GDL8 Asset Management System Review

Report

ATCO Gas Australia Pty Ltd

9 June 2026

→ **The Power of Commitment**

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The Power of Commitment

Executive summary

This Asset Management System (AMS) Review Report covers the review of ATCO Gas Australia Pty Ltd.'s Gas Distribution Licence and asset management system in accordance with the requirements of the Western Australian Economic Regulation Authority (ERA).

ATCO Gas Australia Pty Ltd (ATCO) is the owner operator of Western Australia's largest gas distribution network. It supplies gas to approximately 800,000 customers through 14,500 kilometres of pipeline. The network services Geraldton, Kalgoorlie, Albany, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel and the Perth metropolitan area.

In accordance with the Energy Coordination Act 1994 (Gas Act), hereafter described in this report as the Industry Act, ATCO is required to provide the Economic Regulatory Authority (ERA) with a report by an independent expert (reviewer), acceptable to the ERA as to the effectiveness of the asset management system not less than once in every 24-month period (or such longer period as the ERA allows). This review has been performed 3 years after the last review was conducted in 2023 and covers the period 1 February 2023 to 31 January 2026.

After approval by the ERA of the AMS Review Plan, GHD carried out the review, during April 2026 based on the effectiveness criteria as per the ERA 2025 Audit and Review Guidelines. GHD thoroughly understands the Client assets and ERA review requirements and will confidently conduct the review.

The review interviews were conducted via in person meetings at ATCO's Jandakot Depot. Based on the procedures performed and evidence reviewed during the review period, ATCO was found to perform effectively against the criteria in the Guidelines. No recommendations were made as ATCO did not perform under the threshold for any criterion during review period. Overall, seeing as no recommendations were given, GHD finds that ATCO's AMS is performing effectively as per ERA's guidelines.

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Definitions and Abbreviations

Term	Definition
ACR	Asset Condition Report
ALS	Asset Lifecycle Strategy
AMP	Asset Management Plan
AMS	Asset Management System
BCP	Business Continuity Plan
CAPEX	Capital Expenditure
CEAR	Capital Expenditure Allocation Request
CMOS	Customer Minutes Off Supply
EIM	Enterprise Information Management
EPM	Enterprise Performance Management
ERA	Economic Regulation Authority
ERP	Enterprise Resource Planning
ERMP	Emergency Response Management Plan
FSA	Formal Safety Assessment
GDL8	Gas Distribution Licence 8
GIMS	Gas Inflow Management System
GMD	Gas Monitoring Distribution
HAZID	Hazard Identification
HAZOP	Hazard and Operability Study
IBM	International Business Machines
ISO	International Organization for Standardization
KPI	Key Performance Indicator
Lawlex	Web-based platform providing alerts, summaries, official sources and a comprehensive source of Australian law.
MRP	Mains Replacement Prioritisation
NEON	Data processing system used to validate gas inflow data from GIMS and convert volume data to energy for reporting and billing
Okta	Cloud-based identity and access management platform
OPEX	Operating Expenditure
PGC	Portfolio Governance Committee
PMM	Project Management Manual
Power BI	Microsoft data visualization software for business intelligence
SAI360 (eSafe)	Integrated risk and compliance management software
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
Salesforce	Cloud-based Customer relationship Management Software
SAMP	Strategic Asset Management Plan
SAP	Systems Applications and Products
SMS	Safety Management System

1. Introduction

The Economic Regulation Authority (ERA) is Western Australia's independent economic regulator that is responsible for administering the licensing schemes for gas, electricity and water services. This ensures Western Australian consumers and businesses operate in a fair, competitive and efficient environment.

ATCO Gas Australia Pty Ltd has a Gas Distribution Licence (GDL8). This licence was issued by ERA under the Energy Coordination Act 1994.

1.1 Overview of ATCO Gas Australia Pty Ltd.

ATCO Gas Australia Pty Ltd (ATCO) is part of the ATCO Group, a Canadian-based group of companies. ATCO is the owner operator of Western Australia's largest gas distribution network. It supplies gas to over 800,000 customers through 14,500 kilometres of pipeline. The network services Geraldton, Kalgoorlie, Albany, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel and the Perth metropolitan area. On 19 January 2026, ATCO advised the public of its intention to decommission the Albany Gas Distribution System (AGDS) as many of the pipes making up the network are nearing end-of-life. The AGDS supplies liquefied petroleum gas to approximately 8,000 Alinta Energy residential and business customers and consists of approximately 160km of pipeline. Decommissioning is to be staged over 3 years, commencing in 2027.

1.2 Purpose of this Report

In accordance with the Energy Coordination Act 1994 (Gas Act), hereafter described in this report as the Industry Act, ATCO is required to provide the Economic Regulatory Authority (ERA) with a report by an independent expert (reviewer), acceptable to the ERA as to the effectiveness of the asset management system not less than once in every 24-month period (or such longer period as the ERA allows). This review has been performed 3 years after the last review was conducted in 2023 and covers the period 1 February 2023 to 31 January 2026.

1.3 Scope and limitations

This report: has been prepared by GHD for ATCO Gas Australia Pty Ltd and may only be used and relied on by ATCO Gas Australia Pty Ltd for the purpose agreed between GHD and ATCO Gas Australia Pty Ltd as set out in section 1.2 of this report.

GHD otherwise disclaims responsibility to any person other than ATCO Gas Australia Pty Ltd arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report. GHD disclaims liability arising from any of the assumptions being incorrect.

Accessibility of documents

If this report is required to be accessible in any other format, this can be provided by GHD upon request and at an additional cost if necessary.

GHD has prepared this report on the basis of information provided by ATCO and others who provided information to GHD (including Government authorities)], which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

2. Methodology

2.1 Objectives

The objective of this limited assurance engagement review is to provide to the ERA an independent assessment of the effectiveness of ATCO's Asset Management System (AMS) in relation to GDL8 and provide recommendations to address identified non-compliances.

2.2 Scope of Works

This review involves an assessment of the following key areas using a risk-based approach (similar to ISO31000:2009):

- ***Process compliance***: Effectiveness of systems and procedures
- ***Outcome compliance***: Effectiveness of actual performance against license standards
- ***Output compliance***: Effectiveness of records to indicate procedures are maintained
- ***Integrity of reporting***: Assessment of the completeness and accuracy of compliance and performance documentation

The scope of this review involves an assessment of against each AMS effectiveness criteria. The review of ATCO's AMS covers the following asset management components:

1. Asset planning
2. Asset creation and acquisition
3. Asset disposal
4. Environmental analysis
5. Asset operations
6. Asset maintenance
7. Asset management information system
8. Risk management
9. Contingency planning
10. Financial planning
11. Capital expenditure planning
12. Review of AMS

Site visits were carried out at ATCO's Jandakot Depot located at 81 Prinsep Rd, Jandakot, WA 6164. All asset management activities are conducted from the Jandakot depot; therefore, regional site visits were not required. Select regional projects were reviewed as applicable to their scope and the relevant asset management system effectiveness review criteria. This included consideration of the following:

- Albany, Bunbury, Kalgoorlie Regional Routine Meter Change (RMC) Program: Program involving replacing end of life domestic meters to maintain service reliability, meeting regulatory compliance and support long term asset performance in line with the Metering Facilities Asset Lifecycle Strategy. It covers the following AMS processes: asset planning, asset creation and disposal, asset operation, asset maintenance and risk management.
- Kalgoorlie PE Mains Replacement Program: Program addressing the replacement of polyethylene (PE) gas mains in the Kalgoorlie Gas Distribution Network where termite damage has been identified through the

annual leak survey. It covers the AMS processes of planning, asset creation, asset operation, asset maintenance and risk management.

2.3 Methodology and Approach

GHD's approach involved working closely with ATCO to identify actions and documents as soon as possible before the review report was finalised. This included:

- An initial discussion via teleconference with ATCO to:
  - Identify the key processes and roles to be discussed
  - Discuss the review plan
- Preparation of the draft Review Plan for comment by the licensee.
- Submission of the draft Review Plan to the ERA for approval
- A start-up meeting and follow meetings via in person and teleconference with business staff responsible for the audit area and assets. The call involved:
  - Demonstration of key systems
  - Identifying documents to be sampled to confirm procedures and assess compliance with AMS criteria and license obligations
  - Review of procedures
- Preparation of a draft Review Report for ATCO's review and comment
- Preparation of a final report for submission to the ERA

2.4 Deviations from the Review Plan

An extension to the delivery dates for the final review report was requested by ATCO and approved by the ERA. Under the revised timeframe, the due date for the final report was extended to 12 June 2026. There were no other deviations from the AMS review plan submitted to the ERA.

