



Water Corporation

2024 Operational Audit

Post Audit Implementation Plan

November 2024



Finding Reference: 01/2024	Rating: B2
Legislative Obligation:	Obligations (17): <i>Water Services Act, 2012 Sections 82(4) & (5)</i> <i>If a person must give the licensee notice of any building work to be carried out on land in the operating area of a licence, 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 seven (7) days of receiving the fee for dealing with the notification.</i>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report for 2022-23, where 25 (approximately 0.15%) out of 15,972 applications did not receive building approvals within seven (7) days of the receipt of payment. We noted that building approvals were sent to these 25 customers after the identification of the issue.</p> <p>The non-compliance resulted from an error in the automated process using BuilderNet. It was identified that an IT issue (system failure) in March 2023 caused the failure to send the approvals. We noted that in the Annual Compliance Report, the Water Corporation confirmed that the system issue identified in March 2023 has been resolved. Additionally, further controls, such as weekly reporting to identify any approval emails that have failed to send automatically to customers, have been implemented. However, we have been informed that the weekly report does not currently capture all the outstanding building approval requests that have not been resolved within seven (7) days. There have been no instances of non-compliance with this obligation in the 2023-24 period. Our review of 10 sampled customer building requests confirmed that all were approved within seven (7) days of receipt of payment.</p>
Audit Recommendations:	The Water Corporation should investigate the monitoring mechanism of the weekly reporting for building approvals to ensure that corrective actions can be taken on a timely basis.
Management Comment:	Agree with recommendation. In 2023 there were 25 instances of non-compliances. The root cause of non-compliance was a system failure.
Agreed Action:	The Corporation will implement the actions as per below: <ol style="list-style-type: none">1. Complete investigation on the system failure & implement solution.2. Advise relevant Teams as soon as possible if a system failure has occurred so the issue can be resolved manually if required.3. Continue to monitor obligation via weekly reporting.4. Undertake regular system testing once solution implemented.5. Document improvements and process.
Responsible Officer:	Head of Development Services
Date of Implementation:	31 January 2025



Finding Reference: 02/2024	Rating: B2
Legislative Obligation:	Obligations (23): <i>Water Services Act, 2012 Section 96(5)</i> <i>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.</i>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24 due to delayed completion of hydrant requests as detailed below:</p> <ul style="list-style-type: none">• In 2022-23, five (5) out of 401 (1.24%) low- priority requests for the installation of hydrants were not completed within the required 1-year timeframe as specified by the 2021 Memorandum of Understanding (MoU) between DFES (Department of Fire and Emergency Services) and the Water Corporation.• In 2023-24, four (4) out of 300 (1.34%) low-priority requests for the installation of hydrants were not completed within the required 1-year timeframe as specified by the 2021 MoU between DFES and the Water Corporation. <p>The non-compliance was attributed to resourcing constraints and challenges in accessing the network to undertake maintenance. The scheduling process across all regions also impacted the ability to complete low-priority hydrant installations within the defined timeframe. It was noted that the installation of hydrants pending on-site has been prioritised for completion.</p> <p>Additionally, it was noted that outstanding requests are reviewed through a monthly report, and dedicated personnel are employed for monitoring and oversight to ensure the completion of low-priority requests within the defined timeframe.</p> <p>Our review of the monitoring reports for hydrant requests confirmed that the installation of hydrants for high and medium priorities was completed in accordance with the targets defined in the "Memorandum of Understanding between the Department of Fire and Emergency Services and the Water Corporation.</p>
Audit Recommendations:	The Water Corporation should focus on the low priority requests while utilising the monthly report and take corrective actions based on the root cause of each delay. Hydrant cases that are nearing their due dates should be escalated to management to ensure timely completion.
Management Comment:	Agreed.
Agreed Action:	The Water Corporation will improve its hydrant performance reports to ensure the level of focus on the low priority requests is the same as the reporting and review cadence for the medium and high priority hydrants being delivered within the agreed timeframe.
Responsible Officer:	Manager Operations Analytics and Support
Date of Implementation:	31 December 2024



Finding Reference: 03/2024	Rating: B2
Legislative Obligation:	Obligations (32): <i>Water Services Act, 2012 Section 21(1)(a)</i> <i>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.</i>
Audit Observations:	Upon review of 10 sampled notices, we noted that in three (3) cases, a notice was issued only two days before the proposed entry. This indicates that the required notification was not provided to the occupier at least 48 hours prior to the proposed entry, as specified by the obligation. We further noted that, the system does not include a timestamp to verify notices are provided at least 48 hours in advance.
Audit Recommendations:	The Water Corporation should implement the following controls: <ul style="list-style-type: none">• Assigning clear accountability to personnel for issuing notifications at least 48 hours in advance.• Sending a notification at the time of work order approval.• Issuing notices three days in advance rather than two.
Management Comment:	Agreed
Agreed Action:	We will assign responsibility for coordination of the notice of entry to the same role statewide and review our existing processes to ensure they clearly define the timeframes and steps required to ensure the delivery of the notice will provide the minimum 48 hours before work commencement at the property. This change will be supported by training and monitoring and reinforcement of process requirements.
Responsible Officer:	Manager Operations Compliance
Date of Implementation:	28 February 2025



