation to the provision of a particular water service, the licensee must perform the functions of a supplier of last resort, comply with the duties imposed by the Act and carry out its operations under or for the purpose of the last resort plan in accordance with the Act.	4	N/P	N/P	N/R
182	Section 12	4.4.1(b)	If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	4	Paxon confirmed with HW representatives and observations that the licence does not provide water services outside of the operating area, Plan Number OWR-OA-178/3(I), OWR-OA-300(A), OWR-OA-315(A);	A	1
183	Not used						
184	Section 12	7.1.1	Where the licensee provides potable water, the licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	5	Paxon confirms the existence of an MoU between the Department of Health that was entered in June 2022	A	1
184A	Section 12	7.1.2	Where the licensee provides sewerage services, the licensee must, if required by the Department of Health, enter into a Memorandum of Understanding with the	N/A	N/P	N/P	N/R

Obligation Under:								
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)		
	Section Number	Clause Number				Controls	Compliance	
			Department as soon as practicable after the commencement date or as otherwise agreed with Department.					
184B	Section 12	7.1.3	If the licensee provides both potable water and sewerage services, the licensee must enter into a separate Memorandum of Understanding with the Department of Health in respect of each of the potable water service and sewerage service.	N/A	N/P	N/P	N/R	
185	Section 12	7.1.4	A Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.	4	Paxon confirms the licensee is compliant with this obligation.	A	1	
186	Section 12	7.1.5	The licensee must comply with the terms of a Memorandum of Understanding.	4	Paxon confirms the licensee is compliant with this obligation.	A	1	
187	Section 12	7.1.6	The licensee must publish in the form agreed with the Department of Health, a Memorandum of Understanding and any amendments to a Memorandum of Understanding within one month of signing or making the amendment.	4	Paxon confirms the licensee is compliant with this obligation.	A	1	
188	Section 12	7.1.7	The licensee must publish the audit report on compliance with its obligations under a Memorandum of Understanding on its website within one month of the completion of the audit.	4	Paxon confirms the licensee is compliant with this obligation.	A	1	

Obligation Under:							
No.	Water Services Act 2012	Water Services Licence Version 10	Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
	Section Number	Clause Number				Controls	Compliance
189	Section 12	7.1.7	The licensee must publish, in a form agreed with the Department of Health, any other reports required by the Department of Health or required by a Memorandum of Understanding on the licensee's website, at a reporting frequency specified by the Department of Health.	4	Paxon confirms HW meets the requirements of this obligation	A	1
190	Section 12	Schedule 2	Service and performance standards	4		A	1
Licence Conditions – Water Services Code of Practice (Family Violence) 2020							
191	5(1)	4.1.1	The licensee must have a family violence policy that sets out the matters specified in clause 5(1).	4	Paxon confirms HW does not have a Family Violence as it is not required due to it not supplying potable water.	N/P	N/R
192	5(2)	4.1.1	The licensee must have a family violence policy before the end of the six-month period starting on either: 9 December 2020; or if the day of the grant of the licensee's licence is after 9 December 2020, the day of the grant of the licensee's licence	4	Refer to obligation 191	N/P	N/R
193	6	4.1.1	A licensee must publish its family violence policy on its website and provide a hard copy of the policy to a customer on request and at no charge.	4	Refer to obligation 191	N/P	N/R
194	7	4.1.1	A licensee must review its family violence policy at least once in every 5-year period,	4	Refer to obligation 191	N/P	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			and additionally, if directed to do so by the Minister.				
195	8(1)	4.1.1	A licensee must maintain adequate records in relation to compliance with this code or any policy made under the code. If the licensee is a government organisation, as defined in section 3(1) of the <i>State Records Act 2000</i> (WA), then records must be maintained in accordance with its obligations under that Act.	4	Paxon confirms that HW maintains and records its records appropriately that meets the conditions of this obligation.	A	1
196	8(2)	4.1.1	If the licensee is not a government organisation according to the <i>State Records Act 2000</i> (WA), a record that relates to a customer, must be retained for at least 7 years after the last communication between the licensee and the customer, or water services ombudsman. If the record does not relate to a customer, then the record must be kept for at least 7 years after the record is made.	4	Paxon confirms HW compliance with this obligation by having the appropriate policy and procedure documentation as per the HW Water Compliance register.	A	N/R
197	9	4.1.1	When a customer affected by family violence first contacts a licensee about a particular matter relating to the family violence, the licensee must inform the customer of the existence and operation of the licensee's complaints procedure under clause 46 of the Water Services Code of	4	N/P	N/P	N/R

Obligation Under:			Description	Audit Priority Rating (1=high, 5=low)	Observations & Recommendations	Ratings (as per Table 1)	
No.	Water Services Act 2012	Water Services Licence Version 10				Controls	Compliance
	Section Number	Clause Number					
			Conduct (Customer Service Standards) 2018.				
198	10	4.1.1	A licensee must ensure that its website contains a link that provides access to the current version of the code as it appears on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	Paxon confirms that HW met the requirements as per this obligation.	A	1

## 2.5 Previous Audit Recommendations

Table 2 Previous Audit Non-Compliances and Recommendations

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
<b>Operational Review</b>				
1/2020	<p>General observation across all compliance obligations:</p> <p>Licensee was assessed to have had weak controls during the Audit Period to help ensure compliance with its WL obligations. Finding regarding the existence of controls for each individual compliance obligation are included within this Table.</p>	<p>HW should implement a compliance register which records all its obligations in terms of the Water services legislation. This register should identify, per individual compliance obligation, appropriate policy and procedure documents and responsible employees.</p> <p>The ERA's document entitled: <i>"Water Compliance Reporting Manual - Water Services Act 2012 – May 2018"</i> may help HW in developing a framework for its own compliance register.</p>	<p>Implement the Compliance Register and breakdown into the sections relevant to each business area:</p> <ul style="list-style-type: none"> <li>- Works</li> <li>- Water Services</li> <li>- Administration</li> <li>- Governance</li> </ul> <p>Each Harvey Water relevant compliance area will identify relevant policy and procedures, register and responsible personnel.</p> <p>Monitor and review compliance register once per year (July) for:</p> <ul style="list-style-type: none"> <li>- Relevance</li> <li>- Evidence</li> <li>- Reviewed policy/procedures</li> <li>- New requirements</li> </ul>	<p>Paxon can confirm that during the review period HW has implemented this register and is being utilised.</p>
2/2020	<p><b>General observation across all compliance obligations:</b></p> <p>HW was assessed to have had weak controls during the Audit Period to help ensure compliance with its WL</p>	<p>HW should ensure its policy and procedure documents address its compliance obligations in appropriate detail. Thus, reference should be made to the actual legislative instrument(s) which is the source of each individual</p>	<p>Develop appropriate policies and procedures, where required, for compliance obligations identified in the compliance register.</p> <p>Monitor and review compliance register once per year (July) for:</p> <ul style="list-style-type: none"> <li>- Relevance</li> </ul>	<p>HW have implement these recommendations.</p>

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
	obligations. Findings regarding the existence of controls for each individual compliance obligation are included within this Table	compliance obligation when assessing the suitability of policy and procedure documents; and in particular, HW should focus on those compliance obligations, as included in its new compliance register, for which no appropriate policy or procedure documents exist (Uncovered Obligations). HW should compile and implement appropriate policy and procedure documents to help ensure compliance with the uncovered obligations included in its compliance register.	<ul style="list-style-type: none"> <li>- Evidence</li> <li>- Reviewed policy/procedures</li> <li>- New requirements</li> </ul>	
3/2020	WSL 3.1.1 WSA 129 Customer Service Charter	HW should update both its " <i>Customer Service Charter</i> " and RWS's " <i>Customer Service Charter</i> " to record its obligation in terms of section 129(5) of the Act. Both charters should record the obligation to give 48 hours' notice of proposed entry in instances where a routine inspection or maintenance is likely to cause disruption to the occupants of a place.	Revise and update the Customer Service Charters to record its obligation in terms of section 129(5) of the Act. Both charters should record the obligation to give 48 hours' notice of proposed entry in instances where a routine inspection or maintenance is likely to cause disruption to the occupants of a place.	Paxon can confirm that this has been completed.
4/2020	WSL3.1.1 WSA sect 139 Customer Service Charter	HW should update both its " <i>Customer Service Charter</i> " and RWS's " <i>Customer Service Charter</i> " to record its obligations in terms of section 139(3) of the Act. Both charters should record the	Revise and update the Customer Service Charters to record its obligations in terms of section 139(3) of the Act. Both charters should record the obligation to take all reasonable steps to give the owner prior notice if the licensee plans to remove or erect a fence or gate when exercising a works power conferred by the Act.	Paxon can confirm that this has been completed.

