



Rottnest Island Authority

**2023 Operational Audit
Water Services Licence WL10**

Report

**Economic Regulation Authority
September 2023**



TABLE OF CONTENTS

1. Independent Auditor's Report	1
2. Executive Summary	4
2.1 Background	4
2.2 Operational Audit.....	4
3. Operational Audit	5
3.1 Introduction.....	5
3.2 Objectives and Scope	5
3.3 Obligations not applicable	6
3.4 Audit Compliance and Controls Rating Scale	6
3.5 Summary of Audit Ratings of Controls and Compliance	7
3.6 Status of Previous Audit Recommendations	15
3.7 Detailed Audit Observations.....	20
3.8 Audit Recommendations	69
4. Appendix A - Methodology	72
A1. Audit Approach	72
A2. Key Documents Reviewed	73
A3. Key Contacts	74
A4. Consultants.....	74

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 **W.** www.quantumassurance.com.au

**Limitations of this Report**

This report was prepared for distribution to the Economic Regulation Authority and the Rottnest Island Authority for the purpose of fulfilling Rottnest Island Authority's operational audit 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 Rottnest Island Authority, 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 conclusions expressed in this report have been formed on this basis.



This page left blank.



1. Independent Auditor's Report

Scope

The Rottneest Island Authority ('RIA') has a Water Services Licence (WL10) (the 'Licence'), issued by the Economic Regulation Authority (the 'ERA') under the Water Services Act 2012 (the 'Act'), for the provision of potable and non-potable water supply services, drainage services and sewerage services in the Rottneest Island operating area.

We have performed a reasonable assurance engagement on RIA's compliance, in all material respects, with the conditions of WL10 and the Water Services Act 2012 for the period 1 July 2021 to 30 June 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 (updated August 2022).

The scope of this assurance work relates to assessing the RIA'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, RIA has complied, in all material respects, with its licence conditions and relevant legislative obligations for the period 1 July 2021 to 30 June 2023.

Basis for Modified Opinion

During the period 1 July 2021 to 30 June 2023, out of 170 applicable licence obligations, there were 3 non-compliances with a minor effect on customers. The non-compliances are outlined below.

Reporting Manual number and Licence condition		Issue
<i>The following obligations were assessed as "Non-Compliant – Minor Impact".</i>		
22,23	<i>Water Services Act 2012 sections 96(1) and 96(5)</i> If the licensee provides water supply reticulation works or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant.	<p>The audit confirmed with the Maintenance Manager (PFM) and the Environmental Compliance and Approvals Coordinator that RIA has completed a number of actions to address the recommendations made in the DFES report, dated 22nd June 2018, regarding "Flow and Pressure Testing of Fire Hydrants".</p> <p>The RIA has conducted pressure testing with DFES in attendance to close out the recommendations of the DFES report 22 June 2018 regarding "Flow and Pressure Testing of Fire Hydrants".</p> <p>All hydrants south of Digby Drive are connected to the pressurised potable water supply distribution system. All upgrades of hydrants, signage and systems have been completed with the following exceptions:</p> <ul style="list-style-type: none">• There are only two hydrants north of Digby Drive which are connected to the gravity system.• There are no hydrants between the main settlement and Bathurst which would make the fire system non-compliant north of Digby Drive. <p>When the AS2419.1-2005-compliant hydrant system has been installed, as part of the scope of the Water Infrastructure program, the RIA will remove all hydrants that will not be used in the new design/alignment. The expected completion date is December 2026.</p>



Reporting Manual number and Licence condition		Issue
154A	<i>Water Services 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.	The previous audit recommended the RIA provide a link to the 2018 Code of Conduct on its website, so as to comply with clause 49(3) of the Code. The RIA has provided a copy of the 2018 Code of Conduct on its website, as confirmed in this audit. However, there is no link to the current version of the Code in case the Code is updated. As the current version of the Code is available on the RIA's website, this has been rated as a non-compliance with minor impact on customers.

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 Plan and an associated work program, approved by the ERA on 14 August 2023.
- Interviewing relevant RIA staff to gain an understanding of process controls;

Fieldwork

- Undertake a visit to the licensee and conduct various meetings with stakeholders, including Compliance, Infrastructure and Contracts/Leasing management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards.
- Obtain copies of the performance reporting statistics and relevant correspondence between the licensee and the ERA for the audit period.

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 RIA'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 RIA 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 RIA and the ERA, or for any other purpose other than that for which it was prepared.

Management's responsibility

RIA'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

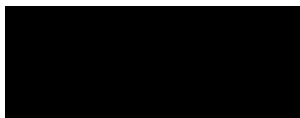
Our responsibility is to perform a reasonable assurance engagement in relation to RIA's compliance with its License requirements throughout the period and to issue an assurance report that includes our conclusion.

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 and the preparation of the report, and that the audit findings reflect our professional opinion.

Quantum Management Consulting & Assurance



Geoff White CA
Director

9 November 2023



2. Executive Summary

2.1 Background

Rotttnest Island Authority ('RIA') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), provision of potable water supply, non-potable water supply, sewerage and drainage services at Rotttnest Island

Rotttnest Island - one of Western Australia's premier recreation and holiday areas, is situated some 15 kilometres to the west of Fremantle. The Island is an A-Class Reserve governed by the *Rotttnest Island Act 1987* which establishes the RIA as a statutory body to control and manage the Island on behalf of the West Australian Government. The Island receives approximately half a million visitors annually – made up of day trippers and holiday makers, accommodated at the islands premium and budget holiday spaces, Discovery Rotttnest Island, Samphire Rotttnest, Rotttnest Hostel, and the Campgrounds.

There are 25 business customers, being commercial lessees on the Island. There were no residential customers. There were 130 connected properties.

The RIA has overall responsibility for the water services. The services are contracted to Programmed Facility Management ('PFM') who's management and field staff on the Island undertake the management, operation and maintenance of the water services, as set out in the Rotttnest Island Facilities Utilities and Support Services Contract.

The audit 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).

This audit covers the period 1 July 2021 to 30 June 2023. The previous audit was from 1 July 2019 to 30 June 2021.

2.2 Operational Audit

This audit has been conducted to assess 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 RIA has complied with its Water Services Licence obligations during the audit period from 1 July 2021 to 30 June 2023 with the exception of 3 non-compliances with a minor effect on customers.

Out of 170 applicable compliance obligations, the audit found:

- 73 obligations were rated compliant (all with adequate controls).
- 3 obligations were rated non-compliant with minor impact on customers (2 with adequate controls, and 1 with generally adequate controls).
- 94 were not rated for compliance as no relevant activity took place during the audit period (41 with adequate controls and 53 where controls were not reviewed).

The audit confirmed that RIA has complied with its information reporting obligations for the period 1 July 2021 to 30 June 2023.

The audit concluded there is an adequate control environment to maintain compliance with the licence obligations.



3. Operational Audit

3.1 Introduction

Rottneest Island Authority ('RIA') is required to comply with the terms and conditions of their license. There was one version of the Water License WL10 in operation over the audit period:

- Version 9 (From 1 May 2020 onwards).

Under the Act, water services' licensees are required to provide a report on an Operational Audit of compliance with the licence conditions 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 the operational audit of RIA's water supply services. The audit covers the period 1 July 2021 to 30 June 2023. The previous audit was from 1 July 2019 to 30 June 2021.

The audit 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)).

3.2 Objectives and Scope

The objective was to provide the ERA with an independent assessment of the licensee's compliance with relevant obligations under the licence.

The audit applied a risk-based audit approach. The scope of the audit included the adequacy and effectiveness of performance against the requirements of the licence by considering:

- **process compliance** - the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls;
- **outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period;
- **output compliance** – the existence of the output from systems and procedures throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained);
- **integrity of reporting** – the completeness and accuracy of the compliance and performance reports provided to the ERA; and
- **compliance with any individual licence conditions** - the requirements imposed on the specific licensee by the ERA or specific issues that are advised by the ERA.

When assessing if a licensee has complied with its licence obligations, the auditor must apply a level of scrutiny that corresponds to a 'reasonable assurance engagement'. A reasonable assurance engagement is:

"An assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance practitioner's conclusion. The assurance practitioner's conclusion is expressed in a form that conveys the assurance practitioner's opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria." (ASAE3000)

The highest priority areas (priority 1, 2 or 3) based on inherent risk and the previous assessed controls/processes were:

Priority 2 (High)

- Maintaining a preserved supply register (obligation 154B)
- Obligations to customers on life support equipment (obligations 154C, 154D)

Priority 3 (Moderate)

- Installation of fire hydrants (obligations 22 and 23).



- The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued (obligation 118).
- The licensee must ensure that its website contains a link to the current version of the Water Services Code of Conduct (Customer Service Standards) 2018 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 (obligation 154A).
- Provide information to the ERA (obligation 165).
- Comply with service and performance standards – pressure and flow (obligations 161 and 190).

The audit aimed to identify any areas where improvement is required and recommend corrective action as necessary.

3.3 Obligations not applicable

In the course of the audit, the following obligations in the Audit Plan were found to be not applicable and have been excluded from the Detailed Obligations:

- Obligations 125 to 131C – Financial Hardship – The RIA does not “residential customers: as defined in the Code of Conduct.
- Obligations 191 to 198 – *Water Services Code of Practice (Family Violence) 2020* - Under the Code of Practice, the Code only applies to residential customers as defined in the Code as follows: “Residential customer means a customer who uses the place in respect of which a water service is provided solely or primarily as the customer’s dwelling.” RIA are the only producer and supplier on island, and there are no “residential” customers and no person other than the RIA can be an owner/occupier. All businesses on the island are covered under a lease agreement. A person can only reside on the island if granted permission by the RIA under the Rotttnest Island Act and are not true “residents” under the ERA definitions.

