



**TMC Witchcliffe Pty Ltd**  
**2023 Operational Audit and Asset Management System Review**  
**Water Services Licence WL50**

**Report**

**Economic Regulation Authority**  
**May 2024**

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Quantum Management Consulting and Assurance

ABN 83 083 848 168 Liability limited by a scheme approved under Professional Services Legislation

Level 28 AMP Tower, 140 St Georges Terrace, Perth **M.** PO Box 6882, East Perth WA 6892

**T.** 08 9278 2570 **F.** 08 9278 2571

**E.** [mail@quantumassurance.com.au](mailto:mail@quantumassurance.com.au) **W.** [www.quantumassurance.com.au](http://www.quantumassurance.com.au)

### **Limitations of this Report**

This report was prepared for distribution to the Economic Regulation Authority and TMC Witchcliffe Pty Ltd for the purpose of fulfilling TMC Witchcliffe Pty Ltd's operational audit and asset management system review obligations under its Water Services Licence. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Economic Regulation Authority and TMC Witchcliffe Pty Ltd, or for any purpose other than that for which it was prepared.

Because of the inherent limitations of any internal control environment, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the procedures and controls over the licence obligations of the Water Services Licence, since we do not examine all evidence and every transaction. The audit and review conclusions expressed in this report have been formed on this basis.

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## 1. Independent Auditor's Report

### Scope

TMC Witchcliffe Pty Ltd ('TMC Witchcliffe') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of non-potable water supply and sewerage services in the operating area in the Shire of Augusta-Margaret River.

TMC Witchcliffe is required to comply with the terms and conditions of their license. There were two versions of the Water License WL50 in operation over the audit period:

- Version 1 - From commencement on 4 November 2019 to 30 April 2020.
- Version 2 - 1 May 2020 to date (Amendments re Water Licence Review 2019).

We have performed a reasonable assurance engagement on TMC Witchcliffe's compliance, in all material respects, with the conditions of WL50 and the *Water Services Act 2012* for the period from 4 November 2019 to 30 November 2023.

Our evaluation was made against the licence obligations listed in the Water Compliance Reporting Manual 2021 and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences.

The scope of this assurance work relates to assessing TMC Witchcliffe's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Licence issued under the Act.

### Modified Opinion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority and the evidence we have obtained, except for the effects of the matters described in the Basis for Modified Opinion paragraph below, TMC Witchcliffe Pty Ltd has complied, in all material respects, with its licence conditions and relevant legislative obligations for the period from 4 November 2019 to 30 November 2023.

### Basis for Modified Opinion

During the period 4 November 2019 to 30 November 2023, out of 184 applicable licence obligations, there were 17 non-compliances with moderate impact on customers and 2 non-compliances with minor impact on customers. The non-compliances are outlined below.

Reporting Manual number and Licence condition		Issue
<i>The following obligations were assessed as "Non-Compliant – Moderate Impact".</i>		
10 191 192 193 198	<p><b>Family Violence Policy</b></p> <p><i>Water Services Act 2012 – Section 26(3)</i></p> <p>The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.</p> <p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 5(1)</i></p> <p>The Licensee must have a family violence policy that sets out the matters specified in clause 5(1).</p> <p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 5(2)</i></p> <p>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.</p> <p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 6</i></p>	<p>TMC Witchcliffe's does not have a "Family Violence Policy" that complies with clause 5(1) of the <i>Water Services Code of Practice (Family Violence) 2020</i> and is available on the Website and in hardcopy to a customer upon request and at no charge.</p> <p>There is also no link which provides access to the current version of the Water Services Code of Practice (Family Violence) 2020 (as it appears on the Department of Justice – Government WA website).</p>

Reporting Manual number and Licence condition		Issue
	<p>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.</p> <p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 10</i></p> <p>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.</p>	
15	<p><b>Energy and Water Ombudsman</b></p> <p><i>Water Services Act 2012 – Section 70(2)</i></p> <p>The licensee must not supply water services to customers unless the licensee:</p> <ol 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> </ol>	<p>The auditor noted from the Energy and Water Ombudsman website that TMC Witchcliffe is not yet a member of the water services ombudsman scheme. Water supply services commenced in July 2023.</p> <p>The customer's right to refer their complaint to the ombudsman is included in the Standard Terms and Conditions of the Operators Wastewater Services (Version 2 - 2020).</p>
92 153	<p><b>Connection Information</b></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 - Clauses 8(1) – (3)</i></p> <p>The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available.</p> <p><i>Clause 49(1)</i></p> <p>The licensee must make the prescribed information publicly available.</p>	<p>TMC Witchcliffe has a Water Handbook on the Witchcliffe Ecovillage website that includes information about the sewerage service and the licensee's functions.</p> <p>The Standard Terms and Conditions of the Operators Wastewater Services includes the prescribed information about</p> <ul style="list-style-type: none"> <li>how to apply for a connection;</li> <li>the things that a customer must do, and the things that must be complied with, before a connection is made;</li> <li>the fees that apply in relation to connections and when the fees are payable; and</li> <li>the period in which standard supply connections are required to be completed.</li> </ul> <p>However, the Standard Terms and Conditions are not publicly available on the website.</p>
102A	<p><b>Information to be included on Invoices</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 13(6)</i></p> <p>Each bill must contain the prescribed information.</p>	<p>The audit reviewed a sample of 10 tax invoices issued during the audit period. These tax invoices contained contact information but this does not include the information stipulated in clause 13(6) of the Code of Conduct as follows:</p> <ul style="list-style-type: none"> <li>Telephone number for complaints;</li> <li>Freecall telephone number for the office of the water services ombudsman;</li> <li>A statement that the website contains information about estimates, meter reading and testing, complaints and review; and</li> <li>A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.</li> </ul>

Reporting Manual number and Licence condition		Issue
114 115 116 153 154	<p><b>Bill Review</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 20(2)</i></p> <p>The license must have a written procedure for the review of a bill on the customer's request.</p> <p><i>Clause 20(3) and (6)</i></p> <p>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.</p> <p><i>Clause 20(4)</i></p> <p>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.</p> <p><i>Clause 49(1)</i></p> <p>The licensee must make the prescribed information publicly available.</p> <p><i>Clause 49(2)</i></p> <p>The licensee must ensure that the specified information about bills may be obtained from its website.</p>	<p>The Standard Terms and Conditions of the Operators Wastewater Services includes a section - Charges and Accounts. However, there is no reference to a procedure for review of the bill.</p> <p>The specified information about bills (bill review) needs to be included in the Standard Terms and Conditions of the Operators Wastewater Services and be published on the website.</p>
128 133	<p><b>Financial Hardship Policy on Website</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 29(6)</i></p> <p>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.</p> <p><i>Clause 31(4) and (5)</i></p> <p>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.</p>	<p>The Financial Hardship Policy provides information about payment schemes and assistance to customers, A hardcopy is available upon request. The auditor confirmed with the Technical Director that, during the audit period, no customers requested a hard copy of the Financial Hardship Policy.</p> <p>However, TMC Witchcliffe's Financial Hardship Policy is not available on the website.</p>
148A 149	<p><b>Complaints Procedure</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 46(4)</i></p> <p>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).</p> <p><i>Clause 46(5)</i></p> <p>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.</p>	<p>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services provides for making an application to the Energy and Water Ombudsman Western Australia. This does not include applications to the State Administrative Tribunal for review of decisions as specified in the Water Services Act.</p> <p>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services is not available on the website.</p> <p>The Technical Director confirmed that a hardcopy would be provided to a customer upon request and at no charge.</p>

Reporting Manual number and Licence condition		Issue
154A	<p><b>Website Link to Code of Conduct</b>  <i>Code of Conduct (Customer Service Standards) 2018 – Clause 49(3)</i>            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.</p>	<p>The website does not contain a link to the Code of Conduct (2018) as included on the <a href="http://www.legislation.wa.gov.au">www.legislation.wa.gov.au</a> website</p>
<p><i>The following obligations were assessed as “Non-Compliant – Minor Impact”.</i></p>		
144C 144D	<p><b>Supply Interruptions</b>  <i>Code of Conduct (Customer Service Standards) 2018 – Clause 44(1)</i>            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.  <i>Clause 44(2)</i>            The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.</p>	<p>The site visit confirmed that TMC Witchcliffe has adequate practices in operation to deal with and minimise the impact of a burst, leak or blockage in its water supply works, including continuous remote monitoring and alarms with online access to restart and reset any of the parameters of the scheme.            As there is no written policy and procedure for dealing with and minimising the impact of a burst, leak or blockage in the sewerage works or non-potable water supply works, this is considered a minor non-compliance.</p>
<p><i>The following obligations were assessed as “Inadequate Controls – Significant improvement required”.</i></p>		
6	<p><b>Asset Management System</b>  <i>Water Services Act 2012 - Sections 24(1)(a) &amp; 24(2)</i>            The licensee must provide for an asset management system in respect of the licensee’s water service works.</p>	<p>This audit and review confirmed that TMC Witchcliffe has an asset management system in respect of the water service works. The asset management system is detailed in the Witchcliffe Ecovillage Sewerage Asset Management Plan (June 2017).            However, this review concluded that TMC Witchcliffe Pty Ltd does not have an effective management system due to the Asset Management Plan developed in 2017 requiring update and the lack of some supporting documentation for the asset management system.</p>
119 120	<p><b>Bill Payment Options</b>  <i>Code of Conduct (Customer Service Standards) 2018 – Clause 24(1)</i>  <i>The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.</i>  <i>Clause 24(2)</i>  <i>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.</i></p>	<p>The Standard Terms and Conditions of the Operators Wastewater Services includes a section - Charges and Accounts. This does not provide any information about prescribed payment methods.            Clause 24(1) of the Code states that “A licensee must allow a customer to pay a bill by any of the following methods selected by the customer —</p> <ul style="list-style-type: none"> <li>• in the case of a residential customer — Centrepay i.e. the facility that allows Centrelink customers to have automatic deductions taken from Centrelink payments);</li> <li>• internet;</li> <li>• telephone;</li> <li>• post.</li> </ul>

Reporting Manual number and Licence condition		Issue
		The Technical Director confirmed that the prescribed payment methods are accepted. The Technical Director confirmed that there are no fees and charges for payment options.

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### Summary of Procedures

Our procedures consisted primarily of:

- Utilising ERA's 2019 Audit and Review Guidelines: Water Licences ('the Guidelines') to develop a risk assessment.
- Developing an Audit and Review Plan and an associated work program, approved by the ERA on 15 December 2023.
- Interviewing relevant TMC Witchcliffe staff to gain an understanding of process controls;
- Onsite visit to the water treatment facility at Witchcliffe Ecovillage and conduct various meetings with stakeholders, including contract personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards. The on-site visit included our Engineer.
- Assessing documents and performing walkthroughs of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations.
- Performing procedures and testing based on the procedures listed in the approved Audit and Review Plan.

### How We Define 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

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected. A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

### Use of this Assurance Report

This report has been prepared for TMC Witchcliffe Pty Ltd and the ERA for the purpose of assessing compliance with the requirements of the License and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the ERA for the purpose of reporting on the reasonable assurance engagement for the Licensee. We agree that a copy of this report may be



provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report.

We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Licensee and the ERA, or for any other purpose other than that for which it was prepared.

### **Management's responsibility**

TMC Witchcliffe'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 TMC Witchcliffe'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 the ERA's 2019 Audit and Review Guidelines: Water Licenses have been complied with in the conduct of this audit/review and the preparation of the report, and that the audit findings reflect our professional opinion.*

*This audit and review report is an accurate presentation of our findings and opinions.*

### **Quantum Assurance**



**Geoff White CA**  
**Director**

Quantum Assurance  
Level 28 AMP Tower  
140 St Georges Terrace  
Perth WA 6000

E. [mail@quantumassurance.com.au](mailto:mail@quantumassurance.com.au)

5 June 2024

## 2. Executive Summary

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### 2.1 Background

TMC Witchcliffe Pty Ltd has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of non-potable water supply and sewerage services in the operating area in the Shire of Augusta-Margaret River. TMC Witchcliffe is required to comply with the terms and conditions of their license.

The scheme is being developed in a staged manner according to the staging of the development of the Ecovillage and it is recognized that the establishment phase for the system will require support from Sustainable Settlements Pty Ltd and the Perron Group Pty Ltd ('the Developer') for approximately four years from commencing operations in 2021 until there are sufficient properties connected for the scheme to generate positive cash flow. TMC Witchcliffe has entered into a loan agreement with the Developer to establish and operate the scheme.

The plant commenced operations in July 2023 and there are currently 65 connected properties and 35 residential customers.

Under the Act, water services licensees are required to report on an operational audit ('audit') and an effectiveness review of their asset management system ('review') once every 24 months, or another period that has been specified by the ERA. This audit and review cover the period from 4 November 2019 to 30 November 2023.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Water Compliance Reporting Manual 2021) and the 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

### 2.2 Operational Audit

This audit has assessed the licensee's level of compliance with the conditions of its licence. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that TMC Witchcliffe Pty Ltd has complied with its Water Services Licence obligations during the audit period from commencement of the licence on 4 November 2019 to 30 November 2023 with some exceptions as detailed in Section 3.7 that have not impacted the sewerage and non-potable water supply services provided to the small number of customers.

Out of 184 applicable compliance obligations, the audit found:

- 28 obligations were rated compliant (15 with adequate controls, 1 with generally adequate controls, 1 with inadequate controls and 12 with controls not reviewed).
- 3 obligations were rated non-compliant with minor impact (with inadequate controls).
- 18 obligations were rated non-compliant with moderate impact (12 with inadequate controls and 6 with no controls evident).
- 135 were not rated for compliance, as no relevant activity took place during the audit period (14 with adequate controls, 1 with generally adequate controls, 1 with inadequate controls and 119 where controls were not reviewed).

The audit confirmed that TMC Witchcliffe Pty Ltd has complied with its information reporting obligations for the period from 4 November 2019 to 30 November 2023.

The control environment is considered to require improvement to provide adequate documentation of processes and ongoing compliance with the Licence obligations.

### 2.3 Asset Management System Review

This review has assessed the effectiveness of the Licensee's asset management system. Through the execution of the Review Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that TMC Witchcliffe Pty Ltd has operated the sewerage scheme and non-potable water supply in a reliable manner and provided a good level of service to the customers.

The plant commenced operations in July 2023 and there are currently 65 connected properties and 35 residential customers.

Whilst the plant is operating at a satisfactory level and has backup contractor support, the Asset Management Plan developed in 2017 and the supporting operations and maintenance processes, risk management and contingency planning need to be updated and improved to support the ongoing effectiveness of the sewerage and non-potable water services.

Out of 12 components of the asset management system, 4 were rated as performing effectively, 7 were rated as opportunity for improvement and 1 was rated as corrective action required.

Out of 58 effectiveness criteria for the asset management system, the review found:

- 26 criteria were rated as performing effectively (22 with adequately defined processes and 4 require some improvement);
- 31 were rated as opportunity for improvement (8 with processes that require some improvement and 23 that require significant improvement));
- 1 was rated as corrective action required (with processes that require significant improvement).

The review concluded that TMC Witchcliffe Pty Ltd does not have an effective management system due to the Asset Management Plan developed in 2017 requiring update and the lack of some supporting documentation for the asset management system.

## 3. Operational Audit

### 3.1 Introduction

TMC Witchcliffe Pty Ltd has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of non-potable water supply and sewerage services in the operating area in the Shire of Augusta-Margaret River. The plant commenced operations in July 2023 and there are currently 65 connected properties and 35 residential customers at the Witchcliffe Ecovillage.

TMC Witchcliffe is required to comply with the terms and conditions of their license. There were two versions of the Water License WL50 in operation over the audit period:

- Version 1 - From commencement on 4 November 2019 to 30 April 2020.
- Version 2 - 1 May 2020 to date (Amendments re Water Licence Review 2019).

Under the Act, water services licensees are required to provide reports on an operational audit ('audit') and an effectiveness review of their asset management system ('review') once every 24 months, or another period that has been specified by the ERA.

The ERA engaged Quantum Management Consulting and Assurance ('Quantum') to complete an operational audit and asset management system effectiveness review of TMC Witchcliffe's non-potable water supply and sewerage services to comply with the licensing requirements of the ERA.

The audit and review period was from 4 November 2019 to 30 November 2023.

### 3.2 Objectives and Scope

Our audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines and the 2019 Audit and Review Guidelines – Water Licences (updated August 2022).

