



Quantum
Assurance



Gascoyne Water Co-operative Ltd

2025 Asset Management System Review Water Services Licence WL38

Report

**Economic Regulation Authority
September 2025**



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Limitations of this Report

This report was prepared for distribution to the Economic Regulation Authority and Gascoyne Water Co-operative Ltd for the purpose of fulfilling Gascoyne Water Co-operative Ltd's asset management system review obligations under its Water Services Licence. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Economic Regulation Authority and Gascoyne Water Co-operative Ltd or for any purpose other than that for which it was prepared.

Because of the inherent limitations of any internal control environment, it is possible that fraud, error or non-compliance may occur and not be detected. A review is not designed to detect all instances of non-compliance with the procedures and controls over the licence obligations of the Water Services Licence, since we do not examine all evidence and every transaction. The review conclusions expressed in this report have been formed on this basis.

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1. Executive Summary

1.1 Background

Gascoyne Water Cooperative Ltd ('GWC') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of non-potable water supply and irrigation water services within the area specified in the licence.

GWC is required to comply with the terms and conditions of their licence. There was one version of licence WL38 in operation during the review period (Version 8).

Under the Act, water services licensees are required to provide reports on an operational audit ('audit') and an effectiveness review of their asset management system ('review') once every 24 months, or another period that has been specified by the ERA.

The ERA engaged Quantum Management Consulting and Assurance ('Quantum') to complete an asset management system effectiveness review of GWC's non-potable water supply and irrigation water services, to comply with the licensing requirements of the ERA.

The review covers the 3 year period from the previous audit and review, being 1 May 2022 to 30 April 2025.

1.2 Summary

This review has been conducted to assess the effectiveness of the Licensee's asset management system.

In the past 12 months, there have been a new Chairperson and Board members appointed and a number of staffing changes. Much of the asset management documentation was developed by previous staff and new staff are in the process of determining whether the past asset management approach is still appropriate. Current staff are working towards putting in place systems that improve compliance and reporting. The investment in LogiQC document management system is a good initiative in tracking actions and linking information to assets (replacing a number of independent spreadsheets). The new Board and staff have made significant improvements to the infrastructure with the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM) and improving the operations and maintenance of the existing bore fields.

For the review period from 1 May 2022 to 30 April 2025, the non-potable water and irrigation system servicing the non-residential customers and members in Carnarvon is assessed as being well constructed, well maintained and in good working order.

Through the execution of the Review Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the review team members have gained reasonable assurance that GWC has operated the scheme in a reliable manner and provided a good level of service to the customers in Carnarvon.

The review found that GWC is in the process of establishing an adequate control environment for ongoing compliance in respect of the asset management system.

The assessment of the 12 asset management components prescribed in the ERA's 2019 Audit and Review Guidelines: Water Licences (updated August 2022) found that:

- 6 components were rated A1 (documentation adequately defined, performing effectively).
- 2 components (Asset Creation and Asset Operations) were rated B2 (process requires some improvement and performance improvement required).
- 4 components (Contingency Planning, Financial Planning, Capital Expenditure Planning and Review of Asset Management System) were rated B3 (process requires some improvement and performance requires corrective action).

Out of 58 effectiveness criteria for the asset management system, the review found:

- 38 criteria were rated as performing effectively (with adequately defined processes).
- 6 were rated as improvement required (with processes that require some improvement).



- 14 were rated as corrective action required (13 with processes that require some improvement and 1 with processes that require substantial improvement).

The review made six recommendations in respect of the asset management components, as follows:

Asset Planning

1. As planned the Asset Management Plan should be reviewed and updated. The format could be improved by using the Asset Management Manual as the template for the overall plan and referencing supporting documents to replace the Excel format AMP.

Asset Creation/Acquisition

2. For significant value asset creation projects in the future, GWC needs to engage appropriately skilled and experienced resources to manage the project development and delivery. This includes more effective contract management by the new GWC staff, from the project planning to the delivery and commissioning of the project.

Asset Operations

3. As planned, GWC should complete the consolidation of the Asset Registers into the LogiQC asset register. The information fields should include asset type, location, material, plans of components, and an assessment of assets' physical/structural condition, life expectancy, estimated replacement cost and accounting data. How the location and reference to plans is included in the asset register also needs to be addressed.

