

**2022 operational audit and asset
management review of the City
of Kalgoorlie-Boulder**

Audit and review report

8 May 2023

Prepared for:

Economic Regulation Authority of
Western Australia

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2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

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2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

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Executive Summary

General

City of Kalgoorlie-Boulder (CKB) holds an Operating Licence which permits it to provide non-potable water supply and sewerage services and undertake, maintain and operate any associated works to the City of Kalgoorlie-Boulder. The operating licence was granted by the Economic Regulation Authority on 29 April 1996. The most current version of the licence, Version 8, was issued on 19 March 2021.

Stantec was commissioned by the Economic Regulation Authority of Western Australia (ERAWA) in November 2022 to undertake an audit and review of CKB in accordance with Sections 24 and 25 of the *Water Services Act 2012*.

The purpose of the audit was to:

1. Assess CKB's level of compliance against the conditions of its licence (Operational / Licence Audit)
2. Assess the effectiveness of measures implemented by CKB for the proper management of assets used in the provision and operation of its services (Asset Management System Review).

This audit report outlines the findings of an audit of City of Kalgoorlie-Boulder to fulfil the above objectives, conducted on 21 - 23 February 2023. The audit and review covers the operating period of 1 January 2021 to 31 December 2022.

The audit was carried out in accordance with the Audit and Review Guidelines: Water Licences, as published by the Economic Regulation Authority in August 2022.

Operational Audit

Findings from the Previous Operational Audit

The previous Audit was conducted by Paxon Group in respect of the period 1 January 2019 to 31 December 2020. The Paxon Group report, dated 16 July 2021, identified 11 instances of inadequate controls and/or non-compliance with individual obligations. These were as follows:

1. 1/2021 - The CKB must comply with the stipulations of section 174(1) of the Act by providing written notice of a proposed entry which set out the purpose of the entry, including (if applicable) any work proposed to be carried out.

Resolved

2. 2/2021 - The CKB must comply with the stipulations of section 174(3) of the Act in instances when it may enter a place without having to give notice by providing written notice of entry to the occupier and when practicable and when it will not compromise the reason for entry.

Resolved



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3. 3/2021 - The CKB must issue its representatives with certificates of authority. These certificates should record the full name of the representative and refer to sections 115 and 116 of the Act.

Resolved

4. 4/2021 - The CKB should expand its "Responsibility Matrix" to include its obligations in terms of the 2013 Regulations, 2018 Code of Conduct and WL4. The Responsibility Matrix" should also identify, per individual compliance obligation, appropriate policy and procedure document.

Resolved

5. 05/2021 - The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the of rate notices/tax invoices issued for sewerage charges.

Resolved

6. 06/2021 - The CKB should include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter and ensure the Sewerage Services Charter is publicly available.

Unresolved

7. 07/2021 - The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer if a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved or if a complaint made by the customer to the water services ombudsman (known to the CKB) that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman.

Unresolved – However, ERA has determined in the review of this report that that this is not a non-compliance

8. 08/2021 - The CKB's Sewerage Services Charter should provide for compliance with clauses 33(1)(d) and (e) of the 2018 Code of Conduct by stating the CKB must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the CKB that directly relates to the water service charge to which the debt relates is not resolved or a complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman.

Unresolved – However, ERA has determined in the review of this report that this is not a non-compliance

9. 09/2021 - The CKB should review its "Complaints Handling" policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints".

Unresolved

10. 10/2021 - The CKB must make historical financial information regarding sewerage services provided available at no charge.

Unresolved



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11. 11/2021 - The CKB must on a timely basis provide the ERA with specified information relevant to the operation of WL4 version 7 or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.

Resolved

Full details of our findings from the previous Operational Audit are provided in Section 3.1.

Findings from the Current Operational Audit

Issues identified during the current audit (with reference to the summary of recommendations in Section 6):

Water Services Act 2012

1. Under the Water Services Act Section 26(3) (Obligation 10), the licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee. During our audit of Obligations 191, 192, 193, 194, 195, 196, 197 and 198, we identified that CKB has not prepared a Family Violence Policy in accordance with the requirements of the Water Services Code of Practice (Family Violence) 2020. Therefore, we consider that CKB is non-compliant with the requirements of this obligation. We have included Recommendation A6/2022 under the related Water Services Code of Practice (Family Violence) 2020 obligations to address this non-compliance.

Water Services Code of Conduct (Customer Service Standards) 2018

2. A1/2022 - CKB's procedure has referring complaints to the Energy & Water Ombudsman as an escalation if the customer is not satisfied with CKB's response or solution instead of informing customers that they may, but do not have to, use CKB's complaints procedure before or instead of applying to the water services ombudsman (Obligation 116).
3. A2/2022 - CKB's Complaints Handling Policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's 'Customer Complaints Guidelines: distinguishing customer queries from complaints' (Obligation 146).
4. A3/2022 - CKB makes previous rates information available to customers on request. However, there is a fee for reprints of rates notice, both for hard copy and electronic copy. The charges are set out in the annual Schedule of Fees and Charges. As such, CKB does not comply with the obligation to provide this information at no charge (Obligation 152).
5. A4/2022 - CKB website has been redesigned since the 2021 audit and we were not able to locate a link to the current version of the *Water Services Code of Conduct (Customer Service Standards) 2018* (Obligation 154A).

Licence conditions

6. A5/2022 - We were not able to locate the MoU of CKB's website during the audit. As a result, this is a non-compliance with the obligation (Obligation 187).

Water Services Code of Practice (Family Violence) 2020

7. A6/2022 - CKB has not developed a family violence policy (Obligations 191, 192, 193, 197 and 198).



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Operational Audit - Effectiveness of controls

We consider that CKB generally has adequate controls in place that are appropriate to the nature and scale of its activities.

We observed 12 obligations (Obligations 10, 116, 146, 148A, 152, 154A, 187, 191, 192, 193, 197 and 198) where we consider that CKB does not have effective controls. CKB has not developed a Family Violence Policy in accordance with the *Water Services Code of Practice (Family Violence) 2020*, which is responsible for six of these obligations where we consider CKB does not have effective controls (Obligations 10, 191, 192, 193, 197 and 198). The other obligations where no controls were evident related to items under the *Water Services Code of Conduct (Customer Service Standards) 2013*. In addition, we observed one obligation (Obligation 167) where we consider that CKB has effective controls but where it has been non-compliant, as it did not submit its annual performance reporting datasheet and standing charge information to the ERA by the required due date in 2022.

Operational Audit - Overall compliance

The overall compliance of CKB with its licence is summarised in Section 4.2 of this report. We observed that CKB has been non-compliant over the course of the audit period with a total of thirteen of its obligations. All other items were assessed as compliant, not applicable or not able to be rated.

A summary of audit ratings for both controls and compliance across all obligations is presented in the following table.

Table 1 Compliance and controls ratings summary table

		Compliance rating						
		1	2	3	4	NR	NA	Total
Controls rating	A	59	1	-	-	15	-	75
	B	-	-	-	-	-	-	0
	C	-	-	-	-	-	-	0
	D	-	6	6	-	-	-	12
	N/P	-	-	-	-	63	-	63
	N/A	-	-	-	-	-	29	29
	Total	59	7	6	0	78	29	179

Asset Management System Review

The asset management system review assessed the performance of CKB against the key asset management processes and effectiveness criteria set out in the ERA Guidelines.

Findings from the Previous Asset Management Review

The previous asset management system review identified the following recommendations:



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1. R1/2021 – Asset Planning: All information relevant to the licensed water services should be consolidated in a single AMP, prepared in the form of four separate sections: i.e., section 1 – general information, section 2 - sewers and pumping stations, section 3 – WWTP and section 4 - re-cycled water system.

Resolved

2. R2/2021 – Asset Planning: CBK should assign or appoint an experienced person to complete the AMP as a matter of urgency. The clarity of the AMP could be improved by removing and relocating the 120 pages of appendices elsewhere. Their conclusions could be included in the AMP - with a cross reference to the reports and their location on the CKB's server.

Resolved

3. R3/2021 – Asset Planning: The AMP basically addresses the sewerage system - but mainly, fails to address the recycled water system as a functioning facility of CKB's water licence.

Resolved

4. R4/2021 – Asset Planning: Planning, operation, maintenance, contingency and capital expenditure planning etc. for the re-cycled water.

Resolved

5. R5/2021 – Asset Creation and Acquisition: Procedures should be prepared for assessing options for acquisition, replacement, or disposal including competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items.

Resolved

6. R6/2021 – Asset Disposal: The AMP should contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets.

Resolved

7. R7/2021 – Asset Operations: CKB should consider the implications of the current workload of existing Water Services staff together with the future overall workload and staff numbers following the transfer of Parks and Gardens staff associated with the water re-cycling system. A training program should be prepared for the present/future staff.

Resolved

8. R8/2021 – Asset Maintenance: An inspection and maintenance schedule for the sewer, WWTP and re-cycling systems should be included in the AMP for each system. Procedures for each of these inspections and their recording, follow up work etc. should be documented in the AMP for each system.

Resolved

9. R9/2021 - Asset Maintenance: A procedure for each of these inspections and their recording, follow up work etc should be documented in the AMP, together with similar documentation for inspections, recording and un-planned maintenance for pumping stations, the WWTP and re-cycled water system.



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Resolved

10. *R10/2021* - Contingency Planning: CKB should include contingency plans for sewers, pumping stations, WWTP and re-cycled water systems in their respective volumes of the AMP. CKB should conduct in-house workshops at which staff and selected maintenance contractors discuss and define the implications, reporting and actions required to manage and minimize the effects of selected asset malfunction or failure scenarios.

Resolved

11. *R11/2021* - Review of the Asset management system: CKB should prepare procedures for and implement an annual review of the AMP and an audit of the performance of the AMS. Evidence of the reviews and any corresponding revisions should be noted on the front face sheet of the relevant section and be signed-off and dated by the reviewer.

Resolved

Findings from the Current Asset Management Review

Under Section 5.1.8 of the ERA's 2019 Audit and Review Guidelines - Water Licences, recommendations on actions the licensee should take to address when an asset management process or effectiveness criteria are required to be included for:

- Performance rating – Asset management processes or effectiveness criteria that were rated 3 or 4.
- Process and policy rating – Asset management processes or effectiveness criteria that were rated C or D.

Based on the observations and findings from our review of CKB's asset management system effectiveness, we have rated all of the asset management components higher than "C" for the process and policy and higher than "3" for performance. Therefore, we have not included any recommendations in this audit report in accordance with the ERA's requirements.

We have identified a number of improvement opportunities for some of CKB's asset management processes and effectiveness criteria that received a rating other than those listed above. We have provided these recommendations directly to CKB in accordance with the ERA's requirements.

Asset Management System Review – Control Environment

We consider that CKB has adequate controls in place for its asset management functions that are appropriate to the nature and scale of its activities.

Asset Management System Review - Overall Effectiveness

A summary of our assessment of the effectiveness of CKB's Asset Management System is provided in Section 4.3.



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We consider that CKB's asset management system is adequate given the number and type of its assets.

CKB's overall asset management for its water services has greatly improved over the course of recent reviews, as a result of increases in staff resources, and, in particular, staff resources working in higher level asset management and coordination activities, meaning that the management of its schemes is less reactive and more proactive than it used to be.

As the Water Services department only took over ownership and operational responsibility for the recycled water scheme at the start of 2022/23, the O&M Manual for the scheme has not yet been reviewed and updated to take account of these changes. CKB has recognised that it needs to complete a review of the O&M documentation for the recycled water and bring the documents, templates and checklists up to the same standard as it has developed for the wastewater assets.

Although CKB's AMP generally covers the key requirements, we consider that there is potential for some improvements to be made to the document. These are as follows:

- CKB has developed the Water Utility Services Plan to be a publicly available document that summarises the strategic intent for delivery of sewer and wastewater treatment and recycled water services to CKB's customers. However, the majority of the information included in the Water Utility Services Plan would be expected to be included in an AMP document.
- The Water Service Quality Management Plan has been developed to include a series of appendices for the operations of the wastewater and recycled water schemes. However, we note that there are no references to the Water Services Quality Management Plan in the AMP.
- We note that the AMP does not include any financial projections and the LTFMP is only referenced.
- We also observed that the AMP does not include an Improvement Plan.

The lack of financial information and an Improvement Plan means that although the AMP contains overviews as to how CKB manages its water services assets, the document does not really function as a 'Plan'. However, these are relatively minor improvement opportunities to consolidate information and CKB has the excepted information included in its suite of asset management documents.

Based on our observations and finding during the review, we have assigned "A1" ratings to six of the 12 key processes reviewed. We have assigned "B1" ratings to the remainder of the key processes. We do not consider that there are any asset management criteria that require substantial improvement or corrective action required.

We have summarised our ratings of the effectiveness of the CKB's asset management system in the following table.

Table 2 Summary of 2022 asset management review ratings

Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
Asset planning	B	1
Asset creation/acquisition	A	1
Asset disposal	A	1



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Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
Environmental analysis	A	1
Asset operations	B	1
Asset maintenance	B	1
Asset management information system	A	1
Risk management	A	1
Contingency planning	B	1
Financial planning	B	1
Capital expenditure planning	A	1
Review of AMS	B	1



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Acronyms

AMP	Asset Management Plan
CCTV	Closed-circuit television
CKB	City of Kalgoorlie Boulder
DoH	Department of Health
DWER	Department of Water and Environmental Regulation
ERA	Economic Regulation Authority
IDEA	Intermittent Decanted Extended Aeration
LTFP	Long-Term Financial Plan
MoU	Memorandum of Understanding
OH&S	Occupational Health and Safety
RAMM	Road Assessment and Maintenance Management
SBWWTP	South Boulder Wastewater Treatment Plant
SCADA	Supervisory control and data acquisition
SOP	Standard Operating Procedure
SPS	Sewer Pumping Station
WWTP	Wastewater treatment plant



1.0 INTRODUCTION

1.1 THE CITY OF KALGOORLIE-BOULDER

CKB is located approximately 600 kilometres from Perth and has a population of around 30,000 people. CKB operates a sewerage service to an estimated 13,000 connected properties. It also operates a non-potable water supply for a small number of large commercial customers and for internal irrigation. CKB operates its sewerage and non-potable water services in accordance with an operating licence issued by the ERA.

The sewerage network consists of approximately 219 kilometres of sewer pipe, the 8 ML/d IDEA South Boulder wastewater treatment plant, sludge and holding lagoons, balance ponds, pump stations, and ancillary infrastructure, such as flow metres and pipe networks.

1.2 ASSET MANAGEMENT REVIEW AND OPERATIONAL AUDIT

The ERA is responsible for regulating the economic framework for water in Western Australia. Its primary objective is to ensure the provision of a competitive and fair environment, particularly where businesses operate as natural monopolies.

The ERA administers the licencing scheme for water licences under the *Water Services Act 2012* (the Act). Under the Act, licensees are obliged to provide an operational audit and asset management system review once every 24 months (or as otherwise required). The audit and review are to be undertaken by an independent expert. The ERA has responsibility for engaging an independent expert to undertake the audits and reviews.

Section 24 of the Act requires the licensees to have an Asset Management System in place that is independently reviewed. The ERA has published The Audit and Review Guidelines: Water Licences to inform independent experts on the requirements for undertaking Audits and Reviews. The latest version of the Guidelines was published in August 2022. The Guidelines set out the standard process for conducting audits and reviews, the scope of the audits and reviews, and the criteria for determining the effectiveness (or otherwise) of the asset management system. The previous review was completed in 2021.

Section 25 of the Act requires the licensee to provide the ERA with an independent operational audit per the Audit and Review Guidelines. The previous audit was completed in conjunction with the previous review in 2021.

1.3 PURPOSE OF THIS REPORT

As a condition of the licences, licensees are required to conduct an operational audit and asset management review that assesses the performance of the licensee against its obligations under the licenses.



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The purpose of the operational audit is to assess the effectiveness of measures taken by the licensee to meet the conditions referred to in the licence including the legislative obligations called up by the licence. The scope of the audit report includes assessing the adequacy and effectiveness of performance against the requirements of the licensee by considering:

- process compliance
- outcome compliance
- output compliance
- integrity of reporting
- compliance with any individual license conditions.

The purpose of the asset management review is to assess the licensee's asset management system, which includes the asset management plan, and the staff and IT resources that support the plan. The scope of the review includes an assessment of the adequacy and effectiveness of the licensee's asset management system by evaluating the asset management processes set out in Section 2.2.2.

The last audit of the operating licence and review of the asset management system for CKB covered the period from 1 January 2019 to 31 December 2020. The report was finalised in July 2021.

In accordance with the conditions set by the ERA, an audit that covers the period from 1 January 2021 to 31 December 2022 is required to be prepared and submitted to the ERA by 31 March 2023.

CKB's licence is WL4. There have been two versions of the operating licence in force during the audit and review period. Version 8 of WL4 is the current license and was issued on 19 March 2021. Version 7 of the operating licence was issued on 1 May 2020.



2.0 AUDIT/REVIEW SCOPE

2.1 AUDIT/REVIEW OBJECTIVES

The objectives of this audit and review were to:

1. Provide to the Authority an independent assessment of CKB's compliance with all of the relevant obligations under the licences
2. Provide to the Authority an independent assessment of the effectiveness of CKB's asset management system in relation to WL4
3. Provide recommendations to address non-compliance.

2.2 SCOPE OF WORKS

The audit encompassed an assessment of the following five key areas using a risk-based approach (to ISO 31000:2018):

- Process compliance: the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls.
- Outcome compliance: the actual performance against standards prescribed in the licence throughout the audit period.
- Output compliance: the existence of the output from systems and procedures throughout the audit period (specifically, proper records which provide assurance that procedures are consistently followed, and controls are maintained).
- Integrity of reporting: the completeness and accuracy of the compliance and performance reports provided to the ERA.
- Compliance with any individual licence conditions: the actual performance against the requirements imposed on the specific licensee by the ERA or specific matters raised by the ERA.

The scope of works of this audit included:

- Interviews with key staff members from CKB to:
 - Assess findings from the last audit and review the actions taken to address the recommendations from the previous audit / review
 - Assess performance against licence conditions for WL4
 - Assess performance against each asset management process for WL4
- Review of documents, procedures and policy manuals in relation to financial management and planning, service performance standards, asset management, operations and maintenance functions and reporting
- Inspection of a sample of CKB assets used to provide the licensed services covered by WL4
- Testing and assessment to determine whether the procedures and policies are followed and determine its effectiveness
- Preparation of an audit report in accordance with the format outlined in the ERA Audit and Review Guidelines: Water Licences (July 2014).



2.2.1 Operational Audit Excluded Conditions

Some of the reporting obligations for sewerage services and water supply have been excluded from the audit because they are not applicable to CKB. These are detailed in Table 3.

Table 3 Excluded conditions

2021 Compliance manual reference	Reference	Reason for exclusion
14	Water Services Act Section 60	CKB is not a supplier of last resort
21	Water Services Act Section 95(3)	CKB only supplied recycled water to non-residential customers and so does not supply to any occupied dwellings
22, 23	Water Services Act Water Services Act Section 96(1) and 96(5)	CKB does not provide water for fire services
26, 27	Water Services Act Section 110(3) and 112(5)	CKB does not provide drainage services under its Operating Licence
65	Water Services Regulations 2013 Regulation 23(2)	CKB does not supply recycled water to residential customers
93	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 9(2) and (4)	CKB's recycled water customers do not meet the criteria for standard supply connections under the definition in Clause 9 of the Code
127	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(5)	The grant of the license (1996) occurred more than six months before period being reviewed for this audit
154B, 154C, 154D	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 51(1) & (3), 52 and 53	CKB does not meet the criteria under Clause 51(2) as it does not provide water to residential customers. Water is not supplied to persons with special requirements or needs.
161	Water Services Act Section 12	There are no individual performance standards prescribed by the ERA for CKB
181	Water Services Act Section 12	CKB is not the supplier of last resort
190	Water Services Act Section 12	CKB'S license does not have any performance standards set out in Schedule 2

2.2.2 Asset Management System Review

The review of CKB's asset management system for WL4 covered the following asset management elements:

- Asset planning
- Asset creation/acquisition
- Asset disposal
- Environmental analysis
- Asset operations
- Asset maintenance
- Asset Management Information System



- Risk management
- Contingency Planning
- Financial Planning
- Capital expenditure planning
- Review of the asset management system.

Each of the 12 key asset management elements has corresponding effectiveness criteria which have been individually rated against two measures, namely:

- Process and policy definition
- Performance.

2.3 METHODOLOGY AND APPROACH

The audit was undertaken in accordance with ASAE3000. The scrutiny level (as per ASAE 3000) for the audit was a reasonable assurance engagement. The review was a limited assurance engagement.

Our approach to the reporting work was to work closely with the licensee so that comments and challenges could be responded to and addressed before the audit report was finalised.

The key areas of our approach included:

- Preparation of a draft review plan. The review plan will identify the number and location of meetings, the information to be addressed and the auditor responsible. We aim to design an effective program to make best use of our time and CKB's.
- Submission of the draft review plan to the ERA for approval
- A start-up discussion (by telephone or video conference) with CKB to:
 - Discuss the main issues to be addressed
 - Identify any issues from the previous audit and review
 - Identify any new issues arising from changes to the Licence or operating environment requirements
 - Discuss the plan
 - Confirmation of the timing of key milestones such as site visit
- A start-up meeting on-site at the beginning of our audit and review work
- On site work comprising:
 - Face-to-face interviews with business staff responsible for the relevant areas
 - Demonstration of key systems
 - Sample testing for outcome compliance (assessing a sample of documents to confirm procedures / policies are followed and implemented)
 - Review breach register and any non-compliances and assess if any corrective action was undertaken and its effectiveness
 - Site visits to view relevant service assets.
- Preliminary feedback at the audit and review close-out meeting
- Preparation of a draft audit and review report that complies with the format prescribed in Chapter 5 of the 2019 Audit and Review Guidelines - Water Licences, and submission to ERA for review



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- Preparation of a final audit and review report that complies with the format prescribed in Chapter 5 of the 2019 Audit and Review Guidelines - Water Licences, for submission to the ERA.

Our methodology for completing this audit assignment was based on:

- A risk assessment that determined the priority of each audit area, using the risk management framework in Appendix A.
- Our understanding of the licensee's business
- The experience of our audit team in undertaking regulatory audits which has been gained in several jurisdictions in Australia and in the United Kingdom.
- The outcome of the previous audit completed of CKB.
- Our audit methodology, including the key documents required to be reviewed and the supporting systems that we requested to see demonstrated, is detailed in Table 4 and Table 5.



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Audit/Review Scope

Table 4 Licence audit methodology

Audit Area	Priority	Approach	Systems	Key Documents
Licence Audit				
Clause 3.7 Notices	5	Confirm all notices are issued in writing	Correspondence register	Issued notices
Clause 3.8 Publishing Information	5	Check if any requests have been issued by the Authority to publish any information relating to the performance of the Licensee and correlating response	Correspondence register	- Letters of notification / requests from the Authority - Response to the Authority
Clause 3.9 Review of the Authority's Decisions	5	Confirm if any requests of a reviewable decision has been issued to the Authority and correlating response		Requests for review of decision (Correspondence)
Clause 4.1 Compliance	Various	- Review legislative requirements and confirm compliance - Water Services Act 2012 - Water Services Regulations 2013 - Water Services Code of Conduct (Customer Service Standards) 2018 - Water Services Code of Practice (Family Violence) 2020 - Identify any corrective action applied to correct / prevent breaches of compliance		- Performance standards - Compliance Summary Reports (record of breaches)
Clause 4.2 Fees	5	Review invoices from Authority and receipts of payment	- Correspondence register - Finance system	Invoices and receipts
Clause 4.3 Provision of water services	Various	Confirm the provision of services complies with those set out in the operating licence		- Current plan of operating area - Customer contracts in place for the provision of water services
Clause 4.4 Provision of water services outside operating area	3	Check whether the licensee provides water services outside its designated operating area.	Correspondence register	- Correspondence with ERA - Current plans of operating area and map of licenced operating area



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Audit/Review Scope

Audit Area	Priority	Approach	Systems	Key Documents
Clause 4.5 Works holding arrangements	2	Check whether any water service works that are not held by or for the licensee are covered by a Works Holding Arrangement agreement		Works Holding Arrangements
Clause 4.6 Accounting Records	2	Check that 2020/21 and 2021/22 financial statements are signed off as being to appropriate standards	Finance system	2020/21 Financial statement 2021/22 Financial statement
Clause 4.7 Reporting change in circumstances	4	Review any correspondence with the Authority	Correspondence register	Correspondence with ERA
Clause 4.8 Provision of Information	Various	Confirm that the licensee has provided the Authority with data required for performance monitoring purposes as set out in the Compliance Reporting Manual.	Correspondence register	- Annual compliance reports - Correspondence register
Clause 5.1 Asset management system	Various	Confirm that an asset management system is in place (where a system is comprised of appropriate policy and planning documents, staff and supporting systems)	- Enterprise Asset Management System - Computerised Maintenance Management System - Document management system	- Asset Management Policies - Asset Management Plans - Asset Management Systems and Procedures Manual - Asset Register
Clause 5.2 Individual Performance Standards	NA	Not applicable		
Clause 5.3 Operational audit	Various	Confirm that the asset management policies and procedures meet legislative requirements.	Document management system	- Previous audit - Post-audit implementation plan
Clause 6.1 Standard terms and conditions of service	3	- Check whether the Authority has directed the licensee to amend any standard terms or conditions of service. - Confirm that any required amendments have been made within the specified period.	- Correspondence register - Document management system	- Correspondence with ERA - Examples of any changes to standard terms and conditions of service
Clause 6.2 Water Services Ombudsman Scheme	4	Confirm that the licensee is a member of the water services ombudsman scheme.	Correspondence register	Correspondence with the water services ombudsman



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Audit/Review Scope

Audit Area	Priority	Approach	Systems	Key Documents
		Check whether the licensee has received any decision or direction from the water services ombudsman under the water services ombudsman scheme.	Document management system	
Clause 6.3 Supplier of Last Resort	NA	Not applicable		
Clause 7.1 Public Health	4	- Confirm details of the Memorandum of Understanding with the Department of Health, including the date entered into - Review the licensee's compliance with the specified requirements - Confirm that the Memorandum of Understanding has been published in accordance with the form agreed and within the required timeframe. - Confirm other reports required by the Department of Health or by the Memorandum of Understanding have been published on the licensee's website in accordance with the requirements and at the required reporting frequency.	- Correspondence register - Website	- Memorandum of Understanding - Correspondence with Department of Health Public health reports

Table 5 Asset management review methodology

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
Asset Management Review				
Asset planning	- Asset management plan covers key requirements - Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning - Service levels are defined in the asset management plan - Non-asset options (e.g., demand management) are considered	- Review and assess the adequacy of asset planning processes - Review and assess adequacy of asset management plans - Assess if asset management plans are up to date - Assess implementation of asset management plans (status) - Assess whether the asset management plan clearly assigns	- GIS - Asset database / information system	- Overview of planning approach - Population projections - Infrastructure Planning Reports - Example planning reports - Review of asset management plans - Service level agreements



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Audit/Review Scope

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	- Lifecycle costs of owning and operating assets are assessed - Funding options are evaluated - Costs are justified and cost drivers identified - Likelihood and consequences of asset failure are predicted - Plans are regularly reviewed and updated	responsibilities and if these have been applied in practice		
Asset creation and acquisition	- Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options - Evaluations include all life-cycle costs - Projects reflect sound engineering and business decisions - Commissioning tests are documented and completed - Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	- Review adequacy of policies and procedures in relation to asset creation and acquisition - Review examples of creations / acquisitions to check if policies and procedures were followed and check costs against estimates	Asset database / information system	Policies and procedures for asset creating and acquisition. Accounting and engineering
Asset disposal	- Under-utilised and under-performing assets are identified as part of a regular systematic review process - The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken - Disposal alternatives are evaluated - There is a replacement strategy for assets	- Review adequacy of policies and procedures in relation to asset disposal, asset replacement, identification of under-performing assets - Determine if a review on the usefulness of assets is undertaken - Review examples to check that policies and procedures are being followed	Asset database / information system	Policies and procedures for asset disposal. Accounting and engineering
Environmental analysis	- Opportunities and threats in the system environment are assessed - Performance standards (availability of service, capacity, continuity,	Review performance and service standards over audit period		- Policies and procedures - Planning reports - Customer service



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Audit/Review Scope

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	- emergency response, etc) are measured and achieved - Compliance with statutory and regulatory requirements - Service standard (customer service levels etc) are measured and achieved	- Review performance / identify any breaches and non-compliances and corrective action taken - Review adequacy of reporting and monitoring tools		- Compliance reports - Strategic plans (if appropriate)
Asset operations	- Operational policies and procedures are documented and linked to service levels required - Risk management is applied to prioritise operations tasks - Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition - Accounting data is documented for assets - Operational costs are measured and monitored - Staff resources are adequate, and staff receive training commensurate with their responsibilities	- Review adequacy of policies and procedures in relation to asset operations - Review staff skills / training and resources available - Check that operations procedures are being followed including testing of the asset register, observation of operational procedures and analysis of costs - Identify any operational events and corrective actions	- Asset information system - SCADA	- Asset register - Operations procedures - Operational costs - Daily / weekly / monthly checklists - Staff skills / resourcing structure
Asset maintenance	- Maintenance policies and procedures are documented and linked to service levels required - Regular inspections are undertaken of asset performance and condition - Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	- Review adequacy of policies and procedures in relation to asset maintenance / maintenance functions - Check that policies and procedures have been followed including testing of maintenance schedules, analysis of costs, - Review maintenance schedules / plans - Identify any maintenance events and corrective actions	Asset information system	- Maintenance procedures and schedules - Record of maintenance - Maintenance costs



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Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	- Failures are analysed and operational / maintenance plans adjusted where necessary - Risk management is applied to prioritise maintenance tasks - Maintenance costs are measured and monitored			
Asset Management Information System	- Adequate system documentation for users and IT operators - Input controls include appropriate verification and validation of data entered into the system - Logical security access controls appear adequate, such as passwords - Physical security access controls appear adequate - Data backup procedures appear adequate, and backups are tested - Computations for licensee performance reporting are accurate - Management reports appear adequate for the licensee to monitor licence obligations - Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	- Review adequacy of asset information system: - Asset coverage - Functionality - Data coverage - Security - User functionality granted is appropriate - Review outputs / reports generated by systems and assess suitability for reporting against performance standards / licence obligations	Asset Management Information system	- AMIS manual - AMIS data coverage and quality report - Asset reports
Risk management	- Risk management policies and procedures exist and are being applied to minimise internal and external risks - Risks are documented in a risk register and treatment plans are implemented and monitored	- Review risk assessment coverage - Review sample of risk mitigation to check policies and procedures are followed - Assess staff understanding of risk management and adequacy of risk management training for staff		- Corporate Risk management framework - Risk assessment



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Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	The probability and consequence of risk failure are regularly assessed			
Contingency planning	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	- Review adequacy / relevance and currency of contingency plans - Review if plans have been tested and report on findings - Identify any improvements that have been actioned as a result of testing of the contingency plans		Contingency plans
Financial planning	- The financial plan states the financial objectives and identifies strategies and actions to achieve those - The financial plan identifies the source of funds for capital expenditure and recurrent costs - The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets) - The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period - The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services - Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	- Review adequacy and effectiveness of financial planning and reporting processes - Review current financial plan and assess whether the process is being followed		Financial Plan
Capital expenditure planning	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	Review adequacy and effectiveness of capital planning processes through examination of	Spreadsheets for capital planning and prioritisation	Capital expenditure planning process outline



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Audit/Review Scope

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	- The capital expenditure plan provides reasons for capital expenditure and timing of expenditure - The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan - There is an adequate process to ensure that the capital expenditure plan is regularly updated and implemented	application of process and example documents		- Value engineering documents - Risk management applied to investment planning - Program management documents - Review of capex estimate v outturn
Review of AMS	- A review process is in place to ensure the asset management plan and the asset management system described in it remain current - Independent reviews (e.g., internal audit) are performed of the asset management system	- Determine when the asset management plan was last updated and assess whether any significant changes have occurred - Determine whether any independent reviews have been performed. If so, review results and action taken - Consider the need to update the asset management plan based on the results of this review - Determine when the AMS was last reviewed.		Asset management plans



2.4 TIME PERIOD COVERED BY THE AUDIT/REVIEW

This audit covers the period from 1 January 2021 to 31 December 2022.