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
		<p>obligation to take all reasonable steps to give the owner prior notice if the licensee plans to remove or erect a fence or gate when exercising a works power conferred by the Act.</p>		
05/2020	WSL3.1.1 WSA sect 173/174 Customer Service Charter	<p>HW should update both its "<i>Customer Service Charter</i>" and RWS's "<i>Customer Service Charter</i>" to record its obligations in terms of section 173(4) of the Act. Both charters should record the obligations to give 48 hours' written notice of proposed entry to a place for doing works, when it is anticipated such entry would be likely to:</p> <ul style="list-style-type: none"> <li>• Cause disruption to the occupants of the place; or</li> <li>• Adversely affect the place.</li> </ul> <p>HW should update both its "<i>Customer Service Charter</i>" and RWS's "<i>Customer Service Charter</i>" to record its obligations in terms of section 174(1) of the Act. Both charters should record the obligation to provide written notice and to set out the purpose of the</p>	<p>Revise and update the Customer Service Charters to record its obligations in terms of section 173(4) of the Act. Both charters should record the obligations to give 48hours' written notice of proposed entry to a place for doing works, when it is anticipated such entry would be likely to:</p> <ul style="list-style-type: none"> <li>o Cause disruption to the occupants of the place; or</li> <li>o Adversely affect the place.</li> </ul> <p>And:</p> <p>To record its obligations in terms of section 174(1) of the Act. Both charters should record the obligation to provide written notice and to set out the purpose of the entry, including (if applicable) any work proposed to be carried out.</p>	Paxon can confirm that this has been completed.



No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
		entry, including (if applicable) any work proposed to be carried out.		
06/2020	WSL3.1.1 WSA sect 174 Notice for property owners for works	HW should in all instances give notice of entry to a place in writing. The timing of such notice is dependent on the reason for entry being: Section 173(4): in relation to entry to a place for the purposes of doing works, in the circumstances specified - 48 hours' prior to proposed entry to a place to the occupier or owner; and Section 174(3): entry of a place without having to give notice - when practicable, and when it will not compromise the reason for entry.	Revise and update Land Access procedure and develop document for landowner notices. Notice of Entry document to be updated to incorporate references to WSA: Section 173(4): in relation to entry to a place for the purposes of doing works, in the circumstances specified - 48 hours' prior to proposed entry to a place to the occupier or owner; and Section 174(3): entry of a place without having to give notice - when practicable, and when it will not compromise the reason for entry.	Paxon confirms that this has been completed.
7/2020	WSL3.1.1 WSA sect 218 Notice of Entry	HW should update its "Notice of Entry" forms to refer appropriately to its obligations regarding causing as little damage and harm as is possible during the exercise of a power under the Act, as stipulated in section 218(2) of the Act.	Revise and update Land Access procedure and develop document for landowner notices to incorporate references to WSA: Section 218(2) to cause as little damage and harm as is possible during the exercise of a power under the Act.	Paxon confirms that this has been completed.

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
8/2020	WSL3.1.1 WSA sect 218 Notice of Entry	HW should update its "Notice of Entry" forms to refer appropriately to its obligations regarding paying compensation to the extent that it is not practicable to make good physical damage caused during exercising a works power or a power of entry.	The Land Access procedure is to include reference to Section 218(3). This will be an internal document only so as not to create unreasonable expectations or opportunistic demands. Where Harvey Water has not been able to remedy any damage we would discuss covering costs of repair.	Paxon has reviewed this obligation this review period and is satisfied with the current process and position by HW in meeting this obligation.
9/2020	WSL3.1.1 WSR p4 div2 r26 Customer Service Charter	Both HW and RWS should update their "Customer Service Charters" to refer appropriately to their obligations regarding water meter tests findings. Their "Customer Service Charters" should specifically refer to the obligations, in cases where meters are found to be faulty, to adjust: <ul style="list-style-type: none"> <li>• Meter reading with which the owner or occupier is dissatisfied; and</li> <li>• Water service charges based on that meter reading.</li> </ul>	Revise and update the Customer Service Charters to reflect reference to the stipulations of regulation 26(5) of the 2013 Regulations for cases where meters are found to be faulty, to adjust: <ul style="list-style-type: none"> <li>• Meter reading with which the owner or occupier is dissatisfied; and</li> <li>• Water service charges based on that meter reading</li> </ul>	Paxon confirms that this has been completed.
10/2020	WSL 3.2.1 Compliance with regulation 4 (4) of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	HW should ensure that it pays the ERA's fees and charges within 30 days from the date of the notice containing those liabilities.	Accounts payable to ensure on time payment either by: 1. MYOB process immediately tag; or	Paxon confirms that HW meets its obligations during this review period.

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
-----	--	--------------------------	-------------------	------------------

2. If possible a Direct Debit arrangement

**Asset Management Review**

11/2020	<p>Asset Planning</p> <p>The AMP does not indicate the existence of the associated documents, nor does it address all the twelve key processes subject to this Asset Management Review. However, they should be briefly described and referenced in the AMP and its table of contents. Similarly, reference to the AMP should also be made in each of these documents.</p>	<p>That the AMP document be revised to address each of the twelve processes and effectiveness criteria outlined in Table 23 of the ERA's: "2019 Audit and Review Guidelines - Water Licences March 2019";</p> <p>That the AMP include - or at least summarises and references, all "stand alone" documents prepared for the management of HW's assets; and</p> <p>That each "stand alone" document also be referenced to the AMP.</p>	<p>Revise and update the Asset Management Plan (AMP) to incorporate recommendations where appropriate for the business:</p> <ol style="list-style-type: none"> <li>1. Check cross-references to other documents and check reverse cross-reference back to the AMP</li> <li>2. Refer to the audit guidelines and review the process descriptions and expected outcomes</li> <li>3. Address the Capex plan and 5 year opex/replex forward plan</li> </ol>	<p>Paxon confirms that this has not been met and is referred to as part of the current year recommendations within this report.</p>
12/2020	<p>Contingency Planning</p>	<p>That the Crisis Management and Communications Plan and Emergency Plan be amalgamated and included in the AMP;</p> <p>That HW conducts in-house workshops at which field staff discuss and define the implications, reporting and actions required to manage and minimize the effects a proposed asset malfunction or failure scenarios. The scenarios should be prepared by the Works Manager who should facilitate, rather than lead</p>	<p>Participate in annual Water corporation emergency scenario workshops.</p>	<p>Paxon confirms that this has not been met and is referred to as part of the current year recommendations within this report.</p>

No.	Adequacy of Controls and Compliance Rating / Legislative Reference Description	Auditor's Recommendation	Management Action	Auditor Comments
-----	--	--------------------------	-------------------	------------------

the discussions. Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed to participants.

Existing procedures should be amended if considered necessary. Workshops should be conducted twice yearly, each considering a major and one minor scenario; and

That in-house workshops include selected scenarios of Recommendation R10 of the 2016 Review e.g. dam outage/shutdown, pipe burst etc.