To ensure consistency of reporting on audits and reviews, the guidelines require auditors to:

- Adopt a risk-based approach to auditing using the risk evaluation model set out in AS ISO 31000:2018.
- Use the compliance rating scales, set out in Table 6 of the guidelines, to assess compliance with licence conditions.
- Use the process and policy, and performance rating scales, set out in Tables 9 and 10 of the guidelines, to assess the effectiveness of the asset management system.
- Ensure the audit and review plan complies with Chapter 3 of the guidelines.
- Ensure the audit and review report complies with Chapter 5 of the guidelines.

### 3.3 Audit Compliance and Controls Rating Scale

The adequacy of controls and compliance with the legislative obligations was assessed using the following ratings.

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
NP	Not performed – controls not assessed in the audit.	NR	Not rated – no activity in current period

### 3.4 Summary of Audit Ratings of Controls and Compliance

The current audit assessment of the ratings for the adequacy of controls and compliance with the 184 applicable legislative obligations is shown below in the summary table and detailed obligations table in section 3.6.

**Summary of Audit Ratings of Control and Compliance**

Controls rating	Compliance Rating						
	Rating	1 Compliant	2 Non-compliant (minor impact)	3 Non-compliant (moderate impact)	4 Non-compliant (major impact)	NR Not rated	Total
	A - Adequate	15	-	-	-	14	29
	B – Generally adequate	-	-	-	-	1	1
	C - Inadequate	1	3	12	-	1	17
	D – No controls evident	-	-	6	-	-	6
	NP – Not performed	12	-	-	-	119	131
<b>Total</b>	<b>28</b>	<b>3</b>	<b>18</b>	<b>-</b>	<b>135</b>	<b>184</b>	

**Detailed Audit Ratings of Control and Compliance by Obligation**

The current audit assessment of the ratings for the adequacy of controls and compliance with the legislative obligations is shown below.

No. <sup>1</sup>	Brief Description	Legislative Reference	Audit Priority applied  (rated 1 = High to 5 = Low)	Adequacy of Controls Rating <sup>2</sup>  (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating  (1=Compliant, 2=Non-compliant - minor impact, 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
<b>Water Services Act 2012</b>													
2	Terms of service	Sec. 21(1)(b)	4					✓					✓
3	Provision of services	Sec. 21(1) (c)	4					✓	✓				
4	Operating area	Sec. 22	4					✓					✓
5	Outsourcing of services	Sec. 23	4					✓	✓				
6	Asset management system	Sec. 24(1)(a) & 24(2)	4			✓				✓			
8	Asset management system review	Sec. 24(1)(c)	4	✓					✓				
9	Operational audit	Sec. 25	4	✓					✓				
10	Code of practice	Sec. 26(3)	4				✓				✓		
13	Termination of service	Sec. 36	4					✓					✓
14	Supplier of last resort	Sec. 60	4					✓					✓
15	Ombudsman scheme	Sec. 70(2)	4				✓				✓		
16	Interruption of water supplies	Sec. 77(3)	4	✓					✓				

<sup>1</sup> The number refers to the Obligation reference in the Water Compliance Reporting Manual 2021.

<sup>2</sup> Refer Controls and Compliance Rating Scales in Section 3.3.

No. <sup>1</sup>	Brief Description	Legislative Reference	Audit Priority applied  (rated 1 = High to 5 = Low)	Adequacy of Controls Rating <sup>2</sup>  (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating  (1=Compliant, 2=Non-compliant - minor impact, 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
17	Notification of building works	Sec. 82(4) & (5)	4					✓						✓
18	Ensuring water service works are done	Sec. 84(2)	4					✓						✓
19	Review of decisions	Sec. 87(2)	4					✓						✓
20	Construction near water service works	Sec. 90(7)	4					✓						✓
21	Cut off water supply	Sec. 95(3)	2					✓						✓
22	Fire hydrants for reticulation works	Sec. 96(1)	4					✓						✓
23	Requests from FESA or local government	Sec. 96(5)	4					✓						✓
24	Connect wastewater inlet	Sec. 98(3)	4					✓						✓
25	Compliance notice re sewerage	Sec. 106(2)	4					✓						✓
28	Compliance notice issued by licensee re building works	Sec. 119(2)	4					✓						✓
29	Review of decisions	Sec. 122(2)	4					✓						✓
30	Apportionment of fees between properties	Sec. 125(2)	4					✓						✓
31	Lodging memorial to secure fees owing	Sec. 128(4)	4					✓						✓
32	Notice to property owner - entry	Sec. 129(5)	4	✓										✓
33	Notice to property owner – removal of fence	Sec. 139(3)	4					✓						✓
34	Notice to roads authority	Sec. 141(1)	4					✓						✓
35 36 37 38 39	Proposal for major works	Sec. 142, 143(2) &(3), 144(3), 145(2)	4					✓						✓
40 41	Proposal for general works – Minister notices	Sec. 147(3) & (4)	4					✓						✓
42 43 44 45	Proposal for general works	Sec. 151(1) - (3), 153(3),	4					✓						✓
46 47 48	Interest in land	Sec. 166(5) - (6), 170	4					✓						✓
49 50	Notice of entry to property and authority to enter	Sec. 173(4) & 174 (1)	4	✓										✓
51	Notice of entry after entry without notice	Sec. 174 (3)	4	✓										✓

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				A	B	C	D	NP	1	2	3	4	NR	
52 53 54 55 56 57	Notice of entry to property and authority to enter	Sec. 175(2) & (5), 176(1), (3) & (4) 181	4					✓						✓
58 59 60 61	Warrant to enter property	Sec. 186, 187(1) - (3), 190(4) - (5)	4					✓						✓
62	Compliance Officer	Sec. 210(5)	4					✓						✓
63	Minimum disruption	Sec. 218(2)	4					✓						✓
64	Physical damage	Sec. 218(3)	4					✓						✓
<b>Water Services Regulations 2013</b>														
65	Meter testing – multi-unit	Reg. 23(2)	4					✓						✓
66	Meter testing - compliance	Reg. 24(4)	4					✓						✓
67	Meter access - compliance	Reg. 26(3)	4					✓						✓
68	Meter testing tolerance	Reg. 26(5)	4					✓						✓
69	Lot development	Reg. 29(1)	4					✓						✓
70 71 72	Backflow prevention devices	Reg. 42(2), 43(3), 43(6).	4					✓						✓
74	Work affecting roads	Reg. 60(2)	4					✓						✓
75	Breaks to road surface	Reg. 63	4					✓						✓
89	Compliance notice information	Reg. 85	4					✓						✓
<b>Water Services Code of Conduct (Customer Service Standards) 2018</b>														
92	Information for customers	Cl. 8(1)-(3)	4			✓						✓		
93	Service connections period	Cl. 9(2) & (4)	4					✓						✓
94	Annual service charges	Cl. 10(2)	4	✓					✓					
95 96	Usage bills at least 4 monthly	Cl.11(2) & (3)	4					✓						✓
97	Estimated meter reading	Cl. 11(4)	4					✓						✓
98	Estimated Bill of Usage	Cl. 11(5)	4					✓						✓
98A	Estimated Bill at least every 12 months	Cl. 11(6)	4					✓						✓
99	Address for billing	Cl. 12	4	✓					✓					
100	Billing information	Cl. 13(1)	4	✓					✓					
100A	Billing information – more than one service	Cl. 13(3)	4					✓						✓
101	Billing information - usage	Cl. 13(4)	4					✓	✓					

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				A	B	C	D	NP	1	2	3	4	NR	
101A	Billing information - estimate	Cl. 13(5)	4					✓						✓
102A	Billing information – prescribed information	Cl. 13(6)	4			✓					✓			
103 104	Basic of billing estimate	Cl. 14(1) & (2)	4					✓						✓
104A	Tariff information	Cl. 15(3)	4					✓						✓
105	Request for meter reading	Cl. 16(1)	4					✓						✓
106	Higher than normal charge	Cl. 17(2) & (3)	4					✓						✓
107 108 109	Under and over charges	Cl. 18(2) - (4).	4					✓						✓
110	Under charges – repayment plan	Cl. 18(5)	4					✓						✓
111A	Over charges – refunds	Cl. 19(2)	4					✓						✓
112A 112B 112C	Over charges - refunds	Cl. 19(3)-(5)	4					✓						✓
113	Review of bill upon request	Cl. 20(1)	4					✓						✓
114	Review of bill procedure – written procedure	Cl. 20(2)	4			✓					✓			
115	Review of bill procedure – information	Cl. 20(3) & (6)	4			✓					✓			
116	Review of bill procedure – ombudsman	Cl. 20(4)	4			✓					✓			
117	Review of bill procedure – timeframe	Cl. 20(5)	4					✓						✓
117A	Notification of change in water service charge	Cl. 21	4		✓									✓
118	At least 14 days for payment	Cl 23	4					✓	✓					
119	Payment methods - options	Cl. 24(1)	4			✓			✓					
120	Payment methods - fees	Cl. 24(2)	4			✓								✓
121	Payment methods- direct debit authority	Cl. 25(1)	4					✓						✓
122	Payment in advance	Cl. 26(1)	4					✓						✓
123	Redirection of bills	Cl. 27	4					✓						✓
124A 124B 124C	Payment plan	Cl. 28(2), (3) & (4).	4	✓										✓
125 126A 126B 127	Financial hardship policy	Cl. 29(1) - (5)	4	✓					✓					



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				A	B	C	D	NP	1	2	3	4	NR	
128	Financial hardship policy - publicly available	Cl. 29(6)	4			✓						✓		
129A	Financial hardship policy – review	Cl. 29(7)	4					✓	✓					
129B	Financial hardship policy – review if directed	Cl. 29(8)	4					✓						✓
129C	Financial hardship – payment variations	Cl. 29(9)	4					✓						✓
130A 130B 131A 131B 131C	Financial hardship – payment variations	Cl. 30(2) & (3), 30(4)(a)-(c)	4	✓										✓
133	Written information re payment assistance	Cl. 31 (4) & (5)	4			✓						✓		
133A	No interest in some circumstances	Cl. 32	4					✓						✓
134	Debt recovery - complaint	Cl. 33(1)(a) – (c)	4					✓						✓
134A	Debt recovery – payment plan	Cl. 33(1)(d) – (e)	4					✓						✓
135 136	Restoring water supply	Cl. 40(1) & (2)	4					✓						✓
137A 137B 137C 138 138A 138B	Water supply restriction	Cl. 36(1)-(3), 37(1)(a)-(h) & 38	4					✓						✓
139	Rate of flow	Cl. 39	4					✓						✓
142	Restoring water supply	Cl. 41(4)	4					✓						✓
144	Compliance rate	Cl. 41(6)	4					✓						✓
144A	Notice of planned service interruptions	Cl. 43(1)	4	✓										✓
144B	Notice of planned service interruptions -timeframe	Cl. 43(2)	4	✓										✓
144C 144D	Policy for dealing with leaks and blockages	Cl. 44(1) - (2)	4			✓					✓			
144E	24 hour information line	Cl. 45	4	✓					✓					
145 146	Complaints procedure - written	Cl. 46(1) - (2)	4	✓					✓					
147	Complaints procedure - details	Cl. 46(3)	4	✓					✓					
148A	Complaints procedure - Ombudsman	Cl. 46(4)	4			✓						✓		
149	Complaints procedure publicly available	Cl. 46(5)	4			✓						✓		
149A	Resolution of complaints	Cl. 47	4	✓					✓					
150	No charge for information	Cl. 48(1)	4					✓						✓

No. <sup>1</sup>	Brief Description	Legislative Reference	Audit Priority applied  (rated 1 = High to 5 = Low)	Adequacy of Controls Rating <sup>2</sup>  (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating  (1=Compliant, 2=Non-compliant - minor impact, 3=Non-compliant - moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
152	Access to customer information	Cl. 48(2)	4					✓	✓					
153	"Prescribed information" is publicly available in hardcopy and on website	Cl. 49(1)	4			✓						✓		
154	Bill information on website	Cl. 49 (2)	4			✓						✓		
154A	Link to WA website	Cl. 49(3)	4			✓						✓		
154B	Preserved supply register	Cl. 51(1),(3)	2					✓						✓
154C 154D	Preserved supply register	Cl. 52 & 53	2					✓						✓
<b>Other Licence Conditions</b>														
155	Fees to regulator	Cl. 4.2.1	4					✓	✓					
159	Direction from ERA	Cl. 4.1.2	4					✓						✓
160	Compliance with Accounting Standards	Cl. 4.6.1	4					✓	✓					
161	Compliance with performance standards	Cl. 5.2.1	4					✓						✓
162	Operational audit	Cl. 5.3.4	4					✓	✓					
163	External administration	Cl. 4.7.1(a)-(c)	4					✓						✓
165	Provision of information to ERA	Cl. 4.8.1	4					✓	✓					
167	Performance reporting to ERA	Cl. 4.8.2	4					✓						✓
168	Publishing information	Cl. 3.8.1 & 3.8.2	4					✓						✓
169	Notices in writing	Cl. 3.7.1	4					✓						✓
170A	Notify ERA of asset management system (AMS)	Cl. 5.1.1 (a) & (b)	4					✓	✓					
171	Notify ERA of material change to AMS	Cl. 5.1.3	4					✓						✓
172	AMS review	Cl. 5.1.7	4					✓	✓					
172A 172B	ERA direction re condition of service	Cl. 6.1.1-6.1.2	4					✓						✓
181	Obligations of supplier of last resort	Cl. 6.3.1	4					✓						✓
182	No services outside operating area	Cl. 4.4.1(b)	4					✓						✓
190	Service and performance standards	Schedule 2	4					✓						✓
<b>Water Services Code of Practice (Family Violence) 2020</b>														
191	Family violence policy (191 to 198 from March 2021)	Cl. 5(1)	4				✓					✓		

No. <sup>1</sup>	Brief Description	Legislative Reference	Audit Priority applied  (rated 1 = High to 5 = Low)	Adequacy of Controls Rating <sup>2</sup>  (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating  (1=Compliant, 2=Non-compliant - minor impact, 3=Non-compliant - moderate impact, 4=Non-compliant - major impact, NR=Not rated)									
				A	B	C	D	NP	1	2	3	4	NR					
192	Family violence policy before the end of the six-month period	Cl. 5(2)	4				✓											
193	Publish family violence policy on website	Cl. 6	4				✓											
194	Review of family violence policy once every 5-year period	Cl. 7	4						✓									✓
195	Records of compliance with this code	Cl. 8(1)	4						✓									✓
196	Retain records for at least 7 years	Cl. 8(2)	4						✓									✓
197	Inform customers of complaints procedure	Cl. 9	4						✓									✓
198	Website link to current copy of this Code	Cl. 10	4				✓											✓

### 3.5 Status of Previous Audit Recommendations

As this is the first audit for the licence, there are no previous audit recommendations.

Reference (no./year)	Previously Assessed Non-Compliance/Controls Improvement	Previous Auditor's Recommendation and <i>Action Taken</i>	Date Resolved	Further action required
<b>A. Resolved before end of previous review</b>				
	Nil			
<b>B. Resolved during current review period</b>				
	Nil			

### 3.6 Detailed Audit Observations

The audit period was 4 November 2019 to 30 November 2023.

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
<b>Water Services Act 2012</b>							
2	Section 21(1)(b)	Clause 4.3.1(b)	The licensee must if requested, offer to provide the water 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.	4	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe was not requested to provide the water service authorised by WL50 to any other person (not covered by section 21(1)(a) of the Act) within the operating area of WL50.	NP	NR
3	Section 21(1)(c)	Clauses 4.1.1	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence for the purpose of section 11(3).	4	This audit confirmed during this audit that the water service works are operated in accordance with the Licence.	NP	1
4	Section 22	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not provide water services outside the operating area of WL50.	NP	NR
5	Section 23	Clause 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	4	The Technical Director confirmed that during the audit period, Peron Developments and Sustainable Settlements owned the Witchcliffe Ecovillage land. TMC Witchcliffe own the water treatment facility and	NP	1

<sup>3</sup> The number refers to the item reference in the Water Compliance Reporting Manual 2021.

<sup>4</sup> The highest priority areas (priority 1, 2 or 3) based on inherent risk and expected controls/processes are highlighted in **RED**.

<sup>5</sup> Controls Rating Scale: A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed.

<sup>6</sup> Compliance Rating Scale: 1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated.