3.4 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



3.5 Summary of Audit Ratings of Controls and Compliance

The current audit assessment of the ratings for the adequacy of controls and compliance with the 159 applicable legislative obligations is shown below in the summary table and detailed obligations table.

Summary of Audit Ratings of Control and Compliance

Controls rating	Compliance Rating						Total
	Rating	1 Compliant	2 Non-compliant (minor impact)	3 Non-compliant (moderate impact)	4 Non-compliant (major impact)	NR Not rated	
	A -Adequate	73	2	-	-	41	116
	B – Generally adequate	-	1	-	-	-	1
	C - Inadequate	-	-	-	-	-	-
	D – No controls	-	-	-	-	-	-
	NP – Not performed	-	-	-	-	53	53
	Total	73	3	-	-	94	170

Detailed Audit Ratings of Control and Compliance by Obligation

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
Water Services Act 2012													
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	3	✓					✓				
6	Asset management system	Sec. 24(1)(a) & 24(2)	4	✓					✓				
7	Changes to asset management system	Sec. 24(1)(b)	3	✓					✓				
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					✓					✓

¹ The number refers to the Obligation reference in the Water Compliance Reporting Manual 2021.

² Refer Controls and Compliance Rating Scales in Section 3.4.



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
15	Ombudsman scheme	Sec. 70(2)	4	✓					✓				
16	Interruption of water supplies	Sec. 77(3)	4	✓					✓				
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)	4	✓									✓
22	Fire hydrants for reticulation works	Sec. 96(1)	3	✓						✓			
23	Requests from FESA or local government	Sec. 96(5)	3	✓						✓			
24	Minister's direction re wastewater inlet	Sec. 98(3)	4					✓					✓
25	Compliance notice re failure to maintain fittings	Sec. 106(2)	4					✓					✓
26	Connecting a drainage asset on land	Sec. 110(3)	4					✓					✓
27	Modify the drainage connection	Sec. 112(5)	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					✓					✓
35-39	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	✓									✓



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
42-45	Proposal for general works	Sec. 151(1) - (3), 153(3),	4	✓					✓				
46-48	Interest in land	Sec. 166(5) - (6), 170	4					✓					✓
49	Entry to property – notice time	Sec. 173(4),	4	✓									✓
50	Notice of entry to property in writing	Sec. 174(1)	4	✓									✓
51	Notice of entry to property when practicable	Sec. 174(3)	4	✓									✓
52-54	Notice of entry to property and authority to enter	Sec. 175(2) & (5), 176(1)	4	✓									✓
55-57	Notice of entry to property and authority to enter	Sec. 176((3) & (4), 181	4	✓					✓				
58-61	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	✓									✓
Water Services Regulations 2013													
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 - 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 issued by licensee	Reg. 85	4					✓					✓
Water Services Code of Conduct (Customer Service Standards) 2018													
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	✓					✓				



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
95	Usage bills at least 4 monthly	Cl.11(2)	4	✓					✓				
96	Usage bills on meter reading	Cl.11(3)	4	✓					✓				
97	Estimated bill of usage - Regulation	Cl. 11(4)	4					✓					✓
98	Estimated bill for usage	Cl. 11(5)	4	✓									✓
98A	Estimated bill timing	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	✓					✓				
101A	Billing information - estimate	Cl. 13(5)	4	✓									✓
102A	Billing information – prescribed information	Cl. 13(6)	4	✓					✓				
103	Basis of billing estimate	Cl. 14(1)	4	✓									✓
104	Billing estimate adjustment	Cl. 14(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	Under charges limit 12 months	Cl. 18(2)	4	✓									✓
108	Under charges explanation	Cl. 18(3)	4	✓									✓
109	Under charges – no interest or fees	Cl. 18(4)	4	✓									✓
110	Under charges – repayment plan	Cl. 18(5)	4	✓									✓
111A	Over charges - refunds	Cl. 19(2)	4	✓									✓
112A	Over charges – refunds in 15 days	Cl. 19(3)	4	✓									✓
112B	Over charges – instruction not received	Cl. 19(4)	4	✓									✓
112C	Over charges – refund notification	Cl. 19(5)	4	✓									✓



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
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	3	✓					✓				
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	Payment plan – advice to customer	Cl. 28(2)	4	✓									✓
124B	Payment plan - considerations	Cl. 28(3)	4	✓									✓
124C	Payment plan – interest and fees	Cl. 28(4)	4	✓									✓
133	Written information re payment assistance	Cl. 31(4) & (5)	4	✓					✓				
133A	No interest in some circumstances	Cl. 32	4					✓					✓
134	Debt recovery - hardship	Cl. 33(1)(a) – (c)	4					✓					✓
134A	Debt recovery – complaint unresolved	Cl. 33(1)(d) – (e)	4					✓					✓
135	Restoring water supply - payment	Cl. 40(1)	4					✓					✓
136	Restoring water supply - resolved	Cl. 40(2)	4					✓					✓
137A	Starting water supply restriction	Cl. 36(1)	4					✓					✓



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
137B	Restrictions – 7 days' notice	Cl. 36(2)	4					✓					✓
137C	Restriction notice	Cl. 36(3)	4					✓					✓
138	Starting water supply restriction	Cl. 37(1)(a)-(e) & (h)	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 - timeframe	Cl. 43(2)	4	✓					✓				
144C	Policy for dealing with leaks and blockages	Cl. 44(1)	4	✓					✓				
144D	Policy – prescribed matters	Cl. 44(2)	4	✓					✓				
144E	24-hour information line	Cl. 45	4	✓					✓				
145	Complaints – written procedure	Cl. 46(1)	4	✓					✓				
146	Complaints procedure - written	Cl. 46(2)	4	✓					✓				
147	Complaints procedure - guidelines	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	✓									✓
152	Access to customer information	Cl. 48(2)	4	✓									✓
153	Code of Conduct 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)	3		✓					✓			
154B	Preserved supply register	Cl. 51(1) & (3)	2	✓					✓				



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
154 C	Preserved supply register – no reduced flow	Cl. 52	2	✓									✓
154 D	Preserved supply register – notice of interruptions	Cl. 53	2	✓									✓
Licence Conditions – Specific Clauses													
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	3	✓					✓				
162	Operational audit	Cl. 5.3.4	4	✓					✓				
163	External administration	Cl. 4.7.1(a) - (c)	4	✓									✓
165	Provision of information to the ERA	Cl. 4.8.1	3	✓					✓				
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	ERA direction re condition of service	Cl. 6.1.1	4					✓					✓
172B	ERA direction - compliance	Cl. 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	✓									✓
184	MOU with Department of Health (potable water)	Cl. 7.1.1	4	✓					✓				
184A	MOU with Department of Health (sewerage)	Cl. 7.1.2	4					✓					✓



No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (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
184B	MOU with Department of Health	Cl. 7.1.3	4					✓					✓
185	MOU compliance with requirements	Cl. 7.1.4	4	✓					✓				
186	MOU compliance with terms	Cl. 6.1.3	4	✓					✓				
187	MOU published form period	Cl. 7.1.6	4	✓					✓				
188	MOU audit report published on website	Cl. 7.1.7	4	✓									✓
189	MOU published on website period	Cl. 7.1.8	4	✓					✓				
190	Service and performance standards	Schedule 2	3	✓					✓				



3.6 Status of Previous Audit Recommendations

The previous audit covered the period 1 July 2019 to 30 June 2021 and was reported in September 2021.

Of the 6 recommendations in the previous audit report, 4 have been completed and 2 partially completed. The status of the previous recommendations is shown below.

Ref. (Manual Ref./Year)	Compliance Obligation	Previous Compliance Rating	Previous Finding and Recommended Corrective Action	Action Taken	Date Resolved	Further Action Required
1/2021	22, 23	A2	Fire Hydrants <p>The 2019 audit noted that a Department of Fire and Emergency Services ('DFES') report, dated 22 June 2018, regarding "Flow and Pressure Testing of Fire Hydrants" on Rotttnest Island was issued. This report made a number of recommendations. The auditor noted the RIA's 2017-2018 <i>Compliance</i> Report states: "Phase 2 of the construction (phased upgrade and replacement of the fire main system) will be phased over the coming years."</p> <p>This audit confirmed that RIA has undertaken a number of actions to address the recommendations made in the 'DFES' report. However, not all have been completed. Further upgrades, including the replacement of all gravity-fed fire hydrants with pressure fire hydrants in progress for completion by December 2023.</p> <p>The RIA advised that the upgrade to a pressurized system is dependent on the whole-of-island Water Infrastructure Program. Only the fire hydrants at Kingstown will be on the pressurised system by end of September 2021. The remaining hydrants will be upgraded with the whole network upgrade and completion is planned in December 2023.</p> <p><i>The RIA should complete the implementation of the recommendations in the DFES report dated 22nd June 2018 with the replacement of all gravity-fed fire hydrants with pressure fire hydrants, that is in progress for completion by December 2023.</i></p>	<u>Status: In Progress</u> <p>The RIA has conducted pressure testing with DFES in attendance to close out the recommendations of the DFES report 22 June 2018 regarding "Flow and Pressure Testing of Fire Hydrants". All upgrades of hydrants, signage and systems have been completed with one exception. When an AS2419.1-2005-compliant hydrant system has been installed, as part of the scope of the Water Infrastructure program, the RIA will remove all hydrants that will not be used in the new design/alignment. The expected completion date is December 2026.</p>	Ongoing	<i>Refer recommendation 1/2023</i>