### 3. ASSET MANAGEMENT REVIEW

#### 3.1 Asset Management System Rating Scales

The asset management process and policy rating allocated to each asset management system component are set out in table below. These ratings were taken from the ERA’s document entitled: “2019 Audit and Review Guidelines - Water Licences – March 2019” and are as follows:

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

The asset management performance ratings allocated to each asset management system component are set out in Table 14 below. These ratings were taken from the ERA’s document entitled: “2019 Audit and Review Guidelines - Water Licences – March 2019” and are as follows:

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

### 3.2 Asset Management System: Ratings Summary

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

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	A	B	C	D	1	2	3	4
<b>1 Asset Planning - B2</b>									
1.1	Asset Management Plan covers key requirements;	4		√			√		
1.2	Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning;	4	√			√			
1.3	Service levels are defined;	4	√			√			
1.4	Non-asset options are considered;	2	√			√			
1.5	Life cycle costs of owning and operating the assets are assessed;	2	√			√			
1.6	Funding options are evaluated;	2	√			√			
1.7	Costs are justified, and cost drivers identified;	4	√			√			
1.8	Likelihood and consequences of asset failure are predicted; and	4	√			√			
1.9	Plans are regularly reviewed and updated.	4	√			√			
<b>2 Asset Creation and Acquisition - B2</b>									
2.1	Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions;	4	√			√			

Asset Management System	Review Priority Rating  (1 = High to 5 = Low)	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria		A	B	C	D	1	2	3	4
2.2	Evaluations include all lifecycle costs;	2	√			√			
2.3	Projects reflect sound engineering and business decisions;	2	√			√			
2.4	Commissioning tests are documented and completed; and	2		√			√		
2.5	On-going legal/environmental/safety obligations of the asset owner are assigned and understood.	4	√			√			
<b>3</b>	<b>Asset Disposal - A1</b>								
3.1	Under performing and underutilised assets are identified as part of a regular systematic review process;	4	√			√			
3.2	The reasons for underutilisation or poor performance are critically examined and corrective action or disposal undertaken;	4	√			√			
3.3	Disposal alternatives are evaluated; and	4	√			√			
3.4	There is a replacement strategy for assets.	4	√			√			
<b>4</b>	<b>Environmental Analysis - A1</b>								
4.1	Opportunities and threats in the system are assessed;	4	√			√			
4.2	Performance standards (availability of service, capacity,	2	√			√			



Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	A	B	C	D	1	2	3	4
continuity, emergency response etc.) are measured and achieved;									
4.3	Compliance with statutory and regulatory requirements; and	3	√			√			
4.4	Service standards (customer service levels etc.) are measured and achieved.	4	√			√			
<b>5</b>	<b>Asset Operations – A1</b>								
5.1	Operational procedures and policies are documented and linked to service levels required;	2	√			√			
5.2	Risk management is applied to prioritise operations tasks	4	√			√			
5.3	Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical/structural condition	4	√			√			
5.4	Accounting data is documented for assets;	2	√			√			
5.5	Operational costs are measured and monitored; and	4	√			√			
5.6	Staff resources are adequate, and staff receive training commensurate with their responsibilities.	2	√			√			
<b>6.</b>	<b>Asset Maintenance - A1</b>								

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	A	B	C	D	1	2	3	4
6.1	Maintenance policies and procedures are documented and linked to service levels required;	3	√			√			
6.2	Regular inspections are undertaken of asset performance and condition;	3	√			√			
6.3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule;	3	√			√			
6.4	Failures are analysed, and operation/maintenance plans are adjusted where necessary;	3	√			√			
6.5	Risk management is applied to prioritise maintenance tasks; and	2	√			√			
6.6	Maintenance costs are measured and monitored.	3	√			√			
<b>7.</b>	<b>Asset Management Information System - A1</b>								
7.1	Adequate system documentation for users and IT operators;	4	√			√			
7.2	Input controls include appropriate verification and validation of data entered into the system;	2	√			√			
7.3	Security access controls appear adequate, such as passwords;	4	√			√			
7.4	Physical security access controls appear adequate;	4	√			√			

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating							
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required				
Processes and Effectiveness Criteria		(1 = High to 5 = Low)				A	B	C	D	1	2	3	4
7.5	Data back-up procedures appear adequate and back-ups are tested;	4	√							√			
7.6	Key computations related to Licensee performance reporting are materially accurate;	4	√							√			
7.7	Management reports appear adequate for the Licensee to monitor licence obligations; and	4	√							√			
7.8	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	4	√							√			
<b>8. Risk Management - A1</b>													
8.1	Risk management policies and procedures exist and are being applied to minimise internal and external risk associated with the asset management system;	2	√							√			
8.2	Risks are documented in a risk register and treatment plans are actioned and monitored; and	2	√							√			
8.3	The probability and consequences of asset failure are regularly assessed.	4	√							√			
<b>9. Contingency Planning - C2</b>													
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	2				√					√		

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria		(1 = High to 5 = Low)							
		A	B	C	D	1	2	3	4

**10. Financial Planning - A1**

10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those;	4	√			√			
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs;	4	√			√			
10.3	The financial plan provides projections of operating statements (profit and loss) and statements of financial position (balance sheets);	2	√			√			
10.4	The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period;	2	√			√			
10.5	The financial plan provides for the operation, maintenance, administration, and capital expenditure requirements of the services; and	2	√			√			
10.6	Significant variances in actual/ budget income and expenses are identified and corrective action taken where necessary.	4	√			√			

**11. Capital Expenditure Planning - A1**

11.1	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates;	2	√			√			
------	---	---	---	--	--	---	--	--	--

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	A	B	C	D	1	2	3	4
11.2	The plan provides reasons for capital expenditure and timing of expenditure;	2	√			√			
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan; and	4	√			√			
11.4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	4	√			√			
<b>12.</b>	<b>Review of Asset Management System - A1</b>								
12.1	A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current; and	4	√			√			
12.2	Independent reviews (e.g., internal audit) are performed of the asset management system.	4	√			√			

### 3.3 Review Observations and Recommendations

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning	4	<p><u>Effectiveness Criterion:</u> Asset Management Plan covers key requirements.</p> <p><u>Observations:</u> The Asset Management Plan (AMP) adequately covers the twelve key requirements of HW's ERA licence, together with associated licences /agreements with Department of Health (DOH), Department of Water and Environmental Regulation (DWER) and Customer Service Charter.</p> <p>The AMP is presented as a draft document dated 18<sup>th</sup> June 2022 on the heading sheet but dated 15<sup>th</sup> April on the page footers.</p> <ul style="list-style-type: none"> <li>• Page 5 of the AMP refers to Audit Review Guidelines dated August 2019 instead of the present Guidelines dated August 2022.</li> <li>• The AMP includes Appendix A – Emergency Management Plan dated 15<sup>th</sup> June 2022 which applies to both HW's field operations and the office administration. Detailed comment on Appendix A is provided below in Item No.9 - Contingency Planning.</li> <li>• The initial thirty-three pages of Appendix A - Emergency Management Plan, repeat the headings and text of the main body of the AMP. Reviewer considers this repetition superfluous and should be corrected.</li> <li>• The Emergency Management Plan table of contents refers to Appendices D and E.</li> <li>• There appears to be no Appendix B or C in the documentation.</li> <li>• The AMP document has many large gaps in the body of the text. These should be deleted to render the document more compact.</li> <li>• The AMP does not address the assets associated with the Water Treatment Plant at the Kemerton Strategic Industrial Area, or the brine outfall from the RO plant to the ocean. Reviewer was advised that a decision on the ultimate ownership of these assets is pending. Inclusion of these assets in the existing or, a separate AMP is therefore also pending.</li> </ul> <p><b>Recommendation No. 1 - 2022</b> That the AMP should be carefully edited to address the following matters:</p>	C	2