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			must be covered by a works holding arrangement.		mains. TMC Witchcliffe has a Financial Agreement and Project Agreement with Peron Developments and Sustainable Settlements.		
6	Sections 24(1)(a) & 24(2)	Clause 5.1.1	The licensee must provide for an asset management system in respect of the licensee's water service works.	4	This audit and review confirmed that TMC Witchcliffe has an asset management system in respect of the water service works. The asset management system is detailed in the Witchcliffe Ecovillage Sewerage Asset Management Plan (June 2017). However, this review concluded that TMC Witchcliffe Pty Ltd does not have an effective management system due to the Asset Management Plan developed in 2017 requiring update and the lack of some supporting documentation for the asset management system. <i>Refer Recommendations in the Asset Management System Review section 4 of this report.</i>	C	2
8	Section 24(1)(c)	Clause 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	This is the first asset management system review required by the licence and the ERA. The report is provided to the ERA.	A	1
9	Section 25	Clause 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	This is the first operational audit required by the licence and the ERA. The report is provided to the ERA.	A	1

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
10	Section 26(3)	Clause 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.	4	TMC Witchcliffe does not have a “Family Violence Policy” that complies with clause 5(1) of the <i>Water Services Code of Practice (Family Violence) 2020</i> and is available on the Website and in hardcopy to a customer upon request and at no charge <b><u>Recommendation 1/2024</u></b> a) <i>TMC Witchcliffe should develop a Family Violence Policy, include this on the Website for residents and make this available to customers in hardcopy upon request and free of charge.</i> b) <i>There should also be a link to the current version of the Water Services Code of Practice (Family Violence) 2020 as it appears on the Department of Justice – Government WA website.</i>	D	3
13	Section 36	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not cease to provide a water service in the licence area.	NP	NR
14	Section 60	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe was not a supplier of last resort for a designated area in relation to the provision of a particular water service.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
15	Section 70(2)	Clause 6.2.1	<p>The licensee must not supply water services to customers unless the licensee:</p> <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	<p>The auditor noted from the Energy and Water Ombudsman website that TMC Witchcliffe is not yet a member of the water services ombudsman scheme. Water supply services commenced in July 2023.</p> <p>The customer's right to refer their complaint to the ombudsman is included in the Standard Terms and Conditions of the Operators Wastewater Services (Version 2 - 2020).</p> <p><b><u>Recommendation 2/2024</u></b></p> <p><i>As required by Clause 6.2.1 of the Water Licence, TMC Witchcliffe should become a member of the Energy and Water Ombudsman scheme in WA.</i></p>	D	3
16	Section 77(3)	Clause 4.1.1	<p>The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.</p>	4	<p>The auditor confirmed with the Technical Director that during the audit period, there were no interruptions to water services. If there were, TMC Witchcliffe would take reasonable steps to minimise the extent or duration of any interruption of water services it was responsible for.</p> <p>This obligation is stated in the Standard Terms and Conditions of the Operators Wastewater Services.</p>	A	1
17	Sections 82(4) & (5)	Clause 4.1.1	<p>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</p>	4	<p>The Technical Director confirmed that during the audit period, no person was obliged to give TMC Witchcliffe notice of any building work to be carried out on land in the operating area of a license.</p>	NP	NR



No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			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.				
18	Section 84(2)	Clause 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.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not give any notice under Section 83(3)(a) of the Act.	NP	NR
19	Section 87(2)	Clause 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 person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	4	The Technical Director that he is not aware of any person who, during the audit period, made an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services.	NP	NR
20	Section 90(7)	Clause 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.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not give any compliances notices to any person who was undertaking construction or carrying out similar works in the vicinity of water service works.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
21	Section 95(3)	Clause 4.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	2	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not cut off the supply of sewerage services to an occupied dwelling.	NP	NR
22	Section 96(1)	Clause 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 (now Department of Fire and Emergency Services (DFES)), or the relevant local government as to the location and type of hydrant.	4	This is not applicable for this audit period as the licence does not include the provision of water supply reticulation.	NP	NR
23	Section 96(5)	Clause 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.	4	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not receive any requests from DFES or local government.	NP	NR
24	Section 98 (3)	Clause 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. (sewerage service only).		The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not receive any requests from the Minister to connect a wastewater inlet.	NP	NR
25	Section 106(2)	Clause 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. (sewerage service only).		The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not give any compliance notice.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
28	Section 119(2)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not give any compliance notice in relation to the matters set out in section 119(1).	NP	NR
29	Section 122(2)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, that he is not aware of any person who, during the audit period, made an application to the State Administrative Tribunal under section 122(1) of the Act.	NP	NR
30	Section 125(2)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not provide a water supply or sewerage service to 2 or more dwellings on land by a single property connection. There are no strata title properties.	NP	NR
31	Section 128(4)	Clause 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	The auditor confirmed with the Technical Director that he is not aware of any instance during the audit period, which required TMC Witchcliffe to lodge a withdrawal of memorial with Registrar.	NP	NR
32	Section 129(5)	Clause 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	4	The auditor confirmed with the Technical Director that during the audit period, there was no entry to premises required. The Standard Terms and Conditions of the Operators Wastewater Services states that at least 48 hours' notice will be given if entry to premises is	A	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			to the occupier of the place unless the occupier agrees otherwise.		required for routine inspection or maintenance unless the occupier agrees otherwise.		
33	Section 139(3)	Clause 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.	4	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not remove or erects a fence or gate when exercising a works power conferred by the Act.	NP	NR
34	Section 141(1)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not exercise a works power for a road.	NP	NR
35	Sections 142	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not undertake any major works.	NP	NR
36	Sections 143 (2)	Clause 4.1.1	Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	4	Refer obligation 35.	NP	NR
37	Sections 143 (3)	Clause 4.1.1	The licensee must, within 5 days of publishing the plans and details on the	4	Refer obligation 35.	NP	NR

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			licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.				
38	Section 144(3)	Clause 4.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	Refer obligation 35.	NP	NR
39	Section 145(2)	Clause 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	Refer obligation 35.	NP	NR
40	Section 147(3)	Clause 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).	4	Refer obligation 35.	NP	NR
41	Section 147(4)	Clause 4.1.1	If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.	4	Refer obligation 35.	NP	NR
42	Section 151(1)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not undertake any general works.	NP	NR
43	Section 151(2)	Clause 4.1.1	The licensee must give a notice of general works setting out the matters	4	Refer obligation 42.	NP	NR

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			referred to in section 151(3) to the persons and agencies specified.				
44	Section 152(3)	Clause 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	Refer obligation 42.	NP	NR
45	Section 153(3)	Clause 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 alterations to any person who is likely to be adversely affected by those alterations.	4	Refer obligation 42.	NP	NR
46	Section 166(5)	Clause 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.	4	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not receive any advice from the Minister that an interest in land is appropriate to its needs.	NP	NR
47	Section 166(6)	Clause 4.1.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	4	Refer obligation 46.	NP	NR
48	Section 170	Clause 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	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not sell an interest in land.	NP	NR

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49	Section 173(4)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, there was no entry to premises required. The Standard Terms and Conditions of the Operators Wastewater Services states that at least 48 hours' notice will be given if entry to premises is required for routine inspection or maintenance unless the occupier agrees otherwise.	A	NR
50	Section 174(1)	Clause 4.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	4	Refer obligation 49.	A	NR
51	Section 174(3)	Clause 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	Refer obligation 49.	A	NR
52	Section 175(2)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not enter any dwellings, as its responsibility stops at the water meters.	NP	NR
53	Section 175(5)	Clause 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	Refer obligation 52.	NP	NR

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54	Section 176(1)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not notified by an owner or occupier to leave an entered place.	NP	NR
55	Section 176(3)	Clause 4.1.1	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not requested to produce evidence of authority.	NP	NR
56	Section 176(4)	Clause 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	Refer obligation 55.	NP	NR
57	Section 181	Clause 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.	4	The Technical Director confirmed that he is not aware of any reasonable request made during the audit period, by an owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	NP	NR
58	Section 186	Clause 4.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not apply for any warrants or execute any warrants.	NP	NR
59	Sections 187(1) – (3)	Clause 4.1.1	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures	4	Refer obligation 58.	NP	NR



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			specified depending on the location of the applicant and the justice.				
60	Section 190(4)	Clause 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	Refer obligation 58.	NP	NR
61	Section 190(5)	Clause 4.1.1	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	4	Refer obligation 58.	NP	NR
62	Section 210(5)	Clause 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.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not designate a person as an inspector or compliance officer.	NP	NR
63	Section 218(2)	Clause 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.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not: <ul style="list-style-type: none"> <li>• Obstruct the free use of any place; or</li> <li>• Cause any damage, harm or inconvenience.</li> </ul>	NP	NR
64	Section 218(3)	Clause 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 compensation to the extent that it is not practicable to make good the damage.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not cause any physical damage in the exercise of a works power or a power of entry.	NP	NR

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<b>Water Services Regulations 2013</b>							
65	Regulation 23(2)	Clause 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 meter is satisfactory for measuring the quantity or flow of water passing through a pipe supplying water to the unit.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not provide a water supply service in respect of a multi-unit development.	NP	NR
66	Regulation 24(4)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not give a compliance notice to a person in respect of access to meters.	NP	NR
67	Regulations 26(3)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not requested by an owner or occupier to test a meter.	NP	NR
68	Regulation 26(5)	Clause 4.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).	4	Refer obligation 67.	NP	NR
69	Regulation 29(1)	Clause 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	4	The auditor confirmed with the owner and the Technical Director and during the site visit that, during the audit period, TMC Witchcliffe was the only developer within the operating area of WL50.	NP	NR

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			contribution unless regulations 29(3) or 29(4) applies.				
70	Regulation 42(2)	Clause 4.1.1	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given to the owner or occupier).	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not give a written order requiring the owner or occupier of land to install a backflow prevention device.	NP	NR
71	Regulation 43(3)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not give any compliance notice to the owner or occupier of land regarding: <ul style="list-style-type: none"> <li>• Testing or maintaining a backflow prevention device; or</li> <li>• Making good a backflow prevention device.</li> </ul>	NP	NR
72	Regulation 43(6)	Clause 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 required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given to the owner or occupier).	4	Refer obligation 71.	NP	NR
74	Regulation 60(2)	Clause 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	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not exercise a works power for a road.	NP	NR

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			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.				
75	Regulation 63	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not open or break up the surface of a road	NP	NR
89	Regulation 85	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not issue any compliance notices.	NP	NR
<b>Water Services Code of Conduct (Customer Service Standards) 2018</b>							
92	Clauses 8(1)-(3)	Clause 4.1.1	The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available. <i>(Note: the information required by clause 8(2)(a) applies to the Water Corporation, Bunbury Water Corporation and Busselton Water Corporation only and the information required by clause 8(2)(g) applies only to licensees that supply potable water).</i>	4	TMC Witchcliffe has a Water Handbook on the website that includes general information about the sewerage service and the licensee's functions. The Standard Terms and Conditions of the Operators Wastewater Services includes the prescribed information about: a) how to apply for a connection; b) the things that a customer must do, and the things that must be complied with, before a connection is made;	C	3

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			<i>Note: The 2021 Water Compliance Manual included a requirement that for non-potable water supply, the licensee is to provide non-potable water on the basis that the customer is responsible for treatment of water fit for human drinking (obligations 92 to 139 and 144 to 154D). As the licensee does not provide non-potable water, this amendment does not apply to this audit.</i>		<p>c) the fees that apply in relation to connections and when the fees are payable; and</p> <p>d) the period in which standard supply connections are required to be completed.</p> <p>However, the Standard Terms and Conditions are not publicly available on the Website.</p> <p><b><u>Recommendation 3/2024</u></b>  <i>The Website should include information and the form to apply for new sewerage connections, including the Standard Terms and Conditions of the Operators Wastewater Services.</i></p>		
93	Clauses 9(2) and (4)		<p>Note: Potable water supply only.</p> <p>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.</p>	4	As the Licence does not include potable water this is not rated.	NP	NR
94	Clause 10(2)	Clause 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	<p>The audit reviewed a sample of annual TMC Witchcliffe tax invoices issued to 10 out of 65 connected properties (15%) during the audit period and confirmed the annual billing for customers re availability or improved land charges.</p> <p>This obligation is stated in the Standard Terms and Conditions of the Operators Wastewater Services.</p>	A	1
95	Clause 11(2)	Clause 4.1.1	If the licensee charges a quantity charge, the licensee must issue a bill -	4	<p>Refer obligation 94.</p> <p>TMC Witchcliffe does not charge a quantity charge for sewerage services.</p>	NP	NR

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			for a quantity charge to each customer at least once in every 4-month period.				
96	Clause 11(3)	Clause 4.1.1	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	Refer obligation 95.	NP	NR
97	Clause 11(4)	Clause 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).		Refer obligation 95.	NP	NR
98	Clause 11(5)	Clause 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	Refer obligation 95.	NP	NR
98A	Clause 11(6)	Clause 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	Refer obligation 95.	NP	NR
99	Clause 12	Clause 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	The audit confirmed that with the TMC Bookkeeper that during the audit period, TMC Witchcliffe sent bills to the email address nominated by the customer or if not nominated, to the property address or the mailing address.  The audit reviewed a sample of annual TMC Witchcliffe tax invoices issued to 10 out of 65	A	1

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					connected properties (15% of customers) during the audit period. These tax invoices recorded the customers' property addresses.  This obligation including emailing invoices is stated in the Standard Terms and Conditions of the Operators Wastewater Services.		
100	Clause 13(1)	Clause 4.1.1	Each bill must contain the prescribed information.	4	The audit reviewed a sample of annual TMC Witchcliffe tax invoices issued to 10 out of 65 connected properties (15% of customers) during the audit period. These tax invoices recorded the information stipulated in clause 13(1) of the 2018 Code of Conduct.  The Technical Director confirmed that during the audit period, no concessions were granted to customers; and no interest or fees were charged for late payment of outstanding amounts.  The billing information is stated in the Standard Terms and Conditions of the Operators Wastewater Services.	A	1
100A	Clause 13(3)	Clause 4.1.1	A bill issued for 2 or more water services must specify the charge payable for each water service.	4	The audit reviewed a sample of 10 tax invoices issued during the audit period. The bills are issued for one water service only.	NP	NR
101	Clause 13(4)	Clause 4.1.1	Each bill for usage for a metered water service must contain specified information.	4	The audit reviewed a sample of 10 tax invoices issued during the audit period. These tax invoices contained the information stipulated in clause 13(4) of the 2018 Code of Conduct.  The Technical Director confirmed that during the audit period, TMC Witchcliffe did not estimate usage for billing purposes.	NP	1

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101A	Clause 13(5)	Clause 4.1.1	If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request.	4	The audit confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not estimate usage for billing purposes.	NP	NR
102A	Clause 13(6)	Clause 4.1.1	Each bill must contain the prescribed information.	4	<p>The audit reviewed a sample of 10 tax invoices issued during the audit period. These tax invoices contained contact information but this does not include the information stipulated in clause 13(6) of the Code of Conduct as follows:</p> <ul style="list-style-type: none"> <li>• Telephone number for complaints;</li> <li>• Freecall telephone number for the office of the water services ombudsman;</li> <li>• A statement that the website contains information about estimates, meter reading and testing, complaints and review; and</li> <li>• A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.</li> </ul> <p><b><u>Recommendation 4/2024</u></b></p> <p><i>The invoices to customers should include the "prescribed information" in the Water Services Code of Conduct (Customer Service Standards) 2018, including:</i></p> <ul style="list-style-type: none"> <li>• <i>Telephone number for complaints;</i></li> <li>• <i>Freecall telephone number for the office of the water services ombudsman;</i></li> <li>• <i>A statement that the website contains information about estimates, meter reading and testing, complaints and review; and</i></li> </ul>	C	3



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					<ul style="list-style-type: none"> <li>A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.</li> </ul>		
103	Clause 14(1)	Clause 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	The audit confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not estimate usage for billing purposes.	NP	NR
104	Clause 14(2)	Clause 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	The audit confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not estimate usage for billing purposes.	NP	NR
104A	Clause 15(3)	Clause 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	The audit confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not issue bills for usage.	NP	NR
105	Clause 16(1)	Clause 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	The audit confirmed with the Technical Director that does not issue bills based on meter readings.	NP	NR
106	Clause 17(2) and (3)	Clause 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	4	Refer obligation 105.	NP	NR

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			customer but is likely to have been wasted because of a leak from the customer's system.				
107	Clause 18(2)	Clause 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 which the licensee informed the customer of the undercharging.	4	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not recover any undercharged amount from a customer.	NP	NR
108	Clause 18(3)	Clause 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	Refer obligation 107.	NP	NR
109	Clause 18(4)	Clause 4.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	4	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not recover any undercharged amount from a customer.	NP	NR
110	Clause 18(5)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not recover any undercharged amount from a customer.	NP	NR
111A	Clause 19(2)	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe did not overcharge a customer.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
112A	Clause 19(3)	Clause 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	Refer obligation 111A.	NP	NR
112B	Clause 19(4)	Clause 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	Refer obligation 111A.	NP	NR
112C	Clause 19(5)	Clause 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	Refer obligation 111A.	NP	NR
113	Clause 20(1)	Clause 4.1.1	The licensee must review a bill on the customer's request.	4	The Technical Director confirmed that during the audit period, no customers requested bill reviews. There were a few billing enquiries about the basis of charging the service charges during the audit period.	NP	NR