Ref. (Manual Ref./Year)	Compliance Obligation	Previous Compliance Rating	Previous Finding and Recommended Corrective Action	Action Taken	Date Resolved	Further Action Required
2/2021	32,49	C1	Entry to Premises If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise. The auditor confirmed with Manager – Utilities Engineer (PFM) that, during the audit period, no routine maintenance of the water service works was undertaken that would require entry to occupied premises or likely to cause disruption to the occupants of a place. Entry to premises is provided under the commercial leases. As recommended in the previous audit, the RIA should update the "Water Services Customer Manual to include giving 48 hours' notice of proposed entry and in writing. The Water Services Customer Manual states: Section 5.1 Entry to Customer's Premises states that "RIA aims to provide advance notice of all planned work that may require entry to the property (except meter reading and maintenance)". <i>The RIA should update the Water Services Customer Manual to state the minimum time period of at least 48 hours' notice of entry to premises, and that notice will be given in writing and set out the purpose of the entry, unless the occupier agrees otherwise.</i>	<u>Status: Completed</u> The Water Customer Services Manual (July 2022) has been updated to include 48 hours' notice in writing of any entry to premises.	July 2022	Nil
3/2021	118	B2	Time for Payment of Bills The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued. The audit sighted a sample of invoices for water charges to customers and noted that the invoices are due for payment 7 days from issue. The invoices include a note that "the electricity component of this invoice is due 12 business days from the date of this invoice".	<u>Status: Completed</u> The auditor sighted a sample of invoices and confirmed the due date is 14 days from the issue date.	July 2022	Nil



Ref. (Manual Ref./Year)	Compliance Obligation	Previous Compliance Rating	Previous Finding and Recommended Corrective Action	Action Taken	Date Resolved	Further Action Required
			<p>This is considered a non-compliance with minor impact on customers as the water charges are a small proportion of the total invoice for rent and other charges.</p> <p>This obligation to give at least 14 days to pay a bill is stated in the Water Services Customer Manual (section 3.6).</p>			
4/2021	144B	C1	<p>Notice of Planned Service Interruptions</p> <p>The notice of any planned service interruption must be given within the prescribed timeframes.</p> <p>The audit confirmed with the Environment, Compliance and Sustainability Manager that, during the audit period, five days' notice was given to the Property Manager regarding any planned/or routine maintenance to be conducted (which would have resulted in interruption of supply).</p> <p>The audit noted that the Water Services Customer Manual states in section 5.1 Entry to Customer's Property – Planned interruption to water supply: "RIA aims to provide customers with 24 hours advance notice if the water supply will be interrupted for planned work."</p> <p>The notice time does not meet the minimum of 48 hours required by this obligation.</p> <p><i>The RIA should update its Water Services Customer Manual to refer to its obligation to inform customers who will be affected by a planned service interruption not less than 48 hours in advance, unless not reasonably practicable, at the earliest practicable time before the service interruption (so as to comply with clauses 43 (2) of the 2018 Code of Conduct.</i></p>	<p><u>Status: Completed</u></p> <p>The Water Customer Services Manual (July 2022) has been updated to include 48 hours' notice in writing of any entry to premises.</p>	July 2022	Nil



Ref. (Manual Ref./Year)	Compliance Obligation	Previous Compliance Rating	Previous Finding and Recommended Corrective Action	Action Taken	Date Resolved	Further Action Required
5/2021	154A	B2	Website Link to Code of Conduct <p>The 2019 audit recommended the RIA provide a link to the 2018 Code of Conduct on its website, so as to comply with clause 49(3) of the Code. The RIA has provided a copy of the 2018 Code of Conduct on its website, as confirmed in this audit .</p> <p>However, there is no link to the current version of the Code in case the Code is updated. As the current version of the Code is available on the RIA's website, this has been rated as a non-compliance with minor impact on customers.</p> <p>a) <i>The RIA should include a link to the current version of the Code of Conduct on its website.</i></p> <p>b) <i>This obligation should be added to the Compliance Obligations Register.</i></p>	<u>Status: Partially Completed</u> <p>The current version of the Code is on the RIA website. However, there is no website link to the Code. This obligation is included in the Compliance Obligations Register (updated Nov. 2021).</p>	-	<i>Refer recommendation 2/2023</i>
6/2021	161	A2	Potable Water Pressure and Flow Standards <p>The licensee must comply with any individual performance standards prescribed by the ERA.</p> <p>As noted in the 2019 audit and in the 2018/19, 2019/20 and 2020/21 Compliance Reports to the ERA, the RIA is unable to confirm that the potable water pressure and flow levels meet the minimum standards in the licence, as there are no pressure and flow measuring facilities. The RIA has advised that there have been no complaints from customers.</p> <p>The 2019 audit recommended that the RIA should measure pressure and flow for connected properties and report on an annual basis to the ERA as part of its annual Performance Reports. Due to the partial non-pressurised potable distribution network on Rotttnest Island it is anticipated that the minimum static pressure and minimum flow of 15</p>	<u>Status: Completed</u> <p>Pressure and flow is measured using the meters installed at Bathurst, Caroline Thomson and Campground distribution network. No complaints or issues were noted associated with flow and pressure so pressure and flow is assumed to be 100% compliant.</p>	August 2022	Nil



Ref. (Manual Ref./Year)	Compliance Obligation	Previous Compliance Rating	Previous Finding and Recommended Corrective Action	Action Taken	Date Resolved	Further Action Required
			<p>meters and 20 litres per minute respectively, cannot be maintained at most connections.</p> <p>The large commercial operators such as The Lodge, Rottnest Hotel and Pinky's utilise localised booster pump systems to regulate flow and pressure. Flow metering equipment has been installed in 9 locations.</p> <p>The RIA plan to measure pressure and flow for connected properties and report it on an annual basis to the ERA as part of its annual performance reports.</p> <p><i>As planned, the RIA should complete the infrastructure upgrades to measure pressure and flow for connected properties and report this to the ERA as part of the annual performance reporting and compliance with the Performance Standards in the WL 10 licence</i></p>			



3.7 Detailed Audit Observations

No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
Water Services Act 2012							
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 Maintenance Manager (PFM) that services are available for connection on any land in the Operating Area subject to compliance with RIA's conditions. There were no requests for connection in the audit period.	A	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	The audit confirmed by interviews that the provision, operation and maintenance of the water service works has continued in this audit period. This obligation is included in the Compliance Obligations Register.	A	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 auditor confirmed with the Environmental Compliance and Approvals Coordinator that the licensee does not provide a water service outside of the operating areas set out in Plan Number: OWR-OA-189. i.e. Rottneest Island. This obligation is included in the Compliance Obligations Register.	A	NR

³ The number refers to the item reference in the Water Compliance Reporting Manual 2020.

⁴ Controls Rating Scale: A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed.

⁵ Compliance Rating Scale: 1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated.