Contingency Planning

4. In accordance with the Contingency Plan for Emergency Operation and Disaster Recovery, there should be at least annual testing of the contingency plan with a desktop scenario and interaction with supporting agencies relevant to the incident scenario, such as DWER. The test should be included in the Business Calendar and the results documented with an action plan for any improvements identified.

Financial Planning

5. With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), the GWC Financial Plan needs to be updated for at least the next 5 years, including any capital and operating costs, revenue, funding sources and any actions to achieve GWC's financial objectives.

Capital Expenditure Planning

6. With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), a Capital Expenditure Plan for the next 10 years needs to be developed, approved by the Board and reviewed on an annual basis. The Plan should cover:
 - issues to be addressed, actions proposed, responsibilities and dates;
 - reasons for capital expenditure and timing of expenditure;
 - asset life and condition assessments; and
 - annual review and update process.

1.3 Conclusion

For the review period from 1 May 2022 to 31 May 2025, the non-potable water and irrigation services under Water Services Licence WL38 are considered to be operated in a reliable manner and have provided a good level of service to the customers in Carnarvon. There have been substantial improvements in the infrastructure and the asset management system, with ongoing work continuing to upgrade the asset planning, asset operations, contingency planning, financial planning and capital expenditure planning components of the asset



management system. Overall, the review concluded that there is an effective asset management system.

We confirm that the ERA's 2019 Audit and Review Guidelines: Water Licenses (updated August 2022) have been complied with in the conduct of this review and the preparation of the report, and that the review findings reflect our professional opinion.

Quantum Assurance



Geoff White
Director

26 September 2025



2. Asset Management System Review

2.1 Description of Infrastructure

Gascoyne Water Co-operative Pty Ltd ('GWC') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'). The licence commenced on 23 June 2003 for the provision of non-potable water and irrigation supply in Carnarvon, Western Australia.

Structurally GWC comprises two private irrigator cooperatives: one to own and manage the infrastructure assets (Gascoyne Water Asset Mutual Co-operative); and one to manage the irrigation business (Gascoyne Water Co-operative). The business has been operated by the local growers since it was transferred from government ownership in 2001. The ownership of the distribution assets was transferred in 2004.

GWC supplies local growers with irrigation water and distributes stock and garden water to lifestyle blocks in the community. Water is extracted from borefields upstream (east) of the plantations. Water Corporation runs the Southern borefield on the southern side of the Gascoyne River, whilst GWC runs the Northern borefield one on the northern side of the river.

At 30 June 2025, there were 302 connection points comprising 188 irrigation and 114 non-potables connection points with 163 customer accounts overall. This has increased from the previous review that noted there were 114 connection points at 30 June 2021.

Since the last review, 17 new bores have been commissioned in the Northern Bore Field as part of the Gascoyne Food Bowl Initiative (GFBI). Gascoyne Water Co-operative is now in the final phase of the project, which involves the connection of the eight new GFBI lots. There were 8 new connections at the installation stage in August 2025.

In line with these recent developments, the Asset Management Plan and Manual are currently under review to ensure they accurately reflect the current and future infrastructure.

2.2 Objectives and Scope

The objective of the review was to assess the adequacy and effectiveness of the asset management system in place for the undertaking, maintenance and monitoring of the licensee's assets.

The scope of the review included an assessment of the adequacy and effectiveness of the asset management system by evaluating the key processes of:

- 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.

The review covers the 3 year period from the previous audit and review, being 1 May 2022 to 30 April 2025. The previous audit and review was from 1 May 2019 to 30 April 2022.

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

"An assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance"



practitioner's conclusion. The assurance practitioner's conclusion is expressed in a form that conveys the assurance practitioner's opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria.” (ASAE3000)

As the previous review reported some significant issues, **this was a reasonable assurance engagement**. As noted in the Request for Quotation, the ERA has identified the asset management effectiveness criteria below as areas of special focus.

Review priority - The reviewer must assign a review priority of '2' to the obligations and criteria set out in the table below.