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					However, these were resolved by communication of the basis of charging and there were no formal bill review requests.		
114	Clause 20(2)	Clause 4.1.1	The license must have a written procedure for the review of a bill on the customer's request.	4	<p>The Standard Terms and Conditions of the Operators Wastewater Services includes a section - Charges and Accounts. However, there is no reference to a procedure for review of the bill.</p> <p><b><u>Recommendation 5/2024</u></b></p> <p>a) <i>The Standard Terms and Conditions of the Operators Wastewater Services should include a written procedure for review of a bill on the customer's request, including:</i></p> <ul style="list-style-type: none"> <li>• <i>Review of Outcome – Undercharged bill and Overcharged bill (clause 20(3)(b)); and</i></li> <li>• <i>Appeals and Complaints, including option to apply to the Energy and Water Ombudsman (clause 20(3)(c)).</i></li> </ul> <p>b) <i>The bill review procedure should be available on the website and in hardcopy upon request.</i></p>	C	3
115	Clause 20(3) and (6)	Clause 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	Refer obligation 114.	C	3
116	Clause 20(4)	Clause 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	4	Refer obligation 114.	C	3

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			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.				
117	Clause 20(5)	Clause 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	The Technical Director confirmed that during the audit period, no customers requested bill reviews.	NP	NR
117A	Clause 21	Clause 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	The Technical Director advised that during the audit period, TMC Witchcliffe reviewed and revised the water service charges on a 3 yearly basis based on Landgate land valuations. There has been no change in rates in this audit period.  <i>An improvement is to note in the Standard Terms and Conditions of the Operators Wastewater Services how customers are notified of any change to the rate of the water service charge.</i>	B	NR
118	Clause 23	Clause 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	The auditor sighted 10 tax invoices for July 2023 and confirmed the payment due dates were 30 days from the date issued.	NP	1
119	Clause 24(1)	Clause 4.1.1	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	The Technical Director confirmed that the prescribed payment methods are accepted.  The Standard Terms and Conditions of the Operators Wastewater Services includes a section - Charges and Accounts. This does not provide any information about prescribed payment methods.	C	1

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
					<p>a) Clause 24(1) of the Code states that “A licensee must allow a customer to pay a bill by any of the following methods selected by the customer —</p> <p>b) in the case of a residential customer — Centrepay i.e. the facility that allows Centrelink customers to have automatic deductions taken from Centrelink payments);</p> <p>c) internet;</p> <p>d) telephone; or</p> <p>e) post.</p> <p><b><u>Recommendation 6/2024</u></b></p> <p><i>The invoices to customers and the Standard Terms and Conditions of the Operators Wastewater Services should include the payment options. These include in person, Centrepay, by mail, via the internet, telephone or by direct debit. Also, that any fees or charges incurred with a particular payment method will be communicated to the customer prior to accepting payment.</i></p>		
120	Clause 24(2)	Clause 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	The Technical Director confirmed that there are no fees and charges for payment options. <b><i>Refer Recommendation 6/2024.</i></b>	C	NR
121	Clause 25(1)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not receive any customer request to pay by direct debit.	NP	NR

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122	Clause 26(1)	Clause 4.1.1	The licensee must accept payment in advance from a customer on a customer's request.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not receive any customer request to pay in advance.	NP	NR
123	Clause 27	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not receive any customer request to redirect a customer's bills due to absence or illness.	NP	NR
124A	Clause 28(2)	Clause 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	The Technical Director advised that during the audit period, TMC Witchcliffe did not receive any request from customers for a payment plan. This obligation is stated in the Standard Terms and Conditions of the Operators Wastewater Services.	A	NR
124B	Clause 28(3)	Clause 4.1.1	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing payment difficulties, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	Refer obligation 124A.	A	NR
124C	Clause 28(4)	Clause 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	4	Refer obligation 124A.	A	NR

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			payment difficulties should be interest-free, or fee-free, or both.				
125	Clause 29(1) and (2)	Clause 4.1.1 and Schedule 3, clause 1.1.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	TMC Witchcliffe has a Financial Hardship Policy that was approved by the ERA in November 2019. The Policy was published on the ERA website.	A	1
126A	Clause 29(3)	Clause 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.	4	Refer obligation 125.	A	1
126B	Clause 29(4)	Clause 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.	4	Refer obligation 125.	A	1
127	Clause 29(5)	Clause 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.	4	TMC Witchcliffe's water services licence commenced on 4 November 2019. TMC Witchcliffe's Financial Hardship Policy was first issued within 6 months and complied with this obligation.	A	1
128	Clause 29(6)	Clause 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.	4	The auditor confirmed with the Technical Director that, during the audit period, no customers requested a hard copy of the Financial Hardship Policy. However, TMC Witchcliffe's Financial Hardship Policy is not available on the website. <b><u>Recommendation 7/2024</u></b> <i>The Financial Hardship Policy should be available on the Website.</i>	C	3



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129A	Clause 29(7)	Clause 4.1.1	The licensee must review its financial hardship policy at least once in every 5 year period.	4	The Financial Hardship Policy was issued in November 2019. The next review is due by October 2024. This obligation is complied with.	NP	1
129B	Clause 29(8)	Clause 4.1.1	The licensee must review its financial hardship policy if directed to do so by the ERA.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not directed by the ERA to review its financial hardship policy.	NP	NR
129C	Clause 29(9)	Clause 4.1.1	The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	4	The Financial Hardship Policy approved by the ERA is not yet due for review.	NP	NR
130A	Clause 30(2)	Clause 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 appropriate plan or arrangement with the customer.	4	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not assess any customer as experiencing financial hardship. This obligation is stated in the Financial Hardship Policy.	A	NR
130B	Clause 30(3)	Clause 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	Refer obligation 130A.	A	NR

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131A	Clause 30(4)(a)	Clause 4.1.1	The licensee must consider reducing the amount owing by the customer.	4	Refer obligation 130A.	A	NR
131B	Clause 30(4)(b)	Clause 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	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not assess any customer as experiencing financial hardship.  The Financial Hardship Policy states the payment plan will be reviewed at the request of the customer and revised if necessary.	A	NR
131C	Clause 30(4)(c)	Clause 4.1.1	The licensee must provide the specified written information to a customer.	4	The auditor confirmed with the Technical Director that, during the audit period, TMC Witchcliffe did not assess any customer as experiencing financial hardship.  As per Clause 30(4) ( c) of the Code of Conduct, the Financial Hardship Policy provides written information to the customer about: a) redirecting the bill free of charge under clause 27; b) the bill payment methods provided by the licensee; and c) applying for concessions to which the customer may be entitled; and d) seeking independent financial counselling or seeking advice from relevant consumer organisations; and e) applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes.	A	NR
133	Clause 31(4) and (5)	Clause 4.1.1	The licensee must have written information regarding the payment schemes and other assistance that is	4	The Financial Hardship Policy provides information about payment schemes and assistance to customers, A hardcopy is available upon request.	C	3

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			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.		However, TMC Witchcliffe's Financial Hardship Policy is not available on the website. <b>Refer Recommendation 7/2024</b>		
133A	Clause 32	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	NP	NR
134	Clause 33(1)(a)-(c)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not commence or continue proceedings to recover a debt from a customer in the specified circumstances.	NP	NR
134A	Clause 33(1)(d)-(e)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not commence or continue proceedings to recover a debt from a customer in the specified circumstances.	NP	NR
135	Clause 40(1)	Clause 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 owing is paid, or if the customer enters into a payment arrangement for	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not cut off or reduce the rate of flow of water to land.	NP	NR

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			the amount owing that is satisfactory to the licensee.				
136	Clause 40(2)	Clause 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	Refer obligation 135.	NP	NR
137A	Clause 36(1)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not apply any water supply restrictions for which restriction notices were required.	NP	NR
137B	Clause 36(2)	Clause 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	Refer obligation 137A.	NP	NR
137C	Clause 36(3)	Clause 4.1.1	The restriction notice must include the specified information.	4	Refer obligation 137A.	NP	NR
138	Clause 37(1)(a)-(e) and (h)	Clause 4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	Refer obligation 137A.	NP	NR

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138A	Clause 37(1)(f)-(g)	Clause 4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	Refer obligation 137A.	NP	NR
138B	Clause 38	Clause 4.1.1	The licensee must not start a water supply restriction on or during the specified times.	4	Refer obligation 137A.	NP	NR
139	Clause 39	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not cut off or reduce the rate of flow of water to land.	NP	NR
142	Clause 41(4)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not cut off or reduce the rate of flow of water to land. Therefore, no restore of water was required.	NP	NR
144	Clause 41(6)	Clause 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	Refer obligation 142.	NP	NR
144A	Clause 43(1)	Clause 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	The Technical Director confirmed that during the audit period, there were no planned or unplanned interruptions to services during the audit period.  The Standard Terms and Conditions of the Operators Wastewater Services states that at least 48 hours' notice will be given of any planned interruption.	A	NR

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144B	Clause 43(2)	Clause 4.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.	4	Refer obligation 144A.	A	NR
144C	Clause 44(1)	Clause 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	<p>The site visit confirmed that TMC Witchcliffe has adequate practices in operation to deal with and minimise the impact of a burst, leak or blockage in its water supply works, including continuous remote monitoring and alarms with online access to restart and reset any of the parameters of the scheme.</p> <p>As there is no written policy and procedure for dealing with and minimising the impact of a burst, leak or blockage in the sewerage works or non-potable water supply works, this is considered a minor non-compliance.</p> <p><b><u>Recommendation 8/2024</u></b></p> <p><i>The existing practices, responsibilities and timing for dealing with and minimising the impact of a burst, leak or blockage in the sewerage works and non-potable water supply should be documented in a brief written procedure.</i></p>	C	2
144D	Clause 44(2)	Clause 4.1.1	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	4	Refer obligation 144C.	C	2
144E	Clause 45	Clause 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	4	The Standard Terms and Conditions of the Operators Wastewater Services includes a 24 hour phone number for customers to notify any emergencies or faults and to get information about any unplanned interruption, at the cost of a local telephone call.	A	1

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			expected duration of, any unplanned service interruption.				
145	Clause 46(1)	Clause 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	The Standard Terms and Conditions of the Operators Wastewater Services includes the complaints procedure.	A	1
146	Clause 46(2)	Clause 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	The auditor confirmed the TMC Witchcliffe's Customer Complaints Procedure conforms with the AS/NZS 10002-2014 Standard.	A	1
147	Clause 46(3)	Clause 4.1.1	The licensee's complaints procedure must provide for the matters specified in relation to lodgment of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.	4	TMC Witchcliffe's Customer Complaints Procedure provides for: <ul style="list-style-type: none"> <li>• Lodgement of complaint using several different communication avenues including in writing and verbally);</li> <li>• Responding to complaints;</li> <li>• Dispute resolution arrangements which include the Energy and Water Ombudsman Western Australia; and</li> <li>• Resolution of complaints within 15 business days of receipt.</li> </ul>	A	1
148A	Clause 46(4)	Clause 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	4	TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services provides for making an application to the Energy and Water Ombudsman Western Australia.	C	3

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			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).		This does not include applications to the State Administrative Tribunal for review of decisions as specified in the Water Services Act. <b><u>Recommendation 9/2024</u></b> a) <i>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services should include the option for customers to apply to the State Administrative Tribunal for review of a complaint.</i>		
149	Clause 46(5)	Clause 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	TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services is not available on the website. The Technical Director confirmed that a hardcopy would be provided to a customer upon request and at no charge. <b><u>Recommendation 9/2024</u></b> b) <i>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services should be available on the website.</i>	C	3
149A	Clause 47	Clause 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	The Technical Director advised there were no customer complaints in the audit period. This obligation is stated in TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services.	A	1



No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
150	Clause 48(1)	Clause 4.1.1	The licensee must provide a customer with the specified services on request and at no charge.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not receive any customer requests for services to customers with a speech or hearing impediment, interpreter services, or a large-print version of any of the licensee's publicly available documents.	NP	NR
152	Clause 48(2)	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe made available to each customer, at no charge, the customer's personal account information including information about bills previously issued to the customer. Therefore, this obligation is compliant.	NP	1
153	Clause 49(1)	Clause 4.1.1	The licensee must make the prescribed information publicly available. <i>Note: The "prescribed information" relates to fees and charges, bill payment methods, concessions, services provided, power of the licensee, customer obligations with regards to meter access, situations where the water may be cut off, or rate of flow reduced, water quality water use and planned and unplanned interruptions.</i>	4	The "prescribed information" in Clause 49(1) about the provision of the water services is included in the Standard Terms and Conditions of the Operators Wastewater Services. However, as noted in obligation 92, the Standard Terms and Conditions of the Operators Wastewater Services is not available on the Website. Therefore, the prescribed information is not publicly available and this obligation is non-compliant. <b>Refer recommendation 3/2024.</b>	C	3
154	Clause 49(2)	Clause 4.1.1	The licensee must ensure that the specified information about bills may be obtained from its website. <i>Note: The "specified information" relates to information about bills including bill estimates, meter readings, customer</i>	4	The specified information about bills (bill review) should be published on the website. <b>Refer recommendation 5/2024.</b> b) <i>The bill review procedure should be available on the website and in hardcopy upon request.</i>	C	3

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			<i>request for a meter read when disputing a bill estimate, customer request a meter test, bill reviews and complaints procedure.</i>				
154A	Clause 49(3)	Clause 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	The website does not contain a link to the Code of Conduct (2018) as included on the www.legislation.wa.gov.au website <b><i>Recommendation 10/2024</i></b> <i>The website should include a link to the current Water Services Code of Conduct (Customer Service Standards) 2018 as included on the www.legislation.wa.gov.au website.</i>	C	3
154B	Clause 51(1) and (3)	Clause 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.	2	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not obliged to maintain a preserved supply register (as it did not meet the criteria in clause 51(2) of the Code of Conduct (2018) as follows:  “This subclause applies if a licensee — a) receives notice or otherwise becomes aware that a person who resides at a supply address requires water for the operation of a dialysis machine or other life support equipment; or b) assesses and determines that a person who resides at a supply address requires water for a special need of another kind.”	NP	NR
154C	Clause 52	Clause 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.	2	Refer obligation 154B.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
154D	Clause 53	Clause 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.	2	Refer obligation 154B.	NP	NR
<b>Other License conditions</b>							
155	<i>Water Services Act</i> Section 12	Clause 4.2.1	The licensee must pay the applicable fees and charges in accordance with the Economic Regulation Authority (Licensing Funding) Regulations 2014.	4	The audit confirmed the fees were paid to the ERA by the due dates in the audit period.	NP	1
159	<i>Water Services Act</i> Section 12	Clause 4.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe did not receive any ERA direction in relation to a breach of applicable legislation.	NP	NR
160	<i>Water Services Act</i> Section 12	Clause 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	TMC Witchcliffe has engaged a qualified bookkeeper to prepare invoices and maintain the financial statements in accordance with accounting standards.  TMC Witchcliffe is a private company and did not provide any financial statements for the audit. The company is non-reporting since there are unlikely to be any users who would rely on the general purpose financial statements	NP	1
161	<i>Water Services Act</i> Section 12	Clause 5.2.1	The licensee must comply with any individual performance standards prescribed by the ERA.	4	There are no performance standards in Schedule 2 of the Licence.	NP	NR
162	<i>Water Services Act</i>	Clause 5.3.4	The licensee must cooperate with the independent expert and comply with the	4	TMC Witchcliffe fully cooperated with the auditor during the performance of this operational audit.	NP	1