Finding Reference: 04/2024	Rating: B3
Legislative Obligation:	Obligations (34): <i>Water Services Act, 2012 Section 141(1)</i> <i>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.</i>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report of 2022-23 and 2023-24, as the Water Corporation failed to provide 48 hours prior notice to the road owner when it undertook works in the road reserve that broke the surface of the road:</p> <ul style="list-style-type: none"> • 2022-23: 15 (0.51%) instances during the FY 22-23 reporting period out of 2,956 road break events were non-compliant. • 2023-24: 19 (0.38%) instances during the FY 23-24 reporting period out of 4,958 road break events were non-compliant. <p>The non-compliance was due to human error and oversight in not sending the notice at least 48 hours in advance.</p> <p>We noted that in the Annual Compliance Report, the Water Corporation confirmed that the notice was provided to the authority in all cases. Additionally, the Water Corporation has implemented periodic targeted awareness sessions with those involved across all the licence obligations for which they are responsible.</p> <p>Our review of 15 sampled notices confirmed that notices for road break events were provided to the Authority before 48 hours as required under the obligation.</p>
Audit Recommendations:	<p>The Water Corporation should implement the following controls:</p> <ul style="list-style-type: none"> • Assigning clear accountability to personnel for issuing notifications at least 48 hours in advance. • Sending a notification at the time of work order approval. • Issuing notices three days in advance, rather than two. • Maintaining a manual tracker of all road break events and ensuring that notifications are sent out in a timely manner. <p>As a long-term consideration, the Water Corporation should implement system controls to ensure that 48 hours' notice is provided to the road owner when the Water Corporation intends to undertake road work that can break the surface of the road.</p>
Management Comment:	<p>A number of the audit recommendations have already been addressed, such as:</p> <ul style="list-style-type: none"> • Our work planners have the responsibility for issuing notices. They are trained and have a clear process to follow with supporting documentation. • Notices are sent the week before the work is planned to commence which is at least 3 days prior. • We manually track all break road notifications and events statewide. <p>Our performance in this area is very good (>99% compliant) but given the number of events that could lead to a break the road outcome, achieving 100% is difficult with our current process still relying on people and administrative controls.</p> <p>Investment in a system upgrade to enable this step change in control and performance that will deliver a 100% result is subject to significant funding and has to be considered against other business priorities.</p>
Agreed Action:	We will continue to monitor performance and support the business in addressing performance issues. We will also continue our effort to influence and prioritise investment decisions for a system solution.
Responsible Officer:	Manager Operations Compliance
Date of Implementation:	30 November 2024



Finding Reference: 05/2024	Rating: B2
Legislative Obligation:	Obligations (50): <i>Water Services Act, 2012 Section 174(1)</i> <i>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.</i>
Audit Observations:	During the Mid-West Region site visit, it was noted that the Mid-West Region lacks a process for sending a formal Notice of Entry that includes the purpose of the entry and a description of any proposed work. We were informed that the Water Corporation employee seeks approval from the occupants via a call before visiting the occupier's premise. Our review of 10 sampled notices across other regions confirmed that a written Notice of Entry is provided by the other regions to occupiers prior to the proposed entry.
Audit Recommendations:	The Water Corporation should develop a process and implement controls in the Mid-West Region to confirm that the notice of entry is provided to the occupier before the proposed entry.
Management Comment:	The standard requirement as documented in our Entry to Property procedure is to provide a written notice to the occupier at least 48 hour prior to the planned entry.
Agreed Action:	We have followed up with the Mid-West Region to reinforce this requirement with the Mid-West Region and seek assurance that all notices will be in written, going forward. We will periodically monitor compliance with requirements.
Responsible Officer:	Manager Operations Compliance
Date of Implementation:	30 November 2024



Finding Reference: 06/2024	Rating: C2
Legislative Obligation:	<p>Obligations (53):</p> <p><i>Water Services Act, 2012 Section 175(5)</i> <i>If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice, which includes the prescribed information, or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.</i></p> <p><i>Section 175(5)</i> <i>(5) If a dwelling that is entered by one or more authorised persons is unoccupied, an authorised person must leave the following in a prominent position in the dwelling before leaving the dwelling —</i> <i>(a) a notice stating —</i> <i>(i) the authorised person's full name and official title and the name of the authorising or designating authority; and</i> <i>(ii) that the dwelling has been entered;</i> <i>(b) if the entry was under a warrant — a copy of the warrant completed in accordance with section 190(5);</i> <i>(c) if the entry was otherwise than under a warrant — a notice stating the reason, and the authority, for the entry.</i></p>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report for 2022-23 and 2023-24. This is because the notification card provided at the place of dwelling does not detail the employee's full name and official title due to security reasons; however, the crew number is provided. We have been informed that this stance has no impact on customers, as employees can be identified if required.</p> <p>Additionally, in a letter dated 18 December 2015, the Economic Regulation Authority (ERA) stated, "The Authority acknowledges that the Water Corporation's current policy is a practical solution that both identifies the employee and ensures their safety. Accordingly, the ERA does not require the Water Corporation to take any further action in relation to this matter." We noted that the notice left at the place of dwelling includes all required information (apart from the employee's full name) as stipulated under section 175(5) of the Water Services Act, 2012.</p> <p>Through interviews with stakeholders, we noted that the Water Corporation does not maintain adequate documentation to demonstrate that the notices have been left at the occupiers' dwellings.</p>
Audit Recommendations:	The Water Corporation should document and implement a process to demonstrate and confirm that notification cards are in a prominent position in the dwelling before leaving the dwelling; this may include obtaining formal acknowledgments from employees that they have left the notices.
Management Comment:	<p>This finding came out of discussions only and not as a result of any of the audit samples provided. The discussions centred around the Water Corporation have no method of capturing in our systems whether the property was occupied or unoccupied at the time of entry. As such we might be non-compliant with the requirement to leave a notice when the property is unoccupied at the time of entry but it is also very likely we are compliant.</p> <p>Our current controls are:</p> <ul style="list-style-type: none"> • All employees authorised to enter private property are trained in what is needed to comply with entry to property requirements under the Water Services Act. • All crews are given copies of the notification cards to be used under this obligation. • They are required to take a photo of any completed cards before leaving it in a prominent position (normally the mailbox) and attach the photo to the work order in Maximo. • Carbon copies of the cards are retained in case they don't take a photo. <p>We believe these steps are adequate and we will reinforce these requirements with field staff undertaking entry.</p>
Agreed Action:	Reinforce our current processes with field crews as per our online training. Monitor activity and customer complaints to determine if further investigation is required.
Responsible Officer:	Manager Operations Compliance
Date of Implementation:	30 November 2024