3. Review Details

3.1 Previous Review

The review conducted with a review period between 1 February 2020 to 31 January 2023 will be used as a basis for assigning priority for the review. The implementation plan from the previous (2023) review has been reviewed.

The asset management system review for the review period between 1 February 2020 to 31 January 2023 identified asset management components as deficient (rated C2 and C3, respectively) under the asset management system effectiveness review criteria. Of the twelve (12) elements:

- Five (5) areas were rated A1,
  - Four (4) of these include criteria with improvement recommendations.
- Two (2) areas were rated deficient (C2 and C3, as described above),
  - All requiring corrective action recommendations.
- The remaining five (5) areas area rated A2, B1 or B2,
  - Two (2) of which include criteria requiring corrective action recommendations,
  - All of these include criteria with improvement recommendations.

Recommendations from the previous review period and their status are described below.

Table 1 ***Resolved of recommendations from the previous review***

A. Resolved during current review period				
Recommendation reference *(no./year)*	**Process and policy deficiency / Performance deficiency** *(Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency)*	**Auditor's recommendation**	**Date resolved**	**Further action required** *(Yes/No/Not Applicable)* **Details of further action required** *(including current recommendation reference, if applicable)*
02/2023 (2023-2.4/1)	A3 2.4 Commissioning tests are documented and completed.	AGA should conduct a technical compliance audit and review into ITP sign-off (by AGA and its contractors), and AGA MDR contents sign-off as deficiencies in these areas were observed for the reference project (Curtin University Exchange Precinct Development) sampled for this review.	Feb 2023	No
03/2023 (2023-8.1/1)	B3 8.1 Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.	AGA should conduct a system wide status review of outstanding E-Safe Action closure, especially where Progress states 100% and in some cases appears to be implemented in practice, however Action Owner Acceptance and subsequent workflow appears incomplete. e.g. ACT-002568 due 31/8/2021, ACT0002281 due 31/08/2020, ACT-0002282 due	Feb 2023	No

A. Resolved during current review period				
Recommendation reference *(no./year)*	**Process and policy deficiency / Performance deficiency** *(Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency)*	**Auditor's recommendation**	**Date resolved**	**Further action required** *(Yes/No/Not Applicable)* **Details of further action required** *(including current recommendation reference, if applicable)*
		31/08/2020. This recommendation also follows from the further action requirement identified in Table 5-2: Action Status from Previous Reviews [02/2020].		
04/2023 (2023-8.1/2)		AGA should review outstanding action close out ACT0004033 and ACT-0004034 due 30/06/2022 arising from 2022 PTW internal audit (TCO RP 0511 IR1 and IR2). This recommendation also follows from the further action requirement identified in Table 5-2: Action Status from Previous Reviews [01/2020 and 02/2020].	Feb 2023	No
06/2023 (2023-9.1/2)	C2 9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	AGA should expedite update of the Equipment Calibration and Servicing Guideline (AGA-ENG-GL16) and SAP with regular periodic inspection requirements for squeeze-off equipment, to satisfy ACT-0004023 (CAR) which is significantly overdue (raised following 2021 ERE).	Feb 2023	No
10/2023 (2023-12.2/1)	C3 12.2 Independent reviews (e.g. internal audit) are performed of the asset management system	AGA should escalate outstanding audit actions relating to AMS updates, review tracking and reporting of such actions to prevent recurrence of overdue actions; and conduct regular follow up internal audit into Asset Creation (CAPEX) projects to confirm effectiveness of corrective action controls. Audit scope should target Asset Handover records e.g. MDRs, with a focus on inspection test records (e.g. ITP execution).	Jan 2026	No

Table 2 Unresolved recommendations from the previous review

B. Unresolved at the end of current review period			
Recommendation reference (*no./year*)	**Process and policy deficiency / Performance deficiency** (*Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency)*	**Auditor's recommendation**	**Further action required** *(Yes/No/Not Applicable)* **Details of further action required** *(including current recommendation reference, if applicable)*
01/2023 (2023-1.9/1)	B3 1.9 Plans are regularly reviewed and updated.	AGA should update the controlled document procedure register review frequency to align with practice, or vice versa. i.e. business and risk driver based rather than broad document classes, and bolster controls to these ensure review and update objectives are satisfied (See also 7.12).	Yes. The Licensee has ensured plans are regularly reviewed and updated, however during the review period, formal approval and publication steps of the AMP did not occur between 2021 and 2025. The Licensee confirmed that the document itself had been maintained and kept current and will be completing formal approval and publication.
05/2023 (2023-9.1/1)	C2 9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	AGA should review and update the AMS contingency planning documents, ensure its testing schedule, reporting, references and improvement updates are kept current i.e. review controls to prevent recurrence. Including but not limited to: Emergency Response Management Plan (ERMP) AGA-R&R-PL01 Emergency and Operational Contacts (register) AGA-R&R-PL01-FM04 Emergency Planning Response Checklist AGA-R&R-PL01-FM16 Emergency Response Exercises AGAR&R-PL01-WI02 Business Continuity Plan (BCP) AGA-GRCPL01 Responding to a Loss of Phone Operation at Gas Distribution Jandakot AGA-O&M-PR01WI02 Responding to a High Influx of Customer Calls at Gas Distribution Jandakot CCT PR0001 WI001.	Yes. The Licensee has reviewed and update the AMS contingency planning documents, ensure its testing schedule, reporting, references and improvement updates are kept current. However, during the review period, formal approval and publication steps of the AMP did not occur between 2021 and 2025. The Licensee confirmed that the document itself had been maintained and kept current and will be completing formal approval and publication.
07/2023 (2023-12.1/1)	B3 12.1 A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.	AGA should conduct a review to ensure appropriate corrective action is made for alignment of the review cycle commitment between and within the SAMP (AGAS&P-PL01), Controlled Document Register (AGA-GRCPR02-RG01), Document Control Procedure (AGA-GRCPR02), and practice (i.e. actual revision cycles of the AMP, ALSs, SWIs, WIs etc).	Yes. The Licensee has ensured plans are regularly reviewed and updated, however during the review period, formal approval and publication steps of the AMP did not occur between 2021 and 2025. The Licensee confirmed that the document itself had been maintained

B. Unresolved at the end of current review period			
Recommendation reference (*no./year*)	**Process and policy deficiency / Performance deficiency** (*Rating / Reference number, Asset management process & effectiveness criterion / Details of deficiency*)	**Auditor's recommendation**	**Further action required** *(Yes/No/Not Applicable)* **Details of further action required** *(including current recommendation reference, if applicable)*
08/2023 (2023-12.1/2)		AGA should review the effectiveness of controls and processes in place to ensure the AMS remains current. AGA should focus this review on escalation processes for overdue reviews. AGA should ensure processes include requirements for clear notification and reporting to upper management and direct managers of document owners where rolling document review targets are missed and pervasively outstanding - especially for documents with last revision dates more than 5 years old.	and kept current and will be completing formal approval and publication.
09/2023 (2023-12.1/3)		AGA should conduct a review of MOC processes and an audit into MOC implementation compliance, which was observed as deficient for examples of significant change sampled in this review e.g. changes to maintenance schedules for Regulator Sets and MGL ILI (See 7.6.1.5). Ensure update of key AMS documents is a lead (instead of lag) indicator for significant changes, and that MOC processes are applied to all changes that directly impact the AMS, including IT and critical risk management systems e.g. IT service provider, Lantis GIS and E-Safe (See 7.7.2).	

The ERA nominated the asset management system criteria deficiencies from the 2023 review as areas of special focus to ensure they have been resolved. The reviewer assigned a review priority of at least '2' to the criteria set out in Table 3.