Process	Asset management effectiveness criteria
Asset creation and acquisition	Criteria 2.5 – Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood.
Environmental analysis	- Criteria 4.1 – Opportunities and threats in the asset management system environment are assessed. - Criteria 4.3 – Compliance with statutory and regulatory requirements.
Asset operations	5.1 – Operational policies and procedures are documented and linked to service levels required. 5.3 – Assets are documented in an asset register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition. 5.6 – Staff resources are adequate and staff receive training commensurate with their responsibilities.
Asset maintenance	- Criteria 6.1 – Maintenance policies and procedures are documented and linked to service levels required. - Criteria 6.2 – Regular inspections are undertaken of asset performance and condition. - Criteria 6.3 – Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule. - Criteria 6.4 – Failures are analysed and operational/maintenance plans are adjusted where necessary. - Criteria 6.5 – Risk management is applied to prioritise maintenance tasks. - Criteria 6.6 – Maintenance costs are measured and monitored.
Risk management	- Criteria 8.1 – Risk management policies and procedures exist and are applied to minimise internal and external risks. 8.2 – Risks are documented on a risk register and treatment plans are implemented and monitored - Criteria 8.3 – The probability and consequence of asset failure are regularly assessed.

The highest priority areas (priority 1, 2 or 3) based on inherent risk and areas of special focus were:

- Asset creation/acquisition
- Environmental analysis
- Asset operations
- Asset maintenance
- Risk management



Assigning a higher audit and review priority ensures the reviewer will undertake a more in-depth assessment of the effectiveness of the controls for the obligations and of GWC's processes, policies and performance. The in-depth assessment will include:

- Interview supervisory and operational personnel
- Inspect relevant documents, including any complaints in the audit period and action taken.
- Obtain evidence policies, procedures and controls are in place and working effectively.
- Examine compliance reports and breach register.
- Obtain confirmations from third parties if applicable.
- Examine reports and correspondence with other regulators (e.g. DOH).
- Closely inspect applicable asset infrastructure during the onsite visit.
- Examine asset management system effectiveness criteria rated as Review Priority 2 to assess procedures and actions taken.
- Sample, at a high level, output and timeliness procedures.
- Recalculate a sample of relevant performance indicators.

2.3 Review Approach

Our audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines and the ERA's 2019 Audit and Review Guidelines – Water Licences (updated August 2022).

To ensure consistency of reporting on reviews, the guidelines require reviewers to:

- Adopt a risk based approach to auditing using the risk evaluation model set out in AS ISO 31000:2018.
- Use the process and policy, and performance rating scales, set out in Tables 9 and 10 of the guidelines, to assess the effectiveness of the asset management system.
- Ensure the review plan complies with Chapter 3 of the guidelines.
- Ensure the review report complies with Chapter 5 of the guidelines.

The review will identify any areas where improvement is required and recommend corrective action as necessary.

The review included review of the status of the previous review recommendations. *Refer Section 2.5 below.*



2.4 Asset Management Process and Performance Rating Scales

The adequacy of process policy and definition and the performance of the key processes were assessed using the scales described in the tables below. The overall effectiveness rating for each asset management process is based on a combination of the process and policy adequacy rating and the performance rating.

Asset Management Process and Policy Definition - Adequacy ratings

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	- Process and policy documentation require improvement. - Processes and policies do not adequately document the required performance of the assets. - Reviews of processes and policies are not conducted regularly enough. - The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).
C	Requires significant improvement	- Process 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 improvement (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).

Asset Management Performance Ratings

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 significant improvement to meet the required level. - Process effectiveness reviews are performed irregularly, or not at all. - Process improvement opportunities are not implemented.
4	Some action required	Process is not performed, or the performance is so poor that the process is considered to be ineffective.



2.5 Status of Previous Review Recommendations

The previous review covered the period from the period from 1 May 2019 to 30 April 2022 and was reported in August 2022. Recommendations from the previous review are listed in the following table together with the current status of actions to address the recommendations.