2.5 TIME PERIOD OF THE AUDIT/REVIEW PROCESS

The audit/review commenced in November 2022 with preparation of the draft Audit Plan. The Audit Plan was approved by the ERA in writing on 3 February 2023.

Interviews with CKB staff were carried out on 21 - 23 February 2023 at CKB's offices in Kalgoorlie, WA.

2.6 DETAILS OF THE LICENSEE REPRESENTATIVES PARTICIPATING IN THE AUDIT/REVIEW

Details of representatives from CKB who participated in the audit and review process are provided in Table 6.

Table 6 Details of Licensee Representatives

Name	Organisation	Role
Sheena Clark	CKB	Coordinator Water Services

2.7 DETAILS OF KEY DOCUMENTS AND OTHER INFORMATION SOURCES

Corporate documents

- CKB Annual Report 2020/21
- CKB Annual Report 2021/22
- CKB Corporate Business Plan 2021 2024
- CKB Growing Kalgoorlie Boulder Growth Plan VI
- CKB Growing Kalgoorlie Boulder Growth Plan VII
- CKB Growing Kalgoorlie Boulder Growth Plan VIII
- CKB Planning information
- CKB Strategic Community Plan 2020-2030

Corporate policies

- CKB Accounting Policy
- CKB Asset Disposal Policy
- CKB Asset Management Policy
- CKB Financial Hardship Policy for Debtors
- CKB Financial Hardship Policy for Water Services
- CKB Occupational Safety and Health Policy
- CKB Purchasing Policy
- CKB Record Keeping Policy



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Audit/Review Scope

- CKB Risk Management Policy

CKB Systems

- ThinkProject RAMM
- WaterTrax
- CKB WWTP SCADA
- Intramaps
- Altus

Key Water Services documents

- WS 001 Standard Operating Procedure (SOP) Manual
- Water Services Asset Management Plan, December 2022
- Water Services Long Term Financial Plan, December 2022
- Water Services Responsibility Matrix
- Water Utility Services Plan, December 2022
- Wastewater Collection Treatment Service Customer Service Charter
- Water Utility Services Plan, December 2022
- Maintenance Contract - Wastewater and Recycled Water Network Maintenance and Renewals - GRB Resources TA Emyj
- Recycled Water Internal audit for low exposure risk schemes
- Lynas CKB Agreement Final for Recycled Water

Asset Management Documents

- CKB Water Services Quality Management Plan:
 - Appendix A - Scheme Location Plans
 - Appendix B - Drawing of the Recycled Water Scheme from Source to End use(s)
 - Appendix C - Water Balance
 - Appendix D - Process Control Table
 - Appendix E - Health Risk Assessment
 - Appendix I - Warning Signs
 - Appendix L - Incident Management Plan - Recycled water scheme
 - Appendix N - Operation Monitoring and Critical Control Points
 - Appendix P - Operational and Maintenance Manual of the recycled Water scheme
 - Appendix G - OH&S Procedures and Material Safety Data Sheets
 - Appendix H - Sampling Process and Procedures
 - Appendix Q - Validation Report of Individual Treatment Components
 - Appendix R - Mosquito Management Plan
 - Appendix S - Algae Management Plan
 - Appendix W - Odour Management Plan
 - Appendix X - Noise Management Plan
 - Appendix AA - Kalgoorlie WWTP Process Description
 - Appendix BB - WWTP Process Optimisation (Kalgoorlie)
 - Appendix CC - WWTP Control Systems (Kalgoorlie)



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Audit/Review Scope

- Appendix EE - Reticulation System Technical Manual V0 1
- Appendix GG - Reticulation system Operator manual
- Appendix II - Recycled Water Users and Locations
- Appendix LL - Tankered Recycled Water End User Agreement Standpipe Template
- Water Infrastructure Science & Engineering Pty Ltd, Kalgoorlie-Boulder Recycled Water Distribution - Statement of Operating Intent (Draft), January 2023

Licences and Approvals

- Signed MOU Department of Health and CKB for Sewerage and Non-Potable Water Services, Feb 2021
- City of Kalgoorlie Boulder Recycled Water Scheme Approval, December 2022 CoKB Approval amendment
- ERA Water Services Licence WL4, Version 8, 19 March 2021
- DWER Licence L8560/2011/2 for the South Boulder Wastewater Treatment Plant

Rates, invoices and other correspondence with customers

- Examples of residential and non-residential Rates Notices
- Example of Compliance Notices sent to customers
- Example of planned works details sent to customers

Internal and external reporting

- Examples of historical monthly recycled water volumes used by each recycled water customer
- Examples of sewer spill notification reports sent to DoH
- Examples of Monthly Recycled Water Usage Report for Finance
- Annual Performance Reports submitted to ERA 2020/21, 2021/22
- Annual Compliance Reports submitted to ERA 2020/21, 2021/22
- Annual Standing Charge Data submitted to ERA 2020/21, 2021/22
- Annual recycled water reports submitted to DoH 2020/21, 2021/22
- Annual reports submitted to DWER 2021, 2022
- Examples of monthly actuals vs finance reports and variance emails
- Review of Water Services budget, December 2022
- Director Of Engineering, Opex mid-year review water and waste

Capital works program consultant reports and internal board papers

- Water Infrastructure Science & Engineering Pty Ltd, South Boulder Wastewater Treatment Plant Water Balance, April 2018
- Water Infrastructure Science & Engineering Pty Ltd, Demand Forecast – Kalgoorlie Boulder Recycled Water, 15 September 2019
- Water Infrastructure Science & Engineering Pty Ltd, CKB Alternative Water Supply Strategy, December 2019
- CKB Issues Paper - Recycled Water Supply, 23 January 2020
- General Site Layout Drawing for SBWWTP lagoon refurbishment capital works, 19.03.2020



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Audit/Review Scope

- Water Infrastructure Science & Engineering Pty Ltd, Kalgoorlie Recycled Water Scheme- Lynas Recycled Water Supply - Phase A1 Basis of Design, July 2021
- Water Infrastructure Science & Engineering Pty Ltd, CKB Recycled Water Infrastructure Design Stage 3 - Water Balance Memo, December 2022

2.8 DETAILS OF AUDITORS PARTICIPATING IN THE AUDIT/REVIEW AND HOURS UTILISED

The audit/review team comprised two staff members from Stantec.

Details of their roles and hours utilised in the audit/review process are provided in the table below.

Table 7 Details of Audit / Review Team Members

Name	Organisation	Role	Summary of Tasks	Hours Utilised
Justin Edwards	Stantec	Project Manager/ Auditor/Reviewer	Project Management Audit preparation Audit/Review Preparation of Report	120
Patrick Lamb	Stantec	Reviewer	Report review	16



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Licensee's Response to Previous Audit and Review Recommendations

3.0 LICENSEE'S RESPONSE TO PREVIOUS AUDIT AND REVIEW RECOMMENDATIONS

In the previous operating licence audit and asset management review, a series of actions were recommended or suggested to improve the existing controls.

3.1 PREVIOUS AUDIT NON-COMPLIANCES AND RECOMMENDATIONS

Details of the actions completed by the CKB against each of the previous operational licence audit non-compliance and recommendations are presented in Table 8.

Table 8 Previous audit non-compliances and recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
1/2021	Compliance Manual Ref Number: 50 Rating: A2 LO: Act, section 174(1) and WL4, version 7, clause 4.1.1 Details: - Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB: - Only once entered a place for	The CKB must comply with the stipulations of section 174(1) of the Act by providing written notice of a proposed entry which set out the purpose of the entry, including (if applicable) any work proposed to be carried out. 2022 audit observations: We confirmed that CKB's SOP manual has been updated to include a section on access in Section 3.81. Separate sections have been developed for emergency and planned works. Section 3.8.1.2 of	October 2022	No further action required



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Licensee's Response to Previous Audit and Review Recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
	the purpose of doing works; and But only consulted verbally with the occupier prior to entry to agree on a suitable time.	SOP Manual sets out that written permission required for planned works in customers property when this is needed.		
2/2021	Compliance Manual Ref Number: 51 Rating: A2 LO: Act, section 174(3) and WL4, version 7, clause 4.1.1; and Details: Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, in emergency instances, the CKB always requested verbal permission to enter a place	The CKB must comply with the stipulations of section 174(3) of the Act in instances when it may enter a place without having to give notice by: - Providing written notice of entry to the occupier. - When practicable, and when it will not compromise the reason for entry. 2022 audit observations: Refer to 1/2021	October 2022	No further action required
3/2021	Compliance Manual Ref Number: 55 Rating: A 3 LO: Act, section 176(3) and WL4, version 7, clause 4.1.1 Details: Paxon confirmed by interview of the CKB's Water Services Project Manager that, during the Audit Period, CKB representatives were only issued with	The CKB must issue its representatives with certificates of authority. These certificates should: - Record the full name of the representative; and - Refer to sections 115 and 116 of the Act. 2022 audit observations: Individual Authorised Officer ID cards have been issued to Water Services Staff. These were evidenced during the audit.	March 2021	No further action required



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Licensee's Response to Previous Audit and Review Recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
	business cards.			
4/2021	Compliance Manual Ref Numbers: 65 to 72, 74, 75, 89, 92, 94, 95 to 98A, 101, 101A, 103 to 104, 104A, 105, 106, 111A, 112C, 117, 117A, 118, 122, 123, 126B, 128, 129B, 129C, 146, 152, 153, 154, 154A, 159, 160, 162, 165, 168, 169, 172, 172A to B, 175 to 180 and 183. Ratings: as recorded at the individual obligations in Table 10 of the 2020 Audit/Review Report LO: as recorded at the individual obligations in Table 10 of the 2020 Report Details: - The "Responsibility Matrix" focuses primarily on obligations in terms of the Act, with limited references to obligations in terms of WL4. No references could be found for obligations in terms of: - Water Services Regulations 2013 (2013 Regulations); and - Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Code of Conduct).	- The CKB should expand its "Responsibility Matrix" to include its obligations in terms of the: 2013 Regulations 2018 Code of Conduct - WL4. - The "Responsibility Matrix" should also identify, per individual compliance obligation, - appropriate policy and procedure document; and - The ERA's document entitled: "Water Compliance Reporting Manual - Water Services Act 2012 – May 2020" may help the CKB to expand its "Responsibility Matrix". 2022 audit observations: CKB's Responsibility Matrix covers the licence obligations as an overall responsibility. CKB use this for their annual compliance reporting to the ERA. We consider that there is no advantage to listing out each obligation within the Responsibility Matrix as CKB review the Reporting Manual obligations each year to review any non-compliances and no further action is required.	N/A	No further action required



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Licensee's Response to Previous Audit and Review Recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
5/2021	Compliance Manual Ref Number: 102A Rating: B2 LO: 2018 Code of Conduct, clause 13(6) and WL4, version 7, clause 4.1.1 Details: - Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual "Sewered Area Rates". The sampled tax invoices confirm the disclosure of the prescribed information included in clause 13(6) of the 2018 Code of Conduct except for clauses: 13(6)(e) – telephone number for 24-hour information line; and 13(6)(g) – disclosure of National Interpreter Symbol and the words "Interpreter Services".	- The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the of rate notices/tax invoices issued for sewerage charges. The following additional information should be disclosed on these tax invoices: - Clause 13(6)(e) - the telephone number of the 24- hour information line provided in accordance with clause 45 of the 2018 Code of Conduct. - Clause 13(6)(g) - for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services". 2022 audit observations: CKB's rates notices for FY 21/22 were amended to include the 24 hours response number and the interpreter services information number and symbol. CKB provided examples of its non-residential and residential rates notice templates and we confirmed that it had met the requirements under the obligation	August 2021	No further action required
11/2021	Compliance Manual Ref Number: 165 Rating: D2 LO: Act, section 12 and WL4, version 7, clause 4.8.1	The CKB must on a timely basis provide the ERA with specified information relevant to the operation of WL4 version 7 or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified	N/A	No further action required.



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Licensee's Response to Previous Audit and Review Recommendations

A. Resolved during current audit period				
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Date resolved	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
	Details: - Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, the CKB was instructed to provide the ERA with, amongst others, standing charge data by 30 September on an annual basis. - Paxon examined an ERA e-mail the CKB received on 24/10/2019 regarding the late submission of standing charge data for 2019. The e-mail stated this late submission needed to be recorded as a non-compliance of clause 3.8 of WL4 in the 2020 compliance report. - The CKB provided standing charge date for 2020 to the ERA by e-mail on 16/09/2020.	by the ERA. 2022 audit observations: No further corrective action was required to resolve this recommendation other than to ensure that specified information relevant to the operation of WL4 version 7 or the licensing scheme or the performance of the ERA's function under the Act is provided by CKB to the ERA in the manner and form specified by the ERA. We note that CKB recorded a non-compliance with regard to providing specified information to the ERA within the required timeframes during the current period. Our observations are included under Obligation 167.		



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Licensee's Response to Previous Audit and Review Recommendations

B. Unresolved at end of current audit period			
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
6/2021	Compliance Manual Ref Number: 114, 115 and 116 Rating: B2 LO: 2018 Code of Conduct, clauses 20(2), (3) (4) and (6) and WL4, version 7, clause 4.1.1 Details: The CKB's website states: • "We (the City) will review your rates account at your request in accordance with clause 20 of the "Water Services Code of Conduct (Customer Service Standards) 2018". • The CKB's website also mentions the customer may, if unsatisfied with the outcome of the review, refer the matter to the Energy and Water Services Ombudsman (both the above-mentioned matters were found on the dedicated webpage entitled: "My Property/ Rates/About Rates - Sewerage and Utility Services"). • The CKB's Sewerage Services Charter addresses both undercharging and overcharging for sewerage services in section 2.6 entitled: "Charges and Accounts". Thus, written procedure for the review of sewerage bills is fragmented as it is recorded in different documents; and • However, no reference could be found regarding referring a sewerage bill complaint to the State Administrative Tribunal.	The CKB should: • Include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter • Ensure the Sewerage Services Charter is publicly available. 2022 audit observations: CKB has not updated the Customer Charter as per the recommendation since the last audit. As such, the recommendation still applies. We confirmed that the Customer Charter is publicly available on CKB's website during the audit.	Update the Customer Charter as per Recommendation 6/2021



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Licensee's Response to Previous Audit and Review Recommendations

B. Unresolved at end of current audit period			
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
7/2021	Compliance Manual Ref Number: 133A Rating: DNR LO: 2018 Code of Conduct, clauses 32 and WL4, version 7, clause 4.1.1 Detail: Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct.	The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer: • If a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved; or • If a complaint made by the customer to the water services ombudsman (known to the CKB) that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman. 2022 audit observations: • CKB has not updated the Customer Charter as per the recommendation since the last audit. However, ERA has confirmed during its review of the 2022 audit/review report that there is no requirement under its Financial Hardship Policy Guidelines for Water Services (June 2018) for the inclusion of obligation 134A (clause 33(1)(d)-(e) of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. As a result, CKB has not been non-compliant with the requirements of the clause.	No further action required
8/2021	Compliance Manual Ref Number: 134A	The CKB's Sewerage Services Charter should provide for compliance with clauses 33(1)(d) and	No further action required



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Licensee's Response to Previous Audit and Review Recommendations

B. Unresolved at end of current audit period			
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
	Rating: DNR LO: 2018 Code of Conduct, clauses 33(1)(d) and (e) and WL4, version 7, clause 4.1.1 Details: Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter address the stipulations of clauses 33(1)(d) and (e) of the 2018 Code of Conduct.	(e) of the 2018 Code of Conduct by stating the CKB must not commence or continue proceedings to recover a debt from a customer if: - A complaint made by the customer to the CKB that directly relates to the water service charge to which the debt relates is not resolved; or - A complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman. 2022 audit observations: CKB has not updated the Customer Charter as per the recommendation since the last audit. - However, ERA has confirmed during its review of the 2022 audit/review report that there is no requirement under its Financial Hardship Policy Guidelines for Water Services (June 2018) for the inclusion of obligation 134A (clause 33(1)(d)-(e) of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. As a result, CKB has not been non-compliant with the requirements of the clause.	
09/2021	Compliance Manual Ref Number: 146 Rating: D2	The CKB should review its " <i>Complaints Handling</i> " policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's	Review the Complaints Handling Procedure as per Recommendation 09/21.



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B. Unresolved at end of current audit period			
Recommendation reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor's recommendation	Further action required (Yes/No/Not applicable) Details of further action required (including current recommendation reference if applicable)
	LO: 2018 Code of Conduct, clause 46(2), and WL4, version 7, clause 4.1.1 Details: The CKB's "<i>Complaints Handling</i>" policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of: - AS/NZS 10002-2014; and - ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints"	<i>"Customer Complaints Guidelines: distinguishing customer queries from complaints".</i> 2022 audit observations: CKB has not reviewed and updated its Complaints Handling Policy against the standard and the guidelines as per the recommendation since the last audit. As such, the recommendation still applies.	
10/2021	Compliance Manual Ref Number: 152 Rating: D2 LO: 2018 Code of Conduct, clause 48(2) and WL4, version 7, clause 4.1.1 Details: The CKB's website records charges are applicable for "<i>rates notice reprints</i>." This means customers will have to pay to obtain historical financial information regarding sewerage services.	The CKB must make historical financial information regarding sewerage services provided available at no charge. 2022 audit observations: We confirmed during the audit that CKB does not make historical financial information regarding sewerage services provided available at no charge. As such, it has not completed Recommendation 10/2021 included in the last audit report.	Complete Recommendation 10/2021 to make historical financial information regarding sewerage services provided available at no charge.



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Licensee's Response to Previous Audit and Review Recommendations

3.2 PREVIOUS REVIEW ASSET SYSTEM DEFICIENCIES AND RECOMMENDATIONS

Details of the actions completed by the CKB against each of the previous asset management system review recommendations are presented in Table 9 below.

Table 9 Previous review asset system deficiencies and recommendations

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)
2020 Asset Management System Effectiveness Review				
R1/2021 to R4/2021	Rating: C1 Process: Asset Planning Effectiveness criterion: Asset Management Plan covers key requirements Details: - Despite both being covered by WL4, until recently, the Kalgoorlie sewerage system (sewers, pumping stations and wastewater treatment plant (WWTP)) was operated by the CKB's Water Services group. However, the re-cycled water system was operated by CKB's Parks and Gardens department. - CKB has recently decided to amalgamate both systems under the management of the Water	Recommendation R1/2021: - All information relevant to the licensed water services should be consolidated in a single AMP, prepared in the form of four separate sections: i.e., section 1 – general information, section 2 - sewers and pumping stations, section 3 – WWTP and section 4 - re-cycled water system. Corrective Action to be Taken: - No action required. A single AMP has been developed for both wastewater and recycled water services. The AMP was implemented in June 2020.	June 2020	No further action required



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Licensee's Response to Previous Audit and Review Recommendations

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)
	Services group - necessitating the transfer of Parks and Gardens staff associated with the recycled water system to the Water Services group. - Although CKB committed to create an updated AMP by March 2020, the document is not completed in a readily accessible format. A significant amount of documentation exists but is difficult to access - as it is located across three separate documents, each of which contain some information relevant to both systems. i.e., the Water Services Asset Management Plan (AMP), the Standard Operating Procedures (SOP) and the Water Quality Management Plan; and Reviewer considers that for clarity, a single AMP should be prepared for the water services - in the form of four separate sections i.e.: - Section 1 - General Information common to all water systems i.e., Background, Asset Creation and Acquisition, Asset Disposal, Environmental Analysis, Overall Risk Assessment, Asset Management Information System (MIS), overall Financial and Capital Expenditure Planning. and Review of the Asset Management System (AMIS)	Recommendation R2/2021: - The AMP was programmed for completion during March 2020. but significant input is required to consolidate the AMP as indicated above. In view of the workload of the small Water Services group tasked with operation and maintenance of the system, supervision of capital works and integration of Parks and Gardens staff, the Reviewer considers CBK should assign or appoint an experienced person to complete the AMP as a matter of urgency; and - The AMP contains some one hundred and twenty pages of Appendices containing specialist consultant's reports. These address demand forecast for sewerage, water balance of the WWTP, meter calibration, bore logs, recycled water issues and SCADA upgrades. The clarity of the AMP could be improved by removing and relocating these documents elsewhere. Their conclusions could be included in the AMP - with a cross reference to the reports and their location on the CKB's server. Corrective Action to be Taken:		



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Licensee's Response to Previous Audit and Review Recommendations

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)
	- Section 2 - sewers and pumping stations planning, operations, maintenance and capital expenditure planning - Section 3 - WWTP - as recorded for section 2 above; and - Section 4 - re-cycled water system - as recorded for section 2 above.	No action required. A single AMP has been developed for both wastewater and recycled water services. The AMP was implemented in June 2020. CKB has included these documents in Appendices which are easily separated depending on what the AMP is being used for. The AMP is a live document that is reviewed at least annually. The documents in the Appendices are important documents relating to the current state of the Assets. Recommendation R3/2021: - Clarity of the AMP should be improved by removing and relocating consultant's and other reports elsewhere. Relevant summaries of their conclusions could be included in the AMP - with a cross reference to the reports and their location on CKB's server; and - The AMP basically addresses the sewerage system - but mainly, fails to address the recycled water system as a functioning facility of CKB's water licence. Corrective Action to be Taken:		



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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)
		No action required. CKB has included these documents in Appendices which are easily separated depending on what the AMP is being used for. The AMP is a live document that is reviewed at least annually. The documents in the Appendices are important documents relating to the current state of the Assets No action required. A single AMP has been developed for both wastewater and recycled water services. The AMP was implemented in June 2020 Recommendation R4/2021: Planning, operation, maintenance, contingency and capital expenditure planning etc. for the re-cycled water. Corrective Action to be Taken: No action required. A single AMP has been developed for both wastewater and recycled water services. The AMP was implemented in June 2020.		