Table 3 Asset management effectiveness criteria – Areas of special focus

Process	Asset management effectiveness criteria	Comment
Asset planning	1.9 Asset management plan is regularly reviewed and updated	Rated B3 in 2023 review
Asset creation and acquisition	2.4 Commissioning tests are documented and completed	Rated A3 in 2023 review
Asset Disposal	3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process 3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken 3.3 Disposal alternatives are evaluated	Nominated by ERA to account for planning decommissioning of Albany gas distribution system

Process	Asset management effectiveness criteria	Comment
	3.4 There is a replacement strategy for assets	
Risk management	8.1 Risk management policies and procedures exist and are applied to minimise internal and external risks	Rated B3 in 2023 review
Contingency planning	9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	Rated C2 in 2023 review
Review of AMS	12.1 A review process is in place to ensure the asset management plan and the asset management system described in it remain current	Rated B3 in 2023 review
Review of AMS	12.2 Independent reviews (e.g. internal audit) are performed on the asset management system	Rated C3 in 2023 review

3.2 Time Period Covered by the Review

The audit and review cover the period from 1 February 2023 to 31 January 2026.

3.3 Period of the Review Process

The review commenced in April 2026 with the draft Audit Plan issued in March 2026. Interviews with ATCO for the review were conducted 1 April 2026 to 13 April 2026 via in person meetings.

3.4 Details of the Licensee Representatives Participating in the Review

Details of representatives from ATCO are tabulated below:

Table 4 Details of Licensee

Personnel	Organisation
Executive General Manager – Gas Operations	ATCO
General Manager – Assets and Engineering	ATCO
General Manager – Engineering Projects & Construction	ATCO
General Manager – Business Development & Customer Relations	ATCO
General Manager – Technical Services	ATCO
General Manager – Network Operations	ATCO
General Manager – Business Transformation & Technology	ATCO
Senior Manager – Construction	ATCO
Senior Manager – Risk & Compliance	ATCO
Financial Manager – Gas	ATCO
Technical Compliance Manager	ATCO
Network Control Manager	ATCO

Personnel	Organisation
Manager – Asset Services	ATCO
Manager – Pipeline Integrity	ATCO
Manager – Planning, Equipment & Calibration	ATCO
Manager – Control Room & Contact	ATCO
Manager – Technology	ATCO
Principal – Risk & Compliance	ATCO
Principal – Technical Compliance	ATCO
Senior Asset Management Data Specialist – Operations	ATCO
Senior Asset Planning Engineer	ATCO
Cybersecurity Lead	ATCO

3.5 Details of Key Documents and Other Information Sources

A list of documents reviewed in the audit and AMS review is listed in Appendix A.

3.6 Details of Auditors Participating in the Review

The audit and review team comprised four (4) staff members from GHD. Details of their roles in the audit/review process are summarised in Table 5. Please see Section 3.7 for approval of the report by the auditor.

Table 5 Details of Audit and Review Team Members from GHD

Name	Role	Summary of Task	Hours Utilised (hrs)
Kiersten Bell	Reviewer	• AMS Review • Preparation of report	55
Henry Le	Lead AMS Reviewer and Project Manager	• Project Management • AMS Review	31.5
David Seaton	Project Director	• Project Management	4
Sandra Burke	Project Director	• Project Management	2

3.7 Confirmation of the Review

I confirm that the AMS review carried for ATCO Gas Australia Pty Ltd in April 2026 and recorded in this report is an accurate presentation of our findings and opinions.

[redacted]

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Sandra Burke

GHD Pty Ltd

999 Hay St

Perth 6000

4. Performance Summary

Findings of the performance audit are summarised in a table with an adequacy of control and a compliance rating.

4.1 Assessment Rating Scales

In accordance with the 2025 Audit and Review Guidelines, the review of the asset management effectiveness was completed using the rating scales outlined in Table 6 and Table 7.

Table 6 Asset Management Process and Policy Definition Rating

Rating	Description	Criteria
A	Adequately defined	• Processes and policies are documented. • Processes and policies adequately document the required performance of the assets. • Processes and policies are subject to regular reviews and updated where necessary. • The asset management information system(s) are adequate in relation to the assets being managed.
B	Requires some improvement	• Processes and policies require improvement. • Processes and policies do not adequately document the required performance of the assets. • Reviews of processes and policies are not conducted regularly enough. • The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).
C	Requires significant improvement	• Processes and policies are incomplete or require substantial improvement. • Processes and policies do not document the required performance of the assets. • Processes and policies are considerably out of date. • The asset management information system(s) requires substantial improvements (taking into consideration the assets being managed).
D	Inadequate	• Processes and policies are not documented. • The asset management information system(s) is not fit for purpose (taking into consideration the assets being managed).

Table 7 Performance Rating Scale (Reviews)

Rating	Description	Criteria
1	Performing effectively	• The performance of the process meets or exceeds the required levels of performance. • Process effectiveness is regularly assessed, and corrective action taken where necessary.
2	Improvement required	• The performance of the process requires some improvement to meet the required level. • Process effectiveness reviews are not performed regularly enough. • Recommended process improvements are not implemented.
3	Corrective action required	• The performance of the process requires substantial improvement to meet the required level. • Process effectiveness reviews are performed irregularly, or not at all. • Recommended process improvements are not implemented
4	Serious action required	• Process is not performed, or the performance is so poor the process is considered to be ineffective.

4.2 AMS Review Effectiveness Summary

The AMS review assessed the effectiveness in delivering the services required under the operating license.

The review was conducted using the asset management adequacy and performance ratings as described in Table 6 and Table 7. A summary of outcomes of the review is provided in Table 8.

Table 8 AMS Review Results Summary

AMS Component	Adequacy Rating	AMS Performance Rating
1. Asset Planning	A	1
Asset management plan covers the processes in this table	A	1
Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	A	1
Service levels are defined in the asset management plan	A	1
Non-asset options (e.g. demand management) are considered	A	1
Lifecycle costs of owning and operating assets are assessed	A	1
Funding options are evaluated	A	1
Costs are justified and cost drivers identified	A	1
Likelihood and consequences of asset failure are predicted	A	1
Asset management plan is regularly reviewed and updated	A	2
2. Asset creation and acquisition	A	1
Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	A	1
Evaluations include all life-cycle costs	A	1
Projects reflect sound engineering and business decisions	A	1
Commissioning tests are documented and completed	A	1
Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	A	1
3. Asset Disposal	A	1
Under-utilised and under-performing assets are identified as part of a regular systematic review process	A	1
The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	A	1
Disposal alternatives are evaluated	A	1
There is a replacement strategy for assets	A	1
4. Operating environment	A	1
Opportunities and threats in the Asset Management System environment are assessed	A	1
Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	A	1
Compliance with statutory and regulatory requirements	A	1
Service standard (customer service levels etc) are measured and achieved.	A	1

AMS Component	Adequacy Rating	AMS Performance Rating
5. Asset operations	A	1
Operational policies and procedures are documented and linked to service levels required	A	1
Risk management is applied to prioritise operations tasks	A	1
Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	A	1
Accounting data is documented for assets	A	1
Operational costs are measured and monitored	A	1
Staff resources are adequate and staff receive training commensurate with their responsibilities	A	1
6. Asset maintenance	A	1
Maintenance policies and procedures are documented and linked to service levels required	A	1
Regular inspections are undertaken of asset performance and condition	A	1
Maintenance plans (emergency, corrective, and preventative) are documented and completed on schedule	A	1
Failures are analysed and operational/maintenance plans adjusted where necessary	A	1
Risk management is applied to prioritise maintenance tasks	A	1
Maintenance costs are measured and monitored	A	1
7. Asset management information system	A	1
Adequate system documentation for users and IT operators	A	1
Input controls include suitable verification and validation of data entered into the system	A	1
Security access controls appear adequate, such as passwords	A	1
Physical security access controls appear adequate	A	1
Data backup procedures appear adequate, and backups are tested	A	1
Computations for licensee performance reporting are accurate	A	1
Management reports appear adequate for the licensee to monitor licence obligations	A	1
Adequate measures to protect asset management data from unauthorised access	A	1
8. Risk management		
Risk management policies and procedures exist and are applied to minimise internal and external risks	A	1
Risks are documented in a risk register and treatment plans are implemented and monitored	A	1
Probability and consequences of asset failure are regularly assessed	A	1
9. Contingency planning	B	1
Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	B	1

AMS Component	Adequacy Rating	AMS Performance Rating
10. Financial planning	A	1
The financial plan states the financial objectives and identifies strategies and actions to achieve those	A	1
The financial plan identifies the source of funds for capital expenditure and recurrent costs	A	1
The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	A	1
The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	A	1
The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	A	1
Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	A	1
11. Capital expenditure planning	A	1
There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	A	1
The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	A	1
The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	A	1
There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	A	1
12. Review of AMS	A	1
A review process is in place to ensure the asset management plan and the Asset Management System described in it remain current	A	2
Independent reviews (e.g. internal audit) are performed of the Asset Management System	A	1

5. AMS Review Observations and Recommendations

The AMS review conducted is in Table 9. As per the ERA guidelines, recommendations are only given to performance ratings of 3 and 4 or process and policy ratings of C and D.