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p>Correct issue date of the ERA Asset Management Guidelines.</p> <p>Remove the duplication of AMP text in the initial thirty-three pages of “Appendix A - Emergency Management Plan”,</p> <p>Clarify appendices listed in the table of contents of Appendix A</p> <p>Ensure that stand alone documents are included in or reference within the AMP</p> <p>Remove large gaps in text in the AMP and present as a final, rather than draft document.</p> <p><b>Recommendation No.2 - 2022</b></p> <p>That asset management documentation for the Albermarle Lithium water supply Treatment Plant and Saline Waste ocean outfall be prepared as a stand-alone document or included in the AMP as soon as possible.</p>		
		4	<p><u>Effectiveness Criterion:</u></p> <p>Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning.</p> <p><u>Observations:</u></p> <p>Both the documentation and implementation of HW’s planning reflect the needs of all stakeholders, including members and customers, ERA, other licensing authorities, local authorities - in whose reserves HW assets are located, and Main Roads Department whose reserves are crossed by access bridges and irrigation works.</p> <p>Business planning /promotion has been extensive over the review period.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>○ The planning and 2022 completion and operation of the potable and non-potable water supply to Albermarle Australia’s Lithium plant at Kemerton Strategic Industrial Area</li> <li>○ Provision in the design capacity of the above project’s eleven km saline water ocean outfall pipeline to accept effluent from Water Corporation’s nearby wastewater treatment plant.</li> <li>○ Discussion with a Food Processing company regarding the possibility of accepting and treating its process wastewater in the future.</li> </ul> <p>Planning and investigation of the proposed Collie to Coast project to pipe and extend the existing (open channel based) Collie Irrigation area. The project - which is expected to significantly reduce water loss from open channel evaporation and leakage, will include treatment of Wellington Dam source water to reduce salinity. HW intends seeking funding from both the State and Federal governments.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
		4	<p><u>Effectiveness Criterion:</u> Service levels are defined.</p> <p><u>Observations:</u> System performance indicators and targets are set out in Table 9 of the AMP. Service levels for customers are provided in the Customer Charter. Key Performance Indicators are reported to the Board monthly.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Non-asset options are considered.</p> <p><u>Observations:</u> Non-asset options are considered including delaying action to a specific non production period, reducing performance requirements, increased maintenance etc.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Life cycle costs of owning and operating the assets are assessed.</p> <p><u>Observations:</u> HW bases its present and future (three to five years) asset replacement strategy and cost estimates primarily on their condition and performance. Asset age is an important factor in assessing the available options for replacing or upgrading assets. However, present and long-term replacement costs of assets are not based solely on asset age. Reviewer considers this approach appropriate</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Funding options are evaluated.</p> <p><u>Observations:</u> HW does not borrow externally to fund projects or its operations. Funds are sourced from income and/or its substantial reserves.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Costs are justified, and cost drivers identified.</p> <p><u>Observations:</u> Costs estimates are prepared using information from earlier projects, supplier quotes and advice of consultants as appropriate. Cost drivers are determined in comparing</p>	A	1



No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			estimates and practicality of competing options. eg, comparing the costs and practicality of constructing the WTP brine outfall in open trench or a drilled tunnel.		
		4	<p><u>Effectiveness Criterion:</u> Likelihood and consequences of asset failure are predicted.</p> <p><u>Observations:</u> The likelihood and consequence of asset failures are addressed in the annual review of overall risk analysis. The likelihood and consequences of failure are also addressed in comparison of competing options for asset creation, delaying maintenance or replacement during a non-production period.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Plans are regularly reviewed and updated.</p> <p><u>Observations:</u> Plans are reviewed and updated as required during the annual review process. Reviewer noted review dates on the AMP and associated procedure documentation.</p>	A	1
2	Asset Creation and Acquisition	4	<p><u>Effectiveness Criterion:</u> Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions.</p> <p><u>Observations:</u> HW document “Asset Creation” (reviewed April 2022) sets out the policy of the Board and the requirements for approval of both Capital and Operational asset acquisition. These include the project initiator conducting: Engineering Investigation of options available, cost estimates and initial authority approvals followed by</p> <ul style="list-style-type: none"> <li>• Assessment of viability and funding source</li> <li>• Presentation to and approval of the Board</li> <li>• Creation and Acquisition of <b>Capital Works</b> in excess of \$2 Million must receive Board approval. <b>Operational Works</b> requires verification by the Operations Manager if the cost is less than \$50,000. If exceeding \$50,000, approval of the CEO may also be required. Where such works are requested by customers, the project will be assessed by the Operations Manager and may proceed following a connection agreement with the customer and his payment of connection costs.</li> </ul>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<ul style="list-style-type: none"> <li>• Reviewer was briefed on the application of the procedures applied prior to approval of construction of the eleven-kilometre brine ocean outfall pipeline from Kemerton Strategic Industrial Area</li> <li>• The procedures outlined above and briefing received indicate appropriate and adequate documentation and process.</li> </ul>		
		2	<p><u>Effectiveness Criterion:</u> Evaluations include all lifecycle costs.</p> <p><u>Observations:</u> HW bases its present and future (three to five years) asset replacement strategy and cost estimates primarily on asset condition and performance. Asset age is an important factor in assessing the available options for replacing or upgrading. However, present and long-term replacement costs of assets is not based solely on asset age. Reviewer considers this approach - in conjunction with continuous assessment of asset condition and performance, is appropriate.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Projects reflect sound engineering and business decisions.</p> <p><u>Observations:</u> Reviewer was briefed on the project evaluations of the brine outfall and reverse osmosis water treatment plant at Kemerton Strategic Industrial Area – and was conducted on an inspections tour of both projects. Sound engineering and business decisions by HW and its consultants were evident in evaluation and implementation of both projects.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Commissioning Tests are documented and implemented.</p> <p><u>Observations:</u> Reviewer was advised that project tender / contract documents prepared for HW by consultants include requirements for commissioning tests. The requirement for testing and commissioning was noted in contract documents for the Water Treatment Plant and the brine outfall pipeline. Standards Association of Australia (SAA) General</p>	B	2