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Asset management Process, Rating, Details)	Previous Auditor's Recommendation and <i>Action Taken</i>	Date Resolved	Further action required
A. Resolved before end of previous review				
	Nil			
B. Resolved during current review period				
1/2022	Work Health and Safety Obligations - Asset Creation/Acquisition <i>Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.</i> - Environmental Analysis <i>Compliance with statutory and regulatory requirements.</i> Rating: C2 (Process requires significant improvement – Performance – opportunity for improvement) Section 2.1 of the Asset Management Manual references that the Gascoyne Irrigation Area is approved by DWER and Department of Primary Industries and Regional Development (DPIRD). Section 7.3.1 refers to the legislative requirements of the <i>Water Services Act 2012</i> as the overarching legislation covering the licensing of water services in Western Australia. There is also reference made to the requirement for groundwater monitoring to check groundwater levels and salinity. Water sampling, vegetation management and bore production results are kept in the Document Portal under “Bore Production and Statutory Data”. There is also a folder titled “Salinity” where monthly readings of salinity are recorded.	It is recommended that Workplace Health and Safety documents be prepared and made available to all employees and contractors who work on GWC's assets. Status: Completed The ASSA Workplace Compliance System was implemented by the previous management in February 2023 and has been utilized for Employee and Contractor WHS and Induction obligations. In January 2025, the new management implemented the following platforms to further support the Co-operatives regulatory obligations and to work toward the organisation obtaining ISO 9001 Accreditation. LogIQC Quality Management System, including Asset Management, Document control and Record Management, Maintenance and Repairs, Incident reporting	February 2023	No further action required.



Reference (no./year)	Previously Assessed Process and Policy Deficiency (Asset management Process, Rating, Details)	Previous Auditor's Recommendation and <i>Action Taken</i>	Date Resolved	Further action required
	No Work, Health and Safety Policy or Job Safety Analysis forms were sighted for either GWC or their contractors.	and tracking, Risk Management and Audits and Compliance. • Workpro – Compulsory learning modules for all employees that includes various WHS policies and procedures. • Happy HR – Human Resource management and Employee Induction including all WHS and People Policy acknowledgement and acceptance. Confirmed in this review.		
2/2022	Environmental Risks • Environmental Analysis <i>Opportunities and threats in the system environment are assessed.</i> Rating: C2 (<i>Process requires significant improvement – Performance – opportunity for improvement</i>) GWC has prepared a risk assessment "GWC Risk Model (14)" which is available on the GWC document portal. This assessment assesses strategic, financial, regulatory (compliance), management and operational (technical) risks. Currently, system environmental risk is considered under the Community/Political category. The risk assessment is used to inform the operation and maintenance plans of the AMP. The environmental risk assessment should be a separate category.	It is recommended that the risk assessment in the GWC Risk Model be updated to include environmental risk as a category to be assessed and reviewed annually. Status: Completed The updated Risk Register was provided to ERA on the 30/04/2024 and uploaded into Quality Management System LogiQC Confirmed in this review.	April 2024	No further action required



2.6 Summary of Asset Management System Effectiveness Ratings

The review's assessment of the asset management system process and policy definitions and their effectiveness, based on the ratings scale in Section 4.3, is shown in the table below.

Section 4.6 provides further details of the current rating results for each process in the asset management system.

Summary of Asset Management Performance Ratings

Process and Policy Definition – Adequacy Rating	Performance Rating for Effectiveness Criteria					
	Rating	1 Performing effectively	2 Improvement required	3 Corrective action required	4 Substantial action required	Total
	A -Adequately defined	38	-	-	-	38
	B – Requires some improvement	-	6	13	-	19
	C – Requires substantial improvement	-	-	1	-	1
	D – Inadequate	-	-	-	-	-
	Total	38	6	14	-	58

Asset Management System Performance Ratings

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority	Process and Policy rating				Performance rating				
		Adequately defined	Requires some improvement	Requires substantial improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Substantial action required	Not Rated
		A	B	C	D	1	2	3	4	NR
1. Asset planning		A				1				
1.1 Asset management plan covers the processes in this table.	4	✓				✓				
1.2 Planning process and objectives reflect the needs of all stakeholders and are integrated with business planning.	4	✓				✓				
1.3 Service levels are defined in the asset management plan.	4	✓				✓				
1.4 Non-asset options (e.g. demand management) are considered.	4	✓				✓				
1.5 Lifecycle costs of owning and operating assets are assessed.	4	✓				✓				



ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority	Process and Policy rating				Performance rating				
	(Rated 1 = High to 5 = Low)	Adequately defined	Requires some improvement	Requires substantial improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Substantial action required	Not Rated
		A	B	C	D	1	2	3	4	NR
1.6 Funding options are evaluated.	4	✓				✓				
1.7 Costs are justified and cost drivers identified.	4	✓				✓				
1.8 Likelihood and consequences of asset failure are predicted.	4	✓				✓				
1.9 Asset management plan are regularly reviewed and updated.	4		✓					✓		
2. Asset creation/ acquisition			B				2			
2.1 Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	4		✓				✓			
2.2 Evaluations include all life-cycle costs.	4		✓				✓			
2.3 Projects reflect sound engineering and business decisions.	4			✓				✓		
2.4 Commissioning tests are documented and completed.	4		✓				✓			
2.5 Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.	2	✓				✓				
3. Asset disposal		A				1				
3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process.	4	✓				✓				
3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	4	✓				✓				
3.3 Disposal alternatives are evaluated.	4	✓				✓				
3.4 There is a replacement strategy for assets.	4	✓				✓				
4. Environmental analysis		A				1				
4.1 Opportunities and threats in the asset management system environment are assessed.	2	✓				✓				
4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved.	4	✓				✓				



ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority	Process and Policy rating				Performance rating				
	(Rated 1 = High to 5 = Low)	Adequately defined	Requires some improvement	Requires substantial improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Substantial action required	Not Rated
		A	B	C	D	1	2	3	4	NR
4.3 Compliance with statutory and regulatory requirements.	2	✓				✓				
4.4 Achievement of service standards (customer service levels, etc) are measured and achieved.	4	✓				✓				
5. Asset operations			B				2			
5.1 Operational policies and procedures are documented and linked to service levels required.	2	✓				✓				
5.2 Risk management is applied to prioritise operations tasks.	4	✓				✓				
5.3 Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition.	2		✓					✓		
5.4 Accounting data is documented for assets.	4		✓					✓		
5.5 Operational costs are measured and monitored.	4	✓				✓				
5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities.	2		✓				✓			
6. Asset maintenance		A				1				
6.1 Maintenance policies and procedures are documented and linked to service levels required.	2	✓				✓				
6.2 Regular inspections are undertaken of asset performance and condition.	2	✓				✓				
6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	2	✓				✓				
6.4 Failures are analysed and operational/ maintenance plans adjusted where necessary.	2	✓				✓				
6.5 Risk management is applied to prioritise maintenance tasks.	2	✓				✓				
6.6 Maintenance costs are measured and monitored.	2	✓				✓				



ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority	Process and Policy rating				Performance rating				
	(Rated 1 = High to 5 = Low)	Adequately defined	Requires some improvement	Requires substantial improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Substantial action required	Not Rated
		A	B	C	D	1	2	3	4	NR
7. Asset Management Information System		A				1				
7.1 Adequate system documentation for users and IT operators.	4	✓				✓				
7.2 Input controls include suitable verification and validation of data entered into the system.	4	✓				✓				
7.3 Security access controls appear adequate, such as passwords.	4	✓				✓				
7.4 Physical security access controls appear adequate.	4	✓				✓				
7.5 Data backup procedures appear adequate and backups are tested.	4	✓				✓				
7.6 Computations for licensee performance reporting are accurate.	4	✓				✓				
7.7 Management reports appear adequate for the licensee to monitor licence obligations.	4	✓				✓				
7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	4	✓				✓				
8. Risk management		A				1				
8.1 Risk management policies and procedures exist and are being applied to minimise internal and external risks.	2	✓				✓				
8.2 Risks are documented in a risk register and treatment plans are implemented and monitored.	2		✓				✓			
8.3 Probability and consequences of asset failure are regularly assessed.	2	✓				✓				
9. Contingency planning			B					3		
9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	4		✓					✓		
10. Financial planning			B					3		
10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those.	4		✓					✓		



ASSET MAN/AGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority	Process and Policy rating				Performance rating				
	(Rated 1 = High to 5 = Low)	Adequately defined	Requires some improvement	Requires substantial improvement	Inadequate	Performing effectively	Improvement required	Corrective action required	Substantial action required	Not Rated
		A	B	C	D	1	2	3	4	NR
10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs.	4		✓					✓		
10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	4		✓					✓		
10.4 The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	4		✓					✓		
10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	4		✓					✓		
10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary.	4	✓				✓				
11. Capital expenditure planning			B					3		
11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates.	4		✓					✓		
11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure.	4		✓					✓		
11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	4		✓					✓		
11.4 There is an adequate process to ensure that the capital expenditure plan is regularly updated and implemented.	4		✓					✓		
12. Review of asset management system			B					3		
12.1 A review process is in place to ensure that the asset management plan and the asset management system described in it remain current.	4		✓					✓		
12.2 Independent reviews (e.g. internal audit) are performed of the asset management system.	4	✓				✓				



2.7 Detailed Review Observations

Process and Policy Rating		Performance Rating	
A	Adequately defined	1	Performing effectively
B	Requires some improvement	2	Improvement required
C	Requires substantial improvement	3	Corrective action required
D	Inadequate	4	Substantial action required

Note: As per the 2019 ERA Audit and Review Guidelines, recommendations are only required for Performance rating – Asset management processes or effectiveness criteria that were rated 3 or 4, and Process and policy rating – Asset management processes or effectiveness criteria that were rated C or D.