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Licensee's Response to Previous Audit and Review Recommendations

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)
		2022 review observations: Although the AMP had these appendices, the appendices were always developed and stored as separate documents with separate document reference numbers. The AMP has been reviewed and updated since June 2020, with a full review completed in January 2020. As such, we do not consider that any additional action is required.		
R5/2021	Rating: C1 Process: Asset Creation and Acquisition Effectiveness criterion: Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions Details: - Section 5.5 of the AMP sets out the principles of evaluation and procedures to be followed in the acquisition of assets. - Approval for acquisition is required from Council or Council approved budget proposals. Reference is made to CKB's standard procedures for purchasing, tender criteria and application of regional price preference; and	Procedures should be prepared for assessing options for acquisition, replacement, or disposal including competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items. Corrective Action to be Taken: The AMP does not contain procedures. Asset Lifecycle Management is included in the AMP in Section 5. Procedures will be developed and included in the Water Services Quality Management Plan that will align with the AMP section 5. 2022 review observations:	March 2020	No further action required



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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)
	There appears to be no documented procedure for the evaluation of assets considered for acquisition, e.g., competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items etc.	Section 6.2 Maintenance in the AMP has been updated to include CKB's procurements policy and how it relates to the water services and the assets used to provide the service. CKB uses project management principles for assessing options for its major projects.		
R6/2021	Rating: C1 Process: Asset Disposal Effectiveness criterion: There is a replacement strategy for assets Details: The AMP does not contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets. Review: Asset Management System Deficiencies	The AMP should contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets. Corrective Action to be Taken: The AMP does not contain procedures. Asset Lifecycle Management is included in the AMP in Section 5. Procedures will be developed and included in the Water Services Quality Management Plan that will align with the AMP section 5. 2022 review observations: Asset disposal included in Section 6.6 in the AMP. Asset disposal is conducted in accordance with CKB's corporate Asset Disposal Policy.	-	No further action required



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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)
		CKB's asset register is able to report on asset age, asset condition and performance. The work management system in the asset register provides information on works completed, e.g., sewer jetting, sewer blockages, etc, on the assets that allows performance to be assessed and future replacement or renewal works to be developed. CKB has a Capital Long Term Financial Plan for its water service assets that provides information on capital projects that have been forecast. There is no procedure per se as the functionality is built into the asset management system.		
R7/2021	Rating: C2 Process: Asset Operations Effectiveness Criterion: Staff resources are adequate, and staff receive training commensurate with their responsibilities Details: Reviewer notes the management team is always extremely busy – possibly explaining the delay in completing the AMP in favour of implementing other operational procedures, including the complete data entry and implementation of RAMM; and	- CKB should consider the implications of the current workload of existing Water Services staff together with the future overall workload and staff numbers following the transfer of Parks and Gardens staff associated with the water re-cycling system; and - A training program should be prepared for the present/future staff. Corrective Action to be Taken: Recruitment of staff is in progress and ongoing.		No further action required



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Licensee's Response to Previous Audit and Review Recommendations

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)
	Reviewer was unable to access a training schedule for the water services team.	A formal training program for new and existing staff and contractors will be developed and implemented. 2022 review observations: SkyTrust is CKB's training register that identifies the training and qualification that each member of staff needs. CKB does not do any confined space training as these functions are outsourced when confined space access is required. This is recorded in the SOP Manual. CKB have Position Descriptions that outline the qualifications and training requirements for each position. There is an organisation structure for the Water Services. The Water Services team totals seven positions. There is currently 1 vacant position for a pump station operator and 1 vacant position for a Water Technical Officer Compliance. An offer has been made for the Water Technical Officer Compliance position and CKB is awaiting a response from them. In addition, CKB has two external contractors that are dedicated to the Water Services team and		



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Licensee's Response to Previous Audit and Review Recommendations

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)
		provide assistance with day-to-day maintenance and capital improvement works.		
R8/2021	Rating: C1 Process: Asset Maintenance Effectiveness Criterion: Maintenance policies and procedures are documented and linked to service levels required Details: Planned and un-planned maintenance are carried out by contractors for the sewer, pumping stations WWTP and the re-cycled water systems. Contract documents for mechanical, electrical, jetting works inspected by Reviewer included the maintenance schedules for each contract. Copies of the respective maintenance schedules should also be included in the AMP.	- An inspection and maintenance schedule for the sewer, WWTP and re-cycling systems should be included in the AMP for each system; and - Procedures for each of these inspections and their recording, follow up work etc. should be documented in the AMP for each system. Corrective Action to be Taken: No action required. The inspection and maintenance schedules and procedures are included in the Water Services Quality Management Plan in Appendices - P – Recycled Water - AA – WWTP - DD – Sewer Reticulation; Planning Assessments, Admin 2022 review observations: No action was required as these schedules already existed at the time of the last review. OEM recommended inspection frequencies, checks and schedules are included in the	June 2020	No further action required



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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)
		Appendices. Some maintenance activities are also set-up in RAMM, with check sheets completed to record completed work. Examples of the checklists for sewer network maintenance and inspections, recycled water daily checklists and the daily checklists for the South Boulder WWTP were evidenced at the review. We reviewed a small number of each type of checklist over the course of the review and confirmed that details for the completed maintenance activities had been recorded and updated in RAMM where appropriate.		
R9/2021	Rating: C1 Process: Asset Maintenance Effectiveness Criterion: Regular inspections are undertaken of asset performance and condition Details: Regular (monthly?) inspections of representative access chambers are undertaken in the sewer reticulation system and considered in conjunction with overflows/blockages in related pipework. If appropriate, detailed inspection of adjacent access chambers and sewers in the zone including CCTV inspection of related sewers is undertaken. If	A procedure for each of these inspections and their recording, follow up work etc should be documented in the AMP, together with similar documentation for inspections, recording and un-planned maintenance for pumping stations, the WWTP and re-cycled water system. Corrective Action to be Taken: No action required.	June 2020	No further action required



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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)
	necessary, un-planned maintenance works are instigated by the relevant maintenance contractors. Procedures for these inspections are not documented.	The inspection and maintenance schedules are included in the Water Services Quality Management Plan in Appendices • P – Recycled Water • AA – WWTP • DD – Sewer Reticulation; Planning Assessments, Admin 2022 review observations: No action was required as these schedules already existed at the time of the last review Refer to R8/2021. Addition procedural information is also set out in the AMP.		
R10/2021	Rating: C3 Process: Contingency Planning Effectiveness Criterion: Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks Details: • Section 3 of the SOP contains detailed descriptions of the initial procedures to be followed in assessing the extent and consequence of emergencies in the sewer	• CKB should include contingency plans for sewers, pumping stations, WWTP and recycled water systems in their respective volumes of the AMP. • The contingency procedure for sewers in the SOP should be transferred to the AMP for sewers; and • CKB should conduct in-house workshops at which staff and selected maintenance contractors discuss and define the implications, reporting and actions required to manage and minimize the effects of selected	N/A	No further action required



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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)
	collection system, together with the level of CBK staff input including decision on mitigation and clean-up procedures. A broad variety of response options are provided for various scenarios including contact details of trade and equipment services contractors whose assistance may be required. - There are no contingency plans in the AMP for the WWTP or re-cycled water system. Reviewer briefly inspected related plans in the Water Quality Management Plan, which was initially prepared as part of the Memorandum of Understanding between DOH and CKB for the re-cycled water scheme - Reviewer considers that contingency plans for sewers and pumping stations, together with copies from the WQMP of contingency plans for the WWTP and the re-cycled water system should all reside in the AMP – see Recommendation 1/2021; and - The AMP has no procedure for testing the contingency plans. Reviewer recognises that staff have a sound knowledge of the systems due to daily involvement in their operation and maintenance.	asset malfunction or failure scenarios. The scenarios should be prepared by the Water Services Project Manager (or external facilitator) who should facilitate, rather than lead the discussions. Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed to participants. Existing procedures should be amended if considered necessary. It is suggested that workshops be conducted twice yearly, each considering one major and one minor scenario. Corrective Action to be Taken: Contingency planning is included in the AMP in section 5.7 Contingency Planning Contingency plan procedures to support the contingency plans included in the AMP are contained in the Water Services Quality Management Plan. A workshop schedule will be developed for asset and failure scenarios.		



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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)
		2022 review observations: Contingency Plans are included in the SOP Manual and the AMP. No formal testing of contingency plans has been conducted since the last review, but this is considered to be carried out through day-to-day operations of CKB's schemes. The wastewater system is straightforward with regards to its assets and configuration, and this minimises the type and level of contingency that CKB has to consider. CKB's sewer modelling looks at how the wet weather impacts on the sewer system and is used by CKB to prepare the assets for wet weather events to minimise impacts. The WWTP is gravity in and gravity out and CKB ensures that the outlet is clear and not blocked. Emergency generators start-up and switchover is carried out by Water Services electrician contractor. CKB only provides recycled water to customers from Monday to Friday to ensure that there are no issues with the quality of the supplied water.		



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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)
R11/2021	Rating: C3 Process: Review of the Asset management system Effectiveness Criterion: Independent reviews (e.g., internal audit) are performed of the asset management system Details: An internal review of the overall Asset Management System (AMS) has not been undertaken	That CKB prepares procedures for and implements an annual review of the AMP and an audit of the performance of the AMS. Evidence of the reviews and any corresponding revisions should be noted on the front face sheet of the relevant section - and be signed off and dated by the reviewer. Corrective Action to be Taken: No action required. The AMP defines "Plan Improvement and Monitoring in Section 7. Procedures are not required to audit the City's compliance with the AMP and the supporting procedures outlined in the Water Services Quality Management Plan 2022 review observations: Document control sheet on AMP records dates of reviews and updates and the reasons for the changes to the document. In addition, CKB's document management system (CiAnywhere, a TechnologyOne system) records when documents have been checked out and	June 2020	No Action required



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Licensee's Response to Previous Audit and Review Recommendations

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)
		back in, and the changes made to different versions of each document.		

B. Unresolved at 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)



4.0 OPERATIONAL AUDIT SUMMARY

The findings of the operational audit are summarised in a table with adequacy of control and compliance rating. The table includes all applicable compliance reporting items and are numbered according to the Water Compliance Reporting Manual, October 2021. Description of the rating scale and outcomes of the operational audit is provided in the following sections.

4.1 ASSESSMENT RATING SCALES

In accordance with the Audit Guidelines, an assessment of the performance of CKB was completed using the rating scale in Table 10 and asset management system effectiveness using the rating scales in Table 11 and Table 12.

Table 10 Audit compliance and controls rating scales

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls - no improvement needed	1	Compliant
B	Generally adequate controls - improvement needed	2	Non-compliant – minor effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

Table 11 Asset management process and policy definition adequacy 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 that are 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) require minor improvements (taking into consideration the assets that are being managed).



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Operational Audit Summary

Rating	Description	Criteria
C	Requires substantial 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 that are 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 that are being managed).

Table 12 Asset management performance rating

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	Opportunity for improvement	- The performance of the process requires some improvement to meet the required level. - Process effectiveness reviews are not performed regularly enough. - Process improvement opportunities 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. - Process improvement opportunities are not implemented.
4	Serious action required	Process is not performed, or the performance is so poor that the process is considered to be ineffective.

4.2 OPERATIONAL AUDIT COMPLIANCE SUMMARY

Table 13 provides a summary of CKB's compliance rating against each licence obligation, and an adequacy of controls rating where the item has been found to be non-compliant.

N/A = Not applicable - Determined during the audit that the compliance obligation does not apply to the Licensee's business operations

N/P = No relevant activity was performed during the audit period and a controls rating is not required

N/R = Not rated - No relevant activity took place during the audit period, therefore it is not possible to assess compliance.



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Table 13 Audit obligation ratings

Licence obligation ref no. (Refer to the Water Compliance Reporting Manual)	Licence obligation	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls Rating (Refer to the 4-point rating scale in Table 10 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 10 for details)					
			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
Water Compliance Reporting Manual, October 2021														
2	Water Services Act Section 21(1)(b)	4	✓											✓
3	Water Services Act Section 21(1)(c)	4	✓						✓					
4	Water Services Act Section 22	4					✓							✓
5	Water Services Act Section 23	4	✓						✓					
6	Water Services Act Sections 24(1)(a) & 24(2)	1	✓						✓					
8	Water Services Act Section 24(1)(c)	4	✓						✓					
9	Water Services Act Section 25	4	✓						✓					
10	Water Services Act Section 26(3)	4				✓					✓			
13	Water Services Act Section 36	4					✓							✓
15	Water Services Act Section 70(2)	4	✓						✓					
16	Water Services Act Section 77(3)	4	✓						✓					
17	Water Services Act Sections 82(4) & (5)	4	✓						✓					



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Licence obligation ref no. (Refer to the Water Compliance Reporting Manual)	Licence obligation	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls Rating (Refer to the 4-point rating scale in Table 10 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 10 for details)					
			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
18	Water Services Act Section 84(2)	4					✓							✓
19	Water Services Act Section 87(2)	4					✓							✓
20	Water Services Act Section 90(7)	5					✓							✓
24	Water Services Act Section 98(3)	4					✓							✓
25	Water Services Act Section 106(2)	4	✓						✓					
28	Water Services Act Section 119(2)	4	✓											✓
29	Water Services Act Section 122(2)	4					✓							✓
30	Water Services Act Section 125(2)	4	✓						✓					
31	Water Services Act Section 128(4)	4					✓							✓
32	Water Services Act Section 129(5)	4	✓						✓					
33	Water Services Act Section 139(3)	4					✓							✓
34	Water Services Act Section 141(1)	4					✓							✓



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Licence obligation ref no. (Refer to the Water Compliance Reporting Manual)	Licence obligation	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls Rating (Refer to the 4-point rating scale in Table 10 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 10 for details)					
			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
35	Water Services Act Sections 142	4					✓							✓
36	Water Services Act Sections 143(2)	4					✓							✓
37	Water Services Act Sections 143(3)	4					✓							✓
38	Water Services Act Sections 144(3)	4					✓							✓
39	Water Services Act Section 145(2)	4					✓							✓
40	Water Services Act Section 147(3)	4					✓							✓
41	Water Services Act Section 147(4)	4					✓							✓
42	Water Services Act Section 151(1)	2					✓							✓
43	Water Services Act Section 151(2)	4					✓							✓
44	Water Services Act Section 152(3)	4					✓							✓
45	Water Services Act Section 153(3)	4					✓							✓
46	Water Services Act	4					✓							✓



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Licence obligation ref no. (Refer to the Water Compliance Reporting Manual)	Licence obligation	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls Rating (Refer to the 4-point rating scale in Table 10 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 10 for details)					
			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	Section 166(5)													
47	Water Services Act Section 166(6)	4					✓							✓
48	Water Services Act Section 170	4					✓							✓
49	Water Services Act Section 173(4)	4	✓						✓					
50	Water Services Act Section 174(1)	4	✓						✓					
51	Water Services Act Section 174(3)	4	✓						✓					
52	Water Services Act Section 175(2)	4					✓							✓
53	Water Services Act Section 175(5)	4					✓							✓
54	Water Services Act Section 176(1)	4					✓							✓
55	Water Services Act Section 176(3)	4	✓						✓					
56	Water Services Act Section 176(4)	4					✓							✓
57	Water Services Act Section 181	5	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
58	Water Services Act Section 186	4					✓							✓
59	Water Services Act Section 187(1) – (3)	4					✓							✓
60	Water Services Act Section 190(4)	4					✓							✓
61	Water Services Act Section 190(5)	4					✓							✓
62	Water Services Act Section 210(5)	4					✓							✓
63	Water Services Act Section 218(2)	5					✓							✓
64	Water Services Act Section 218(3)	4					✓							✓
66	Water Services Regulations 2013 Regulation 24(4)	4					✓							✓
67	Water Services Regulations 2013 Regulations 26(3)	4					✓							✓
68	Water Services Regulations 2013 Regulation 26(5)	4					✓							✓



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
69	Water Services Regulations 2013 Regulation 29(1)	4					✓							✓
70	Water Services Regulations 2013 Regulation 42(2)	4						✓					✓	
71	Water Services Regulations 2013 Regulation 43(3)	4						✓					✓	
72	Water Services Regulations 2013 Regulation 43(6)	4						✓					✓	
74	Water Services Regulations 2013 Regulation 60(2)	4					✓							✓
75	Water Services Regulations 2013 Regulation 63	4					✓							✓
89	Water Services Regulations 2013 Regulation 85	4	✓						✓					
92	Water Services Code of Conduct (Customer Service)	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	Standards) 2018 Clause 8(1)-(3)													
94	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 10(2)	4	✓						✓					
95	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(2)	4						✓					✓	
96	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(3)	4						✓					✓	
97	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(4)	4						✓					✓	
98	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(5)	4						✓					✓	



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
98A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)	1						✓					✓	
99	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 12	4	✓						✓					
100	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(1)	1	✓						✓					
100A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(3)	1						✓					✓	
101	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(4)	1						✓					✓	
101A	Water Services Code of Conduct	1						✓					✓	



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	(Customer Service Standards) 2018 Clause 13(5)													
102A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6)	1	✓						✓					
103	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(1)	4						✓					✓	
104	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(2)	4						✓					✓	
104A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 15(3)	4						✓					✓	
105	Water Services Code of Conduct (Customer Service Standards)	4						✓					✓	



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	2018 Clause 16(1)													
106	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 17(2) & (3)	2						✓					✓	
107	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(2)	3					✓							✓
108	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(3)	3					✓							✓
109	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(4)	3					✓							✓
110	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(5)	3					✓							✓



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
111A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(2)	4					✓							✓
112A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(3)	4					✓							✓
112B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4)	4					✓							✓
112C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(5)	4					✓							✓
113	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(1)	4	✓						✓					
114	Water Services Code of Conduct	1	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	(Customer Service Standards) 2018 Clause 20(2)													
115	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) & (6)	1	✓						✓					
116	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4)	1				✓				✓				
117	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(5)	4	✓						✓					
117A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21	4	✓						✓					
118	Water Services Code of Conduct (Customer Service Standards)	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	2018 Clause 23													
119	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(1)	4	✓						✓					
120	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(2)	4	✓						✓					
121	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 25(1)	4	✓						✓					
122	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 26(1)	4	✓						✓					
123	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 27	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
124A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(2)	4	✓											✓
124B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(3)	4	✓											✓
124C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(4)	4	✓						✓					
125	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 29(1) & (2)	4	✓						✓					
126A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(3)	4	✓						✓					
126B	Water Services Code of	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	Conduct (Customer Service Standards) 2018 Clause 29(4)													
128	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(6)	4	✓						✓					
129A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(7)	4	✓						✓					
129B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(8)	4					✓							✓
129C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(9)	4					✓							✓
130A	Water Services Code of Conduct (Customer Service Standards)	4	✓											✓



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	2018 Clause 30(2)													
130B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(3)	4	✓											✓
131A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(a)	4	✓											✓
131B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(b)	4	✓											✓
131C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c)	4	✓						✓					
133	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 31(4) & (5)	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
133A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32	4	✓											✓
134	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(a)-(c)	4	✓						✓					
134A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e)	4	✓											✓
135	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 40(1)	4						✓					✓	
136	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 40(2)	4						✓					✓	
137A	Water Services Code of Conduct	4						✓					✓	



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	(Customer Service Standards) 2018 Clause 36(1)													
137B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(2)	4						✓					✓	
137C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(3)	4						✓					✓	
138	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(a)-(e) & (h)	4						✓					✓	
138A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(f)-(g)	4						✓					✓	
138B	Water Services Code of Conduct (Customer Service Standards)	4						✓					✓	



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	2018 Clause 38													
139	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 39	4						✓					✓	
142	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(4)	4						✓					✓	
144	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(6)	4						✓					✓	
144A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)	4	✓											✓
144B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2)	4	✓											✓



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
144C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(1)	4	✓						✓					
144D	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(2)	4	✓						✓					
144E	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 45	4	✓						✓					
145	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(1)	4	✓						✓					
146	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(2)	1				✓				✓				
147	Water Services Code of Conduct	4	✓						✓					



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	(Customer Service Standards) 2018 Clause 46(3)													
148A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(4)	2				✓				✓				
149	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(5)	4	✓						✓					
149A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47	4	✓											✓
150	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 48(1)	4	✓											✓
152	Water Services Code of Conduct (Customer Service Standards)	4				✓				✓				



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	2013 Clause 48(2)													
153	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1)	4	✓						✓					
154	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 49(2)	4	✓						✓					
154A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(3)	4				✓				✓				
155	Water Services Act Section 12	4	✓						✓					
159	Water Services Act Section 12	4					✓							✓
160	Water Services Act Section 12	4	✓						✓					
162	Water Services Act Section 12	4	✓						✓					
163	Water Services Act Section 12	4					✓							✓
165	Water Services Act Section 12	4	✓						✓					



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Licence obligation ref no. (Refer to the Water Compliance Reporting Manual)	Licence obligation	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Controls Rating (Refer to the 4-point rating scale in Table 10 for details)						Compliance Rating (Refer to the 4-point rating scale in Table 10 for details)					
			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
167	Water Services Act Section 12	4	✓							✓				
168	Water Services Act Section 12	4					✓							✓
169	Water Services Act Section 12	4	✓						✓					
170A	Water Services Act Section 12	3						✓					✓	
171	Water Services Act Section 12	3	✓											✓
172	Water Services Act Section 12	4	✓						✓					
172A	Water Services Act Section 12	4					✓							✓
172B	Water Services Act Section 12	4					✓							✓
182	Water Services Act Section 12	4					✓							✓
184A	Water Services Act Section 12	4	✓						✓					
184B	Water Services Act Section 12	4						✓					✓	
185	Water Services Act Section 12	4	✓						✓					
186	Water Services Act Section 12	4	✓						✓					
187	Water Services Act Section 12	4				✓				✓				



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Operational Audit Summary

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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
188	Water Services Act Section 12	4					✓							✓
189	Water Services Act Section 12	4					✓							✓
191	Water Services Code of Practice (Family Violence) 2020 Clause 5(1)	4				✓					✓			
192	Water Services Code of Practice (Family Violence) 2020 Clause 5(2)	4				✓					✓			
193	Water Services Code of Practice (Family Violence) 2020 Clause 6	4				✓					✓			
194	Water Services Code of Practice (Family Violence) 2020 Clause 7	4					✓							✓
195	Water Services Code of Practice (Family Violence) 2020 Clause 8(1)	4					✓							✓
196	Water Services	4					✓							✓



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			A	B	C	D	N/P	N/A	1	2	3	4	N/A	N/R
	Code of Practice (Family Violence) 2020 Clause 8(2)													
197	Water Services Code of Practice (Family Violence) 2020 Clause 9	4				✓					✓			
198	Water Services Code of Practice (Family Violence) 2020 Clause 10	4				✓					✓			
Water Compliance Reporting Manual, March 2021														
7	Water Services Act Section 24(1)(b)	4					✓							✓



4.3 ASSET MANAGEMENT REVIEW EFFECTIVENESS SUMMARY

The asset management system review assessed the effectiveness of the asset management system in delivering the services as required under the operating licence.

The review was conducted utilising the asset management adequacy and performance ratings as outlined in the Audit Guidelines. A summary of the outcomes of the review is provided in Table 14.

Table 14 Asset management review effectiveness summary

Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
Asset planning	B	1
Asset management plan covers key requirements	B	1
Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	A	1
Service levels are defined in the asset management plan	B	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
Plans are regularly reviewed and updated	A	1
Asset creation/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
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



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Operational Audit Summary

Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
Disposal alternatives are evaluated	A	1
There is a replacement strategy for assets	A	1
Environmental analysis	A	1
Opportunities and threats in the 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
Asset operations	B	1
Operational policies and procedures are documented and linked to service levels required	B	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, 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
Asset maintenance	B	1
Maintenance policies and procedures are documented and linked to service levels required	B	1
Regular inspections are undertaken of asset performance and condition	A	1
Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	B	1
Failures are analysed and operational / maintenance plans adjusted where necessary	B	1
Risk management is applied to prioritise maintenance tasks	A	1
Maintenance costs are measured and monitored	A	1
Asset management information system	A	1
Adequate system documentation for users and IT operators	A	1
Input controls include appropriate verification and validation of data entered into the system	A	1



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Operational Audit Summary

Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
Logical 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	B	1
Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	A	1
Risk management	A	1
Risk management policies and procedures exist and are being 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
The probability and consequence of risk failure are regularly assessed	A	1
Contingency planning	B	1
Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	B	1
Financial planning	B	1
The financial plan states the financial objectives and identifies strategies and actions to achieve those	B	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 indicative 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
Capital expenditure planning	A	1
There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	A	1



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Operational Audit Summary

Asset management process & effectiveness criteria	Asset management process and policy rating	Asset management performance rating
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 that the capital expenditure plan is regularly updated and implemented	A	1
Review of AMS	B	1
A review process is in place to ensure the asset management plan and the asset management system described in it remain current	B	1
Independent reviews (e.g., internal audit) are performed of the asset management system	B	1



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Observations and recommendations

5.0 OBSERVATIONS AND RECOMMENDATIONS

5.1 OPERATIONAL AUDIT

Table 15 Operational audit observations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
Water Compliance Reporting Manual, October 2021					
2	<i>Water Services Act Section 21(1)(b)</i> The licensee must if requested, offer to provide the water service authorised by the licence to any other person (not covered by section 21(1)(a) of the Act) within the operating area of the licence on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	4	- Section 1.3 of CKB's Wastewater Collection & Treatment Service – Customer Service Charter – June 2020 states that “The City of Kalgoorlie-Boulder will use its best endeavours to provide a service to collect, treat and dispose of domestic sewage discharged from each customer's property to the City's sewer system. In addition, the City of Kalgoorlie-Boulder will provide other services on terms agreed between the customer and the City.” - When requested by customers, CKB has provided services in accordance with its licence and within its operating area. - CKB was not requested to provide water services authorised by WL4 to any other person (not covered by section 21(1)(a) of the Act) within the operating area of the licence during the audit period. - CKB advised that there have been no instances where it has discontinued providing a service because it has been not practicable or not financially viable. - Although customers in West Kalgoorlie are within CKB's operating licence area, they are not considered to be financially viable as the distance to connect them to the existing sewer is considered too great. The	A	N/R



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			West Kalgoorlie area in an industrial area and the properties are all non-residential. As no activity took place during the Audit Period, we have not rated the compliance with this obligation.		
3	<i>Water Services Act Section 21(1)(c)</i> The licensee must provide, operate and maintain the water service works specified by the ERA in the licence for the purposes of section 11(3).	4	- CKB stated it has provided, operated and maintained the water service works as specified by the ERA in the licence during the Audit Period. Maintenance of the water service works has been undertaken by CKB employees and contractors during the Audit Period. - The provision, operation and maintenance of the water service works during the Audit Period were rated across 12 asset management system processes. Comprehensive detail of the Reviewer's assessment is included in Section 5.2 of this Report. - CKB uses the RAMM AMIS to manage its water services assets. Assets are recorded by type and attributes are recorded against each asset. The assets are maintained in accordance with CKB's AMP. - Asset management procedures are set out in the Water Services WS-001 - Standard Operating Procedures (SOP) Manual. These include: - Sewer Operating Procedures (Part D) - Wastewater Treatment Plant Operating Procedures (Part E) - Asset Management Procedures (Part F) - In addition, CKB has a Water Service Quality Management Plan that includes asset information, schematics, processes, additional operational management plans (e.g., algae, odour, noise, mosquitoes) and the O&M Manuals for the sewage treatment and the supply of recycled water. The information in the Water Service Quality Management Plan is presented in a series of appendices.	A	1



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			- We have undertaken an asset management review at the same time as this operational audit and the findings of this review are presented later in this report. - We inspected the licensee's assets at the time of audit including the South Boulder Wastewater Treatment Plant, Throssell Street Pump Station, Androvich Way Pump Station, Old Boulder Reservoirs and Pump Station, Racecourse Dam and Pump Station, Swan Lakes Dams and Pump Station and Piccadilly Dam and Pump Station.		
4	<i>Water Services Act Section 22</i> The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the licence.	4	- CKB does not provide any water services outside of the operating area. - This obligation is not able to be rated for the audit period.	N/P	N/R
5	<i>Water Services Act Section 23</i> All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.	4	- CKB is the asset owner for the water services assets in its operating area that it is licensed to provide. - The licences with the ERA, DoH and DWER are also held in CKB's name.	A	1
6	<i>Water Services Act Sections 24(1)(a) & 24(2)</i> The licensee must provide for an asset management system in respect of the licensee's water service works.	1	- The main components of the CKB's current asset management system include: – Thinkproject RAMM, CKB's asset register and works management system – The Asset Management Plan (AMP) – Water Services Standard Operating Procedures (SOP) Manual. – Water Services Quality Management Plan – Altus financial system that includes the financial asset register. Altus replaced the previous Synergy financial system in February 2023 – Intramaps GIS for linear assets, including the sewer and recycled water mains. The asset attributes and shape data are stored in RAMM. – CITEC SCADA for managing/monitoring assets	A	1



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			- WaterTrax for water quality sample data and flow data. This is used internally by CKB for its own sample points. It is also being updated to allow it to be used by its external water quality testing laboratory for uploading test results. - Capital Works Program - Annual operating budget - A review of this asset management system has been completed at the same time as this operational audit and the outcomes are presented in a later section of this report.		
8	<i>Water Services Act Section 24(1)(c)</i> A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	4	- An asset management system review was conducted by Paxon and documented in a report prepared March 2021, which covered the period from 1 January 2019 to 31 December 2020. - The next asset management system review (this review) covers the 24-month period from 1 January 2020 to 31 December 2022.	A	1
9	<i>Water Services Act Section 25</i> A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	4	- The licensee is currently subject to operational audits at 24-month intervals. - The last operational audit was undertaken by Paxon and documented in a report prepared March 2021, which covered the period from 1 January 2019 to 31 December 2021. - The next operational audit (this audit) covers the period from 1 January 2020 to 31 December 2022.	A	1
10	<i>Water Services Act Section 26(3)</i> The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	4	During our audit of Obligations 191, 192, 193, 194, 195, 196, 197 and 198 of the ERA's Water Compliance Reporting Manual – Water Service Act 2012 – October 2021, we identified that CKB has not prepared a Family Violence Policy in accordance with the requirements of the <i>Water Services Code of Practice (Family Violence) 2020</i>.	D	3



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			Therefore, we consider that CKB is non-compliant with the requirements of this obligation. We have provided additional commentary under Obligation 191.		
13	<i>Water Services Act Section 36</i> If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.	4	CKB advised that it has not ceased to provide a water service during the audit period. Therefore, this obligation is not able to be rated.	N/P	N/R
15	<i>Water Services Act Section 70(2)</i> The licensee must not supply water services to customers unless the licensee: - is a member of the water services ombudsman scheme; and - is bound by the scheme; and - will comply with any decision or direction of the water services ombudsman under the scheme.	4	- The licensee has agreed to be bound by and compliant with any decision or direction of the Western Australian Energy and Water Ombudsman (Ombudsman). - CKB has stated no decisions or directions were given by the Ombudsman during the Audit Period. - We examined a sample of tax invoice issued by the Energy and Water Ombudsman (WA) Ltd regarding the annual levy payable by the CKB for the 2021/22 and 2022/23 years and details of the standing orders recorded in Altus. - We confirmed that no invoices have been received from the Ombudsman related to complaints against CKB lodged via the Ombudsman during the audit period.	A	1
16	<i>Water Services Act Section 77(3)</i> The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	4	- CKB has in place appropriate asset management practices to minimise the extent or duration of any interruption of its water services. We discuss asset management practices further in the second section of this report. - CKB uses the services of a contracted plumber who, in terms of a contractual agreement, is given 60 minutes to respond to interruptions notified by the licensee. During business hours CKB would be likely to triage the incident to assess and confirm any interruption to service.	A	1