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p>Conditions of Contract - which are included in contract documents, refer to testing/commissioning.</p> <p>Reviewer understands that standard individual assets purchased directly for a specific performance requirement (eg valves, meters etc) are tested operation and compliance.</p> <p>However, there is no overall requirement for undertaking commissioning in the AM documentation.</p> <p>HW should include a general requirement for appropriate testing/commissioning in the AMP.</p>		
		4	<p><u>Effectiveness Criterion:</u></p> <p>On-going legal/environmental/safety obligations of the asset are assigned and understood.</p> <p><u>Observations:</u></p> <p>Ongoing legal/environmental/safety obligations of the asset are assigned to and understood by the Operations Manager of HW and accepted by the HW Board.</p>	A	1
3	Asset Disposal	4	<p><u>Effectiveness Criterion:</u></p> <p>Under performing and under-utilised assets are identified as part of a regular systematic review process.</p> <p><u>Observations:</u></p> <p>HW document "Asset Disposal" (reviewed April 2022) sets out the policy of the Board and the procedures for approval to dispose of assets.</p> <p>Under performing and under-utilised assets are identified and documented as part of weekly operations and maintenance practises and annual condition assessments.</p> <p>Reviewer viewed proforma "Future Asset Maintenance Reports" These reports are submitted by field staff involved in operations, water delivery, meter reading etc. These reports are considered at weekly management meetings where maintenance / replacement/ disposal options are considered, prioritised and recorded in the Asset Management System (AMS) as works to be attended during the forthcoming ninety days.</p> <p>The approaching the end of asset's operating life contribute to the assessment of options.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
		4	<p><u>Effectiveness Criterion:</u> The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.</p> <p><u>Observations:</u> The reason for assets being reported as under-utilised, or under-performing are examined to determine the costs and practicability of their re-location, repair, replacement, retention as spares, or disposal. Subsequent action is authorised by the Operations Manager, or submitted to the Board if its approval is required. The procedure specifies the requirements for listing action undertaken to be include in the asset register for effected assets</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Disposal alternatives are evaluated.</p> <p><u>Observations:</u> The procedure addresses a range of disposal actions including, sale for scrap, filling in or transfer to the Water Corporation or others in the case of open channels, relocation to another use as a component of an existing asset or placement in store as a spare part or unit. The procedure specifies the requirements for removing the asset listing from the asset register and the approach taken in adjusting/recording the financial outcome of disposal.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> There is a replacement strategy for assets.</p> <p><u>Observations:</u> The AMP states “In the development of projects (new assets) Harvey Water applies the following guidelines”:</p> <ul style="list-style-type: none"> <li>• Project evaluation.</li> <li>• Benchmark alternatives.</li> <li>• Asset whole of life cycle.</li> <li>• Compliance with environmental, safety and legal standards.</li> <li>• Cost effectiveness of the solution.</li> </ul>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<ul style="list-style-type: none"> <li>• Service delivery improvements as outcomes of the project</li> </ul> <p>Reviewer was advised that condition and performance are the main drivers of asset disposal/replacement decisions. The age of assets is supplementary, rather than the prime factor in HW's asset replacement strategy.</p> <p>Reviewer considers the above approach appropriate.</p>		
4	Environmental Analysis	4	<p><u>Effectiveness Criterion:</u> Opportunities and threats in the system are assessed.</p> <p><u>Observations:</u> Opportunities and threats were assessed as part of the 2021 – 2025 Strategic Plan and are on-going.</p> <p>Examples of opportunities identified and investigated further include. Piping of the Collie River Irrigation District currently served by open channels, Further development of the groundwater field, water treatment and distribution system to service existing and potential customers within the Kemerton Strategic Industrial Area.</p> <p>Threats to the system are evaluated during assessment and review of operational, legislative, environmental and public health risks associated with HW services. Where appropriate, procedures are formulated, implemented and included in the Risk Matrix sheets for the mitigation of risks from such threats and /or strategies for their avoidance.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Performance standards (availability of service, capacity, continuity, emergency response etc.) are measured and achieved.</p> <p><u>Observations:</u> Performance standards are set out in the AMP and HW customer charter. Performance against these standards is reported quarterly and annually in compliance reports to ERA. and other licensing authorities including Dept of Health and DWER. Achievement of Performance standards set out in the Customer Charter are reported to the Annual meeting of cooperative member</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Compliance with statutory and regulatory requirements.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p><u>Observations:</u>                      Except on one occasion during Covid when a staff member was unavailable to undertake sampling - and another when a sample was delivered late by the courier service, review of the above reports indicates that HW had a 100% compliance record during the current review period.</p>		
		4	<p><u>Effectiveness Criterion:</u>                      Service standards (customer service levels etc.) are measured and achieved.</p> <p><u>Observations:</u>                      Service levels are continuously monitored by the management team and corrective action taken as necessary. The levels of service achieved are reported to the Board and cooperative members at the AGM.</p>	A	1
5	Asset Operations	2	<p><u>Effectiveness Criterion:</u>                      Operational procedures and policies are documented and linked to service levels required.</p> <p><u>Observations:</u>                      HW's operations are undertaken by three separate groups as follows:</p> <ul style="list-style-type: none"> <li>• Works headed by the Works Manager and his team - which is responsible for undertaking /managing all new works, maintenance and repairs This area of operations is addressed in the following section - 6 Asset Maintenance; and</li> <li>• Water Services headed by the Water Services Manager and his team of water controllers. Responsibilities and procedures are set out in the Water Procedures Manual. These include planning, coordinating and delivery of watering orders, monitoring the performance of the system, together with reporting on asset condition, performance, repairs, maintenance required and asset failures. When the irrigation season ends, controller staff are transferred to the Works Manager's team. As preparations for the subsequent watering season commence, they resume their water controller duties.</li> </ul> <p>HW's Water Procedures Manual provides detailed instructions on:</p> <ul style="list-style-type: none"> <li>• Procedures for preparing irrigation areas in readiness for the watering season. These include checks of major structures, jacks and doors, together with checks and maintenance of all metering devices and flushing of channel;</li> <li>• Checks and maintenance required during the watering season are similarly addressed.</li> </ul>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<ul style="list-style-type: none"> <li>Detailed instructions are provided for taking and coordinating water orders using the BOB and SCADA software, and the use of security cameras located at major structures; and</li> <li>Instructions for water controllers during and following water delivery e.g. checking water levels in channels, flows rates to customers, weather forecasts.</li> <li>All water controllers are issued with mobile phones and tablets to allow their water services reporting and responses duties to be undertaken in the field, at home, or in the office.</li> </ul> <p>The Water Services Manager was on sick leave during the site visit. He had previously provided Reviewer with a demonstration of the online water ordering, SCADA and site VNC viewer system operations, together with examples of water controllers reports on the operation and condition of assets, plus repair/maintenance requirements. The Water Services Manager subsequently advised that the system was unchanged from previously.</p> <p>The documentation and coordination of water services provision are considered excellent.</p> <p><b>Potable and Industrial Water Services:</b> This area of HW operations involves the relatively recent development of major facilities to supply potable and non-potable water to the Abermarie Lithium Processing Plant within the Kemerton Strategic Industrial Area. The facilities include:</p> <ul style="list-style-type: none"> <li>Operation and maintenance of supply bores, filtration chlorination and pH correction to render the bore water supply potable.</li> <li>Reverse osmosis treatment applied to the raw irrigation water to render it suitable for boiler feed, safety showers and other uses other than drinking. Operations also include storage of treated water and disposal of brine backwash water from the treatment plant via a recently constructed pipeline to the Indian Ocean</li> <li>The contract for the Water Treatment Plant and brine outfall pipeline are currently under maintenance. The contractor, MAK Water Services Ltd has provided operations, inspection and maintenance manuals, together with remote operational and monitoring software for the WTP and Brine outfall pipeline. MAK is currently training HW operators of the plant. A MAK representative in company with HW operators undertakes condition and performance checks on the WTP and reports on a quarterly and annual basis.</li> <li>HW's Operators undertake daily operation, checks of the plant and sample and submit various process streams for laboratory analysis.</li> </ul>		

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
		2	<p><u>Effectiveness Criterion:</u> Risk management is applied to prioritise operations tasks.</p> <p><u>Observations:</u> HW policy requires consideration of risks in prioritising all areas of operations, and maintenance.</p> <p>The overall range of risks and consequences are set out in the Risk Section of the AMP - including those which affect water supply, HW personnel, the public, the environment, authority services and Licence conditions</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical/structural condition and accounting data.</p> <p><u>Observations:</u> The Asset Register is a separate stand-alone section of the Asset Management System, (AMS) software designed specifically for HW. The software suite is referred to in the Asset Management Plan.</p> <p>Reviewer was provided with a demonstration of the AMS, its Asset Register and various outputs including asset type, location, material, installation date, condition, performance, and maintenance history.</p> <p>A decision is pending on whether the Kemerton Water system and brine outfall will reside within HW, SWIAC, or a separate entity. Therefore, at present, assets associated with the Kemerton Strategic Industrial Area water supply eg. supply bores, treatment plant water storages and brine outfall to the Indian Ocean are not included in the asset register.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Accounting data is documented for assets.</p> <p><u>Observations</u> Accounting data for each asset (operations, maintenance, repairs etc) is collected and consolidated in HW's custom designed Asset Management System software linked to HW's financial package MYOB.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Operational costs are measured and monitored.</p>	A	1