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
	Section 12		ERA's audit and review guidelines dealing with the operational audit.				
163	<i>Water Services Act</i> Section 12	Clause 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 auditor confirmed with the Director that TMC Witchcliffe Pty Ltd was not under external administration.	NP	NR
165	<i>Water Services Act</i> Section 12	Clause 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	The Technical Director confirmed that during the audit period, TMC Witchcliffe provided the information required by the ERA.	NP	1
167	<i>Water Services Act</i> Section 12	Clause 4.8.2	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.	4	The plant commenced operation in July 2023. The auditor confirmed that TMC Witchcliffe's performance data commencing the year 2023/24 is not yet due.	NP	NR
168	<i>Water Services Act</i> Section 12	Clause 3.8.1 and 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 Technical Director confirmed that during the audit period, TMC Witchcliffe was not directed by the ERA to publish any information.	NP	NR
169	<i>Water Services Act</i> Section 12	Clause 3.7.1	Unless otherwise specified, all notices must be in writing.	4	The Technical Director confirmed that TMC Witchcliffe did not issue any notices to the ERA during the audit period.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
170A	<i>Water Services Act</i> Section 12 (Applicable from May 2020)	Clause 5.1.1(a) and (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 b) the completion of construction of the licensee's water service works.	4	This audit and review confirmed that the ERA has been previously notified of the asset management system.	NP	1
171	<i>Water Services Act</i> Section 12	Clause 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	This audit and review confirmed that TMC Witchcliffe has an asset management system in respect of the water service works. The asset management review confirmed there have been no major changes to the asset management system in the audit period.	NP	NR
172	<i>Water Services Act</i> Section 12	Clause 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	TMC Witchcliffe cooperated with the reviewer during the performance of this asset management system review.	NP	1
172A	<i>Water Services Act</i> Section 12	Clause 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	The auditor confirmed with the Technical Director that during the period, TMC Witchcliffe did not receive any ERA direction regarding its standard terms and conditions of service.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
172B	Water Services Act Section 12	Clause 6.1.2	The licensee must comply with a direction given to the licensee under clause 6.1.1.	4	Refer obligation 172A.	NP	NR
181	Water Services Act Section 12	Clause 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	The auditor confirmed with the Technical Director that during the audit period, TMC Witchcliffe was not a supplier of last resort for a designated area in relation to the provision of a particular water service.	NP	NR
182	Water Services Act Section 12	Clause 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	The Technical Director and the site visit confirmed that no water services were provided outside of the operating area.	NP	NR
190	Water Services Act Section 12	Schedule 2	The licensee must comply with the standards set out in Schedule 2 of the licence.	4	There are no performance standards in Schedule 2 of the Licence.	NP	NR
<b>Water Services Code of Practice (Family Violence) 2020</b>							
191	Clause 5(1)	Clause 4.1.1	The Licensee must have a family violence policy that sets out the matters specified in clause 5(1).	4	TMC Witchcliffe's does not have a "Family Violence Policy" that complies with clause 5(1) of the <i>Water Services Code of Practice (Family Violence) 2020</i> and is available on the Website and in hardcopy to a customer upon request and at no charge. <b>As per Recommendation 1/2024</b>	D	3

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
					<p>a) TMC Witchcliffe should develop a Family Violence Policy, include this on the Website for residents and make this available to customers in hardcopy upon request and free of charge.</p> <p>b) There should also be a link to the current version of the Water Services Code of Practice (Family Violence) 2020 as it appears on the Department of Justice – Government WA website.</p>		
192	Clause 5(2)	Clause 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 obligation 191.	D	3
193	Clause 6	Clause 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 obligation 191.	D	3
194	Clause 7	Clause 4.1.1	A licensee must review its family violence policy at least once in every 5 year period, and additionally, if directed to do so by the Minister.	4	The licence commenced on 4 November 2019. Therefore, the Family Violence Policy was due by 4 May 2020 and the next 5 yearly review by 4 May 2025. As this review is not yet due, this obligation compliance is not rated.	NP	NR
195	Clause 8(1)	Clause 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 in a government organisation, as defined in section 3(1) of the State Records Act 2000 (WA), then records must be maintained in	4	The Technical Director confirmed that during the audit period, TMC Witchcliffe was not approached by any customer regarding family violence.	NP	NR

No <sup>3</sup>	Legislative Reference	Licence Condition	Description	Audit Priority <sup>4</sup>	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating <sup>5</sup>	Compliance Rating <sup>6</sup>
			accordance with its obligations under that Act				
196	Clause 8(2)	Clause 4.1.1	If the licensee is not a government organisation according to the <i>State Records Act 2000 (WA)</i> , 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	Refer obligation 195.	NP	NR
197	Clause 9	Clause 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 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> .	4	Refer obligation 195.	NP	NR
198	Clause 10	Clause 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	TMC Witchcliffe's Family Domestic Violence Policy has not been included on the website. There is also no link which provides access to the current version of the <i>Water Services Code of Practice (Family Violence) 2020</i> (as it appears on the Department of Justice – Government WA website). <b>Refer Recommendation 1/2024.</b>	D	3



### 3.7 Audit Recommendations

The ERA Audit Guidelines only require recommendations for obligations rated C or D for Controls and/or 2,3, or 4 for Compliance to be included in this report.

**Table of Current Audit Non- Compliances and Recommendations**

A. Resolved during current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Date Resolved (& management action taken)	Auditor's Comments
	Nil		

  

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
1/2024	<p><b>Family Violence Policy</b></p> <p><b>D/3 – No controls evident/ Non-compliant – Moderate impact</b></p> <p><b>Obligations 10, 191, 192, 193, 198</b></p> <p><i>Water Services Act 2012 – Section 26(3) -The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.</i></p> <p><i>Water Services Code of Practice (Family Violence) 2020– Clause 5(1) - The Licensee must have a family violence policy that sets out the matters specified in clause 5(1).</i></p> <p><i>Water Services Code of Practice (Family Violence) 2020– Clause 5(2) - 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.</i></p>	<p>a) TMC Witchcliffe should develop a Family Violence Policy, include this on the Website for residents and make this available to customers in hardcopy upon request and free of charge.</p> <p>b) There should also be a link to the current version of the <i>Water Services Code of Practice (Family Violence) 2020</i> as it appears on the Department of Justice – Government WA website.</p>	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 6 - 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.</i></p> <p><i>Water Services Code of Practice (Family Violence) 2020 – Clause 10 - 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.</i></p> <p>TMC Witchcliffe's does not have a "Family Violence Policy" that complies with clause 5(1) of the <i>Water Services Code of Practice (Family Violence) 2020</i> and is available on the Website and in hardcopy to a customer upon request and at no charge.</p> <p>There is also no link which provides access to the current version of the <i>Water Services Code of Practice (Family Violence) 2020</i> (as it appears on the Department of Justice – Government WA website).</p>		
2/2024	<p><b>Energy and Water Ombudsman</b></p> <p><b>D3 - Not performed – controls not assessed in the audit/ Non-compliant – Moderate impact</b></p> <p><b>Obligations 15</b></p> <p><i>Water Services Act 2012 – Section 70(2) - The licensee must not supply water services to customers unless the licensee:</i></p> <ul style="list-style-type: none"> <li><i>is a member of the water services ombudsman scheme; and</i></li> <li><i>is bound by the scheme; and</i></li> </ul> <p><i>will comply with any decision or direction of the water services ombudsman under the scheme.</i></p> <p>The auditor noted from the Energy and Water Ombudsman website that TMC Witchcliffe is not yet a member of the water services ombudsman scheme. Water supply services commenced in July 2023.</p>	As required by Clause 6.2.1 of the Water Licence, TMC Witchcliffe should become a member of the Energy and Water Ombudsman scheme in WA.	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	The customer's right to refer their complaint to the ombudsman is included in the Standard Terms and Conditions of the Operators Wastewater Services (Version 2 - 2020).		
3/2024	<p><b>Connection Information</b></p> <p><b>C3 – Controls inadequate – improvement needed/ Non-compliant – Moderate impact</b></p> <p><b>Obligation 92, 153</b></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 - Clauses 8(1) – (3) - The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available.</i></p> <p><i>Clause 49(1) - The licensee must make the prescribed information publicly available.</i></p> <p>TMC Witchcliffe has a Water Handbook on the website that includes information about the sewerage service and the licensee's functions.</p> <p>The Standard Terms and Conditions of the Operators Wastewater Services includes the prescribed information about</p> <ul style="list-style-type: none"> <li>a) how to apply for a connection;</li> <li>b) the things that a customer must do, and the things that must be complied with, before a connection is made;</li> <li>c) the fees that apply in relation to connections and when the fees are payable; and</li> <li>d) the period in which standard supply connections are required to be completed.</li> </ul> <p>However, the Standard Terms and Conditions are not publicly available on the Website.</p>	The Website should include information and the form to apply for new sewerage connections, including the Standard Terms and Conditions of the Operators Wastewater Services.	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
4/2024	<p><b>Information to be included on Invoices</b></p> <p><b>C3 – Controls inadequate/ Non-compliant – Moderate impact</b></p> <p><b>Obligation 102A</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 13(6) - Each bill must contain the prescribed information.</i></p> <p>The audit reviewed a sample of 10 tax invoices issued during the audit period. These tax invoices contained contact information but this does not include the information stipulated in clause 13(6) of the Code of Conduct as follows:</p> <ul style="list-style-type: none"> <li>• Telephone number for complaints;</li> <li>• Freecall telephone number for the office of the water services ombudsman;</li> <li>• A statement that the website contains information about estimates, meter reading and testing, complaints and review; and</li> <li>• A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.</li> </ul>	<p>The invoices to customers should include the "prescribed information" in the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>, including:</p> <ul style="list-style-type: none"> <li>• Telephone number for complaints;</li> <li>• Freecall telephone number for the office of the water services ombudsman;</li> <li>• A statement that the website contains information about estimates, meter reading and testing, complaints and review; and</li> <li>• A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.</li> </ul>	Nil
5/2024	<p><b>Bill Review</b></p> <p><b>C3 – Controls inadequate/ Non-compliant – Moderate impact</b></p> <p><b>Obligations 114, 115, 116, 153, 154</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 20(2) - The license must have a written procedure for the review of a bill on the customer's request.</i></p> <p><i>Clause 20(3) and (6) - 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.</i></p> <p><i>Clause 20(4) - 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</i></p>	<p>a) The Standard Terms and Conditions of the Operators Wastewater Services should include a written procedure for review of a bill on the customer's request, including:</p> <ul style="list-style-type: none"> <li>• Review of Outcome – Undercharged bill and Overcharged bill (clause 20(3)(b)); and</li> <li>• Appeals and Complaints, including option to apply to the Energy and Water Ombudsman (clause 20(3)(c)).</li> </ul>	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p><i>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.</i></p> <p><i>Clause 49(1) - The licensee must make the prescribed information publicly available.</i></p> <p><i>Clause 49(2) - The licensee must ensure that the specified information about bills may be obtained from its website.</i></p> <p>The specified information about bills (bill review) needs to be included in the Standard Terms and Conditions of the Operators Wastewater Services and published on the website.</p>	b) The bill review procedure should be available on the website and in hardcopy upon request.	
6/2024	<p><b>Bill Payment Options</b></p> <p><b>C1 – Inadequate controls – significant improvement required / Compliant Obligation 119</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 24(1) - The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.</i></p> <p>The Standard Terms and Conditions of the Operators Wastewater Services includes a section - Charges and Accounts. This does not provide any information about prescribed payment methods.</p> <p>a) Clause 24(1) of the Code states that “A licensee must allow a customer to pay a bill by any of the following methods selected by the customer —</p> <p>b) in the case of a residential customer — Centrepay i.e. the facility that allows Centrelink customers to have automatic deductions taken from Centrelink payments);</p> <p>c) internet;</p> <p>d) telephone;</p> <p>e) post.</p>	The invoices to customers and the Standard Terms and Conditions of the Operators Wastewater Services should include the payment options. These include in person, Centrepay, by mail, via the internet, telephone or by direct debit. Also, that any fees or charges incurred with a particular payment method will be communicated to the customer prior to accepting payment.	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p><b>C/NR – Inadequate controls – significant improvement required / Not rated.</b></p> <p><b>Obligation 120</b></p> <p><i>Clause 24(2) - 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.</i></p> <p>The Technical Director confirmed that the prescribed payment methods are accepted. The Technical Director confirmed that there are no fees and charges for payment options.</p>		
7/2024	<p><b>Financial Hardship Policy on Website</b></p> <p><b>C/3 – Controls inadequate/ Non-compliant – Moderate impact</b></p> <p><b>Obligation 128, 133</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 29(6) - 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.</i></p> <p><i>Clause 31(4) and (5) - 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.</i></p> <p>The Financial Hardship Policy provides information about payment schemes and assistance to customers. A hardcopy is available upon request. The auditor confirmed with the Technical Director that, during the audit period, no customers requested a hard copy of the Financial Hardship Policy.</p> <p>However, TMC Witchcliffe's Financial Hardship Policy is not available on the website.</p>	The Financial Hardship Policy should be available on the Website.	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
8/2024	<p><b>Supply Interruptions</b></p> <p><b>C2 – Inadequate controls – significant improvement required / Non-compliant – Minor impact</b></p> <p><b>Obligation 144C, 144D</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 44(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.</i></p> <p><i>Clause 44(2) - The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.</i></p> <p>The site visit confirmed that TMC Witchcliffe has adequate practices in operation to deal with and minimise the impact of a burst, leak or blockage in its water supply works, including continuous remote monitoring and alarms with online access to restart and reset any of the parameters of the scheme.</p> <p>As there is no written policy and procedure for dealing with and minimising the impact of a burst, leak or blockage in the sewerage works or non-potable water supply works, this is considered a minor non-compliance.</p>	<p>The existing practices, responsibilities and timing for for dealing with and minimising the impact of a burst, leak or blockage in the sewerage works and non-potable water supply should be documented in a brief written procedure.</p>	Nil
9/2024	<p><b>Complaints Procedure</b></p> <p><b>C3 – Controls inadequate/ Non-compliant – Moderate impact</b></p> <p><b>Obligation 148A,149</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 46(4) - 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).</i></p>	<p>a) TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services should include the option for customers to apply to the State Administrative Tribunal for review of a complaint.</p> <p>b) TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater</p>	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p><i>Clause 46(5) - 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.</i></p> <p>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services provides for making an application to the Energy and Water Ombudsman Western Australia. This does not include applications to the State Administrative Tribunal for review of decisions as specified in the Water Services Act.</p> <p>TMC Witchcliffe's Customer Complaints Procedure in the Standard Terms and Conditions of the Operators Wastewater Services is not available on the website.</p> <p>The Technical Director confirmed that a hardcopy would be provided to a customer upon request and at no charge.</p>	Services should be available on the website.	
10/2024	<p><b>Website Link to Code of Conduct</b></p> <p><b>C3 – Controls inadequate/ Non-compliant – Moderate impact</b></p> <p><b>Obligation 154A</b></p> <p><i>Code of Conduct (Customer Service Standards) 2018 – Clause 49(3) - 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.</i></p> <p>The website does not contain a link to the Code of Conduct (2018) as included on the <a href="http://www.legislation.wa.gov.au">www.legislation.wa.gov.au</a> website</p>	The website should include a link to the current Water Services Code of Conduct (Customer Service Standards) 2018 as included on the <a href="http://www.legislation.wa.gov.au">www.legislation.wa.gov.au</a> website.	Nil



## 4. Asset Management System Review

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### 4.1 Description of Infrastructure

TMC Witchcliffe Pty Ltd ('TMCW') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of non-potable water supply and sewerage services in the operating area in the Shire of Augusta-Margaret River.

TMC Witchcliffe is required to comply with the terms and conditions of their license. There were two versions of the Water License WL50 in operation over the audit period:

- Version 1 - From commencement on 4 November 2019 to 30 April 2020.
- Version 2 - 1 May 2020 to date (Amendments re Water Licence Review 2019).

Under the Act, water services licensees are required to provide reports on an operational audit ('audit') and an effectiveness review of their asset management system ('review') once every 24 months, or another period that has been specified by the ERA.

The asset management system is prepared on the basis that the scheme is established by TMCW. The operation and management of the scheme after establishment including all operating costs, maintenance and renewal will be the responsibility of TMCW as the Water Licensee and owner of the scheme assets.

The scheme is being developed in a staged manner according to the staging of the development and it is recognized that the establishment phase for the system will require support from Sustainable Settlements Pty Ltd and the Perron Group Pty Ltd ('the Developer') for approximately four years from commencing operations in 2021 until there are sufficient properties connected for the scheme to generate positive cash flow. TMCW has entered into a loan agreement with the Developer to establish and operate the scheme.

The Witchcliffe Ecovillage Sewerage Scheme assets comprising:

- gravity sewers that convey sewerage from the lot to a pump station within each catchment,
- pump stations and a pressure main that transfer sewerage to the wastewater treatment plant,
- a wastewater treatment plant site that includes wastewater treatment and effluent storage
- pumping infrastructure and an effluent irrigation area with irrigation pipe work.

The plant commenced operations in July 2023 and there are currently 65 connected properties and 35 residential customers.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Water Compliance Reporting Manual 2021) and the 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

The audit and review covered the period from commencement of the licence on 4 November 2019 to 30 November 2023.