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 must be covered by a works holding arrangement.	3	The auditor confirmed that the water service assets are held and managed by the RIA. The operation and maintenance of the water facilities is outsourced to Programmed Facilities Management Pty Ltd (PFM) via the Facilities and Support Services (FUSS) Contract. The auditor sighted the contract and confirmed it covers the water service works. This obligation is included in the Compliance Obligations Register.	A	1
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	The audit confirmed by interviews and review of documentation that the licensee has an asset management system (AMS). This obligation is included in the Compliance Obligations Register.	A	1
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	The audit confirmed a report on the Asset Management System was provided to the ERA in August 2022. This obligation is included in the Compliance Obligations Register.	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	The audit confirmed a report on the Operational Audit was provided to the ERA in September 2021. This obligation is included in the Compliance Obligations Register.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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	No Codes of Practice have been issued by the Minister.	NP	NR
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 Maintenance Manager (PFM) and field observation that the licensee didn't cease to provide a water service in the area. This obligation is included in the Compliance Obligations Register.	A	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 audit confirmed with the Environmental Compliance and Approvals Coordinator that the licensee is not a supplier of last resort.	NP	NR
15	Section 70(2) (previously 66 until April 2020)	Clause 6.2.1	The licensee must not supply water services to customers unless the licensee: <ul style="list-style-type: none"> • is a member of the water services ombudsman scheme; and • is bound by the scheme; and • will comply with any decision or direction of the water services ombudsman under the scheme. 	4	The audit confirmed by review of the Energy and Water Ombudsman (WA) website that the licensee is a member of the Water Services Ombudsman scheme. This obligation is included in the Compliance Obligations Register.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			<i>Previous obligation 66 until April 2020 – Licensees who are required to be a member of the water services ombudsman scheme agree to be bound by, and compliant with, any decision or direction of the water services ombudsman under the scheme.</i>				
16	Section 77(3)	Clause 4.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	3	<p>The Performance Reports provided to the ERA for 2020/21 and 2021/22 report that there was one unplanned interruption to the water supply on 13 May 2022 caused by the introduction of an air lock into the network during planned maintenance work. Supply was reinstated 48 hours later.</p> <p>The audit concluded that “reasonable steps” are being taken and further works are continuing to minimise the risk of interruption of water services.</p> <p>This obligation is included in the Compliance Obligations Register.</p>	A	1
17	Sections 82(4) & (5)	Clause 4.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	4	The Environmental Compliance and Approvals Coordinator advised that any building work on the Island requires approval from the RIA which is the owner of all properties. There is no legislative requirement for a person to give the RIA notice of any building work as all work is contracted by the RIA as the licensee, therefore this requirement is not rated.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 auditor confirmed with the Maintenance Manager (PFM) that no notices were given in the audit period for any additional water service works. This obligation is included in the Compliance Obligations Register.	A	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	As per Obligation 18 above.	A	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	RIA are the only producer and supplier on island, and there are no "residential" customers and no person other than the RIA can be an owner/occupier. All businesses on the island are covered under a lease agreement. A person can only reside on the island if granted permission by the RIA under the Rottneest Island Act and are not true "residents" under the ERA definitions. There is no legislative requirement for a person to give the RIA notice of any building work as all work is contracted by the RIA as the licensee, therefore this requirement is not rated for this audit period.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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.	4	<p>The auditor confirmed with the Maintenance Manager (PFM) and the Environmental Compliance and Approvals Coordinator that, during the audit period, the licensee did not cut off the supply of water to any occupied dwelling. The policy is to not cut off the water supply.</p> <p>This obligation is included in the Compliance Obligations Register.</p>	A	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, or the relevant local government as to the location and type of hydrant.	3	<p>The audit confirmed with the Maintenance Manager (PFM) and the Environmental Compliance and Approvals Coordinator that RIA has completed a number of actions to address the recommendations made in the DFES report, dated 22nd June 2018, regarding “Flow and Pressure Testing of Fire Hydrants”.</p> <p>The RIA has conducted pressure testing with DFES in attendance to close out the recommendations of the DFES report 22 June 2018 regarding “Flow and Pressure Testing of Fire Hydrants”.</p> <p>All hydrants south of Digby Drive are connected to the pressurised potable water supply distribution system. All upgrades of hydrants, signage and systems have been completed with the following exceptions:</p> <ul style="list-style-type: none">• There are only two hydrants north of Digby Drive which are connected to the gravity system.• There are no hydrants between the main settlement and Bathurst which would make the fire system non-compliant north of Digby Drive. <p>When the AS2419.1-2005-compliant hydrant system has been fully installed, as part of the scope of the</p>	A	2