No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p>Observations:</p> <p>Overall operating costs are determined by the Finance Officer monthly and reported to management for comparison with monthly and year to date budget provisions. Significant variations from budget provisions are noted and corrective action taken where appropriate.</p>		
		2	<p><u>Effectiveness Criterion:</u></p> <p>Staff resources are adequate, and staff receive training commensurate with their responsibilities.</p> <p><u>Observations:</u></p> <p>A current organisation chart was noted, together with documentation of duties and responsibilities individual management staff. Staff resources are considered adequate.</p> <p>Reviewer was provided with a copy of HW' detailed staff training and certifications matrix. Recording of training and arrangement of new training and re-training for all staff is undertaken by the staff WHS officer.</p> <p>Manuals and / or procedure notes and internal training is provided for the use of software suites including "BOB Production", "MAP", "SCADA, Water Delivery, Bookings" etc. "AMS" (Asset Management System) and "MYOB"</p>	A	1
6	Asset Maintenance	2	<p><u>Effectiveness Criterion:</u></p> <p>Maintenance policies and procedures are documented and linked to service levels required.</p> <p><u>Observations:</u></p> <p>HW Asset Maintenance policies and procedures are well documented in the AMP. Historical records of maintenance undertaken on each asset are maintained in the Asset Register of the Asset Maintenance Information System (AMS). Programmed future maintenance is also entered for each asset.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Regular inspections are undertaken of asset performance and condition.</p> <p><u>Observations:</u></p> <p>Weekly checks of asset condition and performance are undertaken by area controllers and office staff when reading meters. HW requires area controllers and meter readers</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p>to complete and submit proforma standard FAM (Future Asset Report) sheets weekly (or earlier if a serious matter arises).</p> <p>FAMs contain some eighty check boxes relating to eight asset groups to be inspected.</p> <p>FAMs also have provision for listing assets in poor condition, under performance together with suggestion for maintenance, replacement, estimate cost etc.</p>		
		2	<p><u>Effectiveness Criterion:</u> Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.</p> <p><u>Observations:</u> Emergency maintenance procedures are documented in Appendix A Emergency Maintenance Plan of the AMP.</p> <p>Corrective maintenance is identified from inspection / reports of underperforming or damaged assets. Corrective action normally involves repair, refurbishment or replacement. Corrective action is entered into the forward maintenance program and the Asset Register</p> <p>Preventative maintenance results from weekly and ad hoc inspection of asset condition and performance as above.</p> <p>Emergency and preventative maintenance is entered into the forward maintenance program weekly.</p> <p>All maintenance is prioritised based on risk and consequences, seasonal timing, staff and maintenance contractor availability.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> Failures are analysed, and operation/maintenance plans are adjusted where necessary.</p> <p><u>Observations:</u> Failures and available options for mitigation are investigated - including repair, refurbishment, replacement, associated risk, consequences, cost and timing.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Risk management is applied to prioritise maintenance tasks.</p> <p><u>Observations:</u></p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
		2	<p>Risk assessment and management processes are applied to all areas of HW operations - including input to prioritising maintenance, operating practises, new assts selection, and safety of staff and the public.</p> <p><u>Effectiveness Criterion:</u> Maintenance costs are measured and monitored.</p> <p><u>Observations:</u> Maintenance costs form part of the overall operating costs determined monthly by the Finance Officer and reported to management for comparison with monthly and year to date maintenance budget provisions. Significant variations from budget provisions are noted and corrective action taken where appropriate.</p>	A	1
7	Asset Management Information System	4	<p><u>Effectiveness Criterion:</u> Adequate system documentation for users and IT operators.</p> <p><u>Observations:</u> HW provides manuals and /or procedures for staff operating asset management software. Staff using the software advised that system documentation is adequate and that additional tuition from other users is available if required.</p> <p>The following software packages are used in connection with management of assets.</p> <p><b>“BOB Production”</b> – Management of customer relations, water orders, meter reading, share transfers.</p> <p><b>“MAP” System</b> – Mapping of the irrigation area, customer details, service location and dimensions</p> <p><b>“SCADA”</b> software which allows digital and visual monitoring and control of the irrigation system. The SCADA incorporates custom designed software which accepts farmer watering orders and - in the case of the Collie Irrigation District, automatic control of source draw and channel level in channels appropriate to each day’s watering program.</p> <p><b>“Asset Management System”</b> - custom designed software which includes a detailed asset register, maintenance schedule, outstanding jobs list and sign-off on completion of each job. The software allows management to issue specific job orders (for repair, ad hoc and programmed maintenance) to contractors and HW maintenance staff. Job completion sheets specify materials used and hours spent - allowing running job costs to be prepared and monitored. This software requires one on one training in house.</p> <p><b>“MYOB”</b> – A financial package used for tracking and reporting on all costs incurred by HW in connection with its operations. Capability includes assessment of financial</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			position (balance sheet, profit and loss) comparison of current and budget expenditure on administration, operations and maintenance, capital works etc.		
		2	<p><u>Effectiveness Criterion:</u> Input controls include appropriate verification and validation of data entered into the system.</p> <p><u>Observations:</u> Input controls include spot checking and validation checking of entries by other staff. eg noting incomplete work orders. Significant discrepancies between new and historical data are highlighted by the software and checked/ verified. Back-ups are performed daily to the office of Phoenix - HW's IT consultant in Bunbury. Back-ups are verified and recovery confirmed.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Security access controls appear adequate, such as passwords.</p> <p><u>Observations:</u> Access to specific software is limited to staff whose duties necessitate its use. Access to the software is by password and is considered adequate.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Physical security access controls appear adequate.</p> <p><u>Observations:</u> The server is kept in a locked room. The key is held by a nominated member of the administrative staff. The office building is kept locked outside business hours. and generally during business hours. Visitors are admitted after operating an external door alarm. Staff entry is facilitated via an external key tag pad.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Data back-up procedures appear suitable and back-ups are tested.</p> <p><u>Observations:</u></p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			Back-ups are performed daily to the office of Phoenix - HW's IT consultant in Bunbury. Back-ups are verified and recovery confirmed.		
		4	<p><u>Effectiveness Criterion:</u> Computations for Licensee performance reporting are accurate.</p> <p><u>Observations:</u> Data is obtained from the various performance records and input to the computations for the relevant performance reports. Reports are considered accurate.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Management reports appear adequate for the Licensee to monitor licence obligations.</p> <p><u>Observations:</u> Management reports on all aspects of operations, testing, performance, works progress etc are used to monitor HW's Water Licence and DOW Groundwater obligations and those associated with its MOU with the Department of Health Quarterly and annual reports are provided to ERA, DWER and DOH detailing HW's performance regarding their obligations to each Authority</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.</p> <p><u>Observations:</u> The server is kept in a locked room. The key is held by a nominated member of the administrative staff. All external doors of the office building are kept locked and are keypad controlled.</p>	A	1
8	Risk Management	2	<p><u>Effectiveness Criterion:</u> Risk management policies and procedures exist and are applied to minimise internal and external risk associated with the asset management system.</p> <p><u>Observations:</u> HW's Policy Manual provides details of its policy on risk evaluation and acceptable levels of risk associated with various areas of its operations and administration. HW undertakes risk assessment in accordance with ISO 31000:2018 Appendix B of the AMP contains significant documentation on the areas and</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			consequences of risk associated with HW administration and operations.		
		2	<p><u>Effectiveness Criterion:</u> Risks are documented in a risk register and treatment plans are actioned and monitored.</p> <p><u>Observations:</u> The 2022 risk register (in tabular format) prepared for submission to the 2023 annual review group was provided to Reviewer. The register identifies forty-three risks together with associated consequences, inherent risk, current controls, acceptance or otherwise of residual risk, together with HW action plans for risk reduction if appropriate.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> The probability and consequences of asset failure are regularly assessed.</p> <p><u>Observations:</u> The asset register discussed above sets out the probability of failure and the frequency of testing of controls - which vary from ongoing, daily, monthly. Review of controls was noted to vary from ongoing and monthly to annually, depending on the assessed consequence and level of risk.</p>	A	1
9	Contingency Planning	2	<p><u>Effectiveness Criterion:</u> Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</p> <p><u>Observations:</u> The text of Contingency Planning in the AMP is not relevant as it is brief and addresses mainly activities undertaken by HW that mitigate against a contingency occurring. Also, Sub-headings related to channels and pipelines have no textual content. On the other hand, Appendix A – “<i>Emergency Management Plan</i>” of the AMP is a fully developed contingency plan which addresses:</p> <ul style="list-style-type: none"> <li>• The role and responsibility of the CEO, On-Scene Coordinator and HW employees.</li> <li>• The response, Critical Incident team and Emergency Resources.</li> </ul>	C	2