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			- CKB maintains records of sewerage blockages which include the time that the call was received from the customer and entered into RAMM, the time onsite, time that any blockage was cleared and completed time for when they left the site, the time on site and the duration of any interruption to service. - Based on the work order records in RAMM, we consider that CKB took reasonable steps to minimise the extent or duration of water services interruptions.		
17	<i>Water Services Act Sections 82(4) & (5)</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 license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	4	- CKB has a turnaround requirements for building applications and permits which is as follows: - Uncertified within 25 days - Certified within 10 days - Details of CKB's building permit application processes and the application and permit forms are provided on the CKB website. - Typically for wastewater connections, the property owner/developer would engage a plumber/builder to install the infrastructure and CKB would undertake the cut-in to the main to ensure the quality of the work, with the developer paying for this work. - Plans received from applicants are recorded by CKB in a database. - CKB has a Water Service Building and Planning Data spreadsheet that it uses to record the details of each application and the review details that Water Services has provided back to developer related to protecting the City's assets - Any written directions considered necessary to ensure the safety and efficacy of water services are appropriately addressed to enable compliance with CKB's turnaround policy during the Audit Period.	A	1
18	<i>Water Services Act Section 84(2)</i>	4	CKB has stated no notices were given under section 83(3)(a) of the Act during the Audit Period.	N/P	N/R



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Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the licensee must give the person 21 days' notice of its intention to commence the works.		Therefore, section 84(2) of the Act in respect of giving 21 days' notice of the CKB's intention to commence works was not applicable during the audit period.		
19	<i>Water Services Act Section 87(2)</i> If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	4	CKB has stated it has no knowledge of any application(s) made to the State Administrative Tribunal during the Audit Period. Therefore, this obligation has not been rated.	N/P	N/R
20	<i>Water Services Act Section 90(7)</i> If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.	5	CKB has not issued any compliance notices under the Act during the audit period related to construction in the vicinity of water service works. Therefore, this obligation has not been rated.	N/P	N/R
24	<i>Water Services Act Section 98(3)</i> If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	4	CKB has not received a direction from the Minister to connect a wastewater inlet on land to its sewerage works during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
25	<i>Water Services Act Section 106(2)</i> The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	4	- CKB confirmed that it has issued a compliance notice in relation to failure to maintain fittings, fixtures and pipes during the audit period. - The incident that resulted in the compliance notice being issued related to a sewer overflow at a customer property that flooded the property as a result of the property's plumbing being non-complaint. The overflow relief point was not at the minimum level below the lowest fixture connected at the property and there was	A	1



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			also a stormwater fixture connected to the sewer system. - CKB issued the compliance notice to the customer on 8 October 2022. We reviewed the letter issued by CKB and confirmed that it included: - in what way the person given the notice had failed to comply with section 104 or 105, including in what way the discharge or the fitting, fixture or pipe was not in accordance with the licensee's approval - what the person given the notice was required to do to comply with the notice - the time within which the person was required to comply with the notice.		
28	<i>Water Services Act Section 119(2)</i> The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	4	- The matters set out in section 119(1) relate to providing a compliance notice if a person is failing or has failed to comply with the following sections of the Act: 82(6) & (7) - Notification of and requirements as to building work 88(1) - Interfering with water service works of licensee 89(1) & (2) - Taking water without or contrary to approval 91 (1) - Requirement to use etc. approved fittings, fixtures and pipes 93(1) - Approval required before connecting to water supply 94(1) - No connection of additional water supply without approval 99(1) - Approval required before connecting to sewer 111(1) - Approval required before connecting to drainage works	A	N/R



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Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			– 112(1) - Requirement to maintain or modify drainage assets, etc • We confirmed that CKB has not issued any compliance notices in relation to the matters set out in section 119(1) of the Act during the audit period. • The compliance notice given during the audit period (refer to Obligation 25) specified that there were non-compliances with Section 92(1)(c) of the Water Services Act and AS/ANZS 3500 Plumbing and Drainage section 4.6.6.6. • Therefore, this obligation has not been rated.		
29	<i>Water Services Act Section 122(2)</i> If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	4	• CKB are not aware of any application made with the State Administrative Tribunal under section 122(1) of the Act, during the Audit Period. Therefore, this obligation has not been rated.	N/P	N/R
30	<i>Water Services Act Section 125(2)</i> If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the Strata Titles Act 1985.	4	• Sewerage service customers are charged based on the rateable value of their property. • During the Audit Period, CKB apportioned fees, if appropriate, with reference to GRV values. • All recycled non-potable water customers are individually metered and receive individual bills.	A	1
31	<i>Water Services Act Section 128(4)</i> If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.	4	• CKB has stated no circumstances necessitated the withdrawal of a memorial during the Audit Period. Therefore, this obligation has not been rated.	N/P	N/R



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
32	<i>Water Services Act Section 129(5)</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.	4	- CKB provides 48 hours' notice to occupants in respect of proposed entry for purposes of routine inspections or maintenance of sewerage services. - The Water Services SOP Manual states that the office attending a blockage must "Provide 48 hours' notice in writing of any routine inspections or maintenance works to residents' affected by these works prior to them being undertaken." - CKB's contract plumbers conduct any letter drop informing customers of the proposed entry, although, there is no formal process to provide the notification. - Typically, when access is required, CKB ask the customer to inspect and arrange the best time. Therefore, any entry is based on negotiation with occupier. CKB's SOP includes that verbal agreement is required before entry to customer property. - CKB's activities are generally not considered to be disruptive to the customer. Generally, any sewerage issues attended by CKB would be classed as emergencies and this provides CKB with exemptions for entry. - All sewers are located in public property so typically CKB does not need to access customer property to carry out routine inspection or maintenance. - For recycled water customers, the meter is at the property boundary, so access is not generally required. Agreement is arranged in advance where CKB needs to access customer property to read a recycled water meter, e.g., CKB has been provided with a key to allow access to the meter at the hockey stadium. - CKB advised that where required, at least 48 hours' notice of property entry was given to the occupier of a place unless the occupier agreed otherwise.	A	1



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			An example of correspondence related to entry to a customer's property to undertake rectification works on CKB's sewer was provided as evidence and we confirmed that five days advance notice was provided in this instance. CKB advised that this was the only entry to a customer property that it could recall during the audit period.		
33	<i>Water Services Act Section 139(3)</i> If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	4	- CKB advised that it did not remove or erect a fence or gate when exercising a works power conferred by the Act during the audit period. - CKB has erected fences and gates during the audit period, but this has been for contractor's barricades or at its own sites and so did not occur on any private property. - Therefore, this obligation has not been rated.	N/P	N/R
34	<i>Water Services Act Section 141(1)</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.	4	CKB has not carried out any road work that involved breaking the surface of the road or which would cause major obstruction to road traffic where it has required to provide at least 48 hours' notice to the public authority managing the road. Works powers have only been exercised within roads under CKB's control and/or management. As a result, we have not rated this obligation.	N/P	N/R
35	<i>Water Services Act Sections 142</i> The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works, and has given any notice required by section 148.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
36	<i>Water Services Act Sections 143(2)</i> Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R



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37	<i>Water Services Act Sections 143(3)</i> The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
38	<i>Water Services Act Sections 144(3)</i> The licensee must have regard to an objection or submission lodged within the relevant period.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
39	<i>Water Services Act Section 145(2)</i> If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
40	<i>Water Services Act Section 147(3)</i> The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
41	<i>Water Services Act Section 147(4)</i> If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.	4	CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
42	<i>Water Services Act Section 151(1)</i> A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	2	- CKB has not planned for or constructed any general works (as defined by Section 134 of the Act) during the audit period. - Although a new pumping station has been constructed at the Swan Lakes site to provide recycled water to a new major recycled water customer, the works are within the boundary of the existing CKB-owned site and are considered exempt under section 135(1)(e) of the Water Services Act.	N/P	N/R



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			Therefore, this obligation has not been rated.		
43	<i>Water Services Act Section 151(2)</i> The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	4	Refer to our observations under Obligation 42.	N/P	N/R
44	<i>Water Services Act Section 152(3)</i> The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	4	Refer to our observations under Obligation 42.	N/P	N/R
45	<i>Water Services Act Section 153(3)</i> If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	Refer to our observations under Obligation 42.	N/P	N/R
46	<i>Water Services Act Section 166(5)</i> On being advised by the Minister that an interest in land is appropriate to the licensee's needs, the licensee is required to acquire the interest.	4	CKB has not been required to take an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.	N/P	N/R
47	<i>Water Services Act Section 166(6)</i> Any costs incurred in taking an interest in land are to be paid by the licensee.	4	CKB has not been required to take an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.	N/P	N/R
48	<i>Water Services Act Section 170</i> The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the Planning and Development Act 2005, unless the Minister permits the licensee to do so.	4	CKB has not been required to sell an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.	N/P	N/R
49	<i>Water Services Act Section 173(4)</i> In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is	4	As noted in our observations under obligation 32, CKB provides 48 hours' notice to occupants in respect of	A	1



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	required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.		proposed entry for purposes of routine inspections or maintenance of sewerage services when required. - The Water Services SOP Manual states that the office attending a blockage must "Provide 48 hours' notice in writing of any routine inspections or maintenance works to residents' affected by these works prior to them being undertaken." - CKB's contract plumbers conduct any letter drop informing customers of the proposed entry, although, there is no formal process to provide the notification. - Typically, when access is required, CKB ask the customer to inspect and arrange the best time. Therefore, any entry is based on negotiation with occupier. CKB's SOP includes that verbal agreement is required before entry to customer property. - CKB's activities are generally not considered to be disruptive to the customer. Generally, any sewerage issues attended by CKB would be classed as emergencies and this provides CKB with exemptions for entry. - All sewers are located in public property so typically CKB does not need to access customer property to carry out routine inspection or maintenance. - For recycled water customers, the meter is at the property boundary, so access is not generally required. Agreement is arranged in advance where CKB needs to access customer property to read a recycled water meter, e.g., CKB has been provided with a key to allow access to the meter at the hockey stadium. - CKB advised that where required, at least 48 hours' notice of property entry was given to the occupier of a place unless the occupier agreed otherwise. - An example of correspondence related to entry to a customer's property to undertake rectification works on CKB's sewer was provided as evidence and we		



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			confirmed that five days advance notice was provided in this instance. CKB advised that this was the only entry to a customer property that it could recall during the audit period.		
50	<i>Water Services Act Section 174(1)</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.	4	- Refer to our observations under Obligation 49. - An example of correspondence related to entry to a customer's property to undertake rectification works on CKB's sewer was provided as evidence and we confirmed that five days advance notice was provided in this instance. CKB advised that this was the only entry to a customer property that it could recall during the audit period. - We confirmed that the notice of proposed empty by the licensee was made in writing, set out the purpose of the entry and included details of the work that CKB was proposing to carry out. The notice also provided details of the contractor carrying out the work and CKB's supervisor for the work and screenshots from CKB's GIS to show the location of where the works were to be carried out.	A	1
51	<i>Water Services Act Section 174(3)</i> Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	4	- Refer to our observations under Obligation 49. - CKB advised that for emergency works during the audit period, verbal permission to enter a place was always requested.	A	1
52	<i>Water Services Act Section 175(2)</i> If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	4	CKB has not made any entries into a customer's dwelling for purposes related to the licenced water services during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
53	<i>Water Services Act Section 175(5)</i> If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice, which includes the prescribed	4	CKB has not made any entries into a customer's dwelling for purposes related to the licenced water	N/P	N/R



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	information, or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.		services during the audit period. Therefore, this obligation has not been rated.		
54	<i>Water Services Act Section 176(1)</i> If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	4	CKB was not able to recall any incidents from the audit period where the owner or occupier has refused or withdrawn their consent and CKB's staff (or contractors) have been required to leave the premises as soon as practicable after being notified. Therefore, this obligation has not been rated.	N/P	N/R
55	<i>Water Services Act Section 176(3)</i> The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	4	- CKB's staff are required to comply with its Code of Conduct in relation to communicating and dealing with members of the public. - CKB's requirements are in accordance with the Act and staff are required to produce their certificate of authority if asked to do so. - CKB does not recall any occasions where staff were required to produce their certificate of authority and did not perform or continue to perform a function under the Act as they were not able to do so.	A	1
56	<i>Water Services Act Section 176(4)</i> If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.	4	CKB has not experienced any occasions during the audit period where staff have been requested to produce evidence of authority for that entry by the owner or occupier and not been able to provide the evidence. Therefore, this obligation has not been rated.	N/P	N/R
57	<i>Water Services Act Section 181</i> The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	5	- As far as is practicable, CKB and its contractors, comply with any reasonable requests from the owner or occupier. - CKB recalled one instance where a customer asked if reactive jetting work that was being carried out by CKB's contractor could be postponed until later as the impacted customer was working night shifts.	A	1



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			However, CKB does not record and requests that are made by owner or occupier.		
58	<i>Water Services Act Section 186</i> If the licensee applies for a warrant, the application must contain the prescribed information.	4	CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.	N/P	N/R
59	<i>Water Services Act Section 187(1) – (3)</i> If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.	4	CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.	N/P	N/R
60	<i>Water Services Act Section 190(4)</i> Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	4	CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.	N/P	N/R
61	<i>Water Services Act Section 190(5)</i> On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	4	CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.	N/P	N/R
62	<i>Water Services Act Section 210(5)</i> If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.	4	- CKB has not designated any person as an inspector or compliance officer during the audit period. - As a result, no certificates of authority have been issued. Therefore, this obligation has not been rated.	N/P	N/R
63	<i>Water Services Act Section 218(2)</i> In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	5	- CKB has not exercised a works power of power of entry under this Act during the audit period. Therefore, this obligation has not been rated. - No complaints regarding the CKB's actions to deliver the water service have been received during the audit period.	N/P	N/R



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64	<i>Water Services Act Section 218(3)</i> If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.	4	- CKB has not exercised a works power of power of entry under this Act during the audit period. Therefore, this obligation has not been rated. - No complaints regarding the CKB's actions to deliver the water service have been received during the audit period.	N/P	N/R
66	<i>Water Services Regulations 2013 Regulation 24(4)</i> If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.		- CKB did not give a compliance notice to a person in respect of access to meters. - All of CKB's recycled water customers are non-residential customers and the meters are readily accessible. - Therefore, this obligation has not been rated.	N/P	N/R
67	<i>Water Services Regulations 2013 Regulations 26(3)</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.		CKB was not requested to test a meter by an owner or occupier during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
68	<i>Water Services Regulations 2013 Regulation 26(5)</i> If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).		CKB was not requested to test a meter by an owner or occupier during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
69	<i>Water Services Regulations 2013 Regulation 29(1)</i> The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the contribution unless regulations 29(3) or 29(4) applies.	4	- CKB collects headwork contributions related to new developments and upgrades of commercial premises from developers prior to approving the development in order to meet CKB's conditions. - However, CKB advised that no requests to defer the payment of the contribution were received during the Audit Period. Therefore, this obligation has not been rated.	N/P	N/R



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70	<i>Water Services Regulations 2013 Regulation 42(2)</i> The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date by which the device must be installed and tested (which must be at least 7 days after the day on which the order is given to the owner or occupier).	4	- Backflow prevention devices are only installed on potable water supplies. During the audit period, CKB did not supply any customers with potable water and, therefore, did not install any backflow prevention devices. - Therefore, this obligation is not applicable and has not been rated.	N/A	N/A
71	<i>Water Services Regulations 2013 Regulation 43(3)</i> The compliance notice given by the licensee to the owner or occupier of land must specify that the backflow prevention device be tested or maintained in accordance with the standard and the date by which the testing or maintenance is required to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).	4	Refer to our observations made under Obligation 70.	N/A	N/A
72	<i>Water Services Regulations 2013 Regulation 43(6)</i> The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).	4	Refer to our observations made under Obligation 70.	N/A	N/A
74	<i>Water Services Regulations 2013 Regulation 60(2)</i> If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	4	- CKB has not exercised a works power in a road during the audit period. Works powers have only been excised within roads under CKB's control and/or management. As a result, we have not rated this obligation. - Therefore, this obligation has not been rated.	N/P	N/R
75	<i>Water Services Regulations 2013 Regulation 63</i>	4	CKB, as a local authority, is also the roads owner and manager. The exception of relevant is for the State	N/P	N/R



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	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.		controlled roads that coincide with the sewerage network. - CKB is aware of its obligations to reinstate and make good roads following works. - No road surfaces were required to be broken up and reinstated during the audit period in relation to the provision of the licenced water services. Therefore, this obligation has not been rated.		
89	<i>Water Services Regulations 2013 Regulation 85</i> Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	4	- CKB confirmed that it has issued a compliance notice in relation to failure to maintain fittings, fixtures and pipes during the audit period. - The incident that resulted in the compliance notice being issued related to a sewer overflow at a customer property that flooded the property as a result of the property's plumbing being non-complaint. The overflow relief point was not at the minimum level below the lowest fixture connected at the property and there was also a stormwater fixture connected to the sewer system. - CKB issued the compliance notice to the customer on 8 October 2022. We reviewed the letter issued by CKB and confirmed that it included: - The possible consequences under the Act of not complying with the notice - We observed that the compliance notice did not include the rights of review under the Act in relation to the notice and who may apply for review. However, the only non-compliance under the Water Act related to an illegal stormwater connection connected to the sewer system, which would not be expected to be subject to a review to change the outcome. - We note that the other non-compliances that were identified related to plumbing and drainage code and building permit issues. Details were provided for applying for retrospective approval for the building	A	1



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			permit non-compliance, together with contact details for CKB's Building Department. The non-compliant plumbing issue was included in the notice as a recommendation to install a reflux valve to ensure compliance with AS/ANZS 3500 but with no consequence for any continuing non-compliance. Although CKB has not included the rights of review under the Act in relation to the notice and who may apply for review in the notice that was evidenced, we consider that in this example, this exclusion was reasonable.		
92	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 8(1)-(3)</i> The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available. (Note: the information required by clause 8(2)(a) applies to the Water Corporation, Bunbury Water Corporation and Busselton Water Corporation only and the information required by clause 8(2)(g) applies only to licensees that supply potable water).	4	- CKB's Wastewater Collection and Treatment Customer Service Charter provides the required written information for customers about the prescribed matters regarding connections in the following sections: - Section 2.1 - Your Rights to Wastewater Services, addresses CKB's function under section 21 of the Act concerning the provision of sewerage services - Section 3 – Our Powers, addresses the regulations that prescribe requirements for the purpose of sections 21(2)(c) or (3)(c) of the Act - Section 2.7 - Connecting to our Services addresses how to apply for a sewerage connection - Section 2.7 - Connecting to our Services also covers things a customer must do, and the things that must be complied with before a sewerage connection is made - Section 2.7 - Connecting to our Services also addresses the fees that apply in relation to connections and when the fees are payable - The Customer Service Charter is available to be viewed or downloaded from CKB's website. CKB provides hard copies on request.	A	1



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			Contact details are also provided on the website for customers requiring more information regarding connections.		
94	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 10(2)</i> If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12-month period.	4	- CKB's sewerage customers receive a fixed charge for their sewerage service include in their rates notice. CKB's rates notices are issued every year in August. - We reviewed a sample of eight residential and non-residential rate notices/tax invoices issued during the Audit Period. We confirmed that CKB issues bills for sewerage charges to customers on an annual basis.	A	1
95	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(2)</i> If the licensee charges a quantity charge, the licensee must issue a bill -for a quantity charge to each customer at least once in every 4-month period.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge. Therefore, we consider that this obligation is not applicable.	N/A	N/A
96	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(3)</i> A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge. Therefore, we consider that this obligation is not applicable.	N/A	N/A
97	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(4)</i> If an accurate meter reading is not possible, a bill for usage must be based on an estimate, in accordance with the prescribed regulations (if any), of the quantity of water supplied or wastewater discharged. (Note: The Water Services Regulations 2013 did not address the estimation of bills at the time this Reporting Manual was published).	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge. Therefore, we consider that this obligation is not applicable.	N/A	N/A
98	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(5)</i>	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018.	N/A	N/A



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	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.		CKB does not charge its sewerage service customers with a quantity charge. Therefore, we consider that this obligation is not applicable.		
98A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)</i> 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.	1	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge. Therefore, we consider that this obligation is not applicable.	N/A	N/A
99	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 12</i> The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	4	- Section 2.6 of CKB's Customer Service Charter sets out the basis of its "Charges and Accounts" information in accordance with the requirements of Clause 12 of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>. - CKB sends bills to the address nominated by the customer. This does not need to be the location at which the water service is provided. - A sample of eight residential and non-residential rates notices were reviewed during the audit to confirm that they included the appropriate address details. - We also reviewed a couple of examples via CKB's internal Intramaps system to confirm examples where the billed property and the bill payer address were different.	A	1
100	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(1)</i> Each bill must contain the prescribed information.	1	- We reviewed eight residential and non-residential rates notices issued by CKB during the audit period. We confirmed that the invoices contain all the prescribed information required under Clause 13(1) of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>, namely: - the customer's name	A	1



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			– the account number – the address of the place in respect of which the water service is provided – any other address nominated by the customer for sending of bills – the day on which the bill is issued – the charges payable – the water service for which the charge is payable – the date when payment is due – the nature and amount of any applicable concession – the amount of interest or fees charged for late payment of outstanding amounts – the amount of any arrears or credit standing to the customer's name – the options for payment that are available to the customer – a statement advising the customer that interest or fees may be charged for late payment of the bill – a statement advising the customer that the licensee can be contacted for assistance if the customer is experiencing problems paying the bill.		
100A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(3)</i> A bill issued for 2 or more water services must specify the charge payable for each water service.	1	• CKB issues separate rates notices for its sewerage service and its non-potable water supply service. • Sewerage charges are levied by CKB on annual rate notices/tax invoices issued to customers. Charges for non-potable water supply services are levied on separate monthly tax invoices issued to its non-residential recycled water customers. • Therefore, this obligation is not applicable.	N/A	N/A
101	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(4)</i>	1	• Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct	N/A	N/A



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	Each bill for usage for a metered water service must contain the specified information.		(Customer Service Standards) 2018. Therefore, this obligation is not applicable.		
101A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(5)</i> If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request.	1	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
102A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6)</i> Each bill must contain the prescribed information.	1	- We reviewed CKB's residential and non-residential rate notice templates. We confirmed that the invoices include all of the prescribed information included in clause 13(6) of the 2018 Code of Conduct, namely: - the licensee's website address - a telephone number for account, payment and general enquiries - a telephone number for complaints - a Freecall telephone number for the office of the water services ombudsman - a statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20. For the rates notices, this is under a heading of Objections and Appeals. - the telephone number of the 24-hour information line provided in accordance with clause 45 - contact details for account, payment and general enquiries for use by customers with hearing or speech impairment - for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services".	A	1



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103	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(1)</i> If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge which requires a meter reading or an estimate. - Therefore, we consider that this obligation is not applicable.	N/A	N/A
104	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(2)</i> If a bill is based on an estimate, the licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge which requires a meter reading or an estimate. - Therefore, we consider that this obligation is not applicable.	N/A	N/A
104A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 15(3)</i> Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the prescribed information.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge which requires a meter reading or an estimate. - Therefore, we consider that this obligation is not applicable.	N/A	N/A
105	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 16(1)</i> The licensee must provide to the customer on request a meter reading and a bill (or revised bill if applicable) for outstanding charges outside of the usual bill cycle, or in case the customer disputes an estimate.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge which requires a meter reading or an estimate. - Therefore, we consider that this obligation is not applicable.	N/A	N/A



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106	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 17(2) & (3)</i> The licensee must have a written policy, standard or set of guidelines (available on the licensee's website and a hardcopy provided to a customer upon request at no charge) in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak from the customer's system.	2	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB does not charge its sewerage service customers with a quantity charge which requires a meter reading or an estimate. - Therefore, we consider that this obligation is not applicable.	N/A	N/A
107	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(2)</i> The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day on which the licensee informed the customer of the undercharging.	3	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - A fixed annual rate for utility services is made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges. - Although a customer could be undercharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly. - However, in accordance with Clause 18(2) of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>, the Customer Service Charter informs customers that "<i>The City may recover from a customer amounts which may have been undercharged on an account. Amounts to be recovered may only be for services provided within the 12-month period ending on the day of which the City has informed the customer of the undercharged amounts. No late payment fees or interest charges will be applicable for undercharged amounts.</i>" - CKB cannot recall any examples of undercharging taking place during the audit period.	N/P	N/R



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			Therefore, based on our observations, this obligation has not been rated for the audit period.		
108	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(3)</i> An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	3	Refer to our observations under Obligation 107.	N/P	N/R
109	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(4)</i> The licensee must not charge interest or late payment fees on an undercharged amount.	3	Refer to our observations under Obligation 107.	N/P	N/R
110	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(5)</i> The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.	3	Refer to our observations under Obligation 107.	N/P	N/R
111A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 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.	4	- A fixed annual rate for utility services is made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges. - Although a customer could be overcharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly. - However, in accordance with Clause 19(2) of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>, the Customer Service Charter informs customers that <i>"If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future</i>	N/P	N/R



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			<i>charge, or refunded, at the discretion of the customer. Notification will be sent to the customer informing the amount overcharged and options for refund or credit into a nominated account by the customer within 15 days of receipt of response from the customer. Should no response be received by the City within 10 business days from the date that the notice was sent, the amount of the overcharge will be credited to the customer's account within the next 15 business days."</i> - CKB cannot recall any examples of overcharging taking place during the audit period. - Based on our observations, this obligation has not been rated for the audit period.		
112A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(3)</i> If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer's account within 15 business days of the licensee receiving the instructions.	4	Refer to our observations for Obligation 111A.	N/P	N/R
112B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4)</i> If instructions from the customer about the refunding or crediting of the overcharged amount have not been received by the licensee at the end of the period of 10 business days starting on the day an overcharging notice is sent, the licensee must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days.	4	Refer to our observations for Obligation 111A.	N/P	N/R
112C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(5)</i>	4	Refer to our observations for Obligation 111A.	N/P	N/R



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	The licensee must notify the customer immediately after crediting the overcharged amount to the customer's account under subclause (2)(a), (3) or (4).				
113	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(1)</i> The licensee must review a bill on the customer's request.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - CKB reviews bills when requested to by customers. This is typically performed in person at CKB's offices at the time the request is made. - CKB advised that a small number of requests for review of bills have been received during the audit period although no records are kept to confirm the process or the outcomes. These requests are typically for the Council's overall rates notices as opposed to be specifically related to the water service charges.	A	1
114	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(2)</i> The license must have a written procedure for the review of a bill on the customer's request.	1	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - The back of CKB's rates notices includes a section for 'Objections and Appeal Provisions' which informs customers of the process to lodge an objection to the valuation of a property. These form the basis of the sewerage charges that customers are charged for. - The back of the rates notice also includes a separate section for 'Water Services' which informs customers in relation to faults and emergencies, financial hardship and complaint with the water service. This includes details for referring complaints to the Energy and Water Ombudsman. - CKB's Customer Service Charter addresses both undercharging and overcharging for sewerage services in Section 2.6 - <i>Charges and Accounts</i>. The processes and timeframes related to paying more than the correct amount and for CKB to recover customer	A	1



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			amounts that have been undercharged are set out in this section. - Section 2.9 of the Customer Charter sets out the processes for Enquiries, Suggestions, Complaints and Disputes. This includes escalation processes if the customer is not satisfied with CKB's response or resolution. Complaints can be escalated to CKB's CEO or to the Energy and Water Ombudsman. - CKB's complaints procedure is also set out on its Customer Complaint Form. - Based on our review of the documentation, we consider that CKB has a written procedure for the review of a customer's bill on request.		
115	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) & (6)</i> The review procedure in clause 20(2) must include the specified information and be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	1	- Refer to our observations under Obligation 114. - Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. - We confirmed CKB has a review procedure that sets out what happens if, on review, it is found that the customer has been undercharged or overcharged and what the customer can do if unsatisfied with the outcome of the review. - The procedure is contained within the Water Services Customer Service Charter, and this is publicly available on CKB's website in accordance with Section 20(6) of the Code.	A	1
116	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4)</i> The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the	1	- Refer to our observations under Obligation 114. - The procedure included in Section 2.9 of the Customer Charter states that <i>"If the matter has not been resolved to your satisfaction within 21 days, you may refer the matter to the Energy and Water Ombudsman Western Australia, which will seek a detailed explanation of the nature of the complaint, the solutions or actions</i>	D	2