Finding Reference: 07/2024	Rating: B2
Legislative Obligation:	Obligations (67): <i>Water Services Regulations 2013 Regulations 26(3)</i> <i>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.</i>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report for 2022-23, noting that the regulations specifically require the CEO to approve the meter testing procedure instead of the Head of Engineering.</p> <p>Upon our review, we noted that Section 213(2) of the Water Services Act, 2012, permits the CEO to delegate certain powers, provided that the delegation is formally approved and signed by the CEO. We noted that the Water Corporation has now updated the S072 Financial and Legal Authorisations, approved by the Board of Directors, to permit the Head of Engineering to approve meter testing procedures.</p> <p>Our review of 15 sampled meter testing requests confirmed that meter testing was carried out upon occupier's request, consistent with the approved Meter Testing Procedure.</p>
Audit Recommendations:	<p>The Water Corporation should consult with the ERA to understand the requirement in the regulations regarding whether its CEO must approve the procedure or if the CEO can delegate that authority. Based on feedback from the ERA, the Water Corporation should ensure that the procedure is approved by the appropriate individual.</p>
Management Comment:	<p>The relevant procedures are AMSI-P-120 Meter Testing and Reporting and AMSI-W-128 Customer Dispute Meter Test and were last approved during February 2023 by the Head of Engineering as was believed proper at the time.</p>
Agreed Action:	<p>Considering that the Water Services Regulations requirement is to get the Meter Testing procedure approved by CEO of Department of Water and Environment Regulations (DWER), there is an uncertainty on the practicality of getting the sign off. For a solution to this, DWER and ERA will be consulted.</p>
Responsible Officer:	Risk & Assurance Business Unit
Date of Implementation:	Date not mentioned as it is dependent on the consultation process.



Finding Reference: 08/2024	Rating: B2
Legislative Obligation:	<p>Obligation (98A):</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 11(6) (Customer Code)</i></p> <p>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.</p>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24, reporting that meter readings could not be obtained for 1,611 (0.15%)* and 2,022 (0.18%) meters, respectively, out of approximately 1.1 million meters within a 2-month period. We also noted that Water Corporation has recently amended the monitoring reports to more accurately capture instances of non-compliance.</p> <p>The non-compliance was attributed to difficulties accessing meters due to walls, locked gates, and dogs on properties. We were informed that the efforts to contact these customers and resolve the issues were unsuccessful. In such cases, Water Corporation issues bi-monthly bills based on estimated water usage and follows up with the customer.</p> <p>From 1 July 2024, a new subclause in the Customer Code will allow compliance under certain conditions. In response, Water Corporation is developing a new process and communication strategy to issue compliance notices to customers who fail to provide access for meter readings within a 12-month period. This process will ensure compliance notices are issued only when customers do not provide adequate access, not when Water Corporation is unable to obtain a reading due to severe weather or resource constraints in remote areas.</p> <p>Our review of 10 sampled customers confirmed that bills based on actual meter readings are issued at least once in every 12-month period.</p> <p><small>*Since Water Corporation changed its methodology for capturing non-compliance instances in 2023-24, the figures for 2022-23 have been revised to provide a consistent basis for comparison. The non-compliance instances for 2022-23 Annual Compliance Report were initially reported as 961, as opposed to 1,611 under the new methodology.</small></p>
Audit Recommendations:	Water Corporation should implement a formal process of issuing compliance notices to customers who fail to provide access for meter reading within a 12-month period to be 100% compliant with the Customer Code.
Management Comment:	<p>The Corporation acknowledges there will always be instances where it is physically impossible or unsafe to obtain a meter read.</p> <p>A change to the Customer Code came into effect on 1 July 2024 which introduced subclauses 11(7a) and 11(7b). As a result, Water Corporation does not breach Obligation 98A where a customer has obstructed meter <u>and</u> where the Corporation has subsequently issued a compliance notice in relation to that meter within the last 12 months.</p>
Agreed Action:	Water Corporation to implement processes that ensures a compliance notice is issued to customers who have failed to provide the Corporation with access to their property to read their meter within a 12-month period.
Responsible Officer:	Head of Customer Billing Operations.
Date of Implementation:	23 December 2024