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<ul style="list-style-type: none"> <li>Detailed approach to emergencies associated with Fire, Flood, Injury, Vehicles, Chemical spill, Fall from height, Electric Shock/ Lightning, Muster Points and Evacuation</li> <li>Names and contact details of primary and secondary HW staff for operations, health &amp; safety, first aid and fire warden, together with Harvey Medical Group, Hospital, DEFS, Ambulance and Police.</li> </ul> <p>Reviewer considers that text related to Contingency planning in the AMP should be replaced with a reference to Appendix A - “<i>Emergency Management Plan.</i>”</p> <ul style="list-style-type: none"> <li>Reviewer notes that Recommendation Nos R10 of the 2016 review and 12/2020 of the 2019 review regarding conduct of in-house workshops has not been implemented.</li> </ul> <p><b>Recommendation No. 3 – 2022</b></p> <p>That text related to Contingency planning in the AMP should be replaced with a reference to Appendix A - “Emergency Management Plan. That the recommendations R10 of the 2016 review and 10/2019 of the 2020 review be implemented</p>		
10	Financial Planning	4	<p>Effectiveness Criterion: The financial plan states the financial objectives and identifies strategies and actions to achieve those.</p> <p><u>Observations</u> The financial plan’s basic objectives are to ensure that sufficient current and ongoing funds are available to ensure the ongoing operation, maintenance and financial security of the water services provision</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> The financial plan identifies the source of funds for capital expenditure and recurrent costs.</p> <p><u>Observations:</u> The Licensee - South West Irrigation Management Cooperative (HW) manages and operates the business on behalf of the South West Irrigation Asset Cooperative Limited (SWIAC). SWIAC owns the assets and is responsible to cooperative members for the overall water supply business. HW charges the SWIAC a fee for its management and operation of the water supply. The two entities have an agreement for adjusting funds expended by each on behalf of the other.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			<p>The source of funds for capital expenditure on asset maintenance is SWIAC’s Asset Maintenance &amp; Renewal Fund – which holds more than of \$ 25 million. The financial plan is based on self-funding rather than borrowing.</p>		
		2	<p><u>Effectiveness Criterion:</u> The financial plan provides projections of operating statements (profit and loss) and statements of financial position (balance sheets).</p> <p><u>Observations:</u> Budget estimates provided predict profit and loss and balance sheet values on a month by month basis.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period.</p> <p><u>Observations:</u> HW is awaiting the approval of the Collie to Coast project - which is expected to cost in the order of \$350-\$400 million over a period of ten years – after which it will become cash positive. HW expects to contribute some 25% of the cost and will seek State and Federal funding in the order of 25% and 50% respectively. The project if it proceeds will dominate HW expenditure over many years of construction and implementation.</p> <p>Therefore, the financial plan for its current potable and non-potable water licenses provides firm predictions of monthly “<i>Profit and Loss and Balance Sheet</i>” for the forthcoming year only. In addition, longer term estimates of annual “<i>Profit and Loss</i>” have been prepared for the forthcoming twelve years.</p> <p>Reviewer considers this approach appropriate.</p> <p>HW advised Reviewer that it has also prepared an interim annual profit and loss estimate of the Collie to Coast project over a thirty-years period. This estimate has been included in HW’s submission to Government.</p> <p><b>Recommendation No.4 - 2022</b></p> <p>Irrespective of the influence of the Collie to Coast project, HW should prepare a five-year financial plan incorporating reasonable estimates of income and expenditure for its existing water supply businesses.</p>	A	1



No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
		2	<p><u>Effectiveness Criterion:</u> The financial plan provides for the operation, maintenance, administration, and capital expenditure requirements of the services.</p> <p><u>Observations:</u> The financial plan reviewed provides for all operating costs for the current year (2022/23). Preparation of the 2023/24 budget has commenced.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Large variances in actual/ budget income and expenses are identified and corrective action taken where necessary.</p> <p><u>Observations:</u> Overall operating costs are determined monthly by the Finance Officer and reported to management for comparison with monthly and year to date budget provisions. Significant variations from budget provisions are noted and corrective action taken where appropriate</p>	A	1
11	Capital Expenditure Planning	2	<p><u>Effectiveness Criterion:</u> There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.</p> <p><u>Observations:</u> The Capital Expenditure (CAPEX) forecast for 2022/23 (detail) together with 2023/24 and 2024/25. Provides details of the CAPEX items, reason for selection and months when implementation is intended.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u> The plan provides reasons for capital expenditure and timing of expenditure.</p> <p><u>Observations:</u> As stated above.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.</p> <p><u>Observations:</u></p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
			Reviewer was advised that condition and performance are the main drivers of asset disposal/replacement decisions. The age of assets is supplementary, rather than the prime factor in HW's asset replacement strategy. Therefore, assets that have not reached their assigned life may be replaced due to poor condition or performance. Similarly, other asset may be retained beyond their life if performing adequately.		
		4	<p><u>Effectiveness Criterion:</u> There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.</p> <p><u>Observations:</u> Poor condition and /or performance of assets is reported weekly. Those to be replaced are recorded in AMS. The list of assets for replacement is reviewed monthly and replacement priority and dates varied as appropriate.</p>	A	1
12	<b>Review of the Asset Management System</b>	4	<p><u>Effectiveness Criterion:</u> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</p> <p><u>Observations:</u> The Asset Management System is reviewed annually by the Production Manager. Significant documentation provided for this review was signed off by the Production Manager during 2022.</p>	A	1
		4	<p><u>Effectiveness Criterion:</u> Independent reviews (e.g., internal audit) are performed of the asset management system.</p> <p><u>Observations:</u> Independent reviews have been undertaken previously by AMO which also has conducted HW financial audits. In future, reviews of the asset management system will be continued by RSM as part of an overall review of HW operations.</p>	A	1

### 3.4 Current Review: Asset Management System Deficiencies and Recommendations

Current Review: Asset Management System Deficiencies and Recommendations			
A. Resolved During Current Review Period			
Reference	Rating	Date Resolved	HW Action taken by end of audit period
	Asset Management Process and Effectiveness Criterion	Reviewer's Recommendation	
	Details of Deficiency		
1/2022	<ul style="list-style-type: none"> <li>• Rating: B 2;</li> <li>• Process: Asset Planning;</li> <li>• Effectiveness criterion: Asset Management Plan covers key requirements; and</li> </ul> <p><u>Details:</u> The Asset Management Plan (AMP) adequately covers the twelve key requirements of HW's ERA licence, together with associated licences /agreements with Department of Health (DOH), Department of Water and Environmental Regulation (DWER) and Customer Service Charter.</p> <p>The AMP is presented as a draft document dated 18th June 2022 on the heading sheet but dated 15th April on the page footers.</p> <ul style="list-style-type: none"> <li>• Page 5 of the AMP refers to Audit Review Guidelines dated August 2019 instead of the present Guidelines dated August 2022.</li> <li>• The AMP includes Appendix A – Emergency Management Plan dated 15th June 2022 which applies to both HW's field operations and the office administration. Detailed comment on Appendix A is provided below in Item No.9 - Contingency Planning.</li> <li>• The initial thirty-three pages of Appendix A - Emergency Management Plan, repeat the headings and text of the main body of the AMP. Reviewer considers this repetition superfluous and should be corrected.</li> </ul>	<p><b>Recommendation No. 1 - 2022</b></p> <p>That the AMP should be carefully edited to address the following matters:</p> <ul style="list-style-type: none"> <li>• Correct issue date of the ERA Asset Management Guidelines.</li> <li>• Remove the duplication of AMP text in the initial thirty-three pages of "Appendix A - Emergency Management Plan",</li> <li>• Clarify appendices listed in the table of contents of Appendix A</li> <li>• Ensure that stand alone documents are included in or reference within the AMP</li> <li>• Remove large gaps in text in the AMP and present as a final, rather than draft document.</li> </ul>	

**Current Review: Asset Management System Deficiencies and Recommendations**

- The Emergency Management Plan table of contents refers to Appendices D and E.
- There appears to be no Appendix B or C in the documentation.

The AMP document has many large gaps in the body of the text. These should be deleted to render the document more compact.

Rating: Not Applicable  
 Process: Asset Planning  
 Effectiveness criterion: Not Applicable

Details:

Asset Management Plan covers key requirements.

2/2022

The AMP does not address the assets associated with the Water Treatment Plant at the Kemerton Strategic Industrial Area, or the brine outfall from the RO plant to the ocean. Reviewer was advised that a decision on the ultimate ownership of these assets is pending. Inclusion of these assets in the existing or, a separate AMP is therefore also pending.

**Recommendation No.2 - 2022**

That asset management documentation for the Albermarle Lithium water supply Treatment Plant and Saline Waste ocean outfall be prepared as a stand-alone document or included in the AMP as soon as possible.

Rating: C 2:  
 Process: Contingency Planning  
 Effectiveness criterion: Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.

Details:

Observations:

3/2022

The text of Contingency Planning in the AMP is not relevant as it is brief and addresses mainly activities undertaken by HW that mitigate against a contingency occurring. Also, Sub-headings related to channels and pipelines have no textual content.