### 4.2 Objectives and Scope

The objective of the review was to assess the adequacy and effectiveness of the asset management system in place for the undertaking, maintenance and monitoring of the licensee's assets.

The scope of the review included an assessment of the adequacy and effectiveness of the asset management system by evaluating the key processes of:

- Asset planning
- Asset creation/acquisition
- Asset disposal
- Environmental analysis

- Asset operations
- Asset maintenance
- Asset management information system
- Risk management
- Contingency planning
- Financial planning
- Capital expenditure planning
- Review of the asset management system.

The highest priority asset components (rated 1, 2 or 3) based on inherent risk were:

- Asset planning
- Environmental analysis
- Contingency planning

As this is the first review under the licence, this was a reasonable assurance engagement.

### 4.3 Asset Management Process and Performance Rating Scales

The adequacy of process policy and definition and the performance of the key processes were assessed using the scales described in the tables below. The overall effectiveness rating for each asset management process is based on a combination of the process and policy adequacy rating and the performance rating.

#### Asset Management Process and Policy Definition - Adequacy ratings

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.</li> <li>• The asset management information system(s) are adequate in relation to the assets that are being managed.</li> </ul>
B	Requires some improvement	<ul style="list-style-type: none"> <li>• Process and policy documentation 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.</li> <li>• The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).</li> </ul>
C	Requires significant improvement	<ul style="list-style-type: none"> <li>• Process 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.</li> <li>• The asset management information system(s) requires substantial improvement (taking into consideration the assets being managed).</li> </ul>
D	Inadequate	<ul style="list-style-type: none"> <li>• Processes and policies are not documented.</li> <li>• The asset management information system(s) is not fit for purpose (taking into consideration the assets being managed).</li> </ul>

## Asset Management Performance Ratings

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.</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.</li> <li>Recommended process improvement 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.</li> <li>Recommended process improvement 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 that the process is considered to be ineffective.</li> </ul>

### 4.4 Summary of Asset Management System Effectiveness Ratings

The review's assessment of the asset management system process and policy definitions and their effectiveness, based on the ratings scale in Section 4.3, is shown in the table below.

Section 4.6 provides further details of the current rating results for each process in the asset management system.

#### Summary of Asset Management Performance Ratings

Process and Policy Definition – Adequacy Rating	Performance Rating for Effectiveness Criteria					Total
	Rating	1 Performing effectively	2 Improvement required	3 Corrective action required	4 Serious action required	
	A -Adequately defined	22	-	-	-	22
	B – Requires some improvement	4	8	-	-	12
	C – Requires significant improvement	-	23	1	-	24
	D – Inadequate	-	-	-	-	-
Total	26	31	1	-	58	

### Asset Management System Performance Ratings

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating			
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Serious action required
	A	B	C	D	1	2	3	4
<b>1. Asset planning</b>			<b>C</b>			<b>2</b>		
1.1 Asset management plan covers the processes in this table.			✓			✓		
1.2 Planning process and objectives reflect the needs of all stakeholders and are integrated with business planning.		✓				✓		
1.3 Service levels are defined in the asset management plan.			✓			✓		
1.4 Non-asset options (e.g. demand management) are considered.		✓			✓			
1.5 Lifecycle costs of owning and operating assets are assessed.		✓				✓		
1.6 Funding options are evaluated.		✓				✓		
1.7 Costs are justified and cost drivers identified.		✓				✓		
1.8 Likelihood and consequences of asset failure are predicted.			✓			✓		
1.9 Asset management plan are regularly reviewed and updated.			✓			✓		
<b>2. Asset creation/ acquisition</b>		<b>B</b>				<b>2</b>		
2.1 Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.		✓				✓		
2.2 Evaluations include all life-cycle costs.		✓				✓		
2.3 Projects reflect sound engineering and business decisions.		✓				✓		
2.4 Commissioning tests are documented and completed.		✓			✓			
2.5 Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.		✓			✓			

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating			
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Serious action required
	A	B	C	D	1	2	3	4
<b>3. Asset disposal</b>		<b>B</b>			<b>1</b>			
3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process.	✓				✓			
3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.			✓			✓		
3.3 Disposal alternatives are evaluated.	✓				✓			
3.4 There is a replacement strategy for assets.	✓				✓			
<b>4. Environmental analysis</b>			<b>C</b>			<b>2</b>		
4.1 Opportunities and threats in the asset management system environment are assessed.			✓			✓		
4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved.			✓			✓		
4.3 Compliance with statutory and regulatory requirements.		✓			✓			
4.4 Achievement of customer service levels.			✓			✓		
<b>5. Asset operations</b>			<b>C</b>			<b>2</b>		
5.1 Operational policies and procedures are documented and linked to service levels required.			✓			✓		
5.2 Risk management is applied to prioritise operations tasks.			✓			✓		
5.3 Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition.		✓				✓		
5.4 Accounting data is documented for assets.	✓				✓			
5.5 Operational costs are measured and monitored.			✓			✓		
5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities.			✓			✓		

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating			
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Serious action required
	A	B	C	D	1	2	3	4
<b>6. Asset maintenance</b>			<b>C</b>			<b>2</b>		
6.1 Maintenance policies and procedures are documented and linked to service levels required.			✓			✓		
6.2 Regular inspections are undertaken of asset performance and condition.			✓			✓		
6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.			✓			✓		
6.4 Failures are analysed and operational/maintenance plans adjusted where necessary.			✓			✓		
6.5 Risk management is applied to prioritise maintenance tasks.			✓			✓		
6.6 Maintenance costs are measured and monitored.	✓				✓			
<b>7. Asset Management Information System</b>	<b>A</b>				<b>1</b>			
7.1 Adequate system documentation for users and IT operators.	✓				✓			
7.2 Input controls include appropriate verification and validation of data entered into the system.	✓				✓			
7.3 Security access controls appear adequate, such as passwords.	✓				✓			
7.4 Physical security access controls appear adequate.	✓				✓			
7.5 Data backup procedures appear adequate and backups are tested.	✓				✓			
7.6 Computations for licensee performance reporting are accurate.	✓				✓			
7.7 Management reports appear adequate for the licensee to monitor licence obligations.			✓			✓		
7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	✓				✓			

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating			
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Serious action required
	A	B	C	D	1	2	3	4
<b>8. Risk management</b>			<b>C</b>			<b>2</b>		
8.1 Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.			✓			✓		
8.2 Risks are documented in a risk register and treatment plans are actioned and monitored.			✓			✓		
8.3 The probability and consequences of asset failure are regularly assessed.			✓			✓		
<b>9. Contingency planning</b>			<b>C</b>				<b>3</b>	
9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.			✓				✓	
<b>10. Financial planning</b>	<b>A</b>				<b>1</b>			
10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those.	✓				✓			
10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs.	✓				✓			
10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	✓				✓			
10.4 The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	✓				✓			
10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	✓				✓			
10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary.	✓				✓			
<b>11. Capital expenditure planning</b>	<b>A</b>				<b>1</b>			
11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates.	✓				✓			
11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure.	✓				✓			

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating			
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Serious action required
	A	B	C	D	1	2	3	4
11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	✓				✓			
11.4 There is an adequate process to ensure that the capital expenditure plan is regularly updated and implemented.			✓			✓		
<b>12. Review of asset management system</b>		<b>B</b>				<b>2</b>		
12.1 A review process is in place to ensure that the asset management plan and the asset management system described in it remain current.			✓			✓		
12.2 Independent reviews (e.g. internal audit) are performed of the asset management system.	✓				✓			



#### 4.5 Status of Previous Review Recommendations

As this is the first review for the licence, there are no previous recommendations.

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Asset management Process, Rating, Details)	Previous Auditor's Recommendation and <i>Action Taken</i>	Date Resolved	Further action required
<b>A. Resolved before end of previous review</b>				
	Nil			
<b>B. Resolved during current review period</b>				
	Nil			

#### 4.6 Detailed Review Observations

The review period is from 4 November 2019 to 30 November 2023.<sup>7</sup>

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
<b>1</b>	<b>2</b>	<b>ASSET PLANNING</b>		<b>C</b>	<b>2</b>
1.1	2	Asset management plan covers the processes in this table.	<p>The reviewer was provided with the Witchcliffe Ecovillage Sewerage Asset Management Plan (AMP). The document is not dated but in the section titled Asset Management Review, it states the AMP was created in June 2017.</p> <p>The AMP is described as preliminary and refers to the intention to undertake a major review of the plan as part of the asset commissioning process to capture as constructed information and commissioning details.</p> <p>The AMP discusses Asset Planning, Asset Creation, Asset Disposal, Asset Management Information System, Financial &amp; Capital Planning and Asset Management System review. Operations are discussed at a high level and some budgeting over a 5 year period is provided for repair and maintenance. Commissioning is briefly mentioned in relation to quality standards for the wastewater treatment plant. Risk Management and Contingency Planning are not discussed.</p> <p><b><u>Recommendation 12/2024</u></b></p> <p>a) <i>The AMP requires updating now that the Scheme is operating. The update should provide further detail about operations and maintenance of the system and include the approach to Risk Management and Contingency Planning.</i></p>	C	2

<sup>7</sup> Note: As per the Audit and Review Guidelines, recommendations are included for criteria rated as process C or D and/or effectiveness of 3 or 4 in the following table. Recommendations for improvements at higher ratings are no longer required to be reported.

<sup>8</sup> Process and Policy Rating – A=Adequately defined, B= Requires some improvement, C = Requires significant improvement, D= Inadequate.

<sup>9</sup> Performance Rating – 1=Performing effectively, 2=Improvement required, 3=Corrective action required, 4=Serious action required.

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
1.2	2	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning.	<p>The AMP states (under Asset Planning) given that all of the sewerage scheme assets will be constructed up front, that the aim of asset planning is for cost effective and timely renewal/replacement of assets. A table is provided forecasting the asset planning activities anticipated related to asset lives and potential future opportunities (potential future scheme extension).</p> <p>The Operations Plan document makes references to objectives and stakeholder requirements. Incorporating this information into the AMP would address this requirement more clearly.</p>	B	2
1.3	2	Service levels are defined in the asset management plan.	<p>Service levels are not clearly stated in the AMP. Some of the information in the Operations Plan listed as Objectives and Activities and in the Monitoring and Reporting Plan could be reviewed to identify service levels.</p> <p>Service levels should also reflect the document “Standard Terms and Conditions of the Operators Wastewater Services” (Version 2 - 2020)</p> <p>Service levels may also need to consider the requirements of the Recycled Water Management Plan.</p> <p><b><u>Recommendation 12/2024</u></b></p> <p><i>(b) The AMP should be updated to include Service Levels as per the Standard Terms and Conditions of the Operators Wastewater Services and requirements of the Recycled Water Management Plan, including how these are reported and monitored.</i></p>	C	2
1.4	2	Non-asset options (e.g., demand management) are considered.	<p>Non-asset options are not currently discussed in the AMP. The current flows to the Waste Water Treatment Plant (WWTP) are well within the existing capacity so non-asset options are not relevant currently.</p>	B	1
1.5	2	Lifecycle costs of owning and operating assets are assessed.	<p>Asset renewal schedules and repair and maintenance forecasts (which include operating costs) have been prepared (refer Appendix 13A provided).</p> <p>The AMP also describes various scenarios that were modelled to determine the ongoing financial viability of the scheme. The scenarios include growth of the</p>	B	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
			estate, number of connections and financial scenarios, including adequate scenarios on the lifecycle costs of owning and operating the assets. Updates are needed to reflect experience now the facility is operating.		
1.6	2	Funding options are evaluated.	A loan agreement between TMC Witchcliffe (the licenced service provider) and the Ecovillage developers is in place to fund the construction costs and any shortfall in operating costs. Regular review of the ongoing financial viability of continuing to provide the wastewater service should be included in the AMP and actions proposed to address if required.	B	2
1.7	2	Costs are justified and cost drivers identified.	The understanding of costs is demonstrated by the financial modelling that has been performed.	B	2
1.8	2	Likelihood and consequences of asset failure are predicted.	The AMP does not currently include information on asset failure likelihood and consequence. <b><u>Recommendation 13/2024</u></b> a) <i>Now the Scheme is operating, an asset risk assessment process needs to be implemented to assess the likelihood and consequence of asset failure and to prioritise maintenance tasks. An approach similar to the Health Risk Assessment in Appendix E of the Recycled Water Quality Management Plan is recommended.</i> b) <i>The risks, ratings, actions and status should be documented in a Risk Register that is reviewed at least annually.</i>	C	2
1.9	2	Asset management plan is regularly reviewed and updated.	The Asset Management Review section indicates the AMP was created in June 2017 (preliminary version). A major review of the AMP was proposed as part of the asset commissioning process (which is now due). The plan indicates minor reviews are to be undertaken annually with major reviews at 5 yearly intervals in line with asset condition assessment activities.	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
			<p><b><u>Recommendation 12/2024</u></b></p> <p>c) <i>The AMP should include a revision table to record updates. Inclusion of numbered headings will also assist future referencing for review.</i></p>		
<b>2</b>	<b>4</b>	<b>ASSET CREATION / ACQUISITION</b>		<b>B</b>	<b>2</b>
2.1	4	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	With most of the infrastructure now in place, only minor items of equipment will be required until major asset replacement is due, which is not expected for many years.	B	2
2.2	4	Evaluations include all life-cycle costs.	Asset life and forecasts for replacement, repair, maintenance and operation have been included in the initial AMP. Updates to this information should be performed as part of the AMP reviews, and particularly now that the system is in operation.	B	2
2.3	4	Projects reflect sound engineering and business decisions.	<p>TMC Witchcliffe prepared the design and managed the procurement and construction of the treatment plant. The plant design documentation was briefly reviewed on site.</p> <p>Drawings of the sewer collection system (sewers and pump stations) were prepared by a consulting engineer and delivered as part of the Ecovillage development. The sewer system is not to Water Corporation standards, minimising use of access chambers and instead installing maintenance shafts.</p> <p>The treated wastewater is delivered into a large plastic lined storage pond for seasonal use to irrigate an avocado plantation. When the treated wastewater is drawn from the pond, it is filtered and disinfected before being supplied for irrigation. The Ecovillage is responsible for operation of the recycled water irrigation, which relies on the WWTP achieving treated water quality requirements. A Recycled Water Quality Management Plan documents the scheme and its operation.</p>	B	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
			<p>During the site visit, the wastewater treatment plant, treated water storage, recycled water pump station, a raw wastewater pump station and a sample 3 out of 16 of the sewer inspection points were inspected. The WWTP appears to be well planned and operated but is still going through adjustment in response to the inflow which is increasing, as houses within the Ecovillage are built and connected. A plumbing contractor employed to maintain the sewer system attended the inspection and discussed the maintenance work being undertaken.</p> <p>The system currently appears to be well managed but is reliant on the plant manager who is continually optimising its operation to improve the treated water quality. It is expected that the plant operation will stabilise once the Ecovillage development is complete and more routine operation is established.</p>		
2.4	4	Commissioning tests are documented and completed.	<p>The AMP does not refer to commissioning in the main Plan. The Appendix 15 - Operations Plan includes the commissioning tests of the WWTP, including commissioning of irrigation pumps, filter unit and drip lines, WWTF (fresh water test and waste water test), pump stations (fresh water) and additional process trains and tanks. The site visit and the Technical Director confirmed these tests had been completed and documented.</p> <p>Commissioning will not be an on ongoing activity given all of the assets are constructed up front.</p>	B	1
2.5	4	Ongoing legal/environmental /safety obligations of the asset owner are assigned and understood.	<p>The Operations Plan lists the ongoing monitoring and reporting requirements of the Department of Health (DoH), Department of Water and Environmental Regulation (DWER) and the ERA (Table 2 Monitoring and Reporting Plan). The DoH reporting requirements are listed in Table 2 as "As per DoH approval TBD" and should be updated when the DoH approval is completed.</p> <p>Health and Safety is also discussed in the Operations Plan and this refers to the Witchcliffe Ecovillage Sewerage Scheme Safety Plan. The safety plan is described as identifying potential hazards and risks and sets out requirements for eliminating hazards where practical and protecting staff and contractors by managing risks where hazards cannot be eliminated.</p> <p>The Recycled Water Quality Management Plan (Appendix G) also sets out Occupational Health and Safety (OHS) procedures, acknowledges the OHS</p>	B	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
			Act and includes some Safe Work Method Statements. This is considered adequate consideration of the safety obligations.		
<b>3</b>	<b>4</b>	<b>ASSET DISPOSAL</b>		<b>B</b>	<b>1</b>
3.1	4	Under-utilised and under-performing assets are identified as part of a regular systematic review process.	<p>No assets have been disposed of to date.</p> <p>The AMP (Asset Creation, Acquisition and Disposal section) states there will be limited need for asset disposal but sets out some principles and order of preference for disposal if required. The plant has a 90 year life and the only planned replacements are pumps and blowers 15 years after year 6, and electrical controls every 30 years after year 1. This process is considered adequate.</p>	A	1
3.2	4	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	<p>No specific activity is described about asset monitoring. However, process monitoring is to be performed frequently to assess treated water quality performance with critical examination and adjustment performed.</p> <p>The Technical Director advised that daily observations are completed by the Plant Manager of the WWTP including all systems. However, there is no formal record keeping.</p> <p>The sewer collection system had recently (October 2023) been inspected with CCTV camera and targeted cleaning of pump wet wells carried out with a vacuum truck.</p> <p><b><u>Recommendation 14/2024</u></b></p> <p>a) <i>The regular routine operations and maintenance tasks should be determined and a checklist with tasks and frequency prepared to assist with tracking completion and entry of other (less routine) observations and required actions.</i></p>	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
3.3	4	Disposal alternatives are evaluated.	Refer 3.1 – the AMP sets out some principles and order of preference for disposal if required. These principles are considered adequate.	A	1
3.4	4	There is a replacement strategy for assets.	The AMP Table 3 sets out a high level asset replacement strategy.	A	1
<b>4</b>	<b>2</b>	<b>ENVIRONMENTAL ANALYSIS</b>		<b>C</b>	<b>2</b>
4.1	2	Opportunities and threats in the system environment are assessed.	<p>Opportunities and threats are considered as part of the Asset Renewal/Replacement section of the AMP. This includes assessment of the opportunities and threats in the system environment.</p> <p>As noted in Asset Planning above, the Asset Management Review section indicates the AMP was created in June 2017 (preliminary version). A major review of the AMP was proposed as part of the asset commissioning process (which is now due). This should include review of the opportunities and threats.</p> <p><b>Refer Recommendation 12( c)/2024</b></p>	C	2
4.2	2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved.	<p>Performance standards are not stated in the AMP. Some of the information in the Operations Plan listed as Objectives and Activities and in the Monitoring and Reporting Plan could be reviewed to identify performance standards.</p> <p>Performance standards should also reflect the document “Standard Terms and Conditions of the Operators Wastewater Services” (Version 2 - 2020)</p> <p><b>Recommendation 12/2024</b></p> <p>d) <i>The AMP should be updated to include Performance Standards (availability of service, capacity, continuity, emergency response, etc.) including how these are measured against the target, reported and monitored.</i></p>	C	2