Table 9 Asset Management Review Observations and Recommendations

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	**Asset planning** Asset planning strategies focuses on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price).			**A**	**1**
1.1	Asset management plan covers the processes in this table	2	The Licensee has evidenced each of the applicable processes with respect to asset planning. See individual effectiveness criteria for detailed observations. The Licensee has established a Strategic Asset Management Plan (SAMP) which provides the overarching framework and strategic perspective for asset management across the gas network. Section 3.4 (Asset Management Processes) of the Strategic Asset Management Plan (SAMP) explicitly details the 12 asset management processes as per the ERA Guideline effectiveness criteria. The Strategic Asset Management Plan (SAMP) also refers to the asset management document framework which comprises a collection of documents, systems, and processes designed to address ATCO's asset management responsibilities. The document framework includes the Strategic Asset Management Plan (SAMP), Asset Management Policy, Asset Management Plans (AMP), and Asset Lifecycle Strategies (ALSs).	A	1
1.2	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	4	Section 2.4 (Stakeholders) of the Strategic Asset Management Plan (SAMP) outlines that ATCO engages stakeholders to define the requirements for the AMS to provide the services needed by stakeholders. Stakeholders involved and their identified needs are detailed in the Strategic Asset Management Plan (SAMP). The Licensee also undertakes structured stakeholder engagement via a Portfolio Governance Committee (PGC), which meets monthly to review and approve capital expenditure programs. Asset planning outputs are integrated into business cases which link directly to AMS strategies and objectives.	A	1
1.3	Service levels are defined in the asset management plan	4	Section 3.3 (Asset Management Objectives) of the Strategic Asset Management Plan (SAMP) defines service levels through asset management objectives and key performance indicators (KPIs). Performance against KPIs is reported monthly and a formal evaluation of the KPIs is conducted annually.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1.4	Non-asset options (e.g. demand management) are considered	4	Non-asset options are considered through ATCO's structured network demand planning and modelling processes. The Strategic Asset Management Plan (SAMP) identifies network capacity, reliability and safety as key drivers for demand planning. Asset Services undertakes annual network modelling across all sub-networks using a ten-year planning horizon to assess peak winter demand conditions and forecast future capacity requirements. The Network Planning Design Standard defines the standards used for planning, development and expansion of the gas distribution network and requires consideration of demand growth trends, forecasting uncertainty, cost, security of supply and supply pressure when assessing network design alternatives. Modelling outcomes are traceable through Asset Lifecycle Strategies (ALSs) and business cases. The Licensee evidenced a business case where non-asset options were considered in the option evaluation, such as do-nothing.	A	1
1.5	Lifecycle costs of owning and operating assets are assessed	2	The AMP is updated and published annually to provide a 10-year forward plan for investment in the gas distribution system. Capital expenditure (CAPEX) and operating expenditure (OPEX) forecasting methodologies are outlined in Section 4 of the AMP. Forecasts are developed using data extracted from Systems Application Products (SAP) and Oracle-based Enterprise Performance Management (EPM), and input into the business case process. SAP is a market leading Enterprise Resource Planning (ERP) software system used by ATCO to manage financial, operational, and maintenance data.	A	1
1.6	Funding options are evaluated	2	The Strategic Asset Management Plan (SAMP) references the Governance Framework and Project Management Manual (PMM) which outlines project tiers, classified primarily by total project cost. Project tiers influence the level of project management required and the level of detail to be provided within the business case. Business cases detail expenditure forecasts that inform funding requirements, demonstrate compliance with the National Gas Rules, and comply with the Asset Lifecycle Strategies (ALSs) which detail the basis for cost estimates. A business case developed during the review period (End of Life Replacement: Routine Meter Change) was evidenced and confirmed to be aligned with framework outlined in the PMM.	A	1
1.7	Costs are justified and cost drivers identified	2	Costs and cost drivers are justified through the business case process. Business cases assess multiple options including do-nothing, like-for-like replacement, rationalisation, refurbishment, decommissioning and operational alternatives. Business cases explicitly identify cost drivers and demonstrate alignment with National Gas Rules requirements for least-cost solutions and align to the requirements of the AMP and PMM. A business case developed during the review period (End of Life Replacement: Routine Meter Change) was evidenced and includes option evaluation and costs justification.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1.8	Likelihood and consequences of asset failure are predicted	4	Section 3.4.8 of the Strategic Asset Management Plan (SAMP) outlines the Risk Management Framework and Process. Asset condition data from SAP is tracked in PowerBI. Asset Condition Reports (ACRs) review the condition of assets, analyse the defects, review the effectiveness of existing maintenance strategies and identify improvement opportunities, and are updated annually.	A	1
1.9	Asset management plan is regularly reviewed and updated	2	The Strategic Asset Management Plan (SAMP) undergoes a review and approval process at least once every 5 years, or more frequently if necessary, due to modifications, and remained current during the review period. During the review period, the annual review cycle of the AMP did not occur between 2021 and 2025. During interviews, the Licensee confirmed that the AMP document itself had been maintained and kept current; however, the formal approval and publication steps had not yet been completed. A rating of A2 was provided as the Licensee confirmed that the AMP was maintained and kept current and that review activities were completed during the review period, even though the document was not published with an updated document history table. A live document showing the ongoing revisions to the AMP that have taken place during the audit period, demonstrating that the AMP and the AMS are kept current during the audit period. Formal publication will occur in 2026.	A	2
2	**Asset creation and acquisition** Asset creation/acquisition is the provision or improvement of assets			**A**	**1**
2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	2	Project evaluations are undertaken through structured business case processes in accordance with the Project Management Manual (PMM). The Network Planning Design Standard defines the standards used for planning, development and expansion of the gas distribution network. Modelling outcomes are traceable through the Asset Lifecycle Strategies (ALSs) and business cases. The dedicated Completing a Business Case Procedure provides guidance selecting the appropriate Business Case Template based on project tier, writing a Business Case for projects or program, and requirements for options evaluations. Business cases consider non-asset options where feasible, with network modelling results used to inform option selection prior to asset creation. A sample business case developed during the review period was evidenced and aligns to the guidance provided in the Completing a Business Case Procedure.	A	1
2.2	Evaluations include all life-cycle costs	2	The Asset Lifecycle Strategies (ALSs) and the Completing a Business Case procedure outline the basis and requirements for cost analyses. Forecasts are developed using data extracted from SAP and EPM and input into the business case process. Business cases detail life-cycle expenditure forecasts that inform funding requirements, demonstrate compliance with the National Gas Rules, and align with the forecasting methodologies outlined in Section 4 of the AMP. A sample business case was provided as evidence.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
2.3	Projects reflect sound engineering and business decisions	2	The PMM establishes mandatory project phases with defined assurance and approval gates, requiring projects to demonstrate technical feasibility, options assessment, risk evaluation and investment justification before progressing. It requires that designs must comply with approved engineering standards and Safety Cases, with formal design reviews, change control, and defined project roles. The Design Guidelines define design inputs, acceptance criteria, mandatory compliance, required documentation and specify responsibility for approvals and deviations or non-standard designs. Commercial planning and investment justification are justified through the business case process. Based on the review of a sample business case provided during the audit period, the review finds that decisions were made in a manner that is consistent with accepted industry practices, based on the sample reviewed.	A	1
2.4	Commissioning tests are documented and completed	2	The PMM outlines that the commissioning of assets is required to be undertaken in accordance with the Permit to Work System and ATCO's Safe Work Instructions and involves the completion of start-up sheets. The Licensee also provided their Asset Handover Procedure, which further outlines the process and documentation required. The Licensee's Enterprise Information Management platform manages and tracks documentation and a standardised folder structure is used for projects. The Licensee provided a copy of an example project folder which included inspection, testing and commissioning documentation, start-up sheets, and operational readiness and handover.	A	1
2.5	Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	2	The Gas Distribution Safety Case defines SAI360 (eSafe) as the tool used to compile legal, environmental and safety obligations applicable to ATCO and assign obligations to responsible owners. ATCO Australia Corporate Services and Legal are the responsible team for monitoring and maintaining the obligations register. The Technical Compliance team, HSE and ATCO Australia Corporate Services and Legal teams monitor relevant legislation, standards, codes of practice and business practice. The Licensee provided examples of legislation monitoring through a Lawlex subscription that provides fortnightly newsletter updates and alerts when legislation is changed or updated, which is subsequently communicated to relevant business areas. Technical Compliance undertakes technical audits to assess compliance against relevant Acts, Regulations, prescribed Standards, Safety Cases, Policies and Safe Work Instructions. The Technical Compliance Audit Procedure details that corrective or improvement action recommendations resulting from audits are tracked by Technical Compliance in accordance with the Action Tracking Procedure and through eSafe.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
3	**Asset disposal** Asset disposal is the consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets.			**A**	**1**
3.1	Under-utilised and under-performing assets are identified as part of a regular systematic review process	2	The Asset Lifecycle Strategies (ALSs) outline that condition ratings are identified and assigned to assets during scheduled inspections that are managed using the preventive maintenance module of SAP. Asset utilisation and performance is tracked via PowerBI with data extracted from SAP. Asset Condition Reports (ACR) assess condition and identify under-utilisation or under-performance using end-of-life criteria and condition ratings that defined at the asset-class level in the Asset Lifecycle Strategies (ALSs). Sample Asset Condition Reports (ACRs) and Asset Lifecycle Strategies (ALSs) developed during the review period were provided as evidence.	A	1
3.2	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	2	The Asset Lifecycle Strategies (ALSs) define activity drivers that trigger corrective action or disposal activities for under-utilised or under-performing assets. From routine schedule maintenance and inspections as described in 3.1, corrective works are identified and tracked through SPM notifications and monitored via monthly reviews held between Asset Services and Facility Maintenance. Identified remediation work is scheduled based on complexity and immediate action is undertaken if the condition critical by the Maintenance Supervisor in consultation with Asset Services. Reactive or unscheduled maintenance is typically identified through customer or public reports and tracked through SAP fault maintenance notifications (SFs). The Licensee provided an example demonstrating that when poor performance of an asset arose due to manufacturer discontinuation, corrective actions to take in the event of a failure were identified and implemented.	A	1
3.3	Disposal alternatives are evaluated	2	The Asset Lifecycle Strategies (ALSs) for each asset class define the framework and strategy for asset renewal, replacement, and disposal and abandonment. The Licensee provided an example of the Commercial Meter Change (CMC) program that schedules meter replacements at defined internals to manage asset condition and performance over time. The Asset Lifecycle Strategy for Metering Facilities outlines that during the CMC process; commercial meters are replaced with either refurbished meters or replaced with a new meter where no suitable refurbished option is available. The CMC Meter Testing Results PowerBI dashboard was provided as evidence.	A	1
3.4	There is a replacement strategy for assets	2	The Asset Lifecycle Strategies (ALSs) for each asset class define the framework, strategy, and criteria for asset renewal and replacement. The Licensee provided an example of close-out reporting completed for a network reinforcement project that involved the fabrication and installation of a new high-pressure regulator. The repository of all Asset Lifecycle Strategies (ALSs) was witnessed and a sample of the Asset Lifecycle Strategies (ALSs) for some asset classes under the License were evidenced.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
4	**Operating environment** Operating environmental analysis examines the Asset Management System environment and assesses all external factors affecting the Asset Management System.			**A**	**1**
4.1	Opportunities and threats in the Asset Management System environment are assessed	2	Section 3.4.4 (Environmental Analysis) of the Strategic Asset Management Plan (SAMP) describes ATCO's process for identifying external factors impacting the AMS through the Safety Management System (SMS). The Strategic Asset Management Plan (SAMP) details the documentation supporting this systemic approach. Threats are also assessed through monitoring of regulatory and legislative changes, and Formal Safety Assessments (FSAs), of which a sample was provided. All key AMS components are audited regularly by Technical Compliance to assess effectiveness and compliance against relevant Acts, Regulations, prescribed Standards, Safety Cases, Policies and Safe Work Instructions.	A	1
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	2	Performance against key network service standards is monitored through regular reporting compiled by the Asset Services team using data extracted from SAP. The Licensee provided monthly Asset Services Network KPIs reports that are provided to the management team to measure metrics including Asset Health Index, System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), service and meter leaks, and Customer Minutes Off Supply supplied (CMOS). The interview noted that the KPIs assess both at-fault and not-at-fault events, some performance standards breached the threshold due to not-at-fault and third-party events.	A	1
4.3	Compliance with statutory and regulatory requirements	2	Compliance with statutory and regulatory requirements is managed through ATCO’s Safety Case framework, overseen by the Technical Compliance team and Risk & Compliance teams, and tracked in the master obligation register in eSafe. Compliance activities are planned and monitored using a master compliance calendar, supported by legislative change monitoring through Lawlex, and internal compliance audits. The Licensee provided evidence of annual ERA licence obligation reporting and confirmed that no statutory or regulatory requirements breaches occurred during the review period outside of non-compliances that were reported to the ERA.	A	1
4.4	Service standard (customer service levels etc) are measured and achieved.	4	Service standards are reported monthly by the Asset Services team using data extracted from SAP. See observation 4.2. Annual reporting to the ERA includes performance against service level agreements. See observation 4.3.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5	**Asset operations** Asset operations is the day-to-day running of assets (where the asset is used for its intended purpose).			**A**	**1**
5.1	Operational policies and procedures are documented and linked to service levels required	4	Section 3.4.5 of the Strategic Asset Management Plan (SAMP) defines the high-level asset operations framework. This framework links to the Asset Lifecycle Strategies (ALSs), ACRs, and Safety Work Instructions. Emergency response is documented in the Emergency Management Response Plan. The Field Operations Manual Index provides an index of documents and Safe Work Instructions for asset operations and maintenance. The Strategic Asset Management Plan (SAMP) defines overarching service levels through asset management objectives and key performance indicators (KPIs), and the AMP, Asset Lifecycle Strategies (ALSs) and Asset Condition Reports (ACRs) outline service levels and KPIs by asset class.	A	1