On the other hand, Appendix A – “Emergency Management Plan” of the AMP is a fully developed contingency plan which addresses:

**Recommendation No. 3 – 2022**

That text related to Contingency planning in the AMP should be replaced with a reference to Appendix A - “Emergency Management Plan.”

That recommendation No. R10 of the 2016 review and 12/2020 of the previous 2019 review regarding conduct of in-house workshops be implemented.

**Current Review: Asset Management System Deficiencies and Recommendations**

- The role and responsibility of the CEO, On-Scene Coordinator and HW employees.
- The response, Critical Incident team and Emergency Resources.
- Detailed approach to emergencies associated with Fire, Flood, Injury, Vehicles, Chemical spill, Fall from height, Electric Shock/ Lightning, Muster Points and Evacuation
- Names and contact details of primary and secondary HW staff for operations, health & safety, first aid and fire warden, together with Harvey Medical Group, Hospital, DEFS, Ambulance and Police.

Reviewer considers that text related to Contingency planning in the AMP should be replaced with a reference to Appendix A - "Emergency Management Plan."

Reviewer noted that Recommendation No R10 of the 2016 review and 12/2020 of the previous 2019 review regarding conduct of in-house workshops have not been fully implemented

**This recommendation replaces issues of Recommendation No.10/2020 of the 2019 Asset Management Review - which have not been implemented.**

Rating: C 2;

Process: Contingency Planning

Details (From recommendation No.12/2020 of the 2019 Asset Management Review – Not Implemented)

Relevant Observations

4/2022

Staff in the field have a sound knowledge of the system - due to their involvement on a daily basis in its operation and Maintenance. HW should conduct in-house workshops at which field staff discuss and define the implications, reporting and actions required to manage and minimize the effects of asset malfunction or failure scenarios. The scenarios should be prepared by the Works Manager who should facilitate, rather than lead the discussions. Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed

**Recommendation No.4**

That HW conducts in-house workshops at which field staff discuss and define the implications, reporting and actions required to manage and minimize the effects a proposed asset malfunction or failure scenarios. The scenarios should be prepared by the Works Manager who should facilitate, rather than lead the discussions.

Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed to participants. Existing procedures should be amended if considered necessary. Workshops should be conducted twice yearly, each considering a major and one minor scenario.

That in-house workshops include selected scenarios of Recommendation R10 of the 2016 Review e.g. dam outage/ shutdown, pipe burst etc.

**Current Review: Asset Management System Deficiencies and Recommendations**

to participants. Existing procedures should be amended if considered necessary. It is suggested that workshops be conducted twice yearly, each considering a major and one minor scenario.

# APPENDIX A

## KEY DOCUMENTS, LICENCEE'S REPRESENTATIVES, AUDIT REVIEW TEAM

### Key Documents and Other Information Reviewed

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

- ERA: 2019 Audit and Review Guidelines - Water Licences – March 2019
- Paxon Group: Audit Report – Performance Audit and Asset Management Review –dated June 2020;
- ERA: 2019 Audit and Review Guidelines - Water Licences – August 2022;
- DOWR Water Extraction Licence No.205791
- Memorandum of Understanding Between Department of Health and South-West Irrigation Cooperative Limited - Drinking Water, 2019
- Paxon Audit and Review Report – HW operational audit and asset management system review – dated June 2020;
- ERA: Water Services Licence – HW – WL31, version 7, 8 January 2018;
- ERA: Water Services Licence – HW – WL31, version 8, 1 May 2020;
- ERA: Water Services Licence – HW – WL31, version 9, 27 August 2020;
- ERA: Water Services Licence – HW – WL31, version 10, 1 June 2021
- ERA: Water Services Licence – HW – WL31, version 11, 3 December;2021
- ERA: Water Services Licence – HW – WL31, version 12, 13 June 2022;
- HW: Annual Reports for 2019/2020, 2020/2021 and 2021/2022;
- HW: Asset Management Plan, (draft) dated May 2022;
- HW: Complaints Register
- HW: Compliance Register
- HW – HW Policy Manual
- HW: Policy & Asset Management Statements (incorporated in the Asset Management Plan)
- HW: Irrigation Scheme - Asset Management, Asset Creation, Procedure - April;2022
- HW: Irrigation Scheme - Asset Management, Asset Disposal, Procedure – April 2022
- HW: Asset Risk Management Plan (Date);
- HW: Water Services Procedures Manual
- Emergency Management Plan- (Appendix A of AMP);
- HW -Senior Management Job Descriptions
- HW: Annual Staff Training Matrix 2019/20, 2020/21 2021/22, 2022/23
- HW: Strategic Plan 2021/22, 2022/23, 2023/24, 2024/25
- HW: Operations Budget 2019/2020, 20/21, 21/22, 22/23 (based on Strategic Plan)
- HW: Preliminary Five-year Operations and CAPEX budgets for 2022/23 to 2026/27
- HW:-Monthly Profit & Loss and Balance Sheet estimates for 2003/04
- HW:-Twelve year annual profit & Loss estimates)
- HW: Pro-forma Future Asset Maintenance Report;
- HW: “Reporting & Communication Requirements” table;
- HW Financial Plan 2022/23,

- HW Budget vs Actual costs (Monthly and Annual)
- HW: Operations Budget 2019/2020, 20/21, 21/22, 22/23
- HW: ERA Annual compliance reports for 2019/2020, 20/21, 21/22
- HW: ERA Water, Sewerage and Irrigation licence performance reporting datasheets
- HW: DWER annual report for 2022
- Murdoch University – River Health Assessment 2022
- HW: Minutes of HW Board meeting of 18/5/2022 approving drilling for the brine outfall pipeline
- HW Schedule of Shutdowns 2020/21, 2012/22, 2022/23
- Assets Register. (from Asset Management System) including Asset details ,age and operation and repair history.
- South-West Irrigation Cooperative Limited - Annual Reports, 2019/20, 2020/21
- and 2021/22
- South-West Irrigation Management Cooperative Limited - Annual Reports 2019/20, 2020/21 and 2021/22
- South-West Irrigation Management Cooperative Limited - Organisation Chart 2022
- HW Calendar of Events – Advice to Members 2022
- HW Quarterly reports to DOH for 2022
- Makwater Water Treatment Plant, Service report
- HW Water Treatment Plant - Sampling Plan 1/3/2023
- HW Water Treatment Plant – Check sheets for daily, weekly, monthly, quarterly and yearly inspections
- Makwater Operation Manuals for Reverse Osmosis and Potable Water Treatment Plant

**Licencee’s Representative**

HW Representative	Position
Bruce Hathaway	Chief Executive Officer
Stephen Cook	Production Manager
Works Manager	Todd Wilson
Technical Services Manager	Ryhs Newman
Water Services Manager	Richard Yates
Financial Manager	Natasha Page
Technical Services Manager	Aled Lewis



HW Representative	Position
Technical Services Coordinator	Julia Clasby
WTP Supervisor	Richard Wood
HSSE Advisor	Cameron Norris
Support Services Supervisor	Tamara Praed
Support Services Administrator	Angela Gallagher

### Audit and Review Team & Hours

Name & Position	Budget Hours
Cameron Palassis, Executive Director	70
Ian Ekins, Associate Director	40
Barry Robbins, Barry Robbins Engineering & Project Management	47
<b>Total</b>	<b>157</b>

# PAXON

## **SYDNEY**

Level 15, 56 Pitt Street, Sydney NSW 2000  
T: +61 2 8379 6144

## **PERTH**

Level 5, 160 St Georges Terrace, Perth WA 6000  
Telephone: +61 8 9476 3144

## **MELBOURNE**

Level 27, 101 Collins Street, Melbourne VIC 3000  
Telephone: +61 3 9111 0046

## **ADELAIDE**

Level 30, 91 King William Street, Adelaide SA 5000  
Telephone: +61 8 8113 5739

## **BRISBANE**

Level 19, 10 Eagle Street, Brisbane QLD 4000  
Telephone: +61 7 3121 3240

## **DARWIN**

Level 16, 19 Smith Street The Mall, Darwin City NT 0800  
Telephone: +61 8 6314 3066