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					<p>Water Infrastructure program, the RIA will remove all hydrants that will not be used in the new design/alignment. The expected completion date is December 2026.</p> <p>This obligation is included in the Compliance Obligations Register.</p> <p><u>Recommendation 1/2023</u></p> <p><i>As planned, the RIA should complete the implementation of the recommendations in the DFES report dated 22nd June 2018 with the replacement of all gravity-fed fire hydrants with pressure fire hydrants by December 2026.</i></p>		
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.	3	<p>The Environmental Compliance and Approvals Coordinator advised that no further requests have been received from DFES or a local government authority.</p> <p>However, as noted in Obligation 22 above, DFES has recommended further upgrades of the fire hydrant system.</p> <p>This obligation is included in the Compliance Obligations Register.</p> <p><u>Refer Recommendation 1/2023</u></p>	A	2
24	Section 98(3)	Clause 4.1.1	<p>If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.*</p> <p>*Sewerage services</p>	4	The auditor confirmed with the Environmental Compliance and Approvals Coordinator that, during the audit period, no written notice requiring connection to the Island's sewerage works has been received from the Minister.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 services	4	The auditor confirmed with the Environmental Compliance and Approvals Coordinator that no compliance notices have been issued in the audit period.	NP	NR
26	Section 110(3)	Clause 4.1.1	If required to by the Minister, the licensee must connect a drainage asset on land to the drainage works of the licensee. * *Drainage services	4	The auditor confirmed with the Environmental Compliance and Approvals Coordinator that there have been no requests from the Minister and this would not apply as the Island is an A-Class Reserve.	NP	NR
27	Section 112(5)	Clause 4.1.1	If required by the Minister, the licensee must modify the property drainage connection. * *Drainage services	4	As per Obligation 26.	NP	NR
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 Environmental Compliance and Approvals Coordinator that all construction is managed by the RIA or contracted to PFM, so no compliance notices would be issued.	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	As per Obligation 28.	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	4	The auditor confirmed with the Environmental Compliance and Approvals Coordinator that no fees are apportioned between any lessees. If fees were	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			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> .		to be apportioned, it would only be in accordance with the lease agreement.		
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 Environmental Compliance and Approvals Coordinator advised that as the customers are all commercial lessees, no memorials would be lodged.	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 to the occupier of the place unless the occupier agrees otherwise.	4	<p>The auditor confirmed with the Maintenance Manager (PFM) that, during the audit period, no routine maintenance of the water service works was undertaken that would require entry to occupied premises or likely to cause disruption to the occupants of a place. Entry to premises is provided under the commercial leases, as follows:</p> <p><i>“21.1 General (a) at all reasonable times on the Lessor giving to the Lessee reasonable notice; or (b) on demand in the case of emergency; with or without: (c) workmen and others; and (d) plant, equipment and materials: for the purposes mentioned in this clause;”</i></p> <p>The previous audit recommended that the Water Services Customer Manual should be updated to include giving 48 hours' notice of proposed entry and in writing. This has been completed.</p>	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					The obligation to give notice is included in the Compliance Obligations Register.		
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	As the RIA is the owner of all properties on the Island, this obligation is not rated.	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	As the roads on the Island are managed by the RIA and there are only authorised vehicles on the Island (contractors or commercial lessees), this obligation is not rated.	NP	NR
35	Section 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	<p>The auditor confirmed by interview with the Maintenance Manager (PFM) and review of the Asset Management System documentation that there are major works to design and construct three 50m³ standby bypass balance tanks at the WWTP, and also major works to replace the existing 500m³ failed Flow Balance Tank. These are due for completion in December 2023.</p> <p>All works are governed by the budget process, Board Papers, and High Level Project Management Plans and Project Management Plans. Procurement follow WA Treasury rules. Examples were provided to the auditor.</p>	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					The auditor also confirmed that any major water works would include obtaining regulatory approvals and giving notice to the community and stakeholders as part of the Rottneest Island Management Plan, RIA's Asset Management Policy, Development Planning Policy and Development Approval Process.		
36	Section 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	As per Obligation 35.	A	1
37	Section 143 (3)	Clause 4.1.1	The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	4	As per Obligation 35.	A	1
38	Section 144(3)	Clause 4.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	As per Obligation 35.	A	1
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	As per Obligation 35.	A	1
40	Section 147(3)	Clause 4.1.1	The licensee must comply with a direction given by a Minister in respect	4	As per Obligation 35. Also, the auditor confirmed by interview with the Environmental Compliance and Approvals	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			of a proposal to provide water service works that are major works under section 143(3).		Coordinator and review of the Asset Management System documentation, that there were no directions from the Minister during the audit period. in respect of any major works.		
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	As per Obligation 40.	A	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	<p>The auditor confirmed with the Environmental Compliance and Approvals Coordinator and the Maintenance Manager (PFM) and review of the Asset Management System documentation that there were general works in the audit period that materially affected the existing water service works. Examples for sewerage services included:</p> <ul style="list-style-type: none"> • Planning work to prepare catchment plans for the major pump stations and modelling of the gravity sewer network. • Preparation of sewer strategy planning for South and North Thomson for future development. • Refurbishment of the North Thomson SPS06 pump station and construction of 200m3 of emergency overflow storage. <p>Examples for potable water included:</p> <ul style="list-style-type: none"> • Kingstown, Lodge water extension, Staff Housing headworks (Project plans and drawings provided). • Longreach, Fays Bay, Geordie and South Thomson water network were constructed 	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					although have not yet been connected to the main network. The audit confirmed the Procurement procedure includes a Board Submission, Budget Submission, and Project Management Plan. Procurement follows WA Treasury rules. Examples provided include an "Advanced Concept Approval" submission to WA Treasury for funding for the wastewater system and the "Rottneest Island Wastewater Infrastructure Upgrade Business Case" submission to WA Treasury. Other examples of Board submissions and Business cases were provided to the auditor.		
43	Section 151(2)	Clause 4.1.1	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	4	As per Obligation 42.	A	1
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	As per Obligation 42.	A	1
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	As per Obligation 42.	A	1
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	Part 7 – Powers in relation to interest in land under the Act does not apply to the licensee as all land is under the management of the RIA.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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	As per 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	As per Obligation 46.	NP	NR
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.	3	<p>The auditor confirmed with the Environmental Compliance and Approvals Coordinator and the Maintenance Manager (PFM) that, during the audit period, no routine maintenance of the water service works was undertaken that would require entry to occupied premises or likely to cause disruption to the occupants of a place. Entry to premises is provided under the commercial leases, as follows:</p> <p><i>“21.1 General (a) at all reasonable times on the Lessor giving to the Lessee reasonable notice; or (b) on demand in the case of emergency; with or without: (c) workmen and others; and (d) plant, equipment and materials: for the purposes mentioned in this clause;”.</i></p> <p>As recommended in the previous audit, the RIA has updated the “Water Services Customer Manual to include giving 48 hours' notice of proposed entry and in writing.</p>	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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	The auditor confirmed with the Environmental Compliance and Approvals Coordinator and the Maintenance Manager (PFM) that, during the audit period, no routine maintenance of the water service works was undertaken that would require entry to occupied premises or likely to cause disruption to the occupants of a place. Entry to premises is provided under the commercial leases. The obligation to provide advance notice of any proposed entry is included in the Water Services Customer Manual.	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	The auditor confirmed with Manager – Maintenance (PFM) that, during the audit period, no routine maintenance of the water service works was undertaken that would require entry to occupied premises or likely to cause disruption to the occupants of a place. Entry to premises is provided under the commercial leases. This specific obligation is included in the Water Services Customer Manual.	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	As per Obligation 51. The obligation to provide identification, the reasons for entry, expected length of time, to obtain the customer's consent and other prescribed actions are covered by the information in the Water Services Customer Manual.	A	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	4	As per Obligation 51.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			in the dwelling before leaving the dwelling.				
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	As per Obligation 51.	A	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 auditor confirmed with the Environmental Compliance and Approvals Coordinator and the Maintenance Manager (PFM) confirmed that all maintenance staff display their identification. This specific obligation is included in the employee work instructions.	A	1
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	The Maintenance Manager (PFM) confirmed that all maintenance staff are required to display their identification and respect any requests from the occupier This specific obligation is included in the Water Services Customer Manual.	A	1
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 auditor confirmed with Maintenance Manager (PFM) that, during the audit period, any reasonable requests from the occupier of a place were complied with in the performance of any maintenance or inspections. This specific obligation is included in the Water Services Customer Manual.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
58	Section 186	Clause 4.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	4	The auditor confirmed with the Maintenance Manager (PFM) that no warrants were applied for in the audit period.	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 specified depending on the location of the applicant and the justice.	4	As per Obligation 58.	NP	NR
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	As per 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	As per 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 auditor confirmed with the Environmental Compliance and Approvals Coordinator that no person is currently designated 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 auditor confirmed by sighting a sample of commercial leases that the leases provide for the “quiet enjoyment” of the property by the lessee/tenant, and if entry is required to the property, the RIA will minimise any disruption to the tenant. The leases also state that the lessor will minimise any	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					<p>damage and if any damage to the tenant's property does occur, the lessor will make good the damage.</p> <p>The auditor confirmed with Maintenance Manager (PFM) that, during the audit period, there was no entry to occupied premises likely to cause disruption to the occupants of a property.</p> <p>This obligation is included in the Water Services Customer Manual.</p>		
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	As per Obligation 63.	A	NR
Water Services Regulations 2013							
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 audit confirmed with the RIA's Commercial & Residential Property Accountant that there are no multi-unit developments occupied by the customers (i.e. commercial lessees).	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 auditor confirmed with the Maintenance Manager (PFM) that no compliance notices are issued.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
67	Regulation s 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 auditor confirmed with the Commercial & Residential Property Accountant that there were no requests for meter readings from customers in the audit period. The RIA's Water Customer Services Manual provides that a customer may request a water meter be tested (for a fee which is refundable if the test results are outside an acceptable tolerance).	A	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	As per Obligation 67.	A	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 contribution unless regulations 29(3) or 29(4) applies.	4	All lots are part of an A-Class Reserve governed by the Rottneest Island Act 1987 which establishes the RIA as a statutory body to control and manage the Island. Therefore, this is not rated.	NP	NR
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).	4	The auditor confirmed with the Environmental Compliance and Approvals Coordinator and Maintenance Manager (PFM) that there were no orders issued to customers for any backflow prevention devices to be installed.	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	4	As per Obligation 70.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			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).				
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)	4	As per Obligation 70.	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 of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	4	As the RIA has the responsibility for all roads on the Island, no work would be undertaken without the authority of the RIA. Road works are carried out by Main Roads under advice from the RIA. Therefore, this obligation is not rated.	NP	NR
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	As per Obligation 74.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 Maintenance Manager (PFM) confirmed that no compliance notices would be issued as the RIA is responsible for all works on the Island.	NP	NR
Water Services Code of Conduct (Customer Service Standards) 2018							
92	Clause 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 1: 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	The Rottnest Island Water Customer Services Manual is available on the RIA website. A hard copy of the Manual is available for customers and visitors at the Visitor Centre on Rottnest Island. The obligation to comply with the Code of Conduct is included in the Compliance Obligations Register.	A	1
93	Clauses 9(2) and (4)	Clause 4.1.1	The licensee must ensure that, in any 12-month period, 90% of water supply service connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements. <i>Note: Potable water supply only (as per obligation 92)</i>	4	There were no new connections during the audit period as confirmed by the Maintenance Manager (PFM) and the Water Licence Performance Reports for 2020/21 and 2021/22 submitted to the ERA. The 10 business day rule is included in Section 2 of the Water Services Customer Manual. The obligation to comply with the Code of Conduct is included in the Compliance Obligations Register.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 auditor reviewed the list of invoices issued in the audit period and confirmed they are issued monthly.</p> <p>The auditor sighted a sample of 30 invoices for water charges to customers and confirmed that the invoices for non-quantity charges are issued annually for:</p> <ul style="list-style-type: none"> • Wastewater service charge; • Wastewater – drainage; and • Wastewater – sewerage. <p>This obligation is included in the Compliance Obligations Register.</p>	A	1
95	Clause 11(2)	Clause 4.1.1	If the licensee charges a quantity charge, the licensee must issue a bill - for a quantity charge to each customer at least once in every 4-month period.	4	<p>The auditor reviewed the list of invoices issued in the audit period and confirmed they are issued monthly.</p> <p>The audit sighted a sample of 30 invoices for water charges to customers and confirmed that the invoices for water usage are issued monthly on Utility Statements that are based on meter readings.</p> <p>This obligation is included in the Compliance Obligations Register.</p>	A	1
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	<p>The audit confirmed with the Commercial & Residential Property Accountant and review of a sample of 30 invoices, that usage is based on meter readings to ascertain the quantity of potable water supplied.</p> <p>This obligation is included in the Compliance Obligations Register.</p>	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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).	4	No applicable regulation is in place.	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	The Commercial & Residential Property Accountant confirmed that, during the audit period, no such circumstances eventuated and no customer was issued with an estimated bill of usage. As stated in Section 3.3 Estimations, of the Water Customer Services Manual, if a water meter is faulty, consumption charges will be estimated and based on an average of past consumption, comparable customers if no billing history or a test of the water meter.	A	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	As per obligation 95.	A	1
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 on a sample basis that bills are sent to the address where the service is provided or other address nominated by the customer. This obligation is included in the Water Services Customer Manual.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
100	Clause 13(1)	Clause 4.1.1	Each bill must contain the prescribed information.	4	From review of a sample of 30 invoices, the audit confirmed the prescribed information is provided to customers via the monthly Utility Statements and the monthly invoices. This obligation is included in the Water Services Customer Manual.	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	From review of a sample of 30 invoices, the audit confirmed the water service charges are provided to customers via the monthly Utility Statements and the monthly invoices. This obligation is included in the Water Services Customer Manual.	A	1
101	Clause 13(4)	Clause 4.1.1	Each bill for usage for a metered water service must contain the specified information.	4	The auditor confirmed by review of a sample of 5 monthly invoices and Utility Statements that the specified information on usage is included in each bill. This obligation is included in the Water Services Customer Manual.	A	1
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 Commercial & Residential Property Accountant confirmed that, during the audit period, no such circumstances eventuated and no customer was issued with an estimated bill of usage. As stated in Section 3.3 Estimations, of the Water Customer Services Manual, if a water meter is faulty, consumption charges will be estimated and the customer will be notified of the prescribed information.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
102A	Clause 13(6)	Clause 4.1.1	Each bill must contain the prescribed information.	4	The audit confirmed by review of a sample 5 of monthly and annual invoices that the bills include the prescribed information, including: a) the telephone number of the 24 hour information line provided in accordance with clause 45; b) for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services" (N/A); c) a statement that the website contains information about estimates, meter reading and testing, complaints and review; and d) a statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.	A	1
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 Commercial & Residential Property Accountant confirmed that, during the audit period, no customer was issued with an estimated bill of usage. This obligation is stated in the Water Customer Services Manual (Section 3.3.).	A	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 Commercial & Residential Property Accountant confirmed that, during the audit period, no customer was issued with an estimated bill of usage. This obligation is stated in the Water Customer Services Manual (Section 3.3.).	A	NR
104A	Clause 15(3)	Clause 4.1.1	Each bill for usage to which clause 15 applies must, in addition to the	4	The Commercial & Residential Property Accountant confirmed that the RIA does not charge for water	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			requirements of clause 13, contain the prescribed information.		usage using different rates for volumetric ranges. Therefore, this obligation is not rated.		
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 Commercial & Residential Property Accountant confirmed that, during the audit period, no customer requested a meter reading outside of the usual billing cycle and there were no estimated bills issued. This obligation is stated in the Water Customer Services Manual (Section 3.1.).	A	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 customer but is likely to have been wasted because of a leak from the customer's system.	4	The policy for any discounts for over-charges is stated in Water Services Customer Manual (Section 3.5 – Discount for leaks) and complies with the Code.	A	1
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 Commercial & Residential Property Accountant confirmed that, during the audit period, there were no undercharged amounts. The policy for recovery of any undercharges is stated in the Water Services Customer Manual (Section 3.4 Review of Bill) and complies with the Code.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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	As per Obligation 107.	A	NR
109	Clause 18(4)	Clause 4.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	4	As per Obligation 107.	A	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	As per Obligation 107.	A	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 Commercial & Residential Property Accountant confirmed that, during the audit period, there were no overcharged amounts. The policy for any overcharges is stated in the Water Services Customer Manual (Section 3.4 Review of Bill) and complies with the Code.	A	NR
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	As per obligation 111A.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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	As per obligation 111A.	A	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	As per obligation 111A.	A	NR
113	Clause 20(1)	Clause 4.1.1	The licensee must review a bill on the customer's request.	4	The Commercial & Residential Property Accountant confirmed that, during the audit period, bills were reviewed at the request of customers. The policy for review of a bill is stated in Section 3.4 Review of Bill, of the Customer Water Services Manual and complies with the Code.	A	NR
114	Clause 20(2)	Clause 4.1.1	The licensee must have a written procedure for the review of a bill on the customer's request.	4	As per Obligation 113.	A	1
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	As per Obligation 113. The audit confirmed this policy is publicly available on the RIA website and at the RIA office on the Island at no charge.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.	4	The previous audit recommended the RIA should update its Customer Manual's content to comply with clause 20(4) of the 2018 Code of Conduct The Water Services Customer Manual confirmed that Clause 3.4 includes a statement that bills may be reviewed in accordance with the requirements of the Code of Conduct.	A	1
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 Commercial & Residential Property Accountant confirmed that, during the audit period, bills were reviewed at the request of customers and all were completed within 15 business days of the customers' request. The policy for review of a bill is stated in Section 3.4 Review of Bill, of the Customer Water Services Manual and complies with the Code.	A	1
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 audit confirmed with the Commercial & Residential Property Accountant that RIA provided customers with 30 days prior notice of the annual increases of charges for water services. This obligation is stated in the Water Services Customer Manual.	A	1
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.	3	The audit sighted a sample of 30 invoices for water charges to customers and noted that the invoices are due for payment 14 days from issue. This obligation to give at least 14 days to pay a bill is stated in the Water Services Customer Manual (section 3.6).	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 audit sighted a sample of invoices for water charges to customers and confirmed that the invoices/utility statements include the prescribed methods as per the Code except for the Centrelink option. The audit confirmed with the Environmental Compliance and Approvals Coordinator that during the audit period, all properties on Rottneest Island were subjected to commercial leases. Thus, the Centrelink payment option was not provided to RIA customers. The payment methods are stated in the Water Services Customer Manual.	A	1
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 audit sighted a sample of 30 invoices for water charges to customers and confirmed that the invoices/utility statements include statements re any additional fees for payment methods. The payment methods are stated in the Water Services Customer Manual.	A	1
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 audit confirmed with the Commercial & Residential Property Accountant that the direct debit payment option is not offered. This obligation is not rated.	NP	NR
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 audit confirmed with the Commercial & Residential Property Accountant that payments in advance are accepted. This obligation is stated in the Water Services Customer Manual.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 audit confirmed with the Commercial & Residential Property Accountant that bills are redirected at the request of the customer and at no charge. This obligation is stated in the Water Services Customer Manual.	A	1
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 audit confirmed with the Commercial & Residential Property Accountant that, during the audit period, there were no customers experiencing payment difficulties and therefore, RIA did not offer payment plans or additional time to pay. This obligation is stated in section 3.8 of the Water Services Customer Manual.	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	As per obligation 124A. This includes taking into account, a customer's capacity to pay and the water supplied.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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 payment difficulties should be interest-free, or fee-free, or both.	4	As per obligation 124A. This includes whether the payment plan or other arrangement should be interest-free and/or fee-free.	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 available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	The Water Services Customer Manual (section 3.8) available on the RIA's website and at the RIA's office upon request and at no charge, states the procedures for payment difficulties and other assistance available to customers.	A	1
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 audit confirmed with the Commercial & Residential Property Accountant that there were no instances of interest or fees being charged for late payment of water services.	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 audit confirmed with the Leasing Team that any debt recovery action would not be commenced where payment arrangements are being complied with or payment difficulties are being assessed. There were no such debt recovery actions in the audit period.	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	4	The audit confirmed with the Leasing Team that any debt recovery action would not be commenced if a complaint had been made. There were no	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			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).		complaints relating to the water service charges in the audit period.		
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 the amount owing that is satisfactory to the licensee.	4	The audit confirmed with the Manager - Maintenance (PFM) that there are no circumstances where the water flow to a customer would be cut off or reduced. There were no such actions in the audit period. Section 5.6 Disconnection of the Water Customer Services Manual provides that potable water may be disconnected only in an emergency and restricted only for operational reasons, not for non-payment.	NP	NR
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	The audit confirmed with the Manager - Maintenance (PFM) that there are no circumstances where the water flow to a customer would be cut off or reduced. There were no such actions in the audit period.	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	As per obligation 136.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
137B	Clause 36(2)	Clause 4.1.1	The licensee must not give a customer a restriction notice not less than 7 days before the day on which the water supply restriction is proposed to start.	4	As per obligation 136.	NP	NR
137C	Clause 36(3)	Clause 4.1.1	The restriction notice must include the specified information.	4	As per obligation 136.	NP	NR
138	Clause 37(1)(a)-(e) & (h)	Clause 4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	As per obligation 136.	NP	NR
138A	Clause 37(1)(f)-(g)	Clause 4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply. (i.e., complaint to the ombudsman or customer application of concession).	4	As per obligation 136.	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	As per obligation 136.	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. <i>Note: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows - clause 39 does not apply except to the extent that it applies to the reduction, under section</i>	4	As per obligation 136.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			<i>95(2), of the rate of flow of a supply of water.</i>				
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. <i>Note: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows - clause 41 does not apply except to the extent that it applies to the restoration of a supply of water which has been cut off, or the rate of flow of which has been reduced, under section 95(1)(a), (c), (d) or (e);</i>	4	As per obligation 136.	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. <i>Refer Note in Obligation 142.</i>	4	The audit confirmed with the Manager – Maintenance (PFM) that there are no circumstances where the water flow to a customer would be cut off or reduced. There were no such actions in the audit period.	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 audit confirmed with the Environment, Compliance and Sustainability Manager that, during the audit period, five days' notice was given customers regarding any planned/or routine maintenance to be conducted (which would have resulted in interruption of supply).	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					The audit noted that the Water Services Customer Manual states in section 5.1 Entry to Customer's Property – Planned interruption to water supply: "RIA aims to provide customers with 24 hours advance notice if the water supply will be interrupted for planned work".		
144B	Clause 43(2)	Clause 4.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.	4	The audit confirmed with the Environment, Compliance and Sustainability Manager that, during the audit period, at least 48 hours' notice was given to customers regarding any planned/or routine maintenance to be conducted (which would have resulted in interruption of supply). The audit noted that the Water Services Customer Manual states in section 5.1 Entry to Customer's Property – Planned interruption to water supply: "RIA aims to provide customers with 48 hours advance notice if the water supply will be interrupted for planned work".	A	1
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	The Performance Reports provided to the ERA for 2020/21 and 2021/22 report that there was one unplanned interruption to the water supply. The audit concluded that "reasonable steps" are being taken and further works are continuing to minimise the risk of interruption of water services. This obligation is included in the Compliance Obligations Register.	A	1
144D	Clause 44(2)	Clause 4.1.1	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	4	The RIA's Water Services Recovery & Contingency Plan includes: <ul style="list-style-type: none"> The potential or actual impact of a burst, leak or blockage; 	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					<ul style="list-style-type: none"> The action or actions that must be taken to ensure that, in the event of a wastewater spill from the sewerage works of the licensee onto a customer's property, damage and inconvenience to the customer and other persons or entities are minimised; and The action or actions that must be taken to ensure that, in the event of a wastewater spill from the sewerage works of the licensee, the spill is promptly cleaned, and the affected area is disinfected. 		
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 expected duration of, any unplanned service interruption.	4	<p>The audit confirmed that a 24 hour information line to report any emergency or fault, or to obtain information about unplanned interruptions is provided by PFM on behalf of RIA.</p> <p>The number is on all invoices and in the Water Services Customer Manual available on the RIA website.</p>	A	1
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 audit sighted the Water Services Customer Manual (Section 4.4.2 – Complaints Procedure) and the Utilities Customer Complaints Procedure and form on the RIA's website. The procedures include the required information.	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	4	The audit confirmed the complaints procedures are compliant with the relevant provisions of AS ISO 10002-2014 and the ERA's Customer Complaints Guidelines dated December 2016.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			AS/NZS 10002-2014 and the ERA's guidelines (if any).		The procedures distinguish between customer queries and complaints in accordance with the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints – December 2016".		
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	The audit confirmed the complaints procedures are compliant with the relevant provisions of AS ISO 10002-2014 and the ERA's Customer Complaints Guidelines dated December 2016.	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 review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	4	The Utilities Customer Complaints procedure refers to the alternative complaints procedure available to customers under section 222(2)(k) of the Act. That is, the customer's right to an appeal of any decision relating to the complaint.	A	1
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	The audit confirmed the RIA's Water Services Customer Manual and the Utilities Customer Complaints Procedure and Form are available on RIA's website and in hardcopy upon request and at no charge.	A	1
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	4	The Environment, Compliance and Sustainability Manager and the 20120/21 and 2021/22 Performance Reports to the ERA reported no complaints re the potable water supply in the audit period. .	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman.		This obligation is documented in the Water Services Customer Manual.		
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	<p>Under this Section of Code, the licensee must provide a customer with the following on request and at no charge:</p> <ul style="list-style-type: none"> • services for account, payment and general enquiries for use by customers with hearing or speech impaired; • interpreter services for account, payment and general enquiries; • a large-print version of any of the licensee's publicly available documents. <p>The auditor confirmed with the Environment, Compliance and Sustainability Manager that the information is available in the above formats and that during the audit there were no specific requests.</p> <p>This obligation is included in the Water Services Customer Manual.</p>	A	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	4	<p>The auditor confirmed with the Environment, Compliance and Sustainability Manager that the information is available and that during the audit period, no such request has been received. .</p> <p>This obligation is included in the Water Services Customer Manual.</p>	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			by, the customer in previous billing periods. <i>Note: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows -- clause 48(2) does not apply to the extent that it refers to bills previously issued or previous billing periods.</i>				
153	Clause 49(1)	Clause 4.1.1	The licensee must make the prescribed information publicly available. <i>Note: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows - Parts 3 and 4, clauses 34 to 38, clause 40(1), clause 49(1)(a), (b), (c), (g) and (h) and (2)(a) to (e) and clause 52 do not apply</i> <i>Note - Previous obligation until April 2020 – the licensee must make the prescribed information publicly available on the licensee’s website and a hardcopy provided to a customer upon request at no charge.</i>	4	The audit confirmed that the “prescribed information” set out in Clause 37 of the Code is available to customers in the Water Services Customer Manual on the RIA’s website and in hardcopy upon request. The obligation to comply with the Code of Conduct is included in the Compliance Obligations Register.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
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: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows - Parts 3 and 4, clauses 34 to 38, clause 40(1), clause 49(1)(a), (b), (c), (g) and (h) and (2)(a) to (e) and clause 52 do not apply</i>	4	This audit confirmed the Code of Conduct is available on the RIA website and the information about estimated bills and meter testing requests is included in clauses 3.3 and 5.5. of the Water Services Customer Manual. The obligation to comply with the Code of Conduct is included in the Compliance Obligations Register.	A	1
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.	3	The previous audit recommended the RIA provide a link to the 2018 Code of Conduct on its website, so as to comply with clause 49(3) of the Code. The RIA has provided a copy of the 2018 Code of Conduct on its website, as confirmed in this audit . However, there is no link to the current version of the Code, in case the Code is updated. As the current version of the Code is available on the RIA's website, this has been rated as a non-compliance with minor impact on customers. <u>Recommendation 2/2023</u> <i>The RIA should include a link to the current version of the Code of Conduct on its website.</i>	B	2
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	2	The audit sighted the Preserved Water Supply Register. There were no customers on the register in this audit period.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			prescribed information in clause 51(3) if the criteria in clause 51(2) applies to the licensee.		This obligation is listed in the Compliance Obligations Register.		
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. <i>Note: As of 01/07/2018 - WSCC cl 4(3) If charges do not apply for the provision of a water service to a customer by a licensee the application of this code to the provision of the water service is modified as follows - Parts 3 and 4, clauses 34 to 38, clause 40(1), clause 49(1)(a), (b), (c), (g) and (h) and (2)(a) to (e) and clause 52 do not apply.</i>	2	The audit sighted the Preserved Water Supply Register. There were no customers on the register in this audit period. This obligation is listed in the Compliance Obligations Register.	A	NR
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	The audit sighted the Preserved Water Supply Register. There were no customers on the register in this audit period. This obligation is listed in the Compliance Obligations Register.	A	NR
Other License conditions							
155	Water Services Act Section 12	Clause 4.2.1	The licensee must pay the applicable fees and charges in accordance with the Economic Regulation Authority (Licensing Funding) Regulation 2014.	4	The audit confirmed the annual fees to the ERA have been paid in accordance with the Regulation, including payment due date, annual charge amount and standing charge calculation.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
					This is This obligation is listed in the Compliance Obligations Register and supported by a Compliance Calendar.		
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 audit confirmed by reference to the ERA's website that no Rectification Notice has been issued to the RIA by the ERA.	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	The audit reviewed the RIA's Financial Reports for the years ended 30 June 2021 and 30 June 2022 and confirmed compliance. This obligation is included in the Compliance Obligations Register.	A	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	Individual performance standards regarding potable water system are set out in Schedule 2 of RIA's licence WL10 Version 9 dated 1 May 2020. The performance standards relate to the pressure and flow standards for potable water and conducting an annual desktop audit of the drainage scheme. As noted in the 2021/22 Compliance Report to the ERA, the potable water pressure and flow levels meet the minimum standards in the licence. Pressure and flow is measured using the meter installed at the Digby Drive Power Station. No complaints or issues were noted associated with flow and pressure so pressure and flow is assumed to be 100% compliant. This obligation is included in the Compliance Obligations Register.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
162	<i>Water Services Act</i> Section 12	Clause 5.3.4	The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the operational audit.	4	This audit is designed in accordance with the Audit Guidelines. The licensee has fully co-operated. This obligation is included in the Compliance Obligations Register.	A	1
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 audit confirmed by interview and review of the RIA's Financial Reports for the audit period that there is no external administration. This obligation is included in the Compliance Obligations Register.	A	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.	3	In accordance with the Water Compliance Reporting Manual, the RIA is required to submit to the ERA: <ul style="list-style-type: none"> Annual performance reports no later than 31 July for the reporting year ending 30 June; and Annual compliance reports by 31 August for the year ending 30 June. The audit reviewed the RIA's correspondence with the ERA and the Compliance and Performance Reports for 2020/21 and 2021/22 and confirmed the reports had been submitted by the due dates. This obligation is included in the Licence Compliance Register and the Compliance Calendar.	A	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	4	The audit reviewed the RIA's correspondence with the ERA and the Performance Reports for 2020/21 and 2021/22 and confirmed the RIA provided the ERA with the data required for performance reporting purposes in the time and format required.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			Handbook, and the National Performance Framework that apply to the licensee.		This obligation is included in the Compliance Obligations Register.		
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 auditor reviewed the RIA's correspondence with the ERA in the audit period and confirmed that in the audit period, the RIA was not directed by the ERA to publish any information. This obligation is included in the Compliance Obligations Register.	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 audit reviewed the RIA's correspondence with the ERA in the audit period and confirmed compliance. All correspondence observed was in hardcopy letter or email.	NP	1
170A	<i>Water Services Act</i> Section 12	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	The ERA has been notified of and has approved the asset management system as part of the licence approval.	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	The Environment, Compliance and Sustainability Manager confirmed there have been no major changes to the asset management system. This obligation is included in the Asset Management Policy and the Compliance Obligations Register.	A	NR
172	<i>Water Services Act</i> Section 12	Clause 5.1.7	The licensee must co-operate with the independent expert and comply with the ERA's audit and review guidelines	4	This review is being undertaken in accordance with the Audit and Review Guidelines. The licensee has fully co-operated with the review.	A	1