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
4.3	2	Compliance with statutory and regulatory requirements.	<p>The Operations Plan lists the ongoing monitoring and reporting requirements of the Department of Health (DoH), Department of Water and Environmental Regulation (DWER) and the ERA (Table 2 Monitoring and Reporting Plan). The DoH reporting requirements are listed in Table 2 as “As per DoH approval TBD” and should be updated. As the plant commenced operating in July 2023 and the DoH Memorandum of Understanding has not yet been finalised, there are no reporting requirements by DoH. The Technical Director confirmed that regular water analysis as per DEWR permit is completed and compliance confirmed. Reports are provided to DEWR as per the licence.</p> <p>Health and Safety is discussed in the Operations Plan and this refers to the Witchcliffe Ecovillage Sewerage Scheme Safety Plan. The safety plan is described as identifying potential hazards and risks and sets out requirements for eliminating hazards where practical and protecting staff and contractors by managing risks where hazards cannot be eliminated. The Recycled Water Quality Management Plan (Appendix G) also sets out Occupational Health and Safety (OHS) procedures, acknowledges the OHS Act and includes some Safe Work Method Statements. This is considered adequate consideration of the safety obligations.</p> <p>The review confirmed that statutory and regulatory requirements are being complied with as summarised above and as per the audit obligations re the ERA licence as noted in the above audit report.</p>	B	1
4.4	2	Achievement of customer service levels.	<p>Customer service standards are not clearly stated in the AMP. There have been no customer complaints. However, there is no formal reporting and monitoring of customer services standards.</p> <p><b>Refer Recommendation 12(b)/2024 and 12(d)/2024.</b></p>	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
<b>5</b>	<b>4</b>	<b>ASSET OPERATIONS</b>		<b>C</b>	<b>2</b>
5.1	4	Operational policies and procedures are documented and linked to service levels required.	<p>The Operations Plan document provided for the WWTP is described as a preliminary document with the Operations Plan to be updated as part of the commissioning process to reflect changes that arise through detailed design, construction and obtaining approvals.</p> <p>The Recycled Water Quality Management Plan (Appendix O and Appendix P) includes Operation and Maintenance Manuals for the WWTP and Irrigation System. There is no checklist of regular routine Operations tasks to assist operators in completing the described activities and provide a means for recording completion.</p> <p><b><u>Recommendation 14/2024</u></b></p> <p>a) <i>The regular routine operations and maintenance tasks should be determined and a checklist prepared to assist with tracking completion and entry of other (less routine) observations and completion of required actions.</i></p>	C	2
5.2	4	Risk management is applied to prioritise operations tasks.	<p>The Recycled Water Quality Management Plan (Appendix E Health Risk Assessment) provides a risk based assessment of a range of events and failures, driven by health risk. Operational responses are included as mitigation activities.</p> <p>The development of a checklist of O&amp;M activities would provide a way of capturing the operational responses as actions.</p> <p><b><u>Refer Recommendation 14(a)/2024</u></b></p> <p>As noted in criteria 1.8 above, the AMP does not currently include information on asset failure likelihood and consequence. A more holistic Asset Risk Assessment should be prepared as part of the AMP to prioritise operations tasks.</p> <p><b><u>Refer Recommendation 13/2024</u></b></p>	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
5.3	4	Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition and accounting data.	<p>The Asset Register was provided in document "Appendix 13.1 – Sewer Asset Schedule". This includes the sewer collection system (sewers, chambers, pump stations and pressure mains) with locations, lengths, material, size, year of construction and replacement cost. The WWTP is included in the register at a higher level of detail, which should be defined in more detail. The effluent irrigation system is also captured.</p> <p>Asset condition information has not yet been included, given the assets have only recently commenced operation.</p>	B	2
5.4	4	Accounting data is documented for assets.	<p>TMC Witchcliffe utilise an accounting consultant (GCM Group) to perform financial management, including developing depreciation schedules for assets. Cost and life cycle information for all new assets are provided to the accounting consultant. The accounting consultant is responsible for the 5.3 Accounting and Financial Systems including billing, accounts payable, accounts receivable, banking, general accounting functions and reporting in accordance with appropriate Australian Accounting Standards.</p> <p>This includes maintaining an asset register showing individual asset cost and depreciation.</p>	A	1
5.5	4	Operational costs are measured and monitored.	<p>The AMP provides a cost breakdown of forecast repair and maintenance costs (Table 4). TMC Witchcliffe advised the measurement and monitoring of operating costs is in development, including a financial statement of the operating costs with budget and actual costs for each year.</p> <p><b><u>Recommendation 14/2024</u></b></p> <p><i>b) As planned, the measurement and monitoring of operating costs including a financial statement and budget/actuals reporting, should be completed.</i></p>	C	2
5.6	4	Staff resources are adequate and staff receive training commensurate with their responsibilities.	<p>A plumbing contractor attends to the sewer collection system.</p> <p>The treatment plant is mainly operated by the Plant Manager. A SCADA system for plant monitoring was in the process of being completed to allow more remote operation and monitoring. The plant is also attended to by one other operator to undertake basic activities and checks.</p>	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
			<p>The effluent reuse system is operated by an operator employed by the Ecovillage.</p> <p>The Operations Plan makes brief reference to staffing and resources. This should be updated in line with development of the operations manual and checklist of activities to demonstrate the staffing levels are adequate.</p> <p>Appendix J of the Recycled Water Management Plan includes a preliminary list of training requirements. Records need to be established to confirm the staff training plan/achievement.</p> <p><b><u>Recommendation 15/2024</u></b></p> <p>a) <i>The Operations Plan should be updated in line with development of the operations manual and checklist of activities to demonstrate the staffing levels are adequate.</i></p> <p>b) <i>Completion of training requirements for operators is required together with a system for tracking training progress/completion.</i></p>		
<b>6</b>		<b>ASSET MAINTENANCE</b>		<b>C</b>	<b>2</b>
6.1	4	Maintenance policies and procedures are documented and linked to service levels required.	<p>Refer to the comments at 5.1 – general/routine maintenance and inspection activities are described together with operations activities.</p> <p><b><u>Recommendation 14/2024</u></b></p> <p>c) <i>An annual schedule of more specialist/major maintenance requirements should be developed and tracked for completion.</i></p>	C	2
6.2	4	Regular inspections are undertaken of asset performance and condition.	<p>The Technical Director advised that daily observations are completed by the Plant Manager of the WWTP including all systems. However, there is no formal record keeping. A checklist of observations and frequency will assist in tracking and recording inspections.</p> <p>The sewer collection system had recently (October 2023) been inspected with CCTV camera and targeted cleaning of pump wet wells carried out with a vacuum truck.</p> <p><b><u>Refer Recommendation 14/2024.</u></b></p>	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
6.3	4	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	The Technical Director advised that site equipment is maintained as per supplier recommendations. However, the maintenance plans are not documented and no records are kept of their completion. <b>Refer Recommendation 14/2024.</b>	C	2
6.4	4	Failures are analysed and operational/maintenance plans adjusted where necessary.	The Technical Director advised a process for this is in development. <b>Refer Recommendation 13/2024</b>	C	2
6.5	4	Risk management is applied to prioritise maintenance tasks.	While the Health Risk Assessment in the Recycled Water Quality Management Plan makes some references to maintenance as mitigations, a more comprehensive risk assessment process needs to be developed before this can inform maintenance prioritisation. <b>Refer recommendation 13/2024.</b>	C	2
6.6	4	Maintenance costs are measured and monitored.	The AMP provides a cost breakdown of forecast repair and maintenance costs (Table 4). Maintenance costs are recorded and monitored through the accounting system maintained by the external accountant.	A	1
<b>7</b>	<b>4</b>	<b>ASSET MANAGEMENT INFORMATION SYSTEM</b>		<b>A</b>	<b>1</b>
7.1	4	Adequate system documentation for users and IT operators.	TMC Witchcliffe has a dedicated IT services company that maintains the system documentation for users and their IT operators.	A	1
7.2	4	Input controls include appropriate verification and validation of data entered into the system.	Data accuracy is controlled by edit checks of data fields in the key system and checks by the user when entering manually completed work order requests and updates. Considered adequate for the limited reliance upon IT systems.	A	1
7.3	4	Logical security access controls appear adequate, such as passwords.	Access to the external accounting system has restricted user access and require passwords that are regularly changed. Access controls are maintained by the IT service provider.	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
7.4	4	Physical security access controls appear adequate.	Physical security access is maintained by the IT services provider. The water treatment plant has adequate physical security to protect access to the control system.	A	1
7.5	4	Data backup procedures appear adequate and backups are tested.	Adequate data backup procedures and testing are maintained by the IT service provider.	A	1
7.6	4	Key computations related to licensee performance reporting are materially accurate.	From review of source data for the audit, the calculations are considered to be accurate.	A	1
7.7	4	Management reports appear adequate for the licensee to monitor licence obligations.	<p>There is limited reliance upon management reports as noted in the Asset Operations and Asset Maintenance sections above. Improvements in the management reporting to monitor obligations are recommended. The Technical Director advised this is under development.</p> <p><b><u>Recommendation 16/2024</u></b></p> <p><i>Management reports to monitor the licence obligations should be implemented such as reporting from a Compliance Register of obligations, responsibility, status, any actions required, due dates and completion.</i></p>	C	2
7.8	4	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	Adequate measures to protect asset management data from unauthorised access are maintained by the IT service provider.	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
<b>8</b>	<b>4</b>	<b>RISK MANAGEMENT</b>		<b>C</b>	<b>2</b>
8.1	4	Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.	<p>The AMP does not specifically detail a risk management policy and procedure. The asset risks, including failure of components and financial risks, have been considered in the Plan and incorporated into the operation and maintenance of the plant. However, there is no documented Risk Register to document the risks and treatment plans and to monitor actions. The Technical Director advised a process for this is in development.</p> <p>While the Health Risk Assessment in the Recycled Water Quality Management Plan makes some references to maintenance as mitigations, a more comprehensive risk assessment process needs to be developed before this can inform maintenance prioritisation.</p> <p><b><u>Recommendation 13/2024</u></b></p> <p>a) <i>Now the Scheme is operating, an asset risk assessment process needs to be implemented to assess the likelihood and consequence of asset failure and to prioritise maintenance tasks. An approach similar to the Health Risk Assessment in Appendix E of the Recycled Water Quality Management Plan is recommended.</i></p> <p>b) <i>The risks, ratings, actions and status should be documented in a Risk Register that is reviewed at least annually.</i></p>	C	2
8.2	4	Risks are documented in a risk register and treatment plans are actioned and monitored.	<p>The AMP does not currently include information on asset failure likelihood and consequence. There is no documented Risk Register to document the risks and treatment plans and to monitor actions. The Technical Director advised a process for this is in development.</p> <p><b><u>Refer Recommendation 13/2024.</u></b></p>	C	2
8.3	4	The probability and consequences of asset failure are regularly assessed.	Refer criteria 8.2 above.	C	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
<b>9</b>	<b>2</b>	<b>CONTINGENCY PLANNING</b>		<b>C</b>	<b>3</b>
9.1	2	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	<p>The AMP does not include any contingency plan to cover higher risks. As the services are sewerage and non-potable water for irrigation, the overall risk level is lower than for potable water supply. The likelihood of any failure is rated Low to Medium.</p> <p>As discussed in Section 1 – Asset Planning above, the AMP is due for review and update for the operating plant and distribution lines. This should include an outline of the potential risks and contingency plans.</p> <p>There are no documented response plans in the event of a failure of the bore, waste water treatment plant or distribution pipes; and no evidence of any testing of response plans.</p> <p><b><u>Recommendation 17/2024</u></b></p> <p><i>The contingency plan for the response in the event of a failure of the bore, waste water treatment plant or distribution pipes should be documented, including testing of the plan on an annual basis.</i></p>	C	3
<b>10</b>	<b>4</b>	<b>FINANCIAL PLANNING</b>		<b>A</b>	<b>1</b>
10.1	4	The financial plan states the financial objectives and strategies and actions to achieve the objectives.	The AMP – Financial Plan section shows the long term (50 year) projections for costs and income. There is a description of the financial objectives, strategies and actions to achieve the financial objectives.	A	1
10.2	4	The financial plan identifies the source of funds for capital expenditure and recurrent costs.	The AMP identifies the source of funds for recurrent expenditure and the source of capital expenditure funding, including an asset renewal fund being maintained. There is no major capital expenditure planned in the next 5 years.	A	1
10.3	4	The financial plan provides projections of operating statements (profit and loss) and	The AMP in Appendix 13.2 – Asset Renewal Program provides financial projections over 25 years for ongoing expenses, renewal/new work costs and	A	1



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
		statement of financial position (balance sheets).	total expenditure. There is no major capital expenditure planned in the next 5 years.		
10.4	4	The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	The financial plan includes the projected income and profit or loss for each financial year for the next 5 years and beyond.	A	1
10.5	4	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	The AMP in Appendix 13.2 – Asset Renewal Program provides financial projections over 25 years for ongoing expenses, renewal/new work costs and total expenditure. There is no major capital expenditure planned in the next 5 years.	A	1
10.6	4	Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary.	Income and expenses are monitored monthly by the external accountant and TMC Witchcliffe.	A	1
<b>11</b>	<b>4</b>	<b>CAPITAL EXPENDITURE PLANNING</b>		<b>A</b>	<b>1</b>
11.1	4	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.	The AMP - Capital Works Program provides a capital expenditure plan based on the anticipated renewal and replacement timeframe for assets. A detailed list is also provided in Appendix 13.2 – Asset Renewal Program. The major capital works to establish the water treatment plant and bore have been completed. Only minor assets and renewals are expected in the future.	A	1
11.2	4	The plan provides reasons for capital expenditure and timing of expenditure.	The AMP in Section 2.7 – Financial Summary Water Supply Infrastructure provides financial projections over 25 years for ongoing expenses, renewal/new work costs and total expenditure. There is no major capital expenditure planned in the next 5 years.	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating <sup>8</sup>	Performance Rating <sup>9</sup>
11.3	4	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	The capital expenditure plan in the AMP is consistent with the asset life and condition as detailed in the AMP.	A	1
11.4	4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	The AMP provides financial projections over 25 years for ongoing expenses, renewal/new work costs and total expenditure. There is no major capital expenditure planned in the next 5 years. However, there is no regular updating of the AMP. <b>Refer Recommendation 12( c)/2024</b>	C	2
<b>12</b>	<b>4</b>	<b>REVIEW OF ASSET MANAGEMENT SYSTEM</b>		<b>B</b>	<b>2</b>
12.1	4	A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.	The Asset Management Review section indicates the AMP was created in June 2017 (preliminary version). A major review of the AMP was proposed as part of the asset commissioning process (which is now due). The plan indicates minor reviews are to be undertaken annually with major reviews at 5 yearly intervals in line with asset condition assessment activities. <b>Refer recommendation 12(c )/2024</b>	C	2
12.2	4	Independent reviews (e.g., internal audit) are performed of the asset management system.	This asset management review has been performed by independent consultants appointed by the ERA.	A	1

#### 4.7 Review Recommendations

The ERA Audit Guidelines only require recommendations for process and policy rated C or D and performance rated 3 or 4 to be included in this report.<sup>10</sup>

**Table of Current Review Asset System Deficiencies and Recommendations**

A. Resolved during current review period			
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of review period
	Nil		
B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
12/2024  C2	<b>Asset Management Plan</b> <i>Processes: Asset Planning and Review of Asset Management System</i> <i>Criteria 1.1: Asset management plan covers the processes in this table.</i> <i>Criteria 1.3: Service levels are defined in the Asset Management Plan.</i> <i>Criteria 1.9: Asset management plan is regularly reviewed and updated.</i> <i>Criteria 4.1: Opportunities and threats in the system environment are assessed.</i> <i>Criteria 4.2: Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved.</i> <i>Criteria 4.4: Achievement of customer service standards.</i>	a) The AMP requires updating now that the Scheme is operating. The update should provide further detail about operations and maintenance of the system and include the approach to Risk Management and Contingency Planning. b) The AMP should be updated to include Service Levels as per the Standard Terms and Conditions of the Operators Wastewater	Nil

<sup>10</sup> Process and Policy Rating – A=Adequately defined, B=Requires some improvement, C=Requires significant improvement, D=Inadequate.