5.2	Risk management is applied to prioritise operations tasks	2	ATCO uses Salesforce to manage network change requests and SAP is used to issue operational notifications and assign tasks. Operational faults are risk-classified within SAP using defined fault classes (Class 1, 2 and 3), with response priorities and timeframes assigned based on risk. These classifications and priorities are defined in the Fault Scripting Standards & SAP Priority Information document, with response times informed by KPIs, regulatory requirements and applicable standards.	A	1
5.3	Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition	2	Systems Applications and Products (SAP) acts as the Licensee's asset register. SAP assigns a functional location that defines characteristics for each asset including asset type, components, materials and condition.	A	1
5.4	Accounting data is documented for assets	4	Asset-related accounting data is documented within SAP. Costs associated with operational activities are captured against individual notifications and work orders. The data from SAP is reported using the Operational Financial Reporting PowerBI dashboard and the Licensee provide evidence of monthly reporting emails from Finance.	A	1
5.5	Operational costs are measured and monitored	4	See observation 5.4.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5.6	Staff resources are adequate and staff receive training commensurate with their responsibilities	2	The Licensee's Training Management Process defines how training and competency requirements are identified, delivered, assessed and verified for employees and contractors, and managed by the Training Team. Employees are assigned a training profile managed in SAP and the Training Skills application. Evidence was witnessed of a training matrix that outlines required training by team. Workforce planning is completed annually, and Oracle is used as the Licensee's workforce management system. Interviews confirmed that staff resources are adequate and staff training is up to date and monitored by the Training Team via the Training Management Process, SAP, the Training Skills application, and the training matrix; all of which were evidenced.	A	1
6	**Asset maintenance** Asset maintenance is the upkeep of assets.			**A**	**1**
6.1	Maintenance policies and procedures are documented and linked to service levels required	4	Scheduled maintenance activities are defined through the Asset Lifecycle Strategies (ALSs), which set out preventative maintenance tasks and intervals by asset class. Maintenance schedules and timing act as the primary service-level drivers and are reviewed annually as part of asset strategies and standards. The Field Operations Manual Index provides an index of Safe Work Instructions for asset operations and maintenance.	A	1
6.2	Regular inspections are undertaken of asset performance and condition	2	Regular inspections of asset performance and condition are undertaken in accordance with defined maintenance schedules. Inspection activities and asset condition outcomes are recorded in SAP, visible through PowerBI, and reported in the ACRs. Evidence of a scheduled maintenance service notification in SAP was witnessed.	A	1
6.3	Maintenance plans (emergency, corrective, and preventative) are documented and completed on schedule	2	Preventative maintenance is planned and scheduled through SAP and tracked against scheduled maintenance programs. Corrective work is raised through SAP when new maintenance requirements are identified, with more complex issues documented through Asset Condition Reporting. Monthly reporting provides visibility of outstanding and overdue maintenance activities, supporting monitoring of maintenance completion against schedule. Evidence of corrective work notifications in SAP and monthly reporting during the review period were witnessed.	A	1
6.4	Failures are analysed and operational / maintenance plans adjusted where necessary	2	The Licensee's Emergency Response Plan outlines requirements to respond to asset failures and support immediate response, while follow-up maintenance or remediation works are implemented where damage or deterioration is identified during scheduled inspections. Evidence was witnessed where damage to a pipeline was identified and remedial works undertaken, demonstrating that failure information informs maintenance responses.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
6.5	Risk management is applied to prioritise maintenance tasks	4	Asset condition and risk are assessed using tools such as the Mains Replacement Prioritisation (MRP) tool, which supports prioritisation of maintenance and replacement activities based on risk and consequence. ATCO uses Salesforce to manage network change requests and SAP is used to issue notifications and assign tasks. Faults are risk-classified within SAP using defined fault classes with response priorities and timeframes assigned based on risk. These classifications and priorities are defined in the Fault Scripting Standards & SAP Priority Information document, with response times informed by KPIs, regulatory requirements and applicable standards.	A	1
6.6	Maintenance costs are measured and monitored	4	Asset-related accounting data is documented within SAP. Costs associated with operational and maintenance activities are captured against individual notifications and work orders. Maintenance data from SAP is reported using the Operational Financial Reporting PowerBI dashboard and the Licensee provide evidence of monthly reporting emails from Finance.	A	1
7	**Asset management information system** An asset management information system is a combination of processes, data and software supporting the asset management functions.			**A**	**1**
7.1	Adequate system documentation for users and IT operators	4	ATCO uses Enterprise Information Management (EIM) as their information system. Internal support for EIM is provided by Document Control within ATCO. As part of all ATCO staff induction packages, staff are required to complete EIM training with refresher training offered to existing staff as required. Operational teams maintain role-specific work instructions for systems such as SAP, including planning and operational work instructions. A Planning Work Instruction Index was provided as evidence.	A	1
7.2	Input controls include suitable verification and validation of data entered into the system	2	Input controls are supported through audit trails, role-based access controls and data validation processes. The Licensee's system retains records of who made changes and what changes were made. Where data discrepancies occur between systems, validation processes are applied (e.g. daily gas metering data validation with substitution rules for errors). Privileged access to amend data is controlled through role-based permissions requested by hiring managers during onboarding. The Licensee provided evidence of their Information Access and Security Permission Guidelines which outlines access and security rules, how permission groups are applied, and who can apply and edit them.	A	1
7.3	Security access controls appear adequate, such as passwords	2	Access controls are implemented through corporate IT access standards, including password controls, multi-factor authentication via Okta and periodic review of access. Access is provisioned through formal requests and is tied to roles, not individuals. The Licensee provided the IT Access Control Practice (reviewed 5-yearly) that defines access control practices and password management. Also provided was the Acceptable Use of Technology Standard, which defines the use principles all staff must adhere to when interacting with the Licensee’s devices and network.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7.4	Physical security access controls appear adequate	2	Physical access to systems and assets is controlled through physical keys, access registers and site-specific access arrangements. Key registers are maintained in EIM, with off-boarding processes to ensure keys are returned. The Licensee's Registered Key List Register and Security Management Plan were provided as evidence. Depot facilities are secured outside operating hours, with restricted access and alarms in place. Additional physical security assessments were undertaken under the Security of Critical Infrastructure Act during the review period.	A	1
7.5	Data backup procedures appear adequate, and backups are tested	4	ATCO has provided their Backup and Retention Practice. The practice requires that each system or application has a formally documented and approved backup strategy, with backups stored securely off-site and retention periods defined in accordance with regulatory and records management requirements. The practice requires that data recovery from backup is tested on a regular basis, at least annually, recognising that successful backup alone does not demonstrate recoverability. It also requires documented backup schedules and daily backup reporting to the Manager IT Services. IT services and backups are managed by an external provider (IBM), with regular service delivery reporting. A copy of a service delivery report from IBM during the review period was provided as evidence.	A	1
7.6	Computations for licensee performance reporting are accurate	4	Gas inflow data is received through the Gas Inflow Management System (GIMS) and processed via NEON, where data is validated and converted from volume to energy for reporting and billing. These processes are documented in the Gas Measurement Management Manual and discrepancies are managed in the Managing Inflow Data Discrepancies in Gas Inflow Management System (GIMS) document, provided as evidence.	A	1
7.7	Management reports appear adequate for the licensee to monitor licence obligations	4	Management reporting is supported through the Gas Monitoring Distribution (GMD) dashboard which provides live visibility of asset and system performance using data sourced from NEON.	A	1
7.8	Adequate measures to protect asset management data from unauthorised access	4	Downloads and access activity within EIM are monitored by the Data Management team, Service Security team and the Service Security lead, with alerts and investigations triggered for suspicious activity. Access for third parties is restricted to users with ATCO-issued IDs, subject to the same security controls as employees. Monitoring applies to both internal and external access attempts. The Licensee provided their IT Access Control Practice, IT Acceptable Use Practice, and Cyber Security Incident Response Plan as evidence.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
8	**Risk management** Risk management involves the identification of risks and their management within an acceptable level of risk.				
8.1	Risk management policies and procedures exist and are applied to minimise internal and external risks	2	As described in observations 1.8, 5.2, and 6.5: Section 3.4.8 of the SAMP outlines the Risk Management Framework and Process. Asset condition data from SAP is tracked in PowerBI. Asset Condition Reports (ACRs) review the condition of assets, analyse the defects, review the effectiveness of existing maintenance strategies and identify improvement opportunities, and are updated annually. Asset condition and risk are assessed using tools such as the Mains Replacement Prioritisation (MRP) tool, which supports prioritisation of maintenance and replacement activities based on risk and consequence. ATCO uses Salesforce to manage network change requests and SAP is used to issue operational notifications and assign tasks. Operational faults are risk-classified within SAP using defined fault classes (Class 1, 2 and 3), with response priorities and timeframes assigned based on risk. These classifications and priorities are defined in the Fault Scripting Standards & SAP Priority Information document, with response times informed by KPIs, regulatory requirements and applicable standards. ATCO applies the Enterprise Risk Management Guideline, which provides the overarching risk framework and risk matrix for ATCO Australia, with asset-specific application through the Technical Compliance Risk Management Guideline referenced in Safety Cases. Risk identification and treatment is demonstrated through formal safety management studies, of which a copy was provided as evidence. Risks are translated into actions and tracked through eSafe, detailing priority, action owner, and action status. An eSafe Action Summary Report and quarterly Technical Compliance Quarterly Newsletters were provided as evidence.	A	1
8.2	Risks are documented in a risk register and treatment plans are implemented and monitored	2	Risks are documented through Formal Safety Assessments (FSAs) and HAZOP/HAZID studies for asset groups, with type and frequency determined by the Technical Compliance team. Treatment actions arising from risk assessments are assigned, prioritised and monitored through eSafe, providing visibility of open, overdue and completed actions. Assessments are documented and assigned deadlines for scheduled reviews in EIM. An example of Safety Management Studies and an associated eSafe action was witnessed as evidence.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
8.3	Probability and consequences of asset failure are regularly assessed	4	Section 3.4.8 of the SAMP outlines the Risk Management Framework and Process. Asset condition data from SAP is tracked in PowerBI. Asset Condition Reports (ACRs) review the condition of assets, analyse the defects, review the effectiveness of existing maintenance strategies and identify improvement opportunities, and are updated annually. Asset Condition Reports (ACRs) and tools such as the Mains Replacement Prioritisation (MRP) Tool are used to assess asset condition, likelihood of failure and consequence, informing prioritisation of maintenance and replacement activities. ATCO uses Salesforce to manage network change requests and SAP is used to issue notifications and assign tasks. Faults are risk-classified within SAP using defined fault classes with response priorities and timeframes assigned based on risk. These classifications and priorities are defined in the Fault Scripting Standards & SAP Priority Information document, with response times informed by KPIs, regulatory requirements and applicable standards. The Licensee's Emergency Response Plan outlines requirements to respond to asset failures and support immediate response, while follow-up maintenance or remediation works are implemented where damage or deterioration is identified during scheduled inspections.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
9	**Contingency planning** Contingency plans document the steps to deal with the unexpected failure of an asset.			**B**	**1**
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	1	Contingency planning for network operations is addressed through the Emergency Response Management Plan (ERMP), provided as evidence, which is owned by the Technical Compliance team and forms part of Safety Case obligations. Emergency exercises are undertaken in accordance with Safety Case requirements, including a combination of desktop and field-based exercises. Triggers for risks classified as crises are documented in a Crisis Management Plan. Multiple examples of actions raised from scheduled emergency exercises and proof of close out were provided as evidence. The Emergency Exercise Planning Register was provided as evidence. A simulated emergency exercise is undertaken every two years through an external consultant. An example of the report and recommendations from the simulate exercise during the review period was provided that resulted in updates the Crisis Management Plan. The Emergency Response Management Plan (ERMP) and the Emergency Exercise Planning Register were evidenced and shown to be up to date and maintained throughout the audit period. The Business Continuity Plan (BCP) was provided as evidence which establishes the capability to resume business operations with the least possible delay and to detail the roles and responsibilities for the orderly return to normal operations, should an event occur. The Licensee noted that the Business Continuity Plan (BCP) is focused on corporate continuity rather than network contingencies and has not been updated in line with the intended 5-yearly review cycle since 2020. It is understood that the review cycle for this document will be reassessed and is planned to be completed in 2026. The Licensee has advised in interviews that this document is more appropriately considered as an enterprise document, rather than a component of their asset management system. With respect to contingency planning of the assets under this licence, the Licensee has demonstrated effective process and policy definition in their Emergency Response Management Plan (ERMP) and Business Continuity Plan (BCP). Some improvement is required to clearly define the purpose and scope of each document, and to clarify cross-referencing of documents with the AMS, particularly regarding how the documents interact with each other and how they are applied in different scenarios, given they serve distinct but complementary functions within Licensee's AMS. With one document clearly outlining the asset-focused approach under contingency scenarios and the other being more generalised, enterprise level strategic planning. This separation in document roles should be clear and justification for differing review periods would be more evident.	B	1
10	**Financial planning** Financial brings together the financial elements of the service delivery to ensure its financial viability over the long term.			**A**	**1**