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
			dealing with the asset management system review.				
172A	Water Services Act 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 Environment, Compliance and Sustainability Manager that there were no directions from the ERA in the audit period to amend any terms and conditions.	NP	NR
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	As per 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 Environment, Compliance and Sustainability Manager that the RIA was not appointed as a supplier of last resort.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
182	<i>Water Services Act</i> 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 auditor confirmed with the Manager – Maintenance (PFM) that the licensee does not provide a water service outside of the operating areas set out in Plan Number: OWR-OA-189. i.e. Rottneest Island. This obligation is included in the Compliance Obligations Register.	A	NR
184	<i>Water Services Act</i> Section 12	Clause 7.1.1	Where the licensee provides potable water, the licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	4	The auditor sighted the Memorandum of Understanding ('MOU') for Drinking Water with the Department of Health ('DOH') dated 23 December 2019 for a 5 year term. This obligation is included in the Compliance Obligations Register.	A	1
184A	<i>Water Services Act</i> Section 12	Clause 7.1.2	Where the licensee provides sewerage services, the licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	4	Under the ERA licence, only connections of 400 or more require an MOU. As there are 130 connections, the Sewerage MOU is not required.	NP	NR
184B	<i>Water Services Act</i> Section 12 (Applicable from May 2020)	Clause 7.1.3	If the licensee provides both potable water and sewerage services, the licensee must enter into a separate Memorandum of Understanding with the Department of Health in respect of each of the potable water service and sewerage service.	4	Refer obligation 184A.	NP	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
185	<i>Water Services Act</i> Section 12	Clause 7.1.4	A Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.	4	The MOU is a legal document signed by both parties. This obligation is included in the Compliance Obligations Register.	A	1
186	<i>Water Services Act</i> Section 12	Clause 6.1.3	The licensee must comply with the terms of a Memorandum of Understanding.	4	The auditor confirmed with the Environment, Compliance and Sustainability Manager and the Manager – Island Engineer and by review of the 2020/21 and 2021/22 Annual Reports to DoH that the RIA has complied with the terms of the MOU for Drinking Water. There have been no audits to date requested by DOH to confirm compliance. This obligation is included in the Compliance Obligations Register.	A	1
187	<i>Water Services Act</i> Section 12	Clause 7.1.6	The licensee must publish in the form agreed with the Department of Health, a Memorandum of Understanding and any amendments to a Memorandum of Understanding within one month of signing or making the amendment. (Potable water and sewerage services).	4	The auditor confirmed the 2019 MOU for Drinking Water is published on the RIA's website. This obligation is included in the Compliance Obligations Register.	A	1
188	<i>Water Services Act</i> Section 12	Clause 7.1.7	The licensee must publish the audit report on compliance with its obligations under a Memorandum of Understanding on its website within one month of the completion of the audit.	4	The auditor confirmed with the Environment, Compliance and Sustainability Manager that there have been no audits by DOH in the audit period. This obligation is included in the Compliance Obligations Register.	A	NR