Finding Reference: 09/2024	Rating: B2
Legislative Obligation:	Obligation (111A): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(2)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 19(2)</i> 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.
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24. During the 2022 Operational Audit, it was identified that Water Corporation did not comply with the 15-business day timeframe for notifying customers about the outcome of a review that resulted in an overcharge.</p> <p>Also, out of the 13,869 overcharges reported between 1 January 2024, and 30 June 2024, Water Corporation recorded 100 breaches (0.72%) of the 15-business day key performance indicator (KPI). We noted that these breaches were primarily due to human error and oversight.</p> <p>Our review of 15 sampled overcharge instances confirmed that customers have been informed within 15 days of Water Corporation becoming aware of an overcharge amount.</p>
Audit Recommendations:	<p>Water Corporation should implement the following measures:</p> <ul style="list-style-type: none">• Create weekly exception reports to identify cases where the 15-business day timeline may not be met and prioritise cases where there is a possibility of non-compliance;• Review common themes or issues that result in communication not being made within 15 business days; and <p>Provide periodic training for employees to ensure that overcharges are reported to customers in a timely manner.</p>
Management Comment:	<p>On 31 December 2023, Water Corporation implemented a new process to provide a clear distinction between a 'review bill' and an 'overcharge'. This process change enabled distinguished reporting for each process, ongoing quality assurance and incremental improvements with performance.</p> <p>A process for creating exception reports and the review of the common themes and issues has been completed.</p> <p>Quality assurance is undertaken by the Policy and Compliance team weekly, with feedback and coaching provided by individual team leaders.</p>
Agreed Action:	Water Corporation to continue with ongoing coaching and weekly quality assurance reviews and reporting.
Responsible Officer:	Head of Customer Billing Operations
Date of Implementation:	Review and action of common themes completed on 30 September 2024.



Finding Reference: 10/2024	Rating: C2
Legislative Obligation:	Obligation (117): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(5)</i> 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.
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24 due to instances where bill reviews could not be completed within 15 business days:</p> <ul style="list-style-type: none">• In 2022-23, out of 15,265 bill reviews, 628 instances (4.11%) exceeded the 15-business day timeframe; and• In 2023-24, of the 9,174 bill reviews, 354 instances (3.86%) were not completed within 15 days. <p>In cases where the bill review could not be finalised, an interim response was provided to the customer within 15 days. The delays were primarily due to the need for inspections of remote properties or inaccessible locations.</p> <p>We have noted that the timeframe has been extended from 15 days to 20 days with the implementation of the new <i>Water Services Code of Conduct (Customer Service Standards) 2024</i>.</p> <p>Our review of 10 sampled bill review requests confirmed that the bill review is completed within 15 days of receiving the customer's request.</p>
Audit Recommendations:	Water Corporation should identify exceptions through monitoring reports. Root cause analysis should be conducted for exceptions, prioritising the resolution of common themes and issues.
Management Comment:	<p>Obligation 117 was removed from the July 2024 version of the ERA's Water Compliance Reporting Manual and is no longer applicable.</p> <p>The implementation of the new <i>Water Services Code of Conduct (Customer Service Standards) 2024</i> saw the timeframe for reviewing a bill extended from 15 days to 20 days (now Obligation 113A).</p>
Agreed Action:	Water Corporation to conduct a root cause analysis to determine if there are any additional improvements and/or efficiencies that could mitigate further non-compliances.
Responsible Officer:	Head of Customer Billing Operations.
Date of Implementation:	Complete root cause analysis by 31 January 2025



Finding Reference: 11/2024	Rating: B2
Legislative Obligation:	<p>Obligation (118):</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 23</i></p> <p>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).</p> <p>21. Notice of alterations to charges</p> <ol style="list-style-type: none"> 1. A licensee must notify each of its customers of any change to the amount or rate of a water service charge. 2. The notification — <ol style="list-style-type: none"> a. must be given not later than when the next bill for a water service charge of that kind is issued under clause 10(2) or 11(2) and sent to the customer under clause 12; and b. may be included in that next bill.
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24, where instances of bill payment terms being less than 14 days were identified as follows:</p> <p><u>2022-23:</u> The 2022 Operational Audit noted three (3) instances where billing terms were shorter than 14 days due to a system error.</p> <p><u>2023-24:</u></p> <ul style="list-style-type: none"> • On December 4, 2023, e-billing customers did not receive email notifications for new bills, specifically when the notification included more than five bills; • In January 2024, customers who had chosen electronic bill delivery did not receive bills when a permanent intercept was placed on their accounts for verification purposes. Additionally, in the same month, three breaches involving special meter reading requests from December 2023 were identified, each with an incorrect due date of one (1) day; and • In June 2024, a system issue caused customers to receive bills with due dates that coincided with the issue dates. This issue impacted a total of 237 customers during the Audit period. <p>Water Corporation issues approximately 7.8 million customer bills every year. We noted that in the Annual Compliance Report, Water Corporation confirmed that the Grange system has been improved to ensure that at least 14 days are provided as the payment term for each customer bill. Additionally, reporting has been developed to monitor instances where an account's due date is less than 16 days from the date of issue.</p> <p>Our review of 10 sampled customer bills confirmed that the payment due dates are set for 14 days or more after the bill issue date.</p>
Audit Recommendations:	Water Corporation should improve system controls in the Grange system to ensure that payment terms for concession customers are accurately reflected in their bills.
Management Comment:	<p>In relation to the breaches which occurred in January 2024, a system fix is anticipated to be deployed in January 2025, which will resolve the incorrect business rule.</p> <p>In relation to the breach which occurred in June 2024, a system fix was deployed on 19 October 2024 to ensure a due date of 16 days is applied in these scenarios.</p>
Agreed Action:	Implement Grange system fix by 31 January 2025 and continue reporting to monitor instances where an account due date is less than 14 days from the date of issue.
Responsible Officer:	Head of Customer Billing Operations.
Date of Implementation:	31 January 2025



