



Notice

22 December 2022

Goldfields Power Pty Ltd

2022 performance audit and asset management system review

The Economic Regulation Authority has published the [2022 performance audit and asset management system review report](#) and [post-audit and post-review implementation plan](#) for Goldfields Power Pty Ltd's electricity generation licence (EGL11), electricity distribution licence (EDL8) and electricity retail licence (ERL4).

Goldfields Power owns and operates the 110MW Parkeston Power Station (PPS) in Kalgoorlie. PPS is connected to the South West Interconnected System. Goldfields Power supplies electricity to one large use customer and to the Kalgoorlie area.

The ERA's decision

The ERA considers that Goldfields Power has achieved a good level of compliance with its licences and has decided to increase the audit period from 48 to 60 months for all three licences. The next audits will cover the period 1 July 2022 to 30 June 2027, with the report due by 30 September 2027.

The ERA has decided to maintain the review period at 48 months. The next review will cover the period 1 July 2022 to 30 June 2026, with the report due by 30 September 2026.

Audit and review findings

Audit

The audit of the 158 licence obligations applicable to Goldfields Power found nine minor non-compliances, and no controls deficiencies.

One non-compliance was the late payment of ERA invoices. The remaining eight non-compliances were with the Metering Code and not considered material due to the nature of Goldfields Power's operations and its contractual arrangements with its customer.

Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Electricity and Gas Licences* found no asset management system deficiencies.

The 12 processes are broken down into 58 effectiveness criteria and the auditor found two deficiencies from the 58 criteria, which were in asset operations and asset maintenance.

The auditor found that some maintenance plans were not completed on schedule, with several outstanding work orders, some dating back 19 months. The auditor also raised concerns on the

increasing number of work orders being unchanged for more than 180 days. In addition, Goldfields Power's maintenance metrics (performance) dashboard was not properly maintained.

The metrics for safety critical open work orders was 27 months for the power station. However, the auditor noted that the power station provided a reliable and good level of service to its customer.

The auditor made two recommendations to address the asset management system deficiencies. The post-review implementation plan states that Goldfields Power will address the recommendations by 30 June 2023.

The ERA's assessment of the audit and review findings

Audit

The ERA considers that Goldfields Power achieved a good level of compliance with its licence during the audit period and has effective controls to manage compliance with its licence obligations.

Review

While the ERA considers that Goldfields Power had an effective asset management system during the review period, there is room for improvement. The maintenance of Goldfields Power's asset management system will reduce the risk of performance deteriorating.

The ERA will monitor Goldfields Power's progress in completing the action items in its post-audit and post-review implementation plan, with the expectation that Goldfields Power's proposed actions will resolve the asset management system deficiencies before the next review.

Further information

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