No ³	Legislative Reference	Licence Condition	Description	Audit Priority	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁴	Compliance Rating ⁵
189	<i>Water Services Act</i> Section 12	Clause 7.1.8	The licensee must publish, in a form agreed with the Department of Health, any other reports required by the Department of Health or required by a Memorandum of Understanding on the licensee's website, at a reporting frequency specified by the Department of Health.	4	The audit confirmed that the quarterly and annual drinking water quality reports have been published on the RIA's website for the audit period from 1 July 2021 to 30 June 2023. This obligation is included in the Compliance Obligations Register.	A	1
190	<i>Water Services Act</i> Section 12	Schedule 2	The licensee must comply with the standards set out in Schedule 2 of the licence.	3	Individual performance standards regarding potable water system are set out in Schedule 2 of RIA's licence WL10 Version 9 dated 1 May 2020. The performance standards relate to the pressure and flow standards for potable water and conducting an annual desktop audit of the drainage scheme. As noted in the 2021/22 Compliance Report to the ERA, the potable water pressure and flow levels meet the minimum standards in the licence. Pressure and flow is measured using the meter installed at the Digby Drive Power Station. No complaints or issues were noted associated with flow and pressure so pressure and flow is assumed to be 100% compliant. This obligation is included in the Compliance Obligations Register.	A	1