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	decision under regulations mentioned in section 222(2)(k) of the Act.		<i>offered by the City of Kalgoorlie-Boulder and the reasons why these are not acceptable to you."</i> - The information provided on back of the rates notices states <i>"If you are not satisfied with the way that City handles your complaint, you may refer your complaint to the Energy & Water Ombudsman."</i> - Similarly, the information included on the Customer Complaint Form states that <i>"If you aren't satisfied with the final response from the City you can take your complaint to the Ombudsman. Please make sure you have lodged your complaint and have been provided with a response from the City before you contact the Ombudsman."</i> - As a result, we consider that CKB is non-compliant with the requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018, as its procedure has referring complaints to the Energy & Water Ombudsman as an escalation if the customer is not satisfied with CKB's response or solution instead of informing customers that they may, but do not have to, use CKB's complaints procedure before or instead of applying to the water services ombudsman. - We note that CKB has not received any specific customer complaints related to its licenced water services during the review period. In addition, CKB has not received any customer complaints via the Ombudsman. Recommendation A1/2022 - CKB should update the text in its complaints procedures included on the back of rates notices, in the Customer Charter and on the Customer Complaint Form to make the procedure compliant with the		



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			requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018.		
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.	4	- Section 2.9 of CKB's Customer Service Charter notifies customers that formal request that will be responded to within 15 days. - As noted previously, generally bill reviews relate to CKB's overall rates notices rather than being specifically for the water services charges. CKB could not recall any instances of reviews related to water service charges during the audit period. - CKB advised that a small number of requests for review of bills have been received during the audit period and that it would expect to inform customers of the outcome of the review of bills within the required 15 business days. - However, no records of reviews are maintained to confirm that any reviews were completed during the audit period. - Typically, CKB expect any bill reviews to be completed in person at Council's offices or over the phone at the time they are raised by the customer.	A	1
117A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21</i> The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in clause 21(2).	4	- Fees and charges relevant to the sewer rates and charges are detailed on the customer rates notices. Actual charges are on the front of the notice and the basis for the charges is provided on the back, - CKB also sends out an accompanying 'rates information brochure' with the annual rates notice. - CKB publishes a schedule of rates and fees annually. The schedule is able to be accessed and downloaded from the CKB website. Sewerage rates are also published separately in the Rates section on the CKB website data.	A	1
118	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 23</i>	4	CKB requires payments of its sewerage rates within 45 days of issue.	A	1



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	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.		We reviewed a sample of eight residential and non-residential rates notices and confirmed that the payment terms and due dates are included on the templates. The sampled tax invoices provided for payment of charges 45 days after the recorded issue date.		
119	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(1)</i> The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	- We reviewed CKB's rates notice and tax invoice templates and confirmed that it allows customers to pay a bill using: - Centrepay (in the case of a residential customers) - Internet - post. - Australia Post - In person over the counter at CKB's Administrative Office or its Customer Service Centre - Direct Debit - Bpay - BPoint	A	1
120	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(2)</i> The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.	4	- Each rates notice provides options for customers to pay their rates in full in one payment or two or four payments over the year. - The Payment Options section on the front of each rates Notice informs customers of the additional administrative they have to pay if they chose to pay their rates with two or four payments spread over the year. No additional payments are charged if the customer pays the annual rates notice in full in one payment.	A	1
121	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 25(1)</i>	4	CKB advised that it obtained express consent in compliance with the stipulations of clause 25(1) of the Code of Conduct during the Audit period.	A	1



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	Before receiving a bill payment by direct debit the licensee must obtain the express consent of the customer or of an adult person nominated by the customer to give consent.		- CKB's "Direct Debit Service Agreement Form" requires details of the owner of the property and the signature of the person whose bank account will be debited. Forms are able to be downloaded from CKB's website and can also be completed online. - The Remittance Advice section of the rates notice also includes a phone number to call for more information if the customer wants to pay their bill by direct debit.		
122	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 26(1)</i> The licensee must accept payment in advance from a customer on a customer's request.	4	CKB advised that it accepted payments in advance from customers during the Audit Period as CKB's rates are invoiced for the forthcoming year.	A	1
123	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 27</i> The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	- The provision under the obligation is set out in the CKB's Financial Hardship Policy for Water Services. - CKB advised that on request and at no charge, it redirected a small number of customer's bills because of the customer's absence or illness during the Audit Period.	A	1
124A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(2)</i> The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	- CKB allows customers to pay bills under a payment plan or other arrangement. - Information on payment plans is set out in its Financial Hardship Policy for Water Services. - In addition, the rates notice informs customers that their rates can be paid in instalments and that there is a special payment agreement in the Direct Debit Services Agreement that allows customers to pay weekly, fortnightly or monthly. Payment forms are available to be accessed on the CKB website. An annual additional administrative fee is charged for customers paying by direct debit weekly, fortnightly or monthly. - It could not be confirmed if there have been any instances of customers paying on a payment plan due	A	N/R



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			to payment difficulties during the audit period, as opposed to using a payment plan for better budgeting. However, CKB confirmed that it currently does not have any registered financial hardship customers. As a result, this obligation has not been rated.		
124B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(3)</i> When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing payment difficulties, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	- CKB takes a customer's capacity to pay the bill into account when formulating a payment plan or other arrangement for a customer that has been assessed as experiencing payment difficulties. - CKB's Financial Hardship Policy for Water Services informs customers that "When setting the conditions of the plan, we will consider your capacity to pay, and if relevant, your consumption". - It could not be confirmed if there was any relevant activity during the audit period. However, CKB confirmed that it currently does not have any hardship customers. - We consider that the processes and documentation that CKB has in place would ensure that the requirements of the obligation are met when payment plans are formulated.	A	N/R
124C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(4)</i> The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	4	- CKB does not charge interest or fees for payment plans or other arrangements set up for customers who have been assessed as experiencing payment difficulties. - CKB's Financial Hardship Policy for Water Services informs customers that for hardship customer on payment plans it will "...suspend interest charges and administration fees whilst a payment plan is in place".	A	1
125	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 29(1) & (2)</i> The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	- CKB has in place a Financial Hardship Policy for Water Services that was originally approved by the ERA on 16 May 2014. - An updated version of the Financial Hardship Policy for Water Services was approved by the ERA on 25	A	1



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			January 2019. This version of the hardship policy is still in place.		
126A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(3)</i> Unless the ERA approves otherwise, the licensee's financial hardship policy must comply with the ERA's guidelines (if any) in relation to financial hardship policies.	4	- CKB has in place a Financial Hardship Policy for Water Services that was originally approved by the ERA on 16 May 2014. - An updated version of the Financial Hardship Policy for Water Services was approved by the ERA on 25 January 2019. This version of the hardship policy is still in place.	A	1
126B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(4)</i> Unless the ERA approves otherwise, amendments to the licensee's financial hardship policy must be approved by the ERA and comply with the ERA's guidelines (if any) in relation to financial hardship policies.	4	- CKB has in place a Financial Hardship Policy for Water Services that was originally approved by the ERA on 16 May 2014. - An updated version of the Financial Hardship Policy for Water Services was approved by the ERA on 25 January 2019. This version of the hardship policy is still in place.	A	1
128	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(6)</i> The licensee's financial hardship policy must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	CKB's Financial Hardship Policy for Water Services is currently available on its website. We were able to access the policy document at audit. A hardcopy of the policy can be provided to a customer upon request at no charge.	A	1
129A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(7)</i> The licensee must review its financial hardship policy at least once in every 5-year period.	4	- CKB's Financial Hardship Policy for Water Services became effective on 16 May 2014. - An updated version of CKB's Financial Hardship Policy for Water Services was provided to the ERA on 17 January 2019 and approved by the ERA in correspondence dated 25 January 2019. This is the version of the policy that was adopted by Council. The policy needs to be reviewed by January 2024, during the next audit period.	A	1
129B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(8)</i>	4	CKB has not been directed to review its Financial Hardship Policy for Water Services by the ERA during	N/P	N/R



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	The licensee must review its financial hardship policy if directed to do so by the ERA.		the audit period. Therefore, we have not rated this obligation.		
129C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(9)</i> The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	4	CKB has consulted with the Financial Counsellor's Association of Western Australia when formulating its original Hardship policy for Water Services document and also for previous reviews. As noted above, the current version of the policy was approved by the ERA in January 2019, and it has not been reviewed during the current audit period. Therefore, we have not rated this obligation.	N/P	N/R
130A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(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 into an appropriate plan or arrangement with the customer.	4	- CKB's Financial Hardship Policy for Water Services informs customers that: <i>"If we determine that you are in financial hardship, under the sewerage services portion of your rate notice we will offer you the following:</i> <i>– more time to pay your account; or,</i> <i>– a payment plan; and,</i> <i>– suspend interest charges and administration fees whilst a payment plan is in place."</i> - CKB is not aware of entering into any payment plans or other arrangements with customers assessed as experiencing financial hardship during the audit period. CKB confirmed at the time of the audit that it does not have any current financial hardship customers. - CKB confirmed that it has had ratepayers who have experienced financial stress but not been assessed as in Financial Hardship. Special Payment Arrangement is provided to assist these ratepayers by offering flexible payment arrangements. Those that have approached the City have either declared themselves insolvent or had their property repossessed by their financial institution. - Those holding concessional entitlements are encouraged to enter a payment arrangement paying	A	N/R



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			their current year rates (and a small portion off their arrears) that allows CKB to claim their concessional entitlement. Penalty interest does not apply in these instances.		
130B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(3)</i> When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing financial hardship, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	- Refer to our observations under Obligation 130A. - CKB takes a customer's capacity to pay the bill into account when formulating a payment plan or other arrangement for a customer that has been assessed as experiencing payment difficulties. - CKB's Financial Hardship Policy for Water Services informs customers that "When setting the conditions of the plan, we will consider your capacity to pay, and if relevant, your consumption".	A	N/R
131A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(a)</i> The licensee must consider reducing the amount owing by the customer.	4	- Refer to our observations under Obligation 130A. - CKB's Financial Hardship Policy for Water Services informs customers that "<i>If you have been assessed as experiencing temporary financial hardship, we will consider reducing the amount you owe us by way of waiving penalty interest and administration fees whilst committing to a payment plan.</i>" - Additionally, the policy informs customers that: "<i>If you have been assessed as experiencing ongoing financial hardship, we will consider reducing the amount you owe us by way of;</i> <i>waiving interest and administration fees charges whilst committing to a payment plan and</i> <i>requesting Council to consider a write-off interest and/or legal charges (absolute majority required).</i>" - The Financial Hardship Policy for Water Services also provides information on concessions for eligible customers. - CKB is not aware of entering into any payment plans or other arrangements with customers assessed as experiencing financial hardship during the audit period.	A	N/R



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			CKB confirmed at the time of the audit that it does not have any current financial hardship customers. As a result, we have not rated this obligation for compliance.		
131B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(b)</i> The licensee must review, upon request, how a customer is paying a bill under clause 30(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.	4	- Refer to our observations under Obligation 130A. - CKB's Financial Hardship Policy for Water Services (16 informs customers that "We will review your payment plan if you submit a request in writing. If our review indicates that you are unable to meet your obligations under the current plan, we will revise it. We will either extend the duration of the payment arrangement and/or reduce the periodic payment amount." - CKB is not aware of entering into any payment plans or other arrangements with customers assessed as experiencing financial hardship during the audit period. CKB confirmed at the time of the audit that it does not have any current financial hardship customers. As a result, we have not rated this obligation for compliance.	A	N/R
131C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c)</i> The licensee must provide the specified written information to a customer.	4	- Refer to our observations under Obligation 130A. - CKB's Financial Hardship Policy for Water Services provides written information to the customer about: - redirecting the bill free of charge under clause 27 - applying for concessions to which the customer may be entitled - seeking independent financial counselling or seeking advice from relevant consumer organisations - the bill payment methods provided by the licensee - applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes.	A	1



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			CKB confirmed that other than concession card holders, there are no other government-funded grant schemes that ratepayers can access to assist them with their rates payments.		
133	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 31(4) & (5)</i> The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	- CKB advised that it did have publicly available written information regarding payment plans and arrangements available to customers during the Audit Period. - We confirmed that this information is available in Section 7 (Payment Plans) and Section 10 (Additional Information) of CKB's Financial Hardship Policy for Water Services. The policy is publicly available on the licensee's website and CKB provide hard copies on request.	A	1
133A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32</i> The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	4	- CKB advised that it does not charge interest or fees for late payment of a bill by a customer: - if the licensee has assessed, under its financial hardship policy, that the customer is experiencing financial hardship - if a complaint made by the customer to the licensee that directly relates to the non-payment of the bill is not resolved - if a complaint made by the customer to the water services ombudsman that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman. - We note that only the first dot point above is included in the Financial Hardship Policy for Water Services to inform customers. However, under the ERA's Financial Hardship Policy Guidelines for Water Services (June 2018), there is no requirement the for the inclusion of obligation 133A (clause 32 of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. Therefore, this is not a non-	A	N/R



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			compliance.No customers have been charged interest or fees for late payment of a bill in the specified circumstances under this obligation. - CKB is not aware of entering into any payment plans or other arrangements with customers assessed as experiencing financial hardship during the audit period. CKB confirmed at the time of the audit that it does not have any current financial hardship customers. As a result, we have not rated this obligation for compliance. - CKB did not receive any complaints that directly related to the non-payment of the bill during the audit period. In addition, CKB did not receive any complaint directly related to the non-payment of the bill which were made by the customer to the water services ombudsman during the Audit Period. - As no activity took place during the audit period, we have not rated CKB's compliance with the obligation.		
134	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(a)-(c)</i> The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship.	4	- CKB advised that it complied with the requirements of this obligation during the audit period. - CKB's Financial Hardship Policy for Water Services informs customers that: "We will not commence any legal proceedings to recover your debt if; - you are being assessed as experiencing temporary or ongoing financial hardship, - you have received an extension in time to pay, payment plan or another payment arrangement you have with us and - you are complying with your extension in time to or payment plan." - We also confirmed that under its Sundry Debtors Procedure Manual, CKB does not commence or continue proceedings to recover a debt from a	A	1



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			customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship.		
134A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(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).	4	- CKB advised that it complied with the requirements of this obligation during the audit period although no debt recovery proceedings were commenced or continued. - As no activity took place in relation to this obligation during the audit period, we have not rated CKB's compliance with the obligation. - We note that CKB does not make its customers aware of its obligations under this clause in the Financial Hardship Policy for Water Services. This was recorded as a non-compliance in the 2021 audit and a recommendation to provide compliance with <i>Clause 33(1)(d)-(e)</i> was made in the previous audit/review report. - However, ERA has confirmed during its review of the 2022 audit/review report that there is no requirement under its Financial Hardship Policy Guidelines for Water Services (June 2018) for the inclusion of obligation 134A (clause 33(1)(d)-(e) of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. As a result, ERA considers that CKB has not been non-compliant with the requirements of the clause.	A	N/R
135	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 40(1)</i> If the licensee has cut off or reduced the rate of flow of water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A



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136	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 40(2)</i> If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
137A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(1)</i> The licensee must not start a water supply restriction unless the licensee has given the customer a reminder notice (that includes the information specified in clause 35), the water service charge has still not been paid in full, and the licensee has given the customer a restriction notice.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
137B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(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	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
137C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(3)</i> The restriction notice must include the specified information.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
138	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(a)-(e) & (h)</i> The licensee must not start a water supply restriction if the specified circumstances apply.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
138A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(f)-(g)</i> The licensee must not start a water supply restriction if the specified circumstances apply.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A



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138B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 38</i> The licensee must not start a water supply restriction on or during the specified times.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
139	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 39</i> The licensee must not, under section 95(1)(b) or (2) of the Act, reduce the rate of flow of water to a customer to below 2.3 litres each minute.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
142	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(4)</i> The licensee (other than the Water Corporation) must restore a water supply to land within the specified timeframe, unless the licensee and customer expressly agree otherwise.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
144	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(6)</i> The licensee (other than the Water Corporation) must ensure that there is a 90% compliance rate with clause 41(4) in any 12-month period ending on 30 June.	4	Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.	N/A	N/A
144A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)</i> The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation only applies to CKB's sewerage service. - Section 3.3 of CKB's Customer Service Charter informs customers that <i>"Except in emergencies, the City shall give notice to you of its intention to interrupt, postpone or limit the supply of services for the purpose of regular maintenance or works programmes. Notification shall be given to domestic customers at least forty-eight (48) hours prior and for commercial</i>	A	N/R



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			<i>and industrial customers at least five (5) days prior or by agreement.”</i> - CKB provides notice of any planned service interruptions to each customer that will be affected by the service interruption when required. - Although CKB has plumbing contractors who carry out the site work, CKB arranges the advance notice provided to customers when this is required. - CKB advised that no pre-planned wastewater network work directly impacting on customers has been completed during the audit period, only emergency breakdown work activities have been completed. As a result, we have not rated CKB's compliance with this obligation.		
144B	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2)</i> The notice of any planned service interruption must be given within the prescribed timeframes.	4	Refer to our observations made under Obligation 144A.	A	N/R
144C	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(1)</i> The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation only applies to CKB's sewerage service. - CKB's Asset Management Policy provides a framework for the City to undertake the long-term sustainable management of its infrastructure and other associated assets. Objectives listed in the Policy include “<i>Ensuring that the City's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment</i>”. - CKB's Customer Service Charter informs customers of its overall practices to minimise the impacts of blockages and leaks in its sewerage system.	A	1



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			- The Water Services SOP Manual provides procedural information associated with dealing with and minimising the impacts of sewer main overflows and blockages. This information is included in Section D of the SOP Manual and references the obligations under this clause of the Code. This includes contingency plans for sewer overflows and blockages and information on the contracts CKB has in place to provide maintenance, renewals and jetting work activities. - Section 4.2 of SOP Manual also provides procedures for the On Call Duty Cycle.		
144D	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(2)</i> The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation only applies to CKB's sewerage service. - Under Clause 44(2) of the Code, CKB must have policies, practices and procedures that deal with the following prescribed matters: – prompt attendance at a site after becoming aware of the existence of a burst, leak or blockage – the action or actions that must be taken to rectify a burst, leak or blockage, taking into account the potential or actual impact on — - o customers - o other persons or entities affected by the burst, leak or blockage - o property - o the environment – the action or actions that must be taken to ensure that, in the event of a wastewater spill from the sewerage works of the licensee onto a customer's property, damage and inconvenience to the customer and other persons or entities are minimised	A	1



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			– the action or actions that must be taken to ensure that, in the event of a wastewater spill from the sewerage works of the licensee, the spill is promptly cleaned, and the affected area is disinfected. • We reviewed the Water Services SOP Manual and confirmed that procedures for all of the matters prescribed under this clause in the Code are adequately covered. • As noted above, CKB informs customers of its practices in the Customer Service Charter and the overall asset management framework is set out in the City's Asset Management Policy.		
144E	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 45</i> The licensee must provide a 24-hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.	4	• CKB provides a 24-hour information line, by means of which, a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption. • CKB's emergency customer service telephone number is published in the Customer Service Charter and on the Sewerage and Waste Water section of CKB's website. It is also included on the back of the rates notices.	A	1
145	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(1)</i> The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	• CKB has a Complaints Handling Policy (Exec- OD-001) which comprehensively outlines the processes for managing and resolving complaints complaint from customers. This includes details of CKB's commitment, recording customer complaints, processing complaints, empowering CKB staff, and monitoring customer complaints. • Section 2.3 of CKB's Water Services SOP Manual provides details for recording the water service complaints.	A	1



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			- CKB has a Customer Complaint Form which is available to be accessed from CKB's website and which allows the customer to lodge a complaint directly from the website. The Form includes the Complaints Procedure. The form also provides phone and address details. - Section 2.9 of CKB's Customer Service Charter, 'Enquiries, Suggestions, Complaints and Disputes', also provides an outline of CKB's customer complaints process.		
146	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(2)</i> The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's guidelines (if any).	1	- CKB advised that its Complaints Handling Policy (Exec- OD-001) had been developed without taking into account the relevant provisions of AS ISO 10002-2014. - However, as has been noted in previous audits, The CKB's Complaints Handling Policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's 'Customer Complaints Guidelines: distinguishing customer queries from complaints'. - Recommendation 09/2021 was included in the previous audit report to address this non-compliance, but the recommendation has not been completed. - We note that the most recent version of the CKB Complaints Handling Policy on its website is dated 25 Aug 2017. - CKB advised that its procedure is based on the Ombudsman WA guidelines which refer to the ISO standards and the ERA guidelines. Based on our review of the complaints procedure, we consider that it has been developed using the relevant provisions of AS ISO 10002-2014 and the ERA requirements although this is not stated anywhere in the documentation.	D	2



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			Recommendation A4/2022 We recommend that CKB should review its "Complaints Handling" policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints".		
147	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(3)</i> The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.	4	- Under clause 46(3) of the Water Services Code of Conduct (Customer Service Standards) 2018, a water services complaints procedure must provide for the following — - how complaints are to be lodged and recorded - time limits and methods for responding to complaints - dispute resolution arrangements - resolving a complaint before the end of the period of 15 business days starting on the day the complaint was received. - We reviewed CKB's complaints procedure, as set out in its Customer Service Charter, on its website and on the Customer Complaints Form and confirmed that provides for the matters specified under this obligation.	A	1
148A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(4)</i> The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	1	- Refer to our observations under Obligation 114. - The procedure included in Section 2.9 of the Customer Charter states that <i>"If the matter has not been resolved to your satisfaction within 21 days, you may refer the matter to the Energy and Water Ombudsman Western Australia, which will seek a detailed explanation of the nature of the complaint, the solutions or actions offered by the City of Kalgoorlie-Boulder and the reasons why these are not acceptable to you."</i> - The information provided on back of the rates notices states <i>"If you are not satisfied with the way that City</i>	D	2



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			<i>handles your complaint, you may refer your complaint to the Energy & Water Ombudsman."</i> - Similarly, the information included on the Customer Complaint Form states that <i>"If you aren't satisfied with the final response from the City you can take your complaint to the Ombudsman. Please make sure you have lodged your complaint, and have been provided with a response from the City before you contact the Ombudsman."</i> - Under Obligation 116, we have noted that we consider that CKB is non-compliant with the requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018, as its procedure has referring complaints to the Energy & Water Ombudsman as an escalation if the customer is not satisfied with CKB's response or solution instead of informing customers that they may, but do not have to, use CKB's complaints procedure before or instead of applying to the water services ombudsman. - Based on this observation, we consider that CKB is also non-compliant with Clause 46(4) of the Water Services Code of Conduct (Customer Service Standards) 2018 as the procedure only sets out referring to the ombudsman as an escalation rather than an alternative to submitting a complaint to the licensee. - Refer to Recommendation A1/2022.		
149	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(5)</i> The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	CKB's Complaints Handling Policy, the procedure included in the Customer Charter and the Customer Complaints Form are both available to be accessed and downloaded from its website. This was confirmed at audit. Hard copies can be provided on request.	A	1
149A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47</i>	4	CKB's Customer Complaint Form informs customers that <i>"If you aren't satisfied with the final response from</i>	A	N/R



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	When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer accordingly, inform the customer that the customer has a right to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman.		<i>the City you can take your complaint to the Ombudsman.</i>" The Form provides additional steps and also a link to CKB's Complaints Handling Policy. - In addition, CKB's Customer Service Charter informs customers that <i>"If the matter has not been resolved to your satisfaction within 21 days, you may refer the matter to the Energy and Water Ombudsman Western Australia, which will seek a detailed explanation of the nature of the complaint, the solutions or actions offered by the City of Kalgoorlie-Boulder and the reasons why these are not acceptable to you. The Energy and Water Ombudsman will respond with its opinion on the matter and suggest a solution to the parties involved."</i> - In the Water Services section on the back of its rates notices, CKB informs customers that <i>"If you are not satisfied with the way the City handles your complaint, you may refer your complaint to the Energy and Water Ombudsman."</i> The freephone number, email address and website details are also provided. - This information is also included in Section 11 – Complaints Handling in CKB's Financial Hardship Policy for Water Services. - CKB has stated that it complies with the obligation. This information would also be provided verbally to customers and, as such, there is no record of occasions when CKB have advised customers of their right to apply to the to the water services ombudsman for a review of the complaint. As CKB advised that no complaints were referred from the ombudsman during the audit period, we have not rated compliance with this obligation.		
150	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 48(1)</i>	4	Under Clause 48(1) of the Water Services Code of Conduct (Customer Service Standards) 2018, a	A	N/R



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	The licensee must provide a customer with the specified services on request and at no charge.		licensee must provide a customer with the following on request and at no charge – services for account, payment and general enquiries for use by customers with hearing or speech impairment. – interpreter services for account, payment and general enquiries. – a large-print version of any of the licensee's publicly available documents. • We reviewed CKB's Financial Hardship Policy for Water Services and the rates notice template and confirmed that the specified services related to facilities for customer with hearing or speech impairment and interpreter services are included. • CKB's published documents inform customers that "This information is available in alternative format upon request, please contact us for assistance" in the contact details on the back page of the document. • As CKB was not aware if the services under the obligation have been provided during the audit period, we have not rated the compliance with the obligation.		
152	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 48(2)</i> The licensee must make available to each customer, at no charge, the customer's personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods.	4	• We reviewed a sample of eight residential and non-residential rate notices and confirmed that customers' personal account information was disclosed on the notice during the audit period. The quantity of wastewater discharged is not relevant to CKB as it does not charge volumetrically. • CKB Rates Notices don't include any information relating to previous rate charges for the wastewater service and there is no intention for CKB to change this in the future. • CKB does make previous rates information available to customers on request. This service is advertised on the CKB website. Typically, customers request	D	2



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			previous rates notices for tax and refinance purposes. However, there is a fee for reprints of rates notice, both for hard copy and electronic copy. The charges are set out in the annual Schedule of Fees and Charges. As such, CKB does not comply with the obligation to provide this information at no charge. • CKB does not record the reason for customers specifically requesting previous rates information. As such, it is not possible to ascertain how many customers requested previous rates notices specifically for water service information and who may have been affected by this non-compliance during the audit period • We note that this non-compliance has been identified at previous audits and a recommendation was included in the 2021 audit report. • CKB customers can register via the City's website for e-Rates to cancel the delivery of a paper account and authorise an electronic copy to be sent to the nominated email address. However, this does not provide access to historical rates information. • As the <i>Water Services Code of Conduct (Customer Service Standards) 2013</i> does not apply to non-potable supplies and as customers are not charged volumetrically for their sewerage services, we consider that there is no requirement for CKB to provide information about the quantity of water supplied or wastewater discharged in previous billing periods, as this does not apply to CKB. Recommendation A5/2022 • The CKB must make historical financial information regarding sewerage services provided available at no charge.		