Finding 12/2024	Reference:	Rating: B2
Legislative Obligation:	Obligation (130A): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(2)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 33(2)</i> The licensee must advise a customer who has been assessed as experiencing financial hardship that they have a right to pay the bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter an appropriate plan or arrangement with the customer.	
Audit Observations:	During our review of 10 sampled customer calls involving hardship customers, we noted that in one (1) case, the customer was not informed of their right to pay the bill under an interest-free and fee-free payment plan or another arrangement that allows for an extended time to pay the bill or arrears as required under clause 30(2) of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> . Additionally, the customer did not agree to a payment plan after the call. We noted that this instance of non-compliance occurred due to human error and oversight.	
Audit Recommendations:	The Water Corporation should perform the following measures: <ul style="list-style-type: none">• Conduct periodic awareness training for team members; and• Carry out periodic compliance reporting and perform spot checks on customer calls to ensure that payment plans are offered to customers.	
Management Comment:	During the 2024 Operational Audit, it was identified that in one case, the customer was not informed of their right to pay the bill under an interest-free and fee-free payment plan or another arrangement. This was noted as non-compliant due to human error and oversight. Feedback will be provided to the relevant team leader and the individual team member. This is an isolated non-compliance. The Corporation has well developed training, ongoing call quality monitoring, and well documented processes to guide call format and control.	
Agreed Action:	Training and periodic reporting is currently in place.	
Responsible Officer:	Head of Customer Billing Operations.	
Date of Implementation:	Not applicable.	



Finding Reference: 13/2024	Rating: B2
Legislative Obligation:	Obligations (134A): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 36(1)(d)-(e)</i> The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water services Ombudsman, which directly relates to the water service charge to which the debt relates, is not resolved by the licensee (or is not determined or is upheld by the Ombudsman).
Audit Observations:	During our review of 10 sampled customer complaints directly related to the water service charge, we noted that in one (1) case, recovery proceedings were initiated for a customer whose complaint was still pending resolution. We noted that this instance of non-compliance occurred due to human error and oversight.
Audit Recommendations:	Water Corporation should perform the following measures: <ul style="list-style-type: none">• Conduct periodic awareness training for team members; and• Carry out periodic compliance reporting and perform spot checks on complaint customers to ensure that recovery proceedings are not started against those customers. As a long-term consideration, Water Corporation should implement system controls to ensure that recovery proceedings are not initiated against customers with pending complaints awaiting resolution.
Management Comment:	During the 2024 Operational Audit, one case was identified where recovery action proceeded on an account that a complaint relating to the water service charge was still pending a resolution. It was noted that this instance of non-compliance occurred due to human error and oversight. Feedback will be provided to the relevant team leader and the individual team member.
Agreed Action:	Water Corporation to investigate system changes that would automate compliance with this obligation which would remove the requirement to conduct periodic awareness training.
Responsible Officer:	Head of Customer Billing Operations.
Date of Implementation:	30 June 2025



Finding Reference: 14/2024	Rating: C3
Legislative Obligation:	<p>Obligation (137A):</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(1)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 39(1)</i></p> <p>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.</p> <p>35. Reminder notice If a water service charge has become due and has not been paid in full, the licensee may give the customer a written reminder notice advising the customer;</p> <ol style="list-style-type: none">of the amount of the unpaid water service charge and the date on which it became due; andof the licensee's telephone number for account, payment and general enquiries; andthat the licensee can be contacted for assistance if the customer is experiencing problems paying the bill for the unpaid water service charge.
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Report for 2023-24 as follows:</p> <ul style="list-style-type: none">Reminder notices include overdue amounts shown as a single overdue total, which does not cover all details about the amount of the unpaid water service charge and the date on which it became due. Due to Water Corporation's single ledger billing system, it is not possible to determine which prior bill a customer's unpaid amount relates to; andIn April 2024, Water Corporation analysed historical data on records of restriction notices and actual restrictions performed on properties and noted that a system error had occurred in past, which resulted in 176 instances where properties were historically restricted without having been sent either a restriction notice (172 properties) or a reminder notice (4 properties). Three of these properties did not receive either notice. Water Corporation advised in the Annual Compliance Report in all cases a pending notice of restriction card was physically left at the property at least one (1) week prior to the restriction occurring. <p>We noted that in the Annual Compliance Report, Water Corporation confirmed that in May 2024, a system fix was implemented, which ensures notices are sent when progressing bulk recovery actions. We also noted that an upgrade of the billing system is scheduled to occur in the future, which should address this issue in the long term.</p> <p>Our review of 10 sampled restricted customers confirmed that, in four (4) cases, the restriction/reminder notice was not provided to customers before the start of the water supply restriction.</p>
Audit Recommendations:	<p>Water Corporation should implement the following measures:</p> <ul style="list-style-type: none">Create periodic exception reports to identify cases where a reminder or restriction notice was not issued and prioritize cases where there is a possibility of non-compliance;Implement controls to ensure that the issuance of a reminder or restriction notice is verified before a work order for restrictions is issued; andProvide periodic training for employees to ensure they are aware of the importance of issuing reminder and restriction notices. <p>As a long-term consideration, Water Corporation should continue with the planned upgrade of the billing system to ensure that an adequate breakdown of overdue amounts is provided in the reminder notices.</p>
Management Comment:	<p>The Corporation will develop exception reporting to identify cases where a reminder or restriction notice was not issued and prioritize cases where there is a possibility of non-compliance.</p> <p>Reminder notices include overdue amounts that are shown as one overdue total. This is due to the Corporation's single ledger billing system, where it is not possible to determine which prior bill the unpaid amount relates to.</p> <p>It is not possible to adequately break down the amount of the unpaid water service charge and the date on which it became due.</p>