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
1		ASSET PLANNING	Overall Rating	A	1
1.1	4	Asset management plan covers the processes in this table	There is an overall Asset Management Policy (reviewed February 2025) that sets out the processes in this ERA table. The reviewer was provided with the GWC Cooperative Limited (GWC) Asset Management Plan 2023-2027 (AMP) – document number 6A, dated 11 August 2021. It is in the form of an Excel spreadsheet and is available on the GWC LogiQC document portal. The AMP is at an appropriate level for the water assets managed by GWC. It addresses the components of asset planning, asset creation, asset disposal, asset operations, asset maintenance, asset management information system, risk management, contingency planning, financial & capital planning and asset management system review. The AMP has not been reviewed since August 2021. There is also an Asset Management Manual (AMM) (August 2021) which provides all the guidance and processes used by GWC in its day to day management of the irrigation water production, collection and distribution systems.	A	1



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
1.2	4	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	The AMP identifies the primary GWC stakeholders as the GWC Asset Mutual Cooperative Limited (GWAMCO), Department of Water and Environmental Regulation (DWER), Economic Regulation Authority (ERA) and Department of Health (DoH). GWAMCO is a locally owned and self-funded cooperative and is the asset custodian and licence holder issued by DWER to abstract approximately 5.56 GL/yr. from the groundwater aquifer. GWAMCO has a Services Agreement with GWC, and this agreement allows GWC to operate and manage GWAMCO's assets in accordance with the DWER licence conditions to abstract water from the groundwater aquifer and deliver water to the GWC's members via the GWC distribution system.	A	1
1.3	4	Service levels are defined in the asset management plan	The AMM (Section 3) outlines the Customer and Service Levels. Service levels are defined for non-potable water including: • Availability • Supply water that is suitable for irrigation purposes; • Provide at least 5 business days' notice to a customer of any planned service interruption; • Provide annual notification to all customers provided with a water supply service that the water supplied is Non-Potable not suitable for drinking; and • Availability of service (pressure and flow ranges) • Service interruption notification and response targets for planned and unplanned events • Failure or complaint response time targets GWC supplies water for irrigation purposes only. It reinforces this fact in writing on every monthly bill.	A	1



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
1.4	4	Non-asset options (e.g. demand management) are considered	Various options have been utilised. These include: • Installation of pressure valves to regulate supply pressures at the property; • Shifting demand to night time so as to even out the supply requirements; • Onsite conversations regarding irrigation usage and other ways to reduce demand, such as covering storage tanks and ensuring leaks are repaired; and • An Excel spreadsheet is used to monitor all the metered sites and volumes used. This gives GWC an instantaneous picture of where water is being used across the network.	A	1
1.5	4	Lifecycle costs of owning and operating assets are assessed	The AMP contains tabs (AMP Budget, Strategic and Risk Need and Infrastructure Planning) which describe a future capital works and replacement program. The AMP Budget tab forecasts expenditure of \$6.6 million for FY21/22, reducing annually to \$2.9 million from until FY31/32. This tab details all likely expenditures for the next 5 years. The “Infrastructure Planning” tab outlines the GWC defined “Needs Statements” which summarise the required items and their expected scheduling and costings.	A	1
1.6	4	Funding options are evaluated	GWC receives the majority of its funding from water sales to customers. As reported in the 2023/24 Annual Report, GWC also has \$509,979 of cash reserves and has a net surplus for the 2024/25 year to 31 May 2025. Funding has also been received from State and Federal government agencies for the expansion of the borefields in the audit period of 3 years.	A	1
1.7	4	Costs are justified and cost drivers identified	The understanding and justification of costs is demonstrated in the “AMP Budget” tab of the AMP. In this tab, the costs for each item are outlined and explained.	A	1