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those	5	Financial objectives and strategies are defined through the Strategic Asset Management Plan (SAMP) (Section 3.4.10), linking to the AMP and Asset Lifecycle Strategies (ALSs). Financial objectives are translated into projects and actions through lifecycle strategies, business planning, and the Governance Framework and Project Management Manual. See observation 1.5, 1.6 and 1.7.	A	1
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	4	Sources of funding for capital expenditure are identified through the Capital Expenditure Allocation Request (CEAR) process. CEARs are developed for individual projects and document the approval to release funds, aligned with approved business cases and access arrangements. The Governance and Project Management Manual defines the CEAR process and its role in financial governance. An example of approved CEAR for the Kalgoorlie Mains replacement Program was provided as evidence.	A	1
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	4	Financial planning and forecasting is undertaken using Oracle-based Enterprise Performance Management (EPM), with underlying financial data sourced from SAP and managed by the Financial Controller. Prior to the use of EPM, planning was Excel-based. Final statements of profit and loss and balance sheets are prepared by auditors. The Licensee's fiscal year 2025 Annual Report which includes consolidated profit or loss and financial statements.	A	1
10.4	The financial plan provides firm predictions on income for the next five years and reasonable predictions beyond this period	4	Firm income projections are developed as part of the five-year business planning process, supported by Oracle-based financial modelling. The 2024 Business Plan Projection Annual Report was provided as evidence. Longer-term forecasts beyond five years are scenario-based and informed by lifecycle strategies and access arrangement planning. With the newly transitioned EPM-based planning system, 7-year projections are included.	A	1
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	4	See observation 10.4. The Licensee provided a copy of the Business Plan and Business Plan Capital Construction File which include CAPEX and OPEX costs, with administrative and overhead costs incorporated into CAPEX.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
10.6	Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	2	Projects exceeding defined thresholds (e.g. >5% variance flagged, >10% or >110% of approved CEAR requiring approval to proceed) trigger escalation, review and corrective action. Corrective actions include scope review, reprioritisation, or formal scope change approval, with actions documented and tracked as defined in the PMM. ATCO's Portfolio Governance Committee (PGC) reports on variance at monthly governance meetings, minutes from which were witnessed. An example of a project scope change during the review period that required variance approval and its approved project scope change form and CEAR were witnessed.	A	1
11	**Capital expenditure planning** The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure for these works over the next five or more years.			**A**	**1**
11.1	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	2	Asset Lifecycle Strategies (ALSs) and the AMP provide a 10-year outlook, while Access Arrangement plans approved by the ERA establish the 5-yearly capital framework. Evidence of Access Arrangement AA5 Final Decision and Revised Plan were provided. On an annual basis, capital programs are confirmed through business planning, with projects tracked in a Capital Construction File (now maintained in Oracle) maintained by the Finance team.	A	1
11.2	The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	4	See observation 11.1. Evidence of Access Arrangement AA5 Final Decision, Revised Plan and CAPEX model was provided. The Capital Construction File includes justification for capital expenditure.	A	1
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	4	Asset Lifecycle Strategies (ALSs) and Asset Condition Reports (ACRs) link asset condition assessments to capital replacement and renewal programs, ensuring capital investment is consistent with asset condition.	A	1
11.4	There is an adequate process to ensure the capital expenditure plan is regularly updated and implemented	2	The capital expenditure plan is subject to regular review and update. Actual expenditure is extracted from SAP and updated in the Capital Construction File on a monthly basis. Portfolio performance and capital delivery are reviewed through the Portfolio Governance Committee (PGC), with monthly reporting and escalation where required to ensure implementation aligns with approved plans. The PCG report and Charter were provided as evidence.	A	1