	This will continue to be reported as an ongoing non-compliance, as acknowledged by ERA during the review of the <i>Water Services Code of Conduct (Customer Service Standards) 2024</i> .
Agreed Action:	Water Corporation to develop exception report and the ongoing monitoring process.
Responsible Officer:	Head of Customer Billing Operations.
Date of Implementation:	<p>The Corporation will develop and implement exception reporting by 23 December 2024.</p> <p>This obligation will continue to be reported as an ongoing non-compliance, as acknowledged during the review of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>.</p>



Finding Reference: 15/2024	Rating: C2
Legislative Obligation:	Obligation (137B): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(2)</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 39(2)</i> The licensee must not give a customer a restriction notice less than 7 days before the day on which the water supply restriction is proposed to start.
Audit Observations:	<p>The compliance obligation was non-compliant as in April 2024, Water Corporation analysed historical data on records of restriction notices and actual restrictions performed on properties and noted that a system error had occurred in past, which resulted in 176 instances where properties were restricted without having been sent either a restriction notice (172 properties) or a reminder notice (4 properties). Three of these properties did not receive either notice.</p> <p>However, we were informed that a notification card is always sent to the occupier's premises seven (7) days in advance to inform them about the restriction.</p> <p>Water Corporation confirmed that in May 2024, a system fix was implemented, which ensures notices are sent when progressing bulk recovery actions. We also noted that an upgrade of the billing system is scheduled to occur in the future, which should address this issue in the long term.</p> <p>Our review of 10 sampled restricted customers confirmed, in four (4) cases, the restriction/reminder notice was not provided to customers before the start of the water supply restriction.</p>
Audit Recommendations:	<p>Water Corporation should implement the following measures:</p> <ul style="list-style-type: none">• Create periodic exception reports to identify cases where a reminder or restriction notice was not issued and prioritize cases where there is a possibility of non-compliance;• Implement controls to ensure that the issuance of a reminder or restriction notice is verified before a work order for restrictions is issued; and• Provide periodic training for employees to ensure they are aware of the importance of issuing reminder and restriction notices. <p>As a long-term consideration, Water Corporation should continue with the planned upgrade of the billing system to ensure that an adequate breakdown of overdue amounts is provided in the reminder notices.</p>
Management Comment:	Water Corporation will implement the action below.
Agreed Action:	Water Corporation to develop exception reporting. Once exception reporting has been completed, the Corporation will scope potential controls and develop training materials to enhance compliance.
Responsible Officer:	Head of Customer Billing Operations
Date of Implementation:	The Corporation will develop and implement exception reporting by 23 December 2024. Training and controls will be implemented by 31 March 2025.



Finding Reference: 16/2024	Rating: B2
Legislative Obligation:	<p>Obligations (139):</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(3)/ Water Services Code of Conduct (Customer Service Standards) 2024 Clause 39(3) The restriction notice must include the specified information.</i></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(3):</i></p> <p><i>(3) A restriction notice must, in addition to anything else —</i></p> <p><i>(a) explain the reason for the proposed water supply restriction; and</i></p> <p><i>(b) advise the customer of the earliest date on which the water supply restriction may start; and</i></p> <p><i>(c) inform the customer of the existence and operation of the licensee's complaints procedure mentioned in clause 46; and</i></p> <p><i>(d) inform the customer of the procedures available to the customer under the Act as to applying to the water services Ombudsman under a scheme approved under section 65 and provide a Free call telephone number for the office of the water services Ombudsman; and</i></p> <p><i>(e) inform the customer of the applicable procedures, including any costs, for the restoration of the water supply if the water supply restriction is started.</i></p>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report for 2023-24.</p> <p>We understand that Flow Control Device (FCD) is used for restricting the water supply for customers. The restriction is lifted after 14 days applying restrictions. We were informed that previously 2.3 litre FCD was used for restricting customer accounts.</p> <p>The use of a 2.3 litre per minute flow control device (FCD) has been identified as potentially restricting the flow rate below the prescribed threshold of 2.3 litre per minute under certain pressure levels.</p> <p>This presents a potential risk for non-compliance if these devices are utilised in areas experiencing low water pressure at any given time within the supply network.</p> <p>We noted that the number of customers affected is unknown and difficult to ascertain. It is also challenging to determine whether a property being restricted is experiencing low pressure.</p> <p>The Water Corporation have determined that the use of a 3.5 litre per minute FCD is suitable for ensuring compliance with this obligation. The Water Corporation have commenced engagement with Stores and Procurement to ensure the FCDs are available. The Water Corporation is discontinuing the use of the 2.3-litre-per-minute FCD and will switch to the 3.5-litre-per-minute FCD once it is available in stores.</p>
Audit Recommendations:	<p>The Water Corporation should implement the following:</p> <ul style="list-style-type: none"> • Replace current 2.3 litre per minute FCD where it is used for restriction with 3.5 litre per minute FCD. • Use 3.5 litre per minute FCD for all future restrictions.
Management Comment:	<p>Agreed with recommendations.</p> <p>Currently field teams are utilising 3.5 litres per minute restrictors.</p> <ul style="list-style-type: none"> - The 2.3 litres per minute FCDs were recalled from field and replaced with the 3.5 litres per minute FCDs, the week commencing 5 August 2024. - On 30 September 2024 we completed testing of the new 2.8 litre per minute FCD for pressure range of 130 and 150 kPa to determine if they are suitable to use in field. The tests have confirmed that the flow was meeting the minimum 2.3 litres per minute requirement.
Agreed Action:	<p>Based on the test results of the new 2.8 litres per minute FCD, the decision has been made to migrate from 3.5 litres per minute FCD to 2.8 litres per minute FCD. The new FCDs are being ordered through stores for deployment in the field.</p>
Responsible Officer:	Manager – Metering Services
Date of Implementation:	28 February 2025