Performance Rating – 1=Performing effectively, 2=Opportunity for improvement, 3=Corrective action required, 4=Some action required.

B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<p><i>Criteria 11.4: There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.</i></p> <p><i>Criteria 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.</i></p> <p>The reviewer was provided with the Witchcliffe Ecovillage Sewerage Asset Management Plan (AMP). The document is not dated but in the section titled Asset Management Review, it states the AMP was created in June 2017.</p> <p>The AMP discusses Asset Planning, Asset Creation, Asset Disposal, Asset Management Information System, Financial &amp; Capital Planning and Asset Management System review. Operations are discussed at a high level and some budgeting over a 5 year period is provided for repair and maintenance. Commissioning is briefly mentioned in relation to quality standards for the wastewater treatment plant. Risk Management and Contingency Planning are not discussed.</p> <p>The AMP is described as preliminary and refers to the intention to undertake a major review of the plan as part of the asset commissioning process (which is now due) to capture as constructed information and commissioning details.</p> <p>The plan indicates minor reviews are to be undertaken annually with major reviews at 5 yearly intervals in line with asset condition assessment activities.</p> <p>Service levels are not clearly stated in the AMP. Some of the information in the Operations Plan listed as Objectives and Activities and in the Monitoring and Reporting Plan could be reviewed to identify service levels. Service levels should also reflect the document "Standard Terms and Conditions of the Operators Wastewater Services" (Version 2 - 2020). Service levels may also need to consider the requirements of the Recycled Water Management Plan.</p>	<p>Services and requirements of the Recycled Water Management Plan, including how these are reported and monitored.</p> <p>c) The AMP should include a revision table to record updates. The inclusion of numbered headings will also assist future referencing for review.</p> <p>d) The AMP should be updated to include Performance Standards (availability of service, capacity, continuity, emergency response, etc.) including how these are measured against the target, reported and monitored.</p>	

<b>B. Unresolved during current review period</b>			
<b>Reference (no./year)</b>	<b>Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)</b>	<b>Auditor's Recommendation</b>	<b>Management Action taken by end of audit period</b>
	<p>Customer service standards are not clearly stated in the AMP. There have been no customer complaints. However, there is no formal reporting and monitoring of customer services standards.</p> <p>The AMP provides financial projections over 25 years for ongoing expenses, renewal/new work costs and total expenditure. There is no major capital expenditure planned in the next 5 years. However, there is no regular updating of the AMP.</p>		
<p><b>13/2024</b></p> <p>C2</p>	<p><b>Risk Management</b></p> <p><i>Processes: Asset Planning, Asset Maintenance and Risk Management</i></p> <p><i>Criteria 1.8 - Likelihood and consequences of asset failure are predicted.</i></p> <p><i>Criteria 5.2: Risk management is applied to prioritise operations tasks.</i></p> <p><i>Criteria: 6.4: Failures are analysed and operational/maintenance plans adjusted where necessary.</i></p> <p><i>Criteria 6.5: Risk management is applied to prioritise maintenance tasks.</i></p> <p><i>Criteria 8.1: Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.</i></p> <p><i>Criteria 8.2: Risks are documented in a risk register and treatment plans are actioned and monitored.</i></p> <p><i>Criteria 8.3: The probability and consequences of asset failure are regularly assessed.</i></p> <p>The Asset Management Plan does not currently include information on asset failure likelihood and consequence. The Technical Director advised that a process is currently under development to analyse failures and adjust operational/maintenance plans where necessary.</p> <p>While the Health Risk Assessment in the Recycled Water Quality Management Plan makes some references to maintenance as mitigations,</p>	<p>a) Now the Scheme is operating, an asset risk assessment process needs to be implemented to assess the likelihood and consequence of asset failure and to prioritise maintenance tasks. An approach similar to the Health Risk Assessment in Appendix E of the Recycled Water Quality Management Plan is recommended.</p> <p>b) The risks, ratings, actions and status should be documented in a Risk Register that is reviewed at least annually.</p>	<p>Nil</p>

B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<p>a more comprehensive risk assessment process needs to be developed before this can inform maintenance prioritisation.</p> <p>A more holistic Asset Risk Assessment should be prepared as part of the AMP to prioritise operations tasks.</p> <p>There is no documented Risk Register to document the risks and treatment plans and to monitor actions.</p>		
<p>14/2024</p> <p>C2</p>	<p><b>Operations and Maintenance Documentation</b></p> <p><i>Processes: Asset Disposal, Asset Operations and Asset Maintenance</i></p> <p><i>Criteria 3.2: The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.</i></p> <p><i>Criteria 5.1: Operational policies and procedures are documented and linked to service levels required.</i></p> <p><i>Criteria 5.2: Risk management is applied to prioritise operations tasks.</i></p> <p><i>Criteria 5.5: Operational costs are measured and monitored.</i></p> <p><i>Criteria 6.1: Maintenance policies and procedures are documented and linked to service levels required.</i></p> <p><i>Criteria 6.2: Regular inspections are undertaken of asset performance and condition.</i></p> <p><i>Criteria 6.3: Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.</i></p> <p>The Operations Plan document provided for the WWTP is described as a preliminary document with the Operations Plan to be updated as part of the commissioning process to reflect changes that arise through detailed design, construction and obtaining approvals.</p> <p>The Recycled Water Quality Management Plan (Appendix O and Appendix P) includes Operation and Maintenance Manuals for the WWTP and Irrigation System. There is no checklist of regular routine Operations tasks to assist operators in completing the described activities and provide a means for recording completion.</p>	<p>a) The regular routine operations and maintenance tasks should be determined and a checklist with tasks and frequency prepared to assist with tracking completion and entry of other (less routine) observations and completion of required actions.</p> <p>b) As planned, the measurement and monitoring of operating costs including a financial statement and budget/actuals reporting, should be completed.</p> <p>c) An annual schedule of more specialist/major maintenance requirements should be developed and tracked for completion.</p>	<p>Nil</p>

B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<p>The treatment plant is mainly operated by the plant manager. A SCADA system for plant monitoring was in the process of being completed to allow more remote operation and monitoring. The plant is also attended to by one other operator to undertake basic activities and checks.</p> <p>The Technical Director advised that daily observations are completed by the Plant Manager of the WWTP including all systems. However, there is no formal record keeping.</p> <p>The sewer collection system had recently (October 2023) been inspected with CCTV camera and targeted cleaning of pump wet wells carried out with a vacuum truck.</p> <p>The Technical Director advised that site equipment is maintained as per supplier recommendations. However, the maintenance plans are not documented and no records are kept of their completion.</p> <p>The AMP provides a cost breakdown of forecast repair and maintenance costs (Table 4). TMC Witchcliffe advised the measurement and monitoring of operating costs is in development, including a financial statement of the operating costs with budget and actual costs for each year.</p>		
15/2024  C2	<p><b>Staff Resources</b> <i>Process: Asset Operations</i> <i>Criteria 5.6: Staff resources are adequate and staff receive training commensurate with their responsibilities.</i></p> <p>A plumbing contractor attends to the sewer collection system.</p> <p>The treatment plant is mainly operated by the plant manager. A SCADA system for plant monitoring was in the process of being completed to allow more remote operation and monitoring. The plant is also attended to by one other operator to undertake basic activities and checks.</p> <p>The effluent reuse system is operated by an operator employed by the Ecovillage.</p>	<p>a) The Operations Plan should be updated in line with development of the operations manual and checklist of activities to demonstrate the staffing levels are adequate.</p> <p>b) Completion of training requirements for operators is required together with a system for tracking training progress/completion.</p>	Nil

B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<p>The Operations Plan makes brief reference to staffing and resources. This should be updated in line with development of the operations manual and checklist of activities to demonstrate the staffing levels are adequate.</p> <p>Appendix J of the Recycled Water Management Plan includes a preliminary list of training requirements. Records need to be established to confirm the staff training plan/achievement.</p>		
<p><b>16/2024</b></p> <p>C2</p>	<p><b>Management Reporting</b></p> <p><i>Process: Asset Management Information System</i></p> <p><i>Criteria 7.7: Management reports appear adequate for the licensee to monitor licence obligations.</i></p> <p>There is limited reliance upon management reports as noted in the Asset Operations and Asset Maintenance sections above. Improvements in the management reporting to monitor obligations are recommended.</p> <p>The Technical Director advised this is under development.</p>	<p>Management reports to monitor the licence obligations should be implemented such as reporting from a Compliance Register of obligations, responsibility, status, any actions required, due dates and completion.</p>	<p>Nil</p>
<p><b>17/2024</b></p> <p>C2</p>	<p><b>Contingency Plan</b></p> <p><i>Process: Contingency Planning</i></p> <p><i>Criteria 9.1: Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>The AMP does not include any contingency plan to cover higher risks. As the services are sewerage and non-potable water for irrigation, the overall risk level is lower than for potable water supply. The likelihood of any failure is rated Low to Medium.</p> <p>As discussed in Section 1 – Asset Planning above, the AMP is due for review and update for the operating plant and distribution lines. This should include an outline of the potential risks and contingency plans.</p>	<p>The contingency plan for the response in the event of a failure of the bore, waste water treatment plant or distribution pipes should be documented, including testing of the plan on an annual basis.</p>	<p>Nil</p>



<b>B. Unresolved during current review period</b>			
<b>Reference (no./year)</b>	<b>Asset System Deficiency (AMS Component/Rating/Effectiveness Criteria/Details)</b>	<b>Auditor's Recommendation</b>	<b>Management Action taken by end of audit period</b>
	There are no documented response plans in the event of a failure of the bore, waste water treatment plant or distribution pipes; and no evidence of any testing of response plans.		

## Appendix A - Methodology

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### A1. Audit and Review Approach

Our approach to meeting the requirements for the operational audit and asset management system effectiveness review is set out below. The audit and review was completed in January to March 2024. There were no deviations from the Audit and Review Plan approved by the ERA.

#### **Audit and Review Planning**

- Conducted an initial meeting with the ERA to confirm the audit/review approach and timing for the audit and review (*not required*).
- Contacted the licensee to gain an understanding of the business, relevant management plans and systems that may affect the risk assessment for planning purposes.
- Prepared a risk assessment including any specific factors or changes relevant to the licensee (in tabular form against each licence condition and asset management system component).
- Submitted a draft **Audit and Review Plan**, including the risk assessment and proposed approach, to the ERA for review and approval.
- Sent a **Pre-Visit Checklist** of information and documentation to the licensee to enable staff to prepare for the visit (prior to the site visit).

#### **Fieldwork**

- Completed a visit to the licensee and conducted various meetings with stakeholders, including corporate services and works/facilities management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards.
- The site visited was Witchcliffe Ecovillage, Witchcliffe, WA on 8 January 2024. The visit included our Principal Engineer and the Director.
- Obtained copies of the latest asset management plans, performance reporting statistics and relevant correspondence between the licensee and the ERA for the audit period.
- The audit steps for the **Operational Audit** included:
  - **analysis of documented procedures** to assess whether they are consistent with regulatory requirements or arrangements under the licence;
  - **review of systems and procedures** to assess whether they reflect compliance obligations and performance standards, including assessing and testing the following:
    - **control environment** – management’s philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of the key staff members;
    - **information system** – the appropriateness of the information systems to record the information needed to comply with the licence, accuracy of data, security of data, cyber security and documentation describing the information system;
    - **control procedures** – the presence of systems and procedures to monitor compliance with the licence or the effectiveness of the asset management system and to detect and correct non-compliance or under-performance;

- **compliance attitude** - the action taken by the licensee in response to the previous audit/review recommendations, and an assessment of management's attitude towards compliance; and
  - **outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period.
- Updated the risk assessment with any new information obtained in the course of the audit testing and, in instances of significant non-compliance, assess the licensee's plan to ensure compliance and recommended further improvements to achieve compliance.
- The activities in the **Asset Management System Review** included:
  - analyse the documented procedures and processes for the planning, construction, operation and maintenance of assets to assess whether they are consistent with regulatory requirements under the licence;
  - interview key personnel to assess whether they understand and comply with the documented processes and procedures;
  - physically inspect the key assets and infrastructure; and
  - assess the effectiveness of the processes and system in place.

### ***Audit and Review Reporting***

- Prior to the conclusion of the site visit, the lead auditor discussed any observations and recommendations with the licensee's management to confirm our understanding of the issues and to discuss the action to be taken.
- Provided a draft report to the ERA for review no later than two weeks before the final report is due and make any revisions necessary.
- Provided the updated draft report to the ERA for review and feedback prior to finalising the report.
- Issued the final report to the ERA.
- The ERA will arrange responses to the proposed actions in the Post Audit Implementation Plan.

## **A2. Key Documents Reviewed**

### ***Regulatory Documents and Reports***

- Water Services Act 2012
- Water Services Code of Conduct (Customer Service Standards) 2018
- Water Services Code of Practice (Family Violence) 2020
- Water Services Regulations 2013
- 2019 Audit and Review Guidelines: Water Licences
- Water Compliance Reporting Manual – October 2021
- Water Services Operating Licence WL50 – Versions 1 and 2.
- Map of Licence Operating Area OWR-OA-316
- Water, Sewerage and Irrigation Licence Performance Reporting Handbook – 2022 and 2023.
- Department of Water and Environmental Regulation licence and any compliance reporting (if applicable)
- Relevant correspondence between the Licensee and the ERA and Department of Water and Environmental Regulation and Department of Health.

### ***Operational Audit***

- Annual Report for 2022/23
- Relevant correspondence between the Licensee and the ERA

- Water Handbook
- Standard Terms and Conditions of the Operators Wastewater Services
- Sample of invoices to customers
- Customer Complaints Procedure
- Standard Customer Contract
- Financial Hardship Policy

#### **Asset Management System Review**

- Asset Management Plan for Non-Potable Water Supply and Sewerage Services (Latest version)
- Plant design chart
- Sub-Catchments 1 & 2 Sewer Network Layout
- Recycled Water Quality Management Plan
- Operations Plan
- Asset Inspection Reports
- Asset Commissioning Report (example)
- Asset Register
- Asset Condition and Performance reports
- Financial Management report
- Maintenance Plan
- Maintenance procedures
- Works Management procedures

#### **A3. Key Contacts**

The licensee's representatives participating in the audit were:

- Tony Johansen, Technical Director (TMC Water Recycling)

#### **A4. Consultants**

NAME AND POSITION	BUDGET HOURS
Geoff White - Director	40
Geoff Hughes – Principal Planning Engineer	30
<b>TOTAL</b>	<b>70</b>

END OF REPORT