No.	AMS Effectiveness Criteria	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
12	**Review of AMS** The Asset Management System is regularly reviewed and updated.			**A**	**1**
12.1	A review process is in place to ensure the asset management plan and the Asset Management System described in it remain current	2	The Licensee's Control Document Register, provided as evidence, details review cycles for the Strategic Asset Management Plan (SAMP), AMP, Asset Lifecycle Strategies (ALSs), Asset Condition Reports (ACRs) and other AMS documentation. The Manager - Information Management Governance, Document Controller, Document Control Administrator are responsible for ensuring the Control Document Register is up to date. The framework and document priority matrix is outlined in the Document Control Procedure. Asset Lifecycle Strategies, Asset Condition Reports, and the Asset Management Plan is reviewed annually. The Strategic Asset Management Plan is reviewed 5-yearly. All remained up to date during the review period except for the AMP, which did not undergo formal approval and publication as part of its annual review cycle; however, the Licensee confirmed the AMP was maintained and kept up to date despite these steps not being completed. A rating of A2 was provided as the Licensee confirmed that the AMP was maintained and kept current and that review activities were completed during the review period, even though the document was not published with an updated document history table. A live document showing the ongoing revisions to the AMP that have taken place during the audit period, demonstrating that the AMP and the AMS are kept current during the audit period. Formal publication will occur in 2026.	A	2
12.2	Independent reviews (e.g. internal audit) are performed of the Asset Management System	1	Independent review of the asset management system is undertaken through internal audits aligned to Safety Case and regulatory compliance requirements. Technical Compliance audit findings and identified improvement actions are captured and tracked in eSafe. An overarching audit schedule and plan governs internal and external audits. Principal – Risk & Compliance is responsible for regulatory compliance activities. The previous ERA AMS review was completed on schedule and Annual compliance reports are provided to the Economic Regulation Authority (ERA); these reports provide an overview of the Licensee's adherence to regulatory requirements.	A	1