Finding Reference: 17/2024	Rating: CNR
Legislative Obligation:	Obligations (144A): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)/ Water Services Code of Conduct (Customer Service Standards) 2024 Clause 46(1) The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.</i>
Audit Observations:	The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24. The Maximo System is currently used for recording outage plans. However, it lacks customer details, which are important for identifying the notice period provided to customers. We noted that the Water Corporation does not have the capability to track accurately whether and when notifications are delivered, resulting in no effective control to demonstrate compliance with the obligation.
Audit Recommendations:	The Water Corporation should implement system and/or manual controls to ensure that all planned outage information are recorded accurately, and notifications are sent to affected customers in a timely manner.
Management Comment:	Like some other obligations it is unlikely there will be a system solution in the short to medium term as it will require significant funding and has to be prioritised against other business needs.
Agreed Action:	We will explore what other manual solutions we can implement to provide greater confidence that all customers impacted by a planned outage have been notified at least 48 hours prior.
Responsible Officer:	Manager Operations Analytics and Support
Date of Implementation:	31 March 2025



Finding Reference: 18/2024	Rating: CNR
Legislative Obligation:	Obligations (144B): <i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2)/ Water Services Code of Conduct (Customer Service Standards) 2024 Clause 46(2) The notice of any planned service interruption must be given within the prescribed timeframes. Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2) (2) The notice must be given — (a) not less than 48 hours before the start of the service interruption; or (b) if it is not reasonably practicable to comply with paragraph (a), at the earliest practicable time before the start of the service interruption.</i>
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24. The Maximo System is currently used for recording outage plans and it permits recording of plans with less than 48 hours notice. However, it lacks customer details, which are important for identifying the notice period provided to customers.</p> <p>We noted that the Water Corporation does not have the capability to track accurately whether and when notifications are delivered, resulting in no effective control to demonstrate compliance with the obligation.</p>
Audit Recommendations:	The Water Corporation should explore system or manual solutions to address limitations, enabling the recording of all planned outage information and ensuring notifications are sent to affected customers in a timely manner.
Management Comment:	Like some other obligations it is unlikely there will be a system solution in the short to medium term as it will require significant funding and has to be prioritised against other business needs.
Agreed Action:	We will explore what other manual solutions we can implement to provide greater confidence that all customers impacted by a planned outage have been notified at least 48 hours prior.
Responsible Officer:	Manager Operations Analytics and Support
Date of Implementation:	31 March 2025



Finding Reference: 19/2024	Rating: B3
Legislative Obligation:	<p>Obligation (149A):</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47</i> <i>Water Services Code of Conduct (Customer Service Standards) 2024 Clause 50</i></p> <p>When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer, accordingly, inform the customer that the customer has a right to apply to the water services Ombudsman for a review of the complaint, and provide a Free call telephone number for the water services Ombudsman.</p>
Audit Observations:	<p>Water Corporation self-reported non-compliance with the compliance obligation in the Annual Compliance Reports for 2022-2023 and 2023-2024. This was due to failures in providing the required information about the right to apply to the Water Services Ombudsman for a review of complaints and failing to provide a toll-free telephone number for the Water Services Ombudsman in 123 (10.11%) out of 1,217 complaint responses in 2022-2023, and in 94 (4.47%) out of 2,101 complaint responses in 2023-2024.</p> <p>We noted that this is primarily due to human error and oversight.</p> <p>We noted that in the Annual Compliance Report, Water Corporation confirmed that to address this, Water Corporation established a centralised Internal Dispute Resolution (IDR) function within the Customer Service Business Unit in 2022. The IDR team focuses on educating staff about complaint definitions and processes and uses non-compliances as a learning opportunity to prevent future issues. Actions taken include:</p> <ul style="list-style-type: none"> • Implementing a system enhancement to prompt staff to inform customers about the Ombudsman when closing complaints; • Introducing enhanced, regular reporting to detect potential breaches of this obligation; and • Providing ongoing complaints management refresher training to all customer-facing staff. <p>We were informed that after the implementation of the aforementioned measures, the compliance rate significantly improved from 90.7% in 2021-2022 to 95.85% in 2023-2024.</p> <p>We further noted that, Water Corporation is currently developing its complaints operating model, including training packages. Our review of 10 sampled complaints confirmed that the required information under clause 4 is now being provided to customers.</p>
Audit Recommendations:	<p>Water Corporation should complete the development of its complaints operating model, including training packages.</p> <p>Additionally, Water Corporation should provide training and awareness on a regular basis to increase employee awareness and reinforce the importance of providing necessary information to customers.</p>
Management Comment:	<p>The centralised Internal Dispute Resolution (IDR) team are continually educating the business on both the definition and processes to support the ongoing management of complaints and use non-compliances as learnings to minimise possible recurrences.</p> <p>In 2024 we introduced a new externally facing process for customers who are dissatisfied with the resolution of their complaint. Customers may request an internal review which is independently investigated by the IDR team.</p>
Agreed Action:	Water Corporation to redevelop complaints operating model, including formal training packages to address the new 2024 code requirements.
Responsible Officer:	Head of Customer Service
Date of Implementation:	23 December 2024