3.8 Audit Recommendations

Table of Current Audit Non - Compliances and Recommendations⁶

A. Resolved during current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Detailed obligation ref. and legislation/Issue)	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/Detailed obligation ref. and legislation/Issue)	Auditor's Recommendation	Action taken by the licensee by end of audit period
1/2023	Fire Hydrants A2 - Adequate controls / Non-compliant – Minor Impact Obligations 22 and 23 <i>Water Services Act 2012 sections 96(1) and 96(5)</i> If the licensee provides water supply reticulation works or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant. The 2019 audit noted that a Department of Fire and Emergency Services ('DFES') report, dated 22 June 2018, regarding "Flow and Pressure Testing of Fire Hydrants" on Rottneest Island was issued. This report made a number of recommendations. The auditor noted the RIA's 2017-2018 <i>Compliance</i> Report states: "Phase 2 of the	As planned, the RIA should complete the implementation of the recommendations in the DFES report dated 22 nd June 2018 with the replacement of all gravity-fed fire hydrants with pressure fire hydrants by December 2026.	Action continuing.

⁶ 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.



B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Detailed obligation ref. and legislation/Issue)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p>construction (phased upgrade and replacement of the fire main system) will be phased over the coming years."</p> <p>The audit confirmed with the Maintenance Manager (PFM) and the Environmental Compliance and Approvals Coordinator that RIA has completed a number of actions to address the recommendations made in the DFES report, dated 22nd June 2018, regarding "Flow and Pressure Testing of Fire Hydrants".</p> <p>The RIA has conducted pressure testing with DFES in attendance to close out the recommendations of the DFES report 22 June 2018 regarding "Flow and Pressure Testing of Fire Hydrants".</p> <p>All hydrants south of Digby Drive are connected to the pressurised potable water supply distribution system. All upgrades of hydrants, signage and systems have been completed with the following exceptions:</p> <ul style="list-style-type: none"> • There are only two hydrants north of Digby Drive which are connected to the gravity system. • There are no hydrants between the main settlement and Bathurst which would make the fire system non-compliant north of Digby Drive. <p>When the AS2419.1-2005-compliant hydrant system has been fully installed, as part of the scope of the Water Infrastructure program, the RIA will remove all hydrants that will not be used in the new design/alignment. The expected completion date is December 2026.</p>		
2/2023	<p>Website Link to Code of Conduct</p> <p>B2 – Generally adequate controls– <i>improvement needed</i> / Non-compliant – <i>Minor Impact</i></p> <p>Obligation 154A</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 - Clause 49(3)</i></p> <p>The 2019 audit recommended the RIA provide a link to the 2018 Code of Conduct on its website, so as to comply with clause 49(3) of the Code. The RIA has provided a copy of the 2018 Code of Conduct on its website, as confirmed in this audit .</p>	The RIA should include a link to the current version of the Code of Conduct on its website.	Nil



B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Detailed obligation ref. and legislation/Issue)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p>However, there is no link to the current version of the Code in case the Code is updated. As the current version of the Code is available on the RIA's website, this has been rated as a non-compliance with minor impact on customers.</p> <p>The current version of the Code is on the RIA website. However, there is no website link to the Code.</p> <p>This obligation is included in the Compliance Obligations Register.</p>		



4. Appendix A - Methodology

A1. Audit Approach

Our approach to meeting the requirements for the operational audit is set out below.

Audit Planning

- Conduct an initial meeting with the ERA to confirm the audit approach and timing for the audit (*not required*).
- Contact the licensee to gain an understanding of the business, relevant management plans and systems that may affect the risk assessment for planning purposes.
- Prepare a risk assessment including any specific factors or changes relevant to the licensee (in tabular form against each licence condition).
- **Previous recommendations** – Review the recommendations from the previous audit and the actions taken by the licensee to address the recommendations. The outcome of this review has been considered in setting the audit priority of the licence obligations.
- Submit a draft **Audit Plan**, including the risk assessment and proposed approach, to the ERA for review and approval.
- Send a **Pre-Visit Checklist** of information and documentation to the licensee to enable staff to prepare for the visit (and where possible, send us information prior to the site visit).

Fieldwork

- Undertake a visit to the licensee and conduct various meetings with stakeholders, including Compliance, Infrastructure and Contracts/Leasing management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards.
- Obtain copies of the performance reporting statistics and relevant correspondence between the licensee and the ERA for the audit period.
- The audit steps for the **Operational Audit** will include:
 - **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.
- Update 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 recommend any further improvements to achieve compliance.

Audit Reporting

- Prior to the conclusion of the visit, the lead auditor will discuss any observations and recommendations with the licensee's management to confirm our understanding of the issues and to discuss the action to be taken.
- Provide a draft report to the ERA for review no later than two weeks before the final report is due and make any revisions necessary.
- Provide the updated draft report to the ERA for review and feedback prior to finalising the report.
- Issue the final report to the ERA.
- The licensee will prepare a Post-Audit Implementation Plan and submit this to the ERA as a separate document.

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 Guidelines: Water Licences (updated August 2022)
- Water Compliance Reporting Manual – October 2021
- Water, Sewerage and Irrigation Licence Performance Reporting Handbook – March 2023
- Water Services Operating WL10 – Version 9
- Map of Licence Operating Area OWR-OA-189
- 2021 Audit and Review Report – WL10 (September 2021)
- 2022 Asset Management System Review Report (August 2022)
- Compliance reports to ERA for 2020/21 and 2021/22.
- Performance reports to ERA for 2020/21 and 2021/22
- Water, Sewerage and Irrigation Reporting Datasheets for 2020/21 and 2021/22.
- Energy & Water Ombudsman membership.

Rottneest Island Authority

- Annual Report for 2021/22)
- Utilities Licence and Compliance Register (July 2021 to June 2023).
- RIA - Water Customer Services Manual;
- RIA Utilities Customer Complaints Procedure and Form
- RIA Customer Complaints Reporting Register and complaint records (July 2021 to June 2023).
- RIA Standard Customer Contract and commercial lease examples
- Examples of Property invoices.
- Rottneest Island Facilities Utilities and Support Services contract ('FUSS contract') between RIA and Programmed Facility Management Pty Ltd ('PFM')
- Rottneest Island - Drinking Water Quality HACCP Risk Register - Ecosafe Int.



- Drinking Water Risk Management Plan
- Memorandum of Understanding between the Department of Health ('DOH') and RIA for Drinking Water (2019)
- DoH Annual Drinking Water Report 2021/22 and 2022/23
- DoH Quarterly Drinking Water Reports – July 2021 to June 2023
- RIA/PFM - Water supply interruption procedure
- PFM FUSS Contract Service Report – June 2023
- PFM – Operational Outage Register
- PFM – Safety Management Plan
- PFM – Water Services Recovery and Contingency Plan
- PFM – Annual Drinking Water Incident/Response Plan Desktop Exercise
- Network Quality and Reliability of Supply Independent Audit Report (latest).

A3. Key Contacts

The licensee's representatives participating in the audit were:

- David Pond – Environmental Compliance and Approvals Coordinator
- Rebecca Gabbitus – Manager Environment, Compliance and Sustainability
- Brian Tan – Manager Water and Gas Infrastructure
- Luke Bennett - Commercial & Residential Property Accountant

Programmed Facility Management (PFM)

- Adam Stefaniuk - Maintenance Manager
- Dan Hunt - Operations Manager
- Jason Vogel - Quality and Compliance Officer
- Nicholas Thompson - Plumbing Supervisor
- Pasko Mikulandra - WWTP/Desal Hydraulics Team Leader

A4. Consultants

NAME AND POSITION	BUDGET HOURS
Geoff White - Director	40
Susan Smith - Manager	30
TOTAL	70

END OF REPORT