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
153	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1)</i> The licensee must make the prescribed information publicly available.	4	▪ CKB makes the required information publicly available as follows: a) Current fees and charges are publicly available on the CKB's website. b) Bill payment methods are available on the Rates Notices and Tax Invoices for non-potable water customers. No additional charges are incurred by customers for any of the available payment methods although additional charges are incurred if the customer chooses to pay their rates in two or four payments as opposed to paying with one payment. c) Concessions that are available to CKB's rate payers are provided on the back of its Rates Notices and also in the Financial Hardship Policy for Water Services. d) CKB advertises all of the services provided under clause 48 of the Code. As noted above, historical rates information incurs a charge if requested by a customer. e) Authorised person powers are not applicable under this obligation as the licensee has not authorised any persons under the <i>Water Services Act to read a meter connected to the licensee's water service works</i>. f) This is not applicable to CKB's customers. g) This is not applicable to CKB's customers. h) This is not applicable to CKB's customers. i) This information is not applicable as the licensee does not potable supply dwellings. j) This is not applicable to CKB's customers. k) This is not applicable to CKB's customers.	A	1



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			l) If required, CKB provides confirmation of planned interruption via a formal notice at least 48 hours in advance. CKB informs customers of unplanned interruptions as soon as they eventuate. This information is included in the Customer Service Charter.		
154	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 49(2)</i> The licensee must ensure that the specified information about bills may be obtained from its website.	4	- Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, the majority of requirements under this obligation (those related to metered services, estimated bills, meter reading, meter testing) are not applicable. - Customers are able to have their Rates Notices reviewed in accordance with CKB's objections and appeals process, as set out on the back of the Rates Notice template. This information is available on the Rates FAQ section of CKB's website. - Complaints about the provision of a water service or a failure to provide a water service can be made in accordance with the CKB's complaints procedure mentioned in clause 46 of the Code. The CKB's Customer Services Charter, is accessible on its website and provides for the lodgement of complaints regarding sewerage services.	A	1
154A	<i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(3)</i> The licensee must ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	- In previous audits, CKB's website has contained a link to the current version of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i>. - However, the CKB website has been redesigned since the 2021 audit and we were not able to locate a link to the current version of the Code. Recommendation A6/2022	D	2



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			CKB should ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation		
155	<i>Water Services Act Section 12</i> The licensee must pay the applicable fees and charges in accordance with the Economic Regulation Authority (Licensing Funding) Regulations 2014.	4	- CKB advised that it paid the following fees during the Audit Period: - Annual licence charge in relation to the ERA (Licensing Funding) Regulations 2014 - Energy and Water Ombudsman (Western Australia) - We confirmed payments had been made through invoices that had been issued and receipts for payments by CKB during the audit period.	A	1
159	<i>Water Services Act Section 12</i> The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	CKB has not received any direction from the ERA in relation to a breach of applicable legislation during the audit period. Therefore, this obligation has not been rated.	N/P	N/R
160	<i>Water Services Act Section 12</i> The licensee and any related body corporate must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.	4	- Accounting records are prepared in accordance with AASB standards. - Financial records are included in CKB's annual reports and are published on its website. - The financial statement includes a sign-off from the independent auditor and CKB CEO that the financial report complies with the Australian Accounting Standards and the provisions of the <i>Local Government Act 1995</i>.	A	1
162	<i>Water Services Act Section 12</i> The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the operational audit.	4	- The current operational audit follows the ERA Audit Guidelines – 2019 Audit and Review Guidelines - Water Licences – August 2022. - The audit has been conducted following the audit plan prepared in accordance with the guidelines and approved by the Authority.	A	1



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			- CKB has complied with all requests for information made by the auditor and has made its staff and resources freely available to assist the conduct of this audit. - CKB's staff have acted in a professional and helpful manner throughout this audit.		
163	<i>Water Services Act Section 12</i> The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	CKB is not under external administration and there has been no material change of circumstances upon which the licence was granted which may affect CKB's ability to meet its obligations. Therefore, this clause has not been rated.	N/P	N/R
165	<i>Water Services Act Section 12</i> The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.	4	CKB has provided the required information to the Authority.	A	1
167	<i>Water Services Act Section 12</i> The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.	4	- CKB provided the ERA with the required performance reporting data - NPR dataset for 1 July 2021 to June 30, 2022 – submitted 20/10/22 - Annual Compliance Report for 1 July 2021 to June 30, 2022 – submitted 30/08/2022 - Annual Compliance Report for 1 July 2020 to June 30, 2021 – submitted 31/08/2022 2021 Water Licence Standing Charges – submitted 05/10/2022 2022 Water Licence Standing Charges - This was due to be submitted on 10/10/2022 and the ERA issued an email on 14/10/2022 notifying CKB that the submission as overdue. This was as a result of CKB having this data audited as part of the	A	2



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			2022 NPR audit. The data was provided to the ERA on 20/10/2022 - Annual Performance Reporting Datasheet for 1 July 2020 to 30 June 2021 – submitted 05/10/2022 - Annual Performance Reporting Datasheets for 1 July 2021 to 30 June 2022 - This was due to be submitted on 10/10/2022 and the ERA issued an email on 14/10/2022 notifying CKB that the submission as overdue. This was as a result of CKB having this data audited as part of the 2022 NPR audit. The data was provided to the ERA on 14/10/2022. - Although CKB not submit its annual performance reporting datasheet or standing charge information by the ERA's required due date in October 2022, and this is a non-compliance against the obligation, we have not made a recommendation for the late submission of the information.		
168	<i>Water Services Act Section 12</i> Subject to clause 3.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 3.8.1.	4	The ERA has not directed the licensee to publish information related to this obligation. Therefore, the obligation has not been rated.	N/P	N/R
169	<i>Water Services Act Section 12</i> Unless otherwise specified, all notices must be in writing.	4	- CKB issues all formal correspondence in writing. - We reviewed a sample of more than 30 pieces of correspondence at audit that could be considered as a "Notice" under the definitions included in Section 1.1. of CKB's Water Services Licence ("a written notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to, or in connection with, this licence"). - We confirmed that these notices were given in writing during the Audit Period. Numerous examples, as	A	1



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Observations and recommendations

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			referred to throughout this Audit Report, were sighted to support this statement.		
170A	<i>Water Services Act Section 12</i> The licensee must notify the ERA of the details of the asset management system within five business days from the later of: a) the commencement date; or b) the completion of construction of the licensee's water service works.	3	- Three versions of the ERA's Water Compliance Reporting Manual – Water Services Act 2012 that were active during the audit period. The May 2020, March 2021 and October 2021 versions of the Manual include clause 5.1.2 in water services licenses as being applicable to all licensees. - However, WL4, version 7, issued on 1/5/2020 and WL4, version 8, as issued on 19 March 2021 specifically records clause 5.1.2 is "Not used". - Therefore, we have rated this obligation as being not applicable.	N/A	N/A
171	<i>Water Services Act Section 12</i> The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	3	CKB advised that no material change has been made to the Asset Management System during the audit period.	A	N/R
172	<i>Water Services Act Section 12</i> The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the asset management system review.	4	- The asset management system review is being conducted in accordance with the ERA's 2019 Audit and Review Guidelines - Water Licences – August 2022. - An audit plan consistent with these guidelines has been prepared prior to this audit. CKB has been consulted with respect to the audit plan and the audit plan has been approved by the ERA. - The outcomes of the asset management system review are in a later section of this report.	A	1
172A	<i>Water Services Act Section 12</i> If the ERA considers that one or more of a licensee's standard terms and conditions of service is no longer in the public interest, the ERA may direct the licensee: a) to amend:	4	CKB advised that the ERA did not direct the licensee to amend a standard term or condition of service during the audit period. As a result, we have not rated this obligation.	N/P	N/R



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	i) the standard term or condition of service; or ii) the standard term or condition of service in accordance with a term proposed by the ERA; and to do so within a specified period.				
172B	<i>Water Services Act Section 12</i> The licensee must comply with a direction given to the licensee under clause 6.1.1.	4	CKB advised that the ERA did not direct the licensee to amend a standard term or condition of service during the audit period. As a result, we have not rated this obligation.	N/P	N/R
182	<i>Water Services Act Section 12</i> If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	4	CKB has not provided a water service outside of the operating area during the audit period. Therefore, this obligation has not been rated	N/P	N/R
184A	<i>Water Services Act Section 12</i> Where the licensee provides sewerage services, the licensee must, if required by the Department of Health, enter into a Memorandum of Understanding with the Department as soon as practicable after the commencement date or as otherwise agreed with Department.	4	- CKB entered into a “Memorandum of Understanding Between the Department of Health and the City of Kalgoorlie Boulder for Sewerage and Non-potable Water Services” (MoU) on 23/02/2021. - We are satisfied that this MoU was entered into “as soon as practicable” after 1/05/2020.	A	1
184B	<i>Water Services Act Section 12</i> If the licensee provides both potable water and sewerage services, the licensee must enter into a separate Memorandum of Understanding with the Department of Health in respect of each of the potable water service and sewerage service.	4	WL4 only licences the CKB to provide non-potable water supply services and sewerage services. Therefore, this obligation was not applicable to the licensee during the Audit Period.	N/A	N/A
185	<i>Water Services Act Section 12</i> A Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.	4	Clause 16.1 of the MoU – Memorandum is legally Binding specifies that “<i>This Memorandum is Executed pursuant to the Licensee’s Operating Licence and is legally binding between the Department and Licensee.</i>”	A	1



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			The requirements for audits are covered in Section 13.0 of the MoU.		
186	<i>Water Services Act Section 12</i> The licensee must comply with the terms of a Memorandum of Understanding.	4	- CKB advised that it has complied with the terms included in the MoU during the audit period. - CKB submits an annual report for its recycled water scheme to the Department of health each year. This provides information on: - The quality of the recycled water provided during the year across CKB's sampling points with the recycled water network - Summary analysis of the results - Emergency and incident management for events and issues that affected the recycled water quality, - Complaints received - Details of proposed improvements to the recycling scheme based on internal/external audits that will strengthen the scheme's ability to supply safe recycled water for the intended end uses - Further information and actions. - The 2021/22 Annual Report for the recycled water scheme that was submitted to the Department of health in September 2022 was reviewed during the audit	A	1
187	<i>Water Services Act Section 12</i> The licensee must publish in the form agreed with the Department of Health, a Memorandum of Understanding and any amendments to a Memorandum of Understanding within one month of signing or making the amendment.	4	- Section 16.3 of the MoU specifies that "The Licensee shall publish this Memorandum and its schedules on its website within one month of entering into the Memorandum." - However, we were not able to locate the MoU of CKB's website during the audit. As a result, this is a non-compliance with the obligation. Recommendation A7/2022	D	2



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
			CKB should publish its MoU with the Department of Health in accordance with the requirements included in Clause 16.3 of the MoU.		
188	<i>Water Services Act Section 12</i> The licensee must publish the audit report on compliance with its obligations under a Memorandum of Understanding on its website within one month of the completion of the audit.	4	- CKB advised that it has not yet been audited on compliance with its obligations under a Memorandum of Understanding. As a result, this obligation has not been rated. - Section 13.3 of the MoU specifies that the audit period will be determined by the Department of Health in consultation with the Licensee but will no greater than five years. Based on when the MoU was entered in to, the audit is not required until February 2026 at latest.	N/P	N/R
189	<i>Water Services Act Section 12</i> The licensee must publish, in a form agreed with the Department of Health, any other reports required by the Department of Health or required by a Memorandum of Understanding on the licensee's website, at a reporting frequency specified by the Department of Health.	4	CKB has not been directed by the Department of Health to publish any other reported required by the Department or by the MoU during the audit period. Therefore, we have not rated this obligation.	N/P	N/R
191	<i>Water Services Code of Practice (Family Violence) 2020 Clause 5(1)</i> The licensee must have a family violence policy that sets out the matters specified in clause 5(1).	4	- CKB has not developed a family violence policy that sets out the matters specified in clause 5(1). Recommendation A8/2022 - CKB to develop a family violence policy related to its licensed water services in accordance with the Water Services Code of Practice (Family Violence) 2020. The policy should be developed to take into consideration the obligations set out in Obligations 191, 192, 193, 194, 195, 196, 197 and 198 of the ERA's Water Compliance Reporting Manual – Water Service Act 2012 – October 2021.	D	3
192	<i>Water Services Code of Practice (Family Violence) 2020 Clause 5(2)</i>	4	Refer to our observations under Obligation 191.	D	3



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
	The licensee must have a family violence policy before the end of the six- month period starting on either: 9 December 2020; or if the day of the grant of the licensee's licence is after 9 December 2020, the day of the grant of the licensee's licence.				
193	<i>Water Services Code of Practice (Family Violence) 2020 Clause 6</i> A licensee must publish its family violence policy on its website and provide a hard copy of the policy to a customer on request and at no charge.	4	Refer to our observations under Obligation 191.	D	3
194	<i>Water Services Code of Practice (Family Violence) 2020 Clause 7</i> A licensee must review its family violence policy at least once in every 5- year period, and additionally, if directed to do so by the Minister.	4	Refer to our observations under Obligation 191.	N/P	N/R
195	<i>Water Services Code of Practice (Family Violence) 2020 Clause 8(1)</i> A licensee must maintain adequate records in relation to compliance with this code or any policy made under the code. If the licensee is a government organisation, as defined in section 3(1) of the State Records Act 2000 (WA), then records must be maintained in accordance with its obligations under that Act.	4	Refer to our observations under Obligation 191.	N/P	N/R
196	<i>Water Services Code of Practice (Family Violence) 2020 Clause 8(2)</i> If the licensee is not a government organisation according to the State Records Act 2000 (WA), a record that relates to a customer, must be retained for at least 7 years after the last communication between the licensee and the customer, or water services ombudsman. If the record does not relate to a customer, then the record must be kept for at least 7 years after the record is made.	4	Refer to our observations under Obligation 191.	N/P	N/R



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Observations and recommendations

Ref No.	Licence reference & Summary of licence obligation	Audit priority	Observations and recommendations	Controls rating	Compliance Rating
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 the family violence, the licensee must inform the customer of the existence and operation of the licensee's complaints procedure under clause 46 of the Water Services Code of Conduct (Customer Service Standards) 2018.	4	Refer to our observations under Obligation 191.	D	3
198	<i>Water Services Code of Practice (Family Violence) 2020 Clause 10</i> A licensee must ensure that its website contains a link that provides access to the current version of the code as it appears on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	Refer to our observations under Obligation 191.	D	3
Water Compliance Reporting Manual, March 2021					
7	The licensee must give details of the asset management system and any changes to it to the ERA (the licence prescribes timeframes for providing this information to the ERA – see obligations 170A and 171).	4	There has been no material change to the asset management system used by the licensee during the audit period. Therefore, this obligation has not been rated.	N/P	N/R



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Observations and recommendations

5.2 ASSET MANAGEMENT SYSTEM REVIEW

Table 16 provides detailed commentary based on the findings observed during the audit process.

Table 16 Asset management system review observations

Ref no	Asset Management Process or 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).			B	1
1.1	Asset management plan covers the processes in this table	4	Summary - CKB's Asset Management Plan (AMP) and supporting documents cover the key requirements for the processes in this table, including operations, maintenance, financial and capital expenditure planning, risk analysis and contingency planning for the wastewater and recycled water services provided. - The key asset management systems and documents used by CKB to manage its wastewater and recycled water assets are summarised in the following paragraphs. Asset Management Planning - The Planning department within the Council is responsible for overall planning and develop the Planning Scheme document. - CKB's Planning Scheme was issued in 1997. CKB are currently in the process of working on the second version of the Planning Scheme. This is currently going through the community consultation required before sign-off. - CKB's Strategic Community Plan into account current and expected changes in community demographics, social issues and local, national and global influences and shapes the service delivery policy of the City of Kalgoorlie-Boulder for a 10-year period. The current Strategic Community Plan covers the period 2020-2030. - CKB adopted its Corporate Business Plan in 2021 for the 2021 to 2024 period. This is a four-year plan that translates the City's strategies into	B	1



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			priorities and actions which support the achievement of the Strategic Community Plan. It is an internal business planning tool that informs the annual planning and budgeting process. It outlines specific operating activities and capital works programs that are to be delivered. Asset Management Policy - CKB has an Asset Management Policy (CORP-AP-003) that provides a framework for the CKB to undertake the long-term sustainable management of its infrastructure and other associated assets. The policy sets out CKB's overall objectives and is applied to all CKB's activities, including the wastewater and non-potable water assets. Asset Management System - CKB uses Thinkproject RAMM as its asset register and works management system for its wastewater and recycled water assets. RAMM is also used as the GIS and stores shape file data against the assets as well as asset attribute data. Water Utility Services Plan - CKB has a Water Utility Services Plan that outlines the strategic intent for the delivery of wastewater and recycled water services. The current version of the Water Utility Services Plan is dated December 2022. - The Water Utility Services Plan sets out CKB's water and wastewater objectives as being: - Provide Sewer Network and Wastewater Services - Re-use water to benefit the community - Provide exceptional customer service - Optimise infrastructure maintenance - Operate responsibly - The Water Utility Services Plan provides information on CKB's assets, regulatory environment, organisational structure, asset management		



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			practices, operational and budgeting practices, and performance measures, including customer service measures. Asset Management Plan • CKB completed a full review and update of its AMP in December 2022. • The responsibility for the recycled water system and assets was transferred to the Water Services department during 2022, and the AMP was updated to take account of these new assets. • CKB's AMP provides information on: – CKB's wastewater and recycled water assets – Goals and objectives – Overall asset management practices – Key reference documents (e.g., consultant reports) – Customer expectations – Legislative requirements – Relevant technical standards and guidelines – Details of licences and approvals – Demand forecasts for wastewater and recycled water – A lifecycle management plan covering: - o Data collection and assessments - o Maintenance practices - o Resources - o Schedules and programs - o Asset creation/acquisition practices - o Asset disposal practices - o Risk Management - o Contingency planning – Financial planning – Plan improvement and monitoring Water Services Quality Management Plan • The Water Service Quality Management Plan has been developed to include a series of appendices for the operations of the wastewater and recycled water schemes. This includes scheme plans, process descriptions,		



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			technical operating and maintenance manuals for the wastewater treatment plant and recycled water scheme, as well as supporting management plans, e.g., odour management, algae management, noise management, and mosquito management plans. - The Water Services Quality Management Plan also includes recycled water quality management documents, e.g., process control tables, operational monitoring and critical control point information, sampling processes and procedures and the health risk assessment for the recycled water scheme. Water Services Standard Operating Procedures (SOP) Manual - The key mitigation strategies to minimise operational risks are the operational SOPs included in the Water Services SOP Manual. This includes the tasks completed by CKB's contract staff.		
1.2	Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	4	- Key stakeholders are listed in section 2.1 of AMP. - Section 2.1 also provides reference to CKB's key corporate planning documents, including: - Strategic Community Plan 2020 – 2030 - Corporate Business Plan 2021 – 2024 - Kalgoorlie–Boulder Growth Plan - The City of Kalgoorlie – Boulder Local Planning Strategy 2013 – 2033 - Section 2.2 of the AMP states that “The City’s Strategic Statement, Aspirations and Principles have also driven the development of this Asset Management Plan,” and these aspirations and guidelines are listed. - Section 4.2 of the AMP outlines the Strategic and Corporate Goals, and outlines how these have guided the development of CKB’s Water Utility Services Plan. The purpose of the plan is to outline the strategic intent for delivery of sewer and wastewater treatment and recycled water services to the City of Kalgoorlie – Boulder. Section 5.0 of the AMP sets out the demand forecasts for the wastewater and recycled water services for a 20-year period. These forecasts are aligned to CKB’s overall planning forecasts and integrated with CKB’s overall planning processes.	A	1
1.3	Service levels are defined in the asset management plan	4	Section 4.0 of the AMP is titled ‘Levels of Service’. However, although this section includes customer expectations, including the results of the most	B	1



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			recent customer survey, the overall strategic and corporate goals, legislative requirements, technical standards and guidelines used and the licences and approvals relevant to the provided water services, performance measures used to identify whether the corporate and asset management objectives are being met are not included in the AMP. CKB's performance measures for its sewer and treatment, recycled water, customer service, infrastructure maintenance and operations are set out in the 'Our Measures' section of the Water Utility Services Plan. This sets out the objectives, performance measures and targets under each category.		
1.4	Non-asset options (e.g., demand management) are considered	4	- CKB considers non-asset options in the planning of new works and when considering replacement of existing assets. - CKB commissioned a Water Loss report in 2018 that formed the basis of an Issues Paper Recycled Water Supply. This provided a water balance for the entire system and identified improvements that could be made to the system to maximise available recycled water supply. - CKB commissioned a sewer model of its network in 2021 and this has been used to identify where there are issues within the network due to flows backing up and where there are overflows in dry and wet weather. This has been used to identify areas for jetting to improve the performance of the sewer pipes in affected areas.	A	1
1.5	Lifecycle costs of owning and operating assets are assessed	4	- CBK has developed a detailed Long Term Financial Plan (LTFP) that currently extends from 2022/23 to 2039/40. The LTFP covers financing of proposed capital works, operations and maintenance costs over the period. - The LTFP is summarised in Section 7.0 – Financial Planning in the AMP.	A	1
1.6	Funding options are evaluated	4	- CKB's funding strategy is included in Section 1.4 the AMP. The AMP states that <i>"There is sufficient funding to provide the Water Services Assets Classes service levels identified in the Water Utility Services Plan. Expansion of the assets will be reviewed in business case scenarios."</i> - The LTFP addresses funding sources within the financial model. - The funding sources that CKB has included in its financial mode include Sewer Rates, Sewer Pedestal Charges, Recycled Water Sales and third-party tankered waste delivered to the South Boulder WWTP. Reserve funds can also be made available for funding CKB's capital projects. Recent and current renewals works at the WWTP have been funded from Council	A	1



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			reserves and the LTMP includes funding from Council Municipal Funds in each year out to 2039/40.		
1.7	Costs are justified and cost drivers identified	4	- CKB has a corporate budgeting process to review and approve any new works that have been identified. CKB justifies its capital and operating costs when developing its budgets and the drivers are identified. - Asset condition and performance data is recorded against CKB's assets in RAMM and this can be shown visually in the GIS to identify problem areas within the sewer network to be included in CKB's ongoing CCTV inspection program, where areas of the network require jetting or where assets need to be replaced or renewed. - The capital works budget submitted for review and approval includes a justification for the proposed expenditure and details of the previous spend for each item. - Estimated costs are justified on the basis of achieving the required levels of service, while taking the risk and cost into consideration.	A	1
1.8	Likelihood and consequences of asset failure are predicted	4	- CKB's Infrastructure Risk Management Plan is included in Section 6.7 of the AMP. The risk profiles for CKB's wastewater services identify the consequences for categories of General, Financial, Safety, Environment, Employees, Performance, Technical Complexity and Public Image & Reputation. - CKB's Water Services Risk Assessment is included in Appendix 2 of the AMP.	A	1
1.9	Plans are regularly reviewed and updated	3	- The AMP is reviewed on a 12-month cycle and was last review and updated in December 2022. - The Water Services Utility Plan was also reviewed and updated in December 2022 - The LTFP is updated every 6 months as part of CKB's Corporate budget process and was last reviewed and updated in January 2023. - CKB reviewed and updated its Risk Assessment in December 2022.	A	1
2	Asset creation/acquisition Asset creation/acquisition is the provision or improvement of assets.			A	1



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2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset options	4	- CKB's Asset Creation/Acquisition processes is set out in Section 6.5 of its AMP. - Asset upgrades and new asset projects are developed taking into account growth projections from CKB's strategic planning documents, land development proposals, service levels, licence compliance, Councillor and community requests and legislative changes. - CKB's asset renewals are based on inspections, repair cost data, asset performance and the monitoring of service level breaches. - CKB has to prepare Business Cases under Section 3.59 of the Local Government Act for new assets that are identified but not for renewal of current assets. CKB's Business Cases include all life-cycle costs and include an assessment of non-asset solutions, where applicable. - Project proposals identifying the drivers, costs (revenue) and timeframes are developed for all major asset renewal and upgrade/new projects. - Business Cases are submitted through CKB's budgeting process for review and approval. Candidate proposals are assessed to verify the need and to develop a preliminary renewal estimate. - During the review period, CKB has constructed a new pumping station at Swan Lakes and a supply pipeline to transfer recycled water to a new major non-residential customer. The Water Services department prepared an issues paper for this project that was presented to Council for approval and inclusion in the City's budget based on demand forecasts, water balance analysis and recycled water options prepared by an external consultant.	A	1
2.2	Evaluations include all life-cycle costs	4	- CKB evaluations include all lifecycle costs. - Costs for the purchase and installation of created or acquired assets, lifecycle costs for operations and maintenance and the projected replacement costs are evaluated for major acquisitions. - CKB's LTFP includes forecast estimates out to 2040 that consider new assets, asset renewals and operating and maintenance costs.	A	1
2.3	Projects reflect sound engineering and business decisions	4	Proposed capital acquisitions in the twenty-year Long Term Financial Management Plan (LTFMP) are based on sound development/ improvement proposals contained in engineering reports by specialist consultants and internally by CKB's Water Services department.	A	1



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			- CKB engages consultants to prepare independent reports for major projects or when specialist information is needed. - CKB commissioned a sewer model of its network in 2021 and this has been used to identify where there are issues within the network due to flows backing up and where there are overflows in dry and wet weather. This has been used to identify areas for jetting to improve the performance of the sewer pipes in affected areas. - CKB commissioned a Water Loss report in 2018 that formed the basis of an Issues Paper Recycled Water Supply. This provided a water balance for the entire system and identified improvements that could be made to the system to maximise available recycled water supply. - The water loss study was used to identify and justify upgrade works at the South Boulder WWTP. The upgrade of the lagoons at the WWTP were completed during 2022 and the IDEA plant upgrade is due to be started during 2023. - CKB is currently planning to construct a new pipeline from the South Boulder WWTP to deliver recycled water directly to the Swan Lakes dams in 2023/24. This project has been proposed in order to ensure that CKB can supply its major recycled water customer as per its supply contract, but it will also allow the irrigation customers and industrial recycled water customers to be separated out and provide some operational benefits, e.g., reduced pumping. The Water Services department prepared an issues paper on the recycled water supply that was presented to Council for approval and inclusion in the City's long-term budget based on demand forecasts, water balance analysis and recycled water options prepared by an external consultant. - CKB has identified potential additional stormwater capture projects, and these will be assessed on individual business cases to determine future capital requirements and best commercial outcomes for the City. The demand forecasts, water balance and storage analysis and stormwater project options have been developed by an external consultant.		
2.4	Commissioning tests are documented and completed	4	Requirements for testing and commissioning for sewer pipes is included in Section 5.5 of CKB's Requirements for Sub-Divisions Policy.	A	1



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			- CKB does not have specific testing and commissioning procedures for its active assets but would expect to include these in the conditions of contract when tendering any work at the WWTP or at its recycled water sites. - CKB does not inspect every new developer asset but requires engineer sign-off before they are transferred to the City's asset base. There is a requirement for the developer to provide As Constructed drawings of the new sewer pipework connecting to the CKB's existing infrastructure. - During the review period, the sewer infrastructure for 24 blocks that were developed near to the Golf Course was inspected regularly and the developer was required to provide As Constructed drawings, ovality test results to show that sewer pipes were round and not squashed (as per the Water Corporation technical standard that CKB uses), compaction test results and hydrostatic test results. - Although CKB included a commissioning report for the new Swan lakes pumping station that has been constructed during the review period, the report has not yet been provided to CKB. The approximately \$1M capital project for the pumping station and the pipeline to the recycled water customer's property boundary was completed in late 2022. - The new pumping station at the Swan Lakes site has a defects and warranty period, with the specific periods depending on asset type.		
2.5	Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	4	- As asset owner, CKB has the overall legal/environmental/health responsibility for its water service assets. Operational or management responsibility is assigned to individual council officers or departments. - CKB outlines its objectives for its water service in the Water Services Utility Plan and these include: - Operate Responsibly - Ensure our operational practices are efficient, effective and safe, and meet or exceed regulatory obligations. - Ensure optimal management of capital and operational costs. - Understand best industry practices, pursuing continuous improvement of operations to deliver optimal outcomes for the community. - In addition, the Water Services Utility Plan includes a section on 'Our Regulators', where CKB summarises the conditions required by all relevant bodies that regulate its water services.	A	1



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			- Legal, environmental and safety obligations are also documented in the AMP and in the SOP Manuals. - Section 4.4 - Technical Standards and Guidelines in the AMP outlines the key standards and guidelines that CKB uses to attain the required levels of service for its assets. - In addition, Section 4.5 – Licence and Approvals in the AMP provides details of CKB's ERA, DWER and DoH licences and approvals. - The SOP Manual includes sections on Compliance Reporting (Section 3), and Relevant Acts, Laws and Policies (Section 5). - The SOP Manuals also outlines specific operational procedures in detail. CKB has checklist procedures for specific operations at the WWTP and in the sewer and non-potable water networks. - Legal, environmental and safety obligations related to the recycled water scheme are documented in the Water Services Quality Management Plan. There is also a separate O&M Manual for the recycled water scheme.		
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	4	- CKB's Disposal Plan is set out in Section 6.6 of the AMP. - CKB's assets are continually reviewed for performance and condition. - Under-utilised or under-performing assets are identified using knowledge gained from site via inspections and maintenance work, including repairing and rectifying blockages and overflows, CKB's jetting program and its CCTV program. Historical information such as asset performance, failures and age is also used. - CKB has its own small CCTV rig that it can use to carry out inspections in the field to confirm any issues or reasons for a particular under-performing asset. CKB also has an ongoing CCTV inspection program that it contracts out to survey key under-performing areas and critical pipes within the network.	A	1
3.2	The reasons for under-utilisation or poor performance are critically examined and	4	CKB commissioned a sewer model of its network in 2021 and this has been used to identify where there are issues within the network due to flows backing up and where there are overflows in dry and wet weather. This has	A	1