Finding Reference: 20/2024	Rating: B2
Legislative Obligation:	Obligations (190): <i>Water Services Act, 2012 Section 12 clause 4.1.1</i> <i>The licensee must operate, manage, maintain, plan and construct its drains and drainage schemes as set out below, and shall consult in relation to such activities as required by this Schedule.</i> <i>Clause 4.1.2</i> <i>Urban drainage scheme infrastructure provided by the licensee for the purpose of constructed, operated and maintained such that the peak flows of stormwater runoff from rainfall events can be accepted into and will not overflow from the system in accordance with the following standard:</i> <i>Drainage – Design of new urban infrastructure Design of new urban drainage scheme infrastructure protects against flooding from peak flows of stormwater runoff from rainfall events with intensities up to:</i> — Residential – 5-year average recurrence interval — Commercial – 10-year average recurrence interval
Audit Observations:	The compliance obligation was self-reported as non-compliant by the Water Corporation in the Annual Compliance Report of 2023-24 due to some drainage failures because of heavy rainfall. The Water Corporation implemented actions to confirm the drains were cleared and commenced a detailed study to be completed by the end of 2024 to determine if there are broader capacity issues and/or upgrades required.
Audit Recommendations:	The Water Corporation should complete the capacity reviews and implement necessary upgrades. Additionally, the Water Corporation should also enhance the risk-based process of inspection/maintenance of the drainage system that is carried out as per the Asset Management Planning process before the heavy rainfall season to confirm that such incidents in future are minimised.
Management Comment:	Water Corporation actively monitors drainage non-compliance and self-reports. The Corporation will undertake the following actions in response to the audit recommendations.
Agreed Action:	<ol style="list-style-type: none"> 1. Capacity Assessment and Upgrades: A study to assess the capacity of the Bayswater Main Drain will be completed, with a report prepared by 30 June 2025. If upgrades are needed, they will be scheduled and implemented as funding allows. 2. Maintenance: Implement the planned maintenance program prioritised based on identified risk ratings.
Responsible Officer:	<ol style="list-style-type: none"> 1. Team Leader, Drainage, Asset Investment Planning 2. Manager, Maintenance Planning and Deployment, Maintenance and Reliability
Date of Implementation:	<ol style="list-style-type: none"> 1. Bayswater Main Drain study to be completed by 30 June 2025. 2. Planned maintenance activities are on an annual basis and subject to the annual budget.



Finding Reference: 21/2024	Rating: B2
Legislative Obligation:	Obligations (197): <i>Water Services Code of Practice (Family Violence) 2020 Clause 9</i> When a customer affected by family violence first contacts a licensee about a particular matter relating to family violence, the licensee must inform the customer of the existence and operation of the licensee's complaints procedure under clause 46 of the <i>Water Services Code of Conduct (Customer Service Standards) 2024</i> .
Audit Observations:	<p>The compliance obligation was self-reported as non-compliant by Water Corporation in the Annual Compliance Reports for 2022-23 and 2023-24. This was due to the sensitive nature of calls related to family violence, which historically made it inappropriate to notify customers about the complaints handling procedure at the time of first contact.</p> <p>In May 2024, Water Corporation revised its scripting, updated its control documentation, and provided training to relevant staff to enable compliance with this obligation. However, it has been confirmed by Water Corporation that it is not always possible to comply with this obligation due to sensitivity and confronting content of the calls received by Water Corporation.</p> <p>We further noted that, the responsible staff may find it difficult to find an appropriate opportunity to inform customers about Water Corporation's complaint's procedure.</p> <p>Our review of 15 sampled family violence customers' call recordings confirmed that complaint information was adequately provided to eight (8) out of 15 customers.</p>
Audit Recommendations:	Water Corporation should explore Interactive Voice Response (IVR) system solutions that provide complaint information as required by Clause 9 before directing the call to the customer service centre. This will ensure that all necessary information is conveyed before a customer service executive answers the call.
Management Comment:	Water Corporation will implement the action below.
Agreed Action:	Water Corporation will implement an IVR solution, that will automatically provide complaint information to all customers, as required by Clause 9.
Responsible Officer:	Head of Customer Service
Date of Implementation:	23 December 2024