Appendix A

List of Documents Provided

File name	Extension
Environmental Check - HS017 Pinjarra - WO 6465765	.msg
HS017 HAZOP Workshop Summary (26-Feb-2025)	.msg
Legal Review of Material requisition for 2 HPR packages - HS017 EOL project	.msg
Potholing Abaxa Service Report - JOB-55094 - Pinjarra	.msg
Shire approval FW_ LM23134 - HS017 Pinjarra	.msg
Water Corp Query APRA 18092430 - POA22388 - 5742 SOUTH WESTERN HWY PINJARRA	.msg
Action _ Evidence from session 01_04_26	.docx
Action _ Evidence from session 08_04_26	.docx
Action _ Evidence from session 13_04_26	.docx
1520-GCA1 - 2025-29 - End of Life (EOL) Replacement - Routine Meter Change - Business Case - Approved	.pdf
AGA-S&P-SD03 Network Planning Design Standard	.pdf
AGA-S&P-RP03 Asset Condition Report - Cathodic Protection (1)	.pdf
AGA-S&P-RP04 Asset Condition Report - Metering Facilities (1)	.pdf
AGA-S&P-RP05 Asset Condition Report - Distribution Mains and Services.docx (1)	.pdf
AGA-S&P-RP06 Asset Condition Report - Regulating Facilities 2025 (1)	.pdf
AGA-S&P-RP07 ASSET CONDITION REPORT - SCADA (1)	.pdf
AGA-S&P-RP08 Asset Condition Report - HP Pipelines	.pdf
Valve Condition Report PowerBI	.pdf
Pipeline Buckling Calculation -HS017 EOL Replacement Project	.xlsx
RE HPR HS017_Modelling	.msg
18V6 Mark-up	.pdf
ATCO pit plinth	.pdf
HPR-HS-0017 - Checkprint	.pdf
HP_018_-_B-02-0127	.pdf
HS017	.pdf
P4-900-0622-01_Ali02635	.tif
P4-900-0643-01 Ali02661	.TIF
P4-900-2001 -CHECKPRINT_1	.pdf
P4-900-2001-01 1	.pdf
P4-900-2001-02	.pdf
RE_ HPR HS017 (As built)	.msg
8009335A0MDS001DL	.pdf
8009335A0MGA001DL	.pdf
8009335A0MSK001DL	.pdf
8009335A0MSK002DL	.pdf
8009335A0MSK003DL	.pdf
8009335A0MSK004DL	.pdf

File name	Extension
8009335A0MSK005DL	.pdf
8009335A0PDG001DL	.pdf
8009335A0SDW001DL	.pdf
8009336A0MGA001DL	.pdf
8009336A0MSK001DL	.pdf
8009336A0MSK002DL	.pdf
8009336A0MSK003DL	.pdf
8009336A0MSK004DL	.pdf
8009336A0MSK005DL	.pdf
8009336A0MSK006DL	.pdf
8009336A0MSK007DL	.pdf
8009336A0MSK008DL	.pdf
8009336A0PDG001DL	.pdf
8009336A0SDW001DL	.pdf
HPR-HS-0017	.pdf
HPR-HS-0017_Check Print 1	.pdf
RE HPR HS017 (As built)	.msg
engineered plinth	.pdf
FW Emergency Isolation Plan - HS017 EOL Replacement project	.msg
HS017 & 18V6 Emergency Isolation Plan	.pdf
Re Emergency Isolation Plan - HS017 EOL Replacement project	.msg
AGA-A&C-MA04-FM03 HPR Location Sign Off Sheet - HS017.docx	.pdf
Completed Complete with Docusign AGA-AC-MA04-FM03 HPR Location Sign Off Sheet - HS017.docx	.msg
AGA-ENG-PL02-FM01 Project Advice Checklist- HS017 Installation_Rev.0_signed	.pdf
AGA-ENG-PL02-FM01 Project Advice Checklist- HS017 Installation_TD Comments	.docx
Completed Complete with Docusign AGA-ENG-PL02-FM01 Project Advice Checklist- HS017 Installation_Rev.0.pdf	.msg
Engineering Deliverables- PAC HPR-HS017	.docx
Completed Complete with Docusign PDR HS017 EOL Replacement Project.pdf	.msg
PDR HS017 EOL Replacement Project	.docx
PDR HS017 EOL Replacement Project_signed	.pdf
PF Fabrication stats	.msg
PO48740 _ ETO 50027453_ ATCO Pre-built Skid - HS017 End of Life Project _ Transmittal 001	.msg
RE_ PO48740 _ ETO 50027453_ ATCO Pre-built Skid - HS017 End of Life Project _ Transmittal 001	.msg
R_ PO48740 _ ETO 50027453_ ATCO Pre-built Skid - HS017 End of Life Project _ Transmittal 001	.msg
Material Requisition Rev 1	.pdf
50027453A0MSP001DL	.pdf
68GP C5 H (002)	.pdf

File name	Extension
SI 8 04 rev 8 VT	.pdf
SI 8 06 rev 8 RT	.pdf
SI 8 08 rev 11 PT	.pdf
SI_7_05E rev.E	.pdf
SI_8_29 rev F	.pdf
24509-51-Wafer Cone PDS-Rev 2.7-Highlighted	.pdf
AGA-ENG-PL02-FM01 Project Advice Checklist- HS017 Flow Meter	.docx
Emergency isolation Plan -HS017 EOL project(Flow Meter Scope)	.msg
HPR-HS-0017 - Thermowell_Signed (1)	.pdf
HPR-HS-0017-06 IFF	.pdf
P4-900-1392 - Thermowells suit DN50 - DN200	.pdf
1125-ATCO-CI-0304 (Signed)	.pdf
AGA-ENG-PL02-FM01 Project Advice Checklist - HS017 Vehicle Impact Protection	.docx
AGA-ENG-PL02-FM01 Project Advice Checklist - HS017 Vehicle Impact Protection	.pdf
RE_ RE_ For Approval - TMP 10585 - W-BEAM - Installation Works - South Western Highway Pinjarra - Works 8 December 2025 - WRR#02	.msg
RE_ Vehicle Impact Protection - HS017 __ Enviro & Heritage Check	.msg
1520-GCA1-KA-0022-5 - 2025 - EOL Replacement - PE (Kalgoorlie) - Revised CEAR - Approved	.pdf
1520-GCA1-KA-0022-5 - 2025 - EOL Replacement – PE (Kalgoorlie) - PCR - Approved	.pdf
AGAN - FY25 Annual Report (Signed) 1	.pdf
1025 Capital Construction File (Consolidated) - Snapshot	.xlsx
1520-GCA1-KA-0022-6 - 2026 - EOL Replacement - PE (Kalgoorlie) CEAR - Approved	.pdf
20240717 PGC Meeting 70 Presentation Pack	.pdf
20240717 PGC Minutes of Meeting No70	.pdf
AGA-A&C-MA04-FM02 Project Change Request Form	.docx
AGA-FIN-PR19 Regulatory CAPEX Procedure.docx (1)	.pdf
AGA-REG-CH04 Portfolio Governance Committee Charter	.pdf
AGA-REG-PR01 Cost Allocation Method (1)	.pdf
AGAN - FY25 Annual Report (Signed) 1	.pdf
BP2025 GCA1 tab extract	.docx
01. ATCO Australia GBU Audit Plan 2024_2025 AGA only	.xlsx
AA-GRC-PR02-RG01 Controlled Document Register	.xlsx
AA-GRC-PR05 Management Review	.pdf
AA-GRC-PR06 Auditing & Development of the ATCO Australia Audit Schedule	.pdf

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