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	corrective action or disposal undertaken		been used to identify areas for jetting to improve the performance of the sewer pipes in affected areas. - Similarly, as noted above, CKB use its ongoing CCTV program to examine key under-performing areas within the network and its critical main pipes. - CKB uses RAMM to examine work order information and collected condition data to identify areas to be included in its jetting program. Asset condition information collected during routine and emergency maintenance is recorded in RAMM and used to identify assets to be replaced or renewed. Examples of the reports (approximately 8-10) used within RAMM to evaluate assets for corrective action or disposal were viewed during the review.		
3.3	Disposal alternatives are evaluated	4	- CKB disposes of an asset when it becomes uneconomical to maintain and/or replace. - Disposal of sewerage assets are undertaken in accordance with Section 3.58 of the <i>Local Government Act 1995</i>. - CKB has an Asset Disposal Policy (CORP-AP-002) that establishes a policy for the City to openly and transparently dispose of its assets surplus to Council's needs that have a maximum written down value of \$5,000. - Generally, CKB's sewer and recycled water pipelines are left in the ground as the preferred renewing of pipelines is via relining, pipe bursting through the existing pipeline or laying new. - Generally, the mechanical and electrical components of CKB's decommissioned non-pipeline assets are disassembled for parts and utilised for renewals or spares. - CKB sells genuine resale value items through open auction. - The remaining components are stockpiled and sold for scrap metal, where possible. In some instances, it is cheaper to dispose of assets in Council land-fill sites.	A	1
3.4	There is a replacement strategy for assets	4	- CKB's asset replacement strategy is based on investigation of assets associated with emergencies/incidents leading straight replacement of a failed asset and use of its RAMM asset management and works management system to review assets for renewals based on age, condition and performance. - During the review period, CKB did not dispose of any assets. Some assets were put offline but nothing as decommissioned during the period. Pump	A	1



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			assets that were swapped out during the review period have been stockpiled and we evidenced this during our site inspections.		
4	Environmental analysis 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 system environment are assessed	4	• Opportunities and threats in the system are adequately addressed in the comprehensive risk and mitigation analysis in the AMP. • CKB's Infrastructure Risk Management Plan is included in Section 6.7 of the AMP. The risk profiles for CKB's wastewater services identify the consequences for categories of General, Financial, Safety, Environment, Employees, Performance, Technical Complexity and Public Image & Reputation. • CKB's Water Services Risk Assessment is included in Appendix 2 of the AMP. • The Water Services Quality Management Plan includes a number of specific management plans in its appendices, including Mosquito Management Plan and Algae Management Plan. The Odour Management Plan provides a reference to appropriate section of the WTPP SOP Manual. • A separate health risk assessment for the recycled water scheme is included in Appendix E of the Water Services Quality Management Plan. Risk characterisation has been used to integrate the information gathered in the hazard identification, dose response and exposure assessment. • CKB has identified that more non-potable water storage is needed. CKB has identified potential additional stormwater capture projects and these will be assessed on individual business cases to determine future capital requirements and best commercial outcomes for the City. Stormwater capture in the vicinity of its Racecourse Dam has been identified but this is only at concept stage at present. • During the review period, CKB has constructed a new pumping station at Swan Lakes and a supply pipeline to transfer recycled water to a new major non-residential customer. The Water Services department prepared a business case for this project that was presented to Council for approval and inclusion in the City's budget.	A	1



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			CKB is currently planning to construct a new pipeline from the South Boulder WWTP to deliver recycled water directly to the Swan Lakes dams in 2023/24. This project has been proposed in order to ensure that CKB can supply its major recycled water customer as per its supply contract, but it will also allow the irrigation customers and industrial recycled water customers to be separated out and provide some operational benefits, e.g., reduced pumping. As noted previously, the Water Services department prepared an issues paper on the recycled water supply that was presented to Council for approval and inclusion in the City's budget based on demand forecasts, water balance analysis and recycled water options prepared by an external consultant.		
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved	4	- CKB's performance measures for its sewer and treatment, recycled water, customer service, infrastructure maintenance and operations are set out in the 'Our Measures' section of the Water Utility Services Plan. This sets out the objectives, performance measures and targets under each category.. - During the review period, CKB has achieved the performance targets included in the Water Services Utility Plan. - CKB records details of all the sewer blockages and overflows it attends in RAMM and uses this to report against its blockage and overflow performance standards. - CKB has current targets to achieve <85 blockages per 1,000 connections and <25 blockages per 100 km of sewer main. We confirmed that CKB achieved these standards in 2020/21 and 2021/22. - Generally, performance measure information is only reported Council when there are significant problems/issues with the water services or when this data is being used as justification within a new business case for capital expenditure approval or for changes to the operational budget. - Water Service performance targets and standards are not included in CKB's public Annual Report. - Performance standards are reported to the ERA annually. - During the review period, CKB submitted annual performance reports to ERA for 2020/21 and 2021/22. The 2021 report was provided to the ERA within the required timeframe but as a result of the National Performance Report audit on the 2021/22 data, the 2022 performance report was submitted four days late to the ERA.	A	1



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4.3	Compliance with statutory and regulatory requirements	4	- CKB undertakes continuous assessment of performance levels based on measured results, testing and inspections. - Non-compliances against the ERA's operating licence have been reported for 2020/21 and 2021/22. These relate to non-compliances that were identified during the previous ERA licence audit in 2021. - Reports to the Department of Environmental Regulation (DWER) set out the overall results, highlighted and explained the reasons for non-compliances together with details of actions taken for their future mitigation. CKB submits an Annual Report, Annual Compliance Report and an Exceedance Report to DWER. - As a result of leakage from the three lagoons and the treated effluent balance tank at the SBWWTP, CKB has reported non-compliances under its DWER licence conditions during the review period. These leaks were identified in an investigation reported that was submitted to DWER in 2018. - CKB also reported a non-compliance to DWER for 2020/21 related to a total volume greater than the included in licence Condition 12. This was as a result of the maintenance works being undertaken on the lagoons prior to works being commenced and higher seasonal rainfall events. Works on the lagoons have now been completed and the industrial recycled water customers are back online, so the volume discharged from July 2022 onwards will be within the licence limits in normal operation. - Annual recycled water quality test results for the non-potable supply are provided to the WA Department of Health. Non-compliances against E.coli, total chlorine residual, pH, total suspended solids and turbidity from the recycled water quality sampling have been reported to - Sewer spills to the general environment are reported to the Department of Health. CKB provided three examples of network sewer overflows that have occurred during the review period. Spills to creek are reported to DWER but CKB confirmed that there have not been any of these during the review period.	A	1
4.4	Service standard (customer service levels etc) are measured and achieved	4	CKB's service standards are set out in the 'Our Measures' section of the Water Utility Services Plan. This sets out the objectives, performance measures and targets for the customer service performance measures.	A	1



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			- The Water Utility Services Plan has customer-focused service standards for new connections, charges, recycled water supply, complaints and sewer blockages. - General service standards related to the water services are also included in the Water Collection & Treatment Service Customer Service Charter. The services include in the Customer Charter are aligned to the obligations included in the legislation set out in the ERA's operating licence. - CKB's annual compliance reports for the review period to the ERA confirm a high level of service against the customer service-related obligations. CKB includes details of non-compliances in its annual compliance report to the ERA, together with the reasons for non-compliance and proposed mitigation methods.		
5	Asset operations Asset operations is the day-to- day running of assets (where the asset is used for its intended purpose).			B	1
5.1	Operational policies and procedures are documented and linked to service levels required	2	- CKB has documented operational policies and procedures that are linked to service levels required. - CKB has an overall Council Asset Management Policy (CORP-AP-003) which provides a broad framework for the whole lifecycle, including asset operations. - The Section 2 - Introduction of the AMP also provides an outline of the CKB's overall objectives in its provision of the water services and how these link to Council's key corporate planning documents. - CKB has included a Lifecycle Management Plan in Section 6 of its AMP. Although it is more focused on maintenance activities more so than operational tasks, it provides references to the SOP Manual. We note that there are no references to the Water Services Quality Management Plan in the AMP and recommend that a section is added to the AMP to introduce and reference the Water Services Quality Management Plan and the relevant asset management information that it includes. - Operational/maintenance procedures for the sewerage scheme are included in the Waste and Compliance Services SOP Manual. These include procedures for: - planning and building applications - sewer maintenance	B	1



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			– sewer jetting – sewer overflows and blockages (including containment and clean up procedures) – WWTP procedures (including the contracts pertaining to the plant for mechanical, electrical and SCADA support services) – groundwater bore monitoring – Alarms – Power Failure – WWTP Emergency Procedure Manuals – sampling and testing procedures – Controlled waste tracking – General asset management procedures • Operational/maintenance procedures for the recycled water supply scheme are included in the Operational and Maintenance Manual of the Recycled Water Scheme. This currently forms Appendix P of CKB's Water Services Quality Management Plan. The document includes sections related to: – Delegated areas of responsibility – Operational responsibilities – Emergency contact telephone numbers – Induction of staff and contractors – Site plans of wastewater reuse scheme – Health and Safety – Operational requirements • Appendix GG of the Water Services Quality Management Plan is the Reticulation System Operator Manual for CKB's recycled water scheme. • The Water Services Quality Management Plan also includes the Reticulation System Technical Manual v0.1 in Appendix EE, which provide the details for the SCADA system used to operate the recycled water scheme. • As the Water Services department only took over ownership and operational responsibility for the recycled water scheme at the start of 2022/23, the O&M Manual for the scheme has not yet been reviewed and updated to take account of these changes. CKB has recognised that it needs to complete a review of the O&M documentation for the recycled water and bring the documents, templates and checklists up to the same standard as it has developed for the wastewater assets.		



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			- CKB has started on this improvement work for the recycled water scheme operations and engaged an external consult to develop a Statement of Operating Intent. The purpose of the Statement of Operating Intent is to document the intended method for control of CKB's recycled water distribution system. The document will describe the operating intent for the conditions that the recycled water scheme will need to operate under, outline the modes of operation required/available, and provide initial guidance on control settings use by operators. The Statement of Intent was at draft stage in January 2023. - CKB has operational data for the recycled water scheme. This includes flowmeter data for the volumes of water it has supplied to its reuse customers back to 2018. Although it has details of the electrical testing for the assets, it does not have pump run times to be able to assess operational improvements that could be initiated to improve the efficiency of the scheme. - Work tasks for the staff located at the WWTP to complete have been created in RAMM. Examples were viewed during the review. - Since April 2022, CKB has recorded its daily flowmeter data and wastewater test parameters are recorded in the WaterTrax database. Prior to this, CKB recorded this information in the - The sample points at the WWTP and within the recycled water scheme and the characteristics that are tested are included in Appendix D of the Water Services Quality Management Plan. - The Water Services Quality Management Plan includes details of the operational and verification monitoring plans. The sampling plan is included in Appendix H of the document. - Free chlorine, pH and temperature are tested for the recycled water scheme via field testing. CKB samples and tests for total nitrogen, total phosphorus, suspended solids and mixed liquor suspended solids at the WWTP - Samples taken at the WWTP outlet are carried out by CKB staff and sent to a NATA-accredited laboratory in Perth for analysis. These samples are required to be taken every quarter but if the discharge point into Hannan's Lake is used, the effluent is required to be sampled within five days of the plant starting to discharge to the watercourse and every month after that if the plant continues to flow.		



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			- Recycled water quality analysis is reported to the Department of Health. No issues have been experienced with the quality of the non-potable water during the review period. There has been an occasional re-test but these have come back with negative test results. - Recycled water customers provided with the non-potable water have their meters read and are invoiced monthly. Most meter reads are manually read. Meter reads are taken from the data recorded on the last day of the month unless this falls on a weekend. - The recycled water meters were not calibrated during the review period and were last calibrated in 2018.		
5.2	Risk management is applied to prioritise operations tasks	4	- CKB's Infrastructure Risk Management Plan is included in Section 6.7 of the AMP. The risk profiles for CKB's wastewater services identify the consequences for categories of General, Financial, Safety, Environment, Employees, Performance, Technical Complexity and Public Image & Reputation. - CKB's Water Services Risk Assessment is included in Appendix 2 of the AMP. - Although CKB's risk assessment is not categorised, operational risks that have been included in the most recent (December 2022) version of the risk assessment include: - Sewer scheme pumps - Sewer overflows - Chlorination Perth sole supplier of chlorination - inability to chlorinate - Aerators fail - Pumps fail - Decanters fail - Historical plumbing works - storm water discharged into sewer network - No contingencies if WWTP cannot accept intake - Staff shortage - operational understandings. - Dam failure - over capacity or physical breach - Ground water rising - integrity of the dam could fail. - Sludge build-up - Main line failures - Recycled Water - Over supply	A	1



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			- Under supply - can't meet demand - Damage/protection of environment - Risk of leakage from pipe network - Power failure - The key mitigation strategies to minimise operational risks are the operational SOPs included in CKB's SOP Manual and in the appendices included in Water Services Quality management Plan (e.g., the operating manuals for the WWTP and the recycled water scheme).		
5.3	Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition	2	- CKB has been using RAMM as its operational asset register. There is also a financial asset register in Synergy Soft. There is linkage from the RAMM system to the financial system through inclusion of financial system asset codes. - The register in RAMM includes asset material, type, location, condition, inspection date and a record of previous faults and un-planned maintenance.	A	1
5.4	Accounting data is documented for assets	2	- Accounting data is documented for CKB's sewerage and recycled water assets. - CKB has a financial asset register in Altus, which replaced Synergy Soft in February 2022. There is linkage from the RAMM system to the financial system through inclusion of financial system asset codes.	A	1
5.5	Operational costs are measured and monitored	4	- Invoices from maintenance contractors are received monthly and tracked against work required to be completed. Energy bills and other invoices go through the City's corporate system and are forwarded to the Water Services Coordinator for sign-off. All costs are recorded against the ongoing annual operations budget in CKB's Altus financial system (which replaced Synergy in January 2023). - The operational budget is developed by the Coordinator Water Services with input from other members of the department. The previous year's budget is the starting point, with any new capital expenditure needing to be approved by Executive Management and then Council. - Projected operations and maintenance expenditure out to 2039-40 is set out in CKB's Long-term Financial Plan. This shows the forecast operating expenditure as being relatively stable across the period.	A	1



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			- Financial/accounting costs associated with the assets are recorded in CKB's corporate finance system. The previous Synergy finance system was replaced by Altus in January 2023. - Replacement costs for the sewer network are based on unit rates. - Actual expenditure on pipe renewals is used to update the replacement cost for those assets. - Prior to February 2023, a monthly report from Synergy issued to compare actual operating expenditure against the budget. The new Altus finance system is dashboard-based and presents the cost data graphically and summarises the spend. Tabs within the system show the purchase orders and invoices booked against the Water Services account codes. - Previously a separate annual operations and maintenance budget was prepared by the Parks and Reserves group for the recycled water system. Since July 2023, as a result of the transfer of the operational responsibility and asset ownership, the budgets for the wastewater and recycled non-potable water services are now both being prepared by the Water Services department.		
5.6	Staff resources are adequate, and staff receive training commensurate with their responsibilities	2	- Field staff are trained to meet their position responsibilities. This is predominantly carried out through on-the-job training. - Section 4 of the Water Services SOP Manual sets out the Water Technical Officer requirements. - Training requirements are typically identified through the annual staff performance review process, although CKB has not conducted these reviews recently. - Specialist training (e.g., breathing apparatus) is arranged within the department and the information forwarded to the HR department to record. - CKB's Water Services staff have undertaken chlorine handling safety training and breathing apparatus training. - CKBH does not carry out confined space training for its staff as activities requiring confined space work are outsourced to external contractors when required. - CKB considers that its staff resources are adequate. The Water Services team totals seven positions. There is currently 1 vacant position for a pump station operator and 1 vacant position for a Water Technical Officer	A	1



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			Compliance. An offer has been made for the Water Technical Officer Compliance position and CKB is awaiting a response from them. - CKB outsource O&M activities to speciality contractors when required to minimise any impacts of resourcing with the Water Services department. - We note that CKB's overall asset management for its water services has greatly improved over the course of recent reviews, as a result of increases in staff resources, and, in particular, staff resources working in higher level asset management and coordination activities, meaning that the management of its schemes is less reactive and more proactive than it used to be.		
6	Asset maintenance Asset maintenance is the upkeep of assets.			B	1
6.1	Maintenance policies and procedures are documented and linked to service levels required	4	- Refer to previous section for details of CKB's O&M policies and procedures. - Planned and unplanned maintenance is carried out by external contractors for the sewer network, pumping stations, WWTP and the re-cycled water systems. - Examples of the service contracts and maintenance schedules were observed during the review.	B	1
6.2	Regular inspections are undertaken of asset performance and condition	2	- CKB has maintenance schedules and procedures, and these are provided to CKB's electrical, maintenance and plumbing contractors. - CKB has a contract with a pipe jetting plumber that provides CKB with a dedicated crew that works in business hours and who are also available on call during out of hours. CKB develops its jetting program each quarter and this is recorded in RAMM. Feedback from field work is used to adjust the program and the frequency of jetting in areas within the sewer network where there are regular issues. The history for the sections jetted is recorded against the assets in RAMM. - CKB also uses the findings from the jetting program to develop its own informal CCTV work that it carries out using its own small camera rig. - CKB has a formal CCTV program that is contracted out. The program is based on pipe criticality and where there are historical/ongoing issues in the network. - CKB have gone to market for the next program of sewer CCTV work. The contract is for two years and is for approximately 13 km of sewers (out of a	A	1



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			total of 219 km). The work includes the trunk main section of pipe to the WWTP and also smaller 150mm pipes within the network. - CKB has a separate program of access chamber inspections. The program is set up in RAMM to inspect where the asset condition is recorded in the system as "Unknown". Photos taken during the inspection are recorded in RAMM against the asset and examples were view during the review. CKB also uses the access chamber inspections to develop jetting works tasks if tree roots or fat deposits are found during the inspection. CKB has purchased access chamber lids for next year's replacement program based on the results of its inspections during the current year. - Daily inspections are also undertaken at CKB's recycled water facilities.		
6.3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	2	- CKB has included a section for its Operations and Maintenance Schedules and Programs in Section 6.4 of the AMP. This includes the details for the overall programs covering the sewer network assets, the South Boulder WWTP and the recycled water assets. - Planned maintenance tasks are set up in RAMM. The system is also used to record the findings and work details for emergency or corrective maintenance against the relevant asset. - Emergency and contingency plans are included in the Water Services SOP Manual for sewer main overflows, sewer main blockages, alarms, power failure, WWTP faults and emergencies. - In addition, the Water Services SOP Manual also references and hyperlinks the separate Emergency Procedure Manual for incidents at the WWTP or Old Boulder Lagoons and the Chlorine Emergency Response Plan. - Maintenance Plans related to the recycled water assets are included in the Water Services Quality Management Plan. This includes the Operational and Maintenance Manual of the Recycled Water Scheme in Appendix P of the Plan. - Planned maintenance is specified in CKB's maintenance contracts with its external contractors. Rates are included for unplanned maintenance works. - Maintenance works are signed off by CKB Water Services staff and are verified prior to making the payments under the contract.	B	1
6.4	Failures are analysed and operational / maintenance	4	Asset failures are assessed and recorded in RAMM. Maintenance procedures and/or maintenance frequencies are adjusted as necessary.	B	1



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	plans adjusted where necessary		- Asset failure analysis is the primary tool used by CKB to develop its inspection, maintenance and renewals programs. Sewer blockages and overflows are investigated and rectified, with field data, jetting work and CCTV inspections used to program maintenance and pipe renewals where applicable. - Asset failures and replacements/swap outs are recorded against the asset in RAMM.		
6.5	Risk management is applied to prioritise maintenance tasks	4	Refer to previous section for details of risk management applied to operations and maintenance activities.	A	1
6.6	Maintenance costs are measured and monitored	5	- Mechanical, electrical and plumbing companies under contract to CKB undertake the maintenance on the sewer, WWTP and recycled water assets. - Sewer maintenance is signed off and recorded by the on-call officer. The Mechanical and Electrical contractors at the WWTP submit their accounts to CKB for discussion and approval for payment. - Scheduled and reactive maintenance is recorded and costed in Altus (which replaced the previous Synergy financial system in January 2023). - At present, the starting point for the maintenance budget for the sewer network is based on the previous year's expenditure for jetting and blockages. Renewals expenditure forecasts are already captured in the budget. - Actual O&M expenditure vs budget is regularly reviewed. A monthly report is produced from the finance system and is reviewed by the Coordinator Water Services. A quarterly report is also produced by the finance system for review. Altus has a dashboard interface that presents the data graphically and summarises the spend, with tabs in the dashboard showing the different purchase orders booked against the Water Services account codes. The new Altus system means that the expenditure can be reviewed by the Water Services Coordinator on an ongoing basis more easily than before.	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



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7.1	Adequate system documentation for users and IT operators	3	- CKB's Water Services asset management system is based on: - Thinkproject RAMM – the asset register and works management system - Altus – the finance system, which replaced Synergy in January 2023 - WaterTrax – a utilities-tailored database for storing and reporting process data. CKB uses WaterTrax to record its flow data and water quality test results. The system has - Intra-maps - a software package which contains maps and relevant data related to the services and administrative factors on individual lots - GIS – CKB also uses RAMM for its GIS - CiAnywhere – CKB's corporate documents management system - SkyTrust – CKB's safety and compliance management system. This is used for incident management and hazard reporting CKB's work crews also use hard copy pocketbooks for job safety assessments in the field. - RAMM has instruction manual but has also has in-built training and there are YouTube videos on the manufacturer's site for carrying out different tasks. - Manuals and other documentation are maintained for the City's corporate systems. - A full set of operations manuals were provided by Water Corporation when the WWTP was transferred into the City's ownership. - The manuals for the WWTP and the recycled water scheme are included in the Water Services Quality Management Plan.	A	1
7.2	Input controls include suitable verification and validation of data entered into the system	4	- Data is only generally verified and validated on input, although ad hoc reporting is used to identify and rectify any errors in the input information. - Asset classes in RAMM are set-up with pre-sets, e.g., pipe diameters, to minimise free text errors being recorded. - WaterTrax is set-up with limits for the water quality data to identify any errors in the inputs. System reports are automatically generated when out-of-range parameters are recorded. - Flowmeter data is input into WaterTrax via SCADA, which minimises input errors.	A	1



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7.3	Security access controls appear adequate, such as passwords	4	- Access to areas of CKB's asset management system are restricted to staff in specific operational areas and individual responsibility. - CKB uses RAMM for its roads assets as well as its water assets. Write access to the water assets module is limited to the appropriate Water Services staff. - Access to WaterTrax is also restricted to the appropriate CKB staff. - RAMM and WaterTrax are both cloud-based systems and passwords are needed to access the system. - Other CKB corporate systems also required user login.	A	1
7.4	Physical security access controls appear adequate	4	- Physical security access controls are adequate. Entry to the WWTP is controlled through swipe card access and the plant has CCTV monitoring at the entrance gate and also at some processes within the site primarily for remote process monitoring. The WWTP building is locked out-of-hours. - All pump stations are locked and require PR1 keys to access. These are the highest access keys and restrict access to works supervisors. - CKB uses a lock out/tag out system for other assets, e.g., standpipes, to restrict assets. Colour coded keys and locks are used to limit access. - The server in the Council office is kept in a locked room accessible only by CKB's IT staff. The office building is locked outside business hours.	A	1
7.5	Data backup procedures appear adequate, and backups are tested	4	- RAMM and WaterTrax are cloud-based systems and CKB pays a subscription fee to use these software packages that also includes back-up to the cloud. - Dual daily backups are undertaken to both the office server and externally to CKB's cloud storage. - CKB's IT back-ups also include the Citec SCADA data.	A	1
7.6	Computations for licensee performance reporting are accurate	4	- Key calculations of licence performance data are consolidated within CKB's asset management systems, particularly RAMM and WaterTrax. Refer to Section 7.2 above. - WaterTrax has a reporting function that allows templates to be set up for easy reporting, e.g., daily flows in/out of the WWTP, volumes discharged, volumes transferred to storage. These reports can be run at any time to report on data up to the previous day. CKB has developed these reports	A	1



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			primarily for operational purposes, but they are also aligned with the external reporting requirements, e.g., National Performance Report data.		
7.7	Management reports appear adequate for the licensee to monitor licence obligations	4	- There is no regular internal management reporting related to the water services systems. Licence obligations are continually monitored by the Water Services Coordinator but generally only reported upwards in Council when issues are experienced. - CKB has a Compliance Register to ensure that it meets all the legislative reporting it is required to compete by the relevant due date. - Performance standards are reported to the ERA annually, but CKB does not have a formal regular internal reporting of performance to management or to Council. - Performance targets and standards are not included in CKB's public Annual Report. - Sewer spills to the general environment are reported to the Department of Health. Spills to creek are reported to DWER if they occur. CKB uses RAMM to record overflows against the asset and this data is exported to Excel for analysis and reporting. - CKB reports on the compliance of its recycled water scheme to the Department of Health on an annual basis. - RAMM used to record events so records overflows at a pipe and exported to Excel for reporting/analysis.	B	1
7.8	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation	4	As noted above, access to CKB's system is by password only. Access to various areas of the Water Services asset management systems is also limited to nominated members of staff.	A	1
8	Risk management Risk management involves the identification of risks and their management within an acceptable level of risk.			A	1
8.1	Risk management policies and procedures exist and are being applied to minimise internal and external risks	3	- CKB has a corporate Risk Policy (EXEC-CEO-014). The policy sets out: - Objectives of the policy - Provides a policy statement, including that "It is the City's policy to achieve best practice (aligned with AS/NZS ISO 31000:2018 Risk	A	1



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			management – Guidelines), in the management of all risks that may affect the City meeting its objectives.” – Policy details – Key policy definitions – Roles and responsibilities – Risk assessment and acceptance criteria – Monitor and review process • The Water Services department risk management is aligned to the corporate policy. • CKB's Infrastructure Risk Management Plan is included in Section 6.7 of the AMP. The risk profiles for CKB's wastewater services identify the consequences for categories of General, Financial, Safety, Environment, Employees, Performance, Technical Complexity and Public Image & Reputation. • Risks are assessed in terms of likelihood of occurrence and severity. Severity is assessed at five levels - from insignificant to catastrophic. • CKB's Water Services Risk Assessment is included in Appendix 2 of the AMP. • Risk management related to the recycled water supply are included in the Water Services Quality Management Plan. A separate health risk assessment has been completed for the WWTP and recycled water scheme. This is included in Appendix E of the Water Services Quality Management Plan.		
8.2	Risks are documented in a risk register and treatment plans are implemented and monitored	2	• CKB's Water Services Risk Assessment is included in Appendix 2 of the AMP. • Likelihood scores are used to assign inherent risk scores to each element in the assessment. The adequacies of existing controls are also assigned, and risk mitigation and minimisation strategies listed against each identified risk. • CKB's comprehensive risk assessment has assessed fifty risks. For each risk included, CKB has used its risk framework to provides an assessment of the initial risk together with mitigation procedures (intended or in place) followed by an adjusted risk based on the mitigation implemented. • We consider that the assessment is adequate although we note that some risks are identified in terms of general events rather than by a specific cause. For example, 'Pump fail' has been assessed as an overall event	A	1



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			rather than as a specific event such as the failure being caused by a power failure, asset failure, SCADA failure or a blockage. As noted above, risk management related to the non-potable water supply is included in the Water Services Water Quality Management Plan. The Health Risk Assessment is included in Appendix E of the document.		
8.3	The probability and consequence of risk failure are regularly assessed	2	The Water Services AMP states that formal risk assessment of the Water Services Operations is undertaken annually. CKB's Risk Assessment was last reviewed and updated in December 2022.	A	1
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	- CKB's contingency planning for its water services is provided in Section 6.8 of the AMP. Table 6.8 outlines the contingency plan actions for the following failure modes: - Power failure at the South Boulder Wastewater Treatment plant site - Catastrophic failure of mechanical components such as aerators; balance tank pumps; WAS pumps; RAS pumps - Catastrophic failure of electrical components - Failure of sewer reticulation system after hours (overflows) - Failure of sewer pump stations - Failure of recycled water pump station - Failure of recycled water quality causing public health issues - Emergency and contingency plans are included in the Water Services SOP Manual for sewer main overflows, sewer main blockages, alarms, power failure, WWTP faults and emergencies. - In addition, the Water Services SOP Manual also references and hyperlinks the separate Emergency Procedure Manual for incidents at the WWTP or Old Boulder Lagoons and the Chlorine Emergency Response Plan. - The Chlorine Emergency Response Plan is for the chlorine treatment process at the WWTP. These assets are currently mothballed and expected to be decommissioned in the future as CKB do not expect to re-supply the mining customer that required the disinfection of the treated effluent going forwards.	B	1



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			- The Incident Management Plan for the non-potable water supply is included in Appendix L of the Water Services Quality Management Plan. This sets out the contents, including incident classification, notification processes, emergency response and communications, containment and remediation procedures and incident cause and investigation procedures. - CKB's contingency plans themselves are not specifically tested via emergency incident scenario exercises but are considered to be tested under normal operating conditions. Given CKB's asset base and the services providers, we consider that this is sufficient. - CKB's sewer system is relatively straightforward and predominantly a gravity system. Similarly, the WWTP is also a gravity system. - The two sewer pumping stations (SPS) in the network only serve a small number of properties. - The Throssell Street SPS, the larger of CKB's two SPSs has a capacity of approximately 6 hours during dry conditions and 3 hours during wet weather so there is sufficient time to plan for mitigation in any incident. Eductor trucks can be called on during any emergencies if required. Alternatively, the wet well could be over-pumped to the access chamber that the pump station discharges to. - CKB also has an emergency portable generator that can be used to manage issues in the piped network. - Overflows are experienced and managed regularly. The power supply to the WWTP is considered to fail several times each year but there is an emergency generator at the site that can be used in these events. Diversion of flows at the WWTP is also carried out during heavy rain events. - For the recycled water supply, CKB's contracts with its commercial and industrial customers specifies that recycled water can only be supplied if CKB have available volumes. Therefore, there is no requirement for CKB to provide the customers' full allocations. CKB has the power under the contract to reduce the volumes supplied if it does not have the water available. - In addition, the contract also specifies that CKB cannot supply its customers if the recycled water is out of specification with regard to its water quality requirements. The chlorine that CKB uses in its disinfection processes is sourced from Perth and if there are any supply issues, CKB does not supply		



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			recycled water it its customers. Chlorine gas bottles are stored at the Racecourse, Old Boulder and Piccadilly sites but the amount of chlorine that CKB can store is limited by its poisons permit. - CKB also has City of Kalgoorlie-Boulder Emergency Management Arrangements that have been prepared and endorsed by the City of Kalgoorlie-Boulder Local Emergency Management Committee in accordance with the requirements of the <i>Emergency Management Act 2005</i>. - CKB has Council-wide Emergency Risk Strategy Plans to manage events such as bush fires, severe storms, hazardous materials incidents/chemical spills, and earthquakes. These strategies set out the risk statement, responsible agencies/individuals, prevention strategies, preparedness strategies, response strategies and recovery strategies.		
10	Financial planning		Financial brings together the financial elements of the service delivery to ensure its financial viability over the long term.	B	1
10.1	The financial plan states the financial objectives and identifies strategies and actions to achieve those	4	- Financial planning is carried out in accordance with the requirements of the <i>Local Government Act</i>. The overall responsibility for financial planning lies with the Financial Services department within the Council. - CKB undertakes its financial planning for its sewerage service in accordance with the City's Integrated Planning Framework used to develop a ten-year Corporate Business Plan. The Corporate Business Plan provide the detailed implementation outline for services, key projects, capital investment and areas of advocacy over the next four financial years. - CKB has a number of policies that relate to financial management, including the Investment Policy, Accounting Policy and Purchasing Policy. The Accounting Policy provides the overall framework for the financial management of CKB. - CKB has adopted a Long-term Financial Management Plan (LTFMP) that currently is for the period 2023 to 2040. The plan covers both the re-cycled water and sewerage systems. The financial projections take into consideration income, operational and capital expenditure. - CKB's Financial Planning is set out in Section 7 of the AMP. This section summarises the LTFMP, the budgeting process and the tasks that still need to be completed on the financial model.	B	1



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			- We note that the AMP does not include any financial projections and the LTFMP is only referenced.		
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	2	- CKB's funding strategy is included in Section 1.4 the AMP. The AMP states that <i>"There is sufficient funding to provide the Water Services Assets Classes service levels identified in the Water Utility Services Plan. Expansion of the assets will be reviewed in business case scenarios."</i> - CKB's LTFMP clearly sets out the source of funds for each year. - Funding sources that have been included in its financial plan include: - Sewer rates - Sewer pedestal charges - Recycled water sales - SBWWTP tanker charges - The financial plan also includes lines for Grant Funding and Reserve Account. Council Municipal Funds have been assumed for funding the capital revenue in each year through to 2039/40. - It is currently being proposed that the Water Services department finances are ring-fenced from the rest of Council, which would mean that the revenue would stay within the department for funding, rather than all the dividends being paid to Council. - We note that recent and current renewals works at the WWTP have been funded from reserves.	A	1
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	4	The LTFMP addresses income and expenditure in considerable detail. The January 2023 budget update shows CKB's Water Services making a profit in every year out to 2039/40 with the exception of 2024/25. The forecast loss in 2024/25 is due to the proposed capital program and more than \$10M of expected capital expenditure on the recycled water scheme. These forecasts assume the Water Services revenues are ring-fenced to be used by Water Services.	A	1
10.4	The financial plan provides firm predictions on income for the next five years and reasonable	4	The financial plan provides reasonable indicative projections for income for the twenty-years period to 2039/40. The projections for the first five years of the Plan are considered to be firmer, although these will be heavily impacted by the ability to supply the forecasted recycled water volumes. The recycled	A	1



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	indicative predictions beyond this period		water sales make up approximately 20% of CKB's annual revenue forecasts. The income from sewer rates, pedestal charges and third-party waste tankered to the South Boulder WWTP is considered reasonably fixed and reliable as sources of revenue. The Financial Plan is reviewed twice a year as part of CKB's overall budgeting process and is amended if assumed financial and other factors change into the future.		
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	2	- CKB's LTFMP identifies the projected operations, maintenance, administration and capital renewal expenditure required to provide water services to the community out to 2039/40. - The LTFMP includes operations, maintenance and administration expenditure forecasts for: - Sewerage - Employment Costs - Fringe Benefit tax Expense - Office Expenses & Consumables - Water Ombudsman Scheme (ERA Reg 8) - Sewer Licensing & Compliance Expenses - Insurance Expenses - Throssell St Pump Station Maintenance - Androvich St Pump Station Maintenance - Sewer Maintenance - Repair Access Lids - Manhole Refurbishment & Point Repair of Mains - Oxidation Lagoons Maintenance - Wastewater Treatment Plant Electrical Maintenance - Wastewater Treatment Plant Mechanical Maintenance - Sewer Jetting Program - Sewer Maintenance - Laneways - Vehicle Operating Costs - Sewer Main Audit - Non-Recoupable Legal Expenses - Wastewater Treatment Plant Operational Expenses - Oxidation Lagoons Operational Expense - Admin (ROI & Notional) Sewerage	A	1



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			- Chemical Analysis of Samples - Wastewater Treatment Plant Subterranean Termite Management - Weed and Mosquito Control - Oxidation Lagoon Chemical Analysis - Sewer Overflow Clean-Ups - Throssell St Pump Station Operational Expenses - Androvich St Pump Station Operational Expenses - ABC Admin Allocation to Sewerage (Employment) - ABC Admin Allocation to Sewerage (Office Expenses) - ABC Admin Allocation to Sewerage (Buildings) - ABC Admin Allocation to Sewerage (IT) - ABC Admin Allocation to Sewerage (Records) - ABC Admin Allocation to Sewerage (Payroll) - ABC Admin Allocation to Sewerage (HR) - ABC Admin Allocation to Sewerage (Other) - Sewerage - Buildings Depreciation - Sewerage - F&E Depreciation - Sewerage - P&E Depreciation - Sewerage - Infrastructure Depreciation - As noted in the above list, the Water Services department are allocated a share of the Council's costs for corporate services such as IT, HR, Payroll, and building costs. - The capital expenditure forecasts include renewals and new works for the sewer network, the WWTP, the recycled water scheme and general capital items (e.g., vehicles and safety equipment).		
10.6	Large variances in actual/budget income and expenses are identified and corrective action taken where necessary	2	- Variances in expenditure are identified and tracked typically for operating expenditure and as needed for capital expenditure. A monthly report is produced from the finance system and is reviewed by the Water Services Coordinator. A quarterly report is also produced by the finance system for review. Where required, corrective action is taken. - Prior to February 2023, a monthly report from Synergy issued to compare actual operating expenditure against the budget. The new Altus finance system is dashboard-based and presents the cost data graphically and summarises the spend. Tabs within the system show the purchase orders	A	1



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			and invoices booked against the Water Services account codes. The new Altus system means that the expenditure can be reviewed by the Water Services Coordinator on an ongoing basis more easily than before. The annual budget has a mid-year review, and this allows changes to be made to the Water Services budget for the second half of the financial year.		
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. Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would usually be based on firm estimates.			A	1
11.1	There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates	4	- CKB's Water Utility Services Strategy and Capital Works Program 2019-2024 is include as a reference in Section 3.0 of the AMP. - CKB has a Water Utility Services Strategy and Capital Works Program which sets the broad strategy and management framework for the delivery of the City's water services. - CKB's LTFMP includes its predicted capital expenditure out to 2039/40. The forecasts for the next four years are considered to be firm, with more work required in the future to confirm the projects that need to be completed in the outer years. - Capital expenditure items are derived from assessment of the current performance and forthcoming requirements of existing assets and lifetime replacement timing contained in the asset attribute data recorded in RAMM. - Section 1.4 of the AMP specifies that "<i>Expansion of the assets will be reviewed in business case scenarios.</i>" - Business Cases for new capital assets are submitted through CKB's budgeting process for review and approval. Candidate proposals are assessed to verify the need and to develop a preliminary renewal estimate. - CKB has engaged an external consultant to prepare demand forecasts, current and future capacity requirements, and options analysis for capital solutions. CKB has used the findings and recommendations included in these consultant reports to prepare issues papers to Council for approval, adoption of projects and inclusion in Council's overall budgets. - The key consultant reports that CKB has used for its capital planning during the review period include:	A	1



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			– South Boulder Wastewater Treatment Plant Water Balance, April 2018 - The report included a water balance and analysis at the WWTP and recommended refurbishment capital works for the IDEA plant and the lagoons. – Demand Forecast – Kalgoorlie Boulder Recycled Water, 15 September 2019 – This report provided an assessment of CKB's future recycled water demands. – CKB Alternative Water Supply Strategy, December 2019 – The strategy identifies volumes and the quality of water resources that could be developed to facilitate large scale projects. The report addresses the business case for development opportunities and the management of risks. – CKB Recycled Water Schemes - Engineering Assessment, October 2020 – An assessment of CKB's current recycled and stormwater capacity and options analysis for treated effluent and stormwater capture and transfer projects. – Kalgoorlie Recycled Water Scheme- Lynas Recycled Water Supply - Phase A1 Basis of Design, July 2021 – This report provides details of the parameters relevant to the design of the Kalgoorlie recycled water scheme upgrades that are required to deliver the contracted service to CKB's new major recycled water customer. The staged water demands form the basis of engineering design. – CKB Recycled Water Infrastructure Design Stage 3 - Water Balance Memo, December 2022 – This memo includes a preliminary water balance intended to inform the scope and prioritisation of water infrastructure capital works for CKB to meet its recycled water supply demands. During the review period, CKB has constructed a new pumping station at Swan Lakes and a supply pipeline to transfer recycled water to a new major non-residential customer. The Water Services department prepared an issues paper for this project that was presented to Council for approval and inclusion in the City's budget. • The Issues Paper Recycled Water Supply, 23 January 2020 that was prepared internally by the Water Services department based on the analysis and recommendations included in the external consultant reports and		



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			provided to Council to inform them of the issues and proposed solutions included: – Water balance analysis – Estimated system losses – Recycled water SCADA system reliability and functionality – Pumping capacities – Storages – Irrigation efficiencies – Options for additional stormwater capture – Recommendations for water savings project, including individual projects, approved budgets, estimated additional costs, estimated savings in water losses and additional water capture volumes for the stormwater projects. • Through the external consultant reports, CKB has identified that more non-potable water storage is needed. CKB has also identified potential additional stormwater capture projects, and these will be assessed on individual business cases to determine future capital requirements and best commercial outcomes for the City. Stormwater capture in the vicinity of its Racecourse Dam has been identified but this is only at concept stage at present. • CKB is also currently planning to construct a new pipeline from the South Boulder WWTP to deliver recycled water directly to the Swan Lakes dams in 2023/24. This project has been proposed in order to ensure that CKB can supply its major recycled water customer as per its supply contract, but it will also allow the irrigation customers and industrial recycled water customers to be separated out and provide some operational benefits, e.g., reduced pumping. This project is based on a recommendation in an external consultant report. • These new recycled water and stormwater projects have been included in CKB's capital program with indicative costs and estimated timeframes.		
11.2	The capital expenditure plan provides reasons for capital expenditure and timing of expenditure	2	• References to the consulting reports that support the capital projects that CKB has developed are included in Section 3.0 of the AMP. • The capital expenditure plan provides reasons for capital expenditure and timing of expenditure for each project.	A	1



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			The capital expenditure forecasts for the next five years are considered to be relatively firm, with the forecast expenditure in the outer years generally being for asset renewals on cyclic programs.		
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	4	- The capital expenditure planning is consistent with asset lives. The asset lives are captured in RAMM against each asset and form the basis of the future works program. - Renewals projects typically have a condition inspection phase followed by developing the asset renewals to be included in the next year program or spread over multiple years. Therefore, more accurate renewals capital expenditure is determined by the condition assessment project at the start of the project. This process particularly applies to CKB's sewer network renewals for pipework and access chambers. CKB has includes a fixed amount for sewer network renewals in each year from 2024/25 onwards but has included higher estimates in the budgets for the next couple of years based on the condition data it has collected. - CKB does not use deterioration models or renewals planning models. However, given the fairly small size of the asset base, models like these are unlikely to greatly improve the renewals planning process.	A	1
11.4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and implemented	4	- The capital works program for the year is submitted to Council annually. - The capital works budget submitted for review and approval includes a justification for the proposed expenditure and details of the previous spend for each item. - The overall capital expenditure plan is updated as part of the budget process and more frequently if required by operational or management circumstances. - The annual budget has a mid-year review, and this allows changes to be made to the Water Services capital budget for the second half of the financial year. - The estimates for CKB's pipe renewals are based on the historical cost of replacements and refined in the budgeting process to identify the extent of the work that needs to be carried out and included in the budget for the next year	A	1



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			- Asset condition recorded in the field during inspections and repair work is recorded against the asset attributes in RAMM. This updated data is used to develop the asset renewals included in the capital plan. - Reports of budgeted and current expenditure are prepared and circulated monthly. Unexpected or over budget expenditure is highlighted for explanation by the appropriate division. - Prior to February 2023, a monthly report from Synergy issued to compare actual capital expenditure for each project against the project budgets. The new Altus finance system is dashboard-based and presents the cost data graphically and summarises the spend. Tabs within the system show the purchase orders and invoices booked against the Water Services account codes. The new Altus system means that the expenditure can be reviewed by the Water Services Coordinator on an ongoing basis more easily than before.		
12	Review of AMS The asset management system is regularly reviewed and updated.			B	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	- Section 8.0 of the AMP states that "<i>The Asset Management System documented in this plan will be reviewed annually.</i>" - We confirmed that the AMP and the key elements of CKB's asset management system have been reviewed and updated recently, as follows: - CKB's Water Services AMP was reviewed and updated in December 2022. - The Long-Term Financial Management Plan was reviewed and updated in January 2023. The LTFMP is updated every six months as part of Council's budgeting process. - The Water Services Utility Plan was reviewed and updated in December 2022. - The Water Services Risk Assessment was reviewed and updated in December 2022 - Although CKB's AMP generally covers the key requirements, we consider that there is potential for some improvements to be made to the document. As the ratings we have assigned do not require formal recommendations to be included in this review report under the ERA's requirements, we have provided these improvement opportunities directly to CKB.	B	1



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Observations and recommendations

Ref no	Asset Management Process or Effectiveness Criteria	Review priority	Observations and recommendations	Process and policy rating	Performance rating
			–		
12.2	Independent reviews (e.g., internal audit) are performed of the asset management system	2	The review and update of AMP and the Water Services Risk Assessment in December 2022 was carried out with input from CKB's newly appointed Manager Water Waste and Sustainability to provide a degree of independence and additional expertise.	B	1



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Recommendations

6.0 RECOMMENDATIONS

6.1 OPERATIONAL AUDIT

Table 17 Table of Current Non-Audit Compliances and Recommendations

A. Resolved during current Audit period			
Manual Ref.	Non-Compliance / Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Date Resolved (& management action taken)	Auditors' comments
N/A	N/A	N/A	N/A

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
2021 Operational Audit			
06/2021	B2 (114, 115 and 116) Water Services Code of Conduct (Customer Service Standards) 2018 - clauses 20(2), (3) (4) and (6) and WL4, version 7, clause 4.1.1 The CKB's website states: "We (the City) will review your rates account at your request in accordance with clause 20	The CKB should: - Include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter. - Ensure the Sewerage Services Charter is publicly available.	



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Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	of the "Water Services Code of Conduct (Customer Service Standards) 2018". - The CKB's website also mentions the customer may, if unsatisfied with the outcome of the review, refer the matter to the Energy and Water Services Ombudsman (both the above-mentioned matters were found on the dedicated webpage entitled: "My Property/ Rates/About Rates - Sewerage and Utility Services"). - The CKB's Sewerage Services Charter addresses both undercharging and overcharging for sewerage services in section 2.6 entitled: "Charges and Accounts". Thus, written procedure for the review of sewerage bills is fragmented as it is recorded in different documents; and - However, no reference could be found regarding referring a sewerage bill complaint to the State Administrative Tribunal.		
07/2021	DNR (133) Water Services Code of Conduct (Customer Service Standards) 2018 - clauses 32 and WL4, version 7, clause 4.1.1 Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct.	The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer: - If a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved; or - If a complaint made by the customer to the water services ombudsman (known to the CKB) that directly relates to the non-payment of the bill is	ERA has confirmed during its review of the 2022 audit/review report that there is no requirement under its Financial Hardship Policy Guidelines for Water Services (June 2018) for the inclusion of obligation 133A (clause 32 of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. As a result, CKB has not been non-compliant with the requirements of the



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
		not determined or is upheld by the water services ombudsman.	clause and no further action is required by the licensee.
08/2021	DNR (134A) Water Services Code of Conduct (Customer Service Standards) 2018 - clauses 33(1)(d) and (e) and WL4, version 7, clause 4.1.1 Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter address the stipulations of clauses 33(1)(d) and (e) of the 2018 Code of Conduct.	The CKB's Sewerage Services Charter should provide for compliance with clauses 33(1)(d) and (e) of the 2018 Code of Conduct by stating the CKB must not commence or continue proceedings to recover a debt from a customer if: - A complaint made by the customer to the CKB that directly relates to the water service charge to which the debt relates is not resolved; or - A complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman.	ERA has confirmed during its review of the 2022 audit/review report that there is no requirement under its Financial Hardship Policy Guidelines for Water Services (June 2018) for the inclusion of obligation 134A (clause 33(1)(d)-(e) of the Water Code) in CKB's Hardship Policy or Sewerage Services Charter. As a result, CKB has not been non-compliant with the requirements of the clause and no further action is required by the licensee.
09/2021	D2 (146) Water Services Code of Conduct (Customer Service Standards) 2018 - clause 46(2), and WL4, version 7, clause 4.1.1 The CKB's "Complaints Handling" policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of: - AS/NZS 10002-2014; and - ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints"	The CKB should review its "Complaints Handling" policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints".	



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Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
10/2021	D2 (152) Water Services Code of Conduct (Customer Service Standards) 2018 - clause 48(2) and WL4, version 7, clause 4.1.1 The CKB's website records charges are applicable for "<i>rates notice reprints</i>." This means customers will have to pay to obtain historical financial information regarding sewerage services.	The CKB must make historical financial information regarding sewerage services provided available at no charge.	
2022 Operational Audit			
A1/2022	D2 (116) Water Services Code of Conduct (Customer Service Standards) 2018 - Clause 20(4) We consider that CKB is non-compliant with the requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018, as its procedure has referring complaints to the Energy & Water Ombudsman as an escalation if the customer is not satisfied with CKB's response or solution instead of informing customers that they may, but do not have to, use CKB's complaints procedure before or instead of applying to the water services ombudsman. D2	Also refer to Recommendation A1/2021 CKB should update the text in its complaints procedures included on the back of rates notices, in the Customer Charter and on the Customer Complaint Form to make the procedure compliant with the requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018	



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	(148A) Water Services Code of Conduct (Customer Service Standards) 2018 - Clause 46(4) Under Obligation 116, we have noted that we consider that CKB is non-compliant with the requirements of Clause 20(4) of the Water Services Code of Conduct (Customer Service Standards) 2018, as its procedure has referring complaints to the Energy & Water Ombudsman as an escalation if the customer is not satisfied with CKB's response or solution instead of informing customers that they may, but do not have to, use CKB's complaints procedure before or instead of applying to the water services ombudsman. Based on this observation, we consider that CKB is also non-compliant with Clause 46(4) of the Water Services Code of Conduct (Customer Service Standards) 2018 as the procedure only sets out referring to the ombudsman as an escalation rather than an alternative to submitting a complaint to the licensee.		
A2/2022	D2 (146) Water Services Code of Conduct (Customer Service Standards) 2018 - Clause 46(2) CKB's Complaints Handling Policy does not give any indication as to whether it was developed	Also refer to Recommendation 09/2021 We recommend that CKB should review its "Complaints Handling" policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints".	



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's 'Customer Complaints Guidelines: distinguishing customer queries from complaints'.		
A3/2022	D2 (152) Water Services Code of Conduct (Customer Service Standards) 2013 - Clause 48(2) CKB makes previous rates information available to customers on request. This service is advertised on the CKB website. Typically, customers request previous rates notices for tax and refinance purposes. However, there is a fee for reprints of rates notice, both for hard copy and electronic copy. The charges are set out in the annual Schedule of Fees and Charges. As such, CKB does not comply with the obligation to provide this information at no charge.	Also refer to Recommendation A10/2021. CKB must make historical financial information regarding sewerage services provided available at no charge.	
A4/2022	D2 (154A) Water Services Code of Conduct (Customer Service Standards) 2018 - Clause 49(3) In previous audits, CKB's website has contained a link to the current version of the Water Services Code of Conduct (Customer Service Standards) 2018. However, the CKB website has been redesigned since the 2021 audit and we were not	CKB should ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation	



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Recommendations

B. Unresolved during current Audit period			
Reference (no./year)	Non-Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	able to locate a link to the current version of the Code		
A5/2022	D2 (187) Water Services Act 2012 - Section 12 Section 16.3 of the MoU specifies that "The Licensee shall publish this Memorandum and its schedules on its website within one month of entering into the Memorandum." However, we were not able to locate the MoU of CKB's website during the audit. As a result, this is a non-compliance with the obligation.	CKB should publish its MoU with the Department of Health in accordance with the requirements included in Clause 16.3 of the MoU.	
A6/2022	D3 (191) Water Services Code of Practice (Family Violence) 2020 - Clause 5(1) (192) Water Services Code of Practice (Family Violence) 2020 - Clause 5(2) (193) Water Services Code of Practice (Family Violence) 2020 - Clause 6 (197) Water Services Code of Practice (Family Violence) 2020 - Clause 9 (198) Water Services Code of Practice (Family Violence) 2020 - Clause 10 CKB has not developed a family violence policy.	CKB should develop a family violence policy related to its licensed water services in accordance with the Water Services Code of Practice (Family Violence) 2020. The policy, and the any associated processes and procedures that also need to be developed, should be take into consideration the obligations set out in Obligations 191, 192, 193, 194, 195, 196, 197 and 198 of the ERA's Water Compliance Reporting Manual – Water Service Act 2012 – October 2021.	



Recommendations

6.2 ASSET MANAGEMENT REVIEW

Table 18 Table of Current Review Asset System Deficiencies/Recommendations

A. Resolved during current audit period			
Ref.	Asset System Deficiency	Date Resolved (& management action taken)	Auditor's Comments
	(Rating / Asset Management System Component & Effectiveness Criteria / Details of Asset System Deficiency)		
N/A	N/A	N/A	N/A

B. Unresolved at end of current Audit period			
Reference (no./year)	Asset System Deficiency (Rating / Asset Management System Component & Effectiveness Criteria / Details of Asset System Deficiency)	Auditor's recommendation	Management action taken by end of Audit Period
2022 Asset Management System Effectiveness Review			



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Recommendations

Under Section 5.1.8 of the ERA's 2019 Audit and Review Guidelines - Water Licences, recommendations on actions the licensee should take to address when an asset management process or effectiveness criteria are required to be included for:

- Performance rating – Asset management processes or effectiveness criteria that were rated 3 or 4.
- Process and policy rating – Asset management processes or effectiveness criteria that were rated C or D.

Based on the observations and findings from our review of CKB's asset management system effectiveness, we have rated all of the asset management components higher than "C" for the process and policy and higher than "3" for performance. Therefore, we have not included any recommendations in this audit report in accordance with the ERA's requirements.

We have identified a number of improvement opportunities for some of CKB's asset management processes and effectiveness criteria that received a rating other than those listed above. We have provided these recommendations directly to CKB in accordance with the ERA's requirements.



2022 OPERATIONAL AUDIT AND ASSET MANAGEMENT REVIEW OF THE CITY OF KALGOORLIE-BOULDER

Confirmation of the audit/review

7.0 CONFIRMATION OF THE AUDIT/REVIEW

I confirm that the audit/review carried out at the City of Kalgoorlie-Boulder on 21 to 23 February 2023 and recorded in this report is an accurate presentation of our findings and opinions.

J Edwards

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Stantec Pty Ltd

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8 May 2023



APPENDIX A

Risk management framework

Appendix A

A. RISK MANAGEMENT FRAMEWORK

i. Risk Assessment Rating Scales

The consequence, likelihood, inherent risk and adequacy of internal controls are assessed using a 3-point rating scale as described below. The rating scale is as per the Audit and Review Guidelines: Water Licences, (Economic Regulation Authority), August 2022.

ii. Consequence Rating

The consequence rating scale is outlined below as per the Water Compliance Reporting Manual, October 2021.

Rating (Type)	Classification of non-compliance	Criteria for classification
1	Major	- The consequences of non-compliance will cause major damage, loss or disruption to customers. - or - The consequences of non-compliance will endanger or threaten to endanger the safety or health of a person.
2	Moderate	- The consequences of non-compliance will affect the efficiency and effectiveness of the licensee's operations or service provision, but will not cause major damage, loss or disruption to customers. - or - The regulatory obligation is not otherwise classified as Type 1 or Type NR non-compliance. Reclassification of Type 2 to Type 1 may occur in circumstances of systemic non-compliance.
NR (not reportable)	Minor	- The consequences of non-compliance are relatively minor – i.e., non-compliance will have minimal effect on the licensee's operations or service provision, and will not cause damage, loss or disruption to customers. - Compliance with the obligation is immeasurable. - The non-compliance is required to be reported to the Regulator under another instrument, guideline or code. - The non-compliance is identified by a party other than the licensee. - or - The licensee only needs to use its reasonable endeavours or best endeavours to achieve compliance, or the obligation does not otherwise impose a firm obligation on the licensee. Reclassification of Type NR to Type 2 may occur in circumstances of: - systemic non-compliance - or - a failure to resolve non-compliance promptly.

iii. Likelihood Ratings

The likelihood rating scale is described below.



	Level	Description
A	Likely	Non-compliance is expected to occur at least once or twice a year
B	Probable	Non-compliance is expected to occur once every three years
C	Unlikely	Non-compliance is expected to occur once every 10 years or longer

iv. Inherent Risk Assessment Rating and Description

The inherent risk rating is based on the combined consequence and likelihood rating. The inherent risk assessment rating scale and descriptions are outlined below.

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

v. Adequacy Ratings for Existing Controls

The adequacy of existing internal controls is also assessed based on a 3-point scale as indicated below.

Level	Description
Strong	Controls that mitigate the identified risks to an appropriate level
Moderate	Controls that only cover significant risks; improvement required
Weak	Controls are weak or non-existent and have minimal impact on the risks

vi. Assessment of Audit Priority

The assessment of audit priority is used to determine the audit objectives, the nature of audit testing and the extent of audit testing required. It combines the inherent risk and risk control adequacy rating to determine the priority level.

Inherent Risk	Preliminary adequacy of existing controls		
	Weak	Medium	Strong
High	Audit Priority 1	Audit Priority 2	
Medium	Audit Priority 3	Audit Priority 4	
Low	Audit Priority 5		



APPENDIX B

**Licence obligation and asset management performance
rating definitions**

Appendix B

A. LICENCE OBLIGATION AND ASSET MANAGEMENT PERFORMANCE RATING DEFINITIONS

i. Licence obligation Controls and Compliance Assessment Rating Scale

In accordance with the ERA's 2019 Audit and Review Guidelines Water Licences (August 2022), controls and compliance rating scale has been adopted to assess the licensee's compliance against each licence condition. The rating scale and description of compliance is outlined below.

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls - no improvement needed	1	Compliant
B	Generally adequate controls - improvement needed	2	Non-compliant – minor effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

ii. Asset Management Review Rating Scales

The asset management review utilises a combination of asset management adequacy ratings and asset management performance ratings, which are outlined below. These are based on the ERA's 2019 Audit and Review Guidelines Water Licences (August 2022)

Process and policy rating scale (reviews)

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).



Rating	Description	Criteria
C	Requires substantial 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).

iii. 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	Opportunity for improvement	- 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.