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1.8	4	Likelihood and consequences of asset failure are predicted	GWC has a detailed Risk Register that includes strategic, financial, regulatory (compliance), management and operational (technical) risks and the likelihood and consequences of failure. The risk assessment is used to inform the operation and maintenance plans of the AMP. The Risk Register is being reviewed (June 2025) and is pending upload to LogiQC for integration with other Registers such as the Compliance Register.	A	1
1.9	4	Asset management plan is regularly reviewed and updated	The reviewer was provided with the GWC Cooperative Limited (GWC) Asset Management Plan (AMP) 2023 – 2027 – document number 6A, dated 11 August 2021. The Asset Management Plan has not been reviewed and updated since August 2021. The Asset Management Manual includes a revision history page. The current version was adopted on 3 August 2021. The reviewer was advised that the AMP is planned to be reviewed by August 2025. Recommendation 1/2025 <i>As planned the Asset Management Plan should be reviewed and updated. The format could be improved by using the Asset Management Manual as the template for the overall plan and referencing supporting documents to replace the Excel format AMP.</i>	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
2	4	ASSET CREATION/ ACQUISITION	Overall Rating	B	2
2.1	4	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	Section 7 and 7.1 of the Asset Management Manual (AMM) discusses Infrastructure Planning and Asset Creation and Acquisition processes. A Business Need Template is included in a spreadsheet referred to as the Asset Management Plan. The template allows the capture of improvement projects together with benefits, risks addressed, and funding required. This demonstrates an approach to project evaluation. The Infrastructure Planning tab to the spreadsheet contains Business Need information for a number of projects. The information has not been updated for ongoing or new projects since 2022 and given a number of changes within the organisation some change to this process (replace the AMP spreadsheet) is likely to occur. For Major Works, the AMM describes the use of Engineering organisations to assist in the development of the scope of works, designs and tender documents. A major improvement project known as the Gascoyne Irrigation System Augmentation and Modernisation (GISAM) has been in progress during the review period from May 2022 to April 2025. The project received a proportion of funding from the National Water Grid Authority (NWGA). A Project Proposal for the funding was reviewed, outlining the project scope and benefits. The project proposal was completed and submitted to Department of Primary Industry and Regional Development (DPIRD) and approved by DPIRD. The GISAM project was a part of the larger Gascoyne Food Bowl Initiative (GFB) which is scheduled to be completed by the end of 2025 with the installation of 8 new connections to the DPIRD GFB land release. The GISAM project was funded by the NWGA through DPIRD and included the equipping of 17 new production bores and the upgrade of the monitoring and control system through changing of the distribution metering system to smart metering with flow control, upgrade of the main system valving and installing enhanced customer supply point telemetry power supplies to improve reliability and endurance of the SCADA system to deliver real-time reporting and operational control. The irrigation control enables a cost-	B	2



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			effective solution which minimises the size of the required pipe network to deliver sufficient capacity to customers.		
2.2	4	Evaluations include all life-cycle costs.	The Business Need statements in the Infrastructure Planning tab of the AMP spreadsheet include some examples where both capital cost and ongoing O&M costs have been considered. <i>As noted in section 2.1 above, the information has not been updated since 2022 and given a number of changes within the organisation some change to this process (replace the AMP spreadsheet) is likely to occur.</i>	B	2
2.3	4	Projects reflect sound engineering and business decisions.	During the site visit, some of the new and existing bores and the flow-controlled customer supply points were inspected. The installations, including bore control cubicles on elevated platforms, bore headworks and customer flow meter points with SCADA, were observed to be in good condition and of a good standard. The new bores and flow-controlled customer supply points were delivered as part of the GISAM project. GWC engaged external project management consultants and had Asset Management consultants and Engineers on staff who were working on the project. An external contractor was engaged to carry out all works for the project and project manage the installation of infrastructure. While the outcome of the GISAM project appeared to be of a good standard and working well, GWC staff were open about some of the delivery issues involved in the project that led to significant budget exceedance. Whilst this review has not undertaken a complete review of the project delivery, a combination of initially underestimating the project cost and the approach to contracting/managing the works are areas that GWC would need to review in taking on a project of this scale in the future. This was acknowledged by GWC staff. It is reiterated that the outcomes of the GISAM project appear to be successful in terms of the assets delivered and the system operation. In terms of the initial cost estimate, the process for requesting funding from the National Water Grid Authority means early cost estimates may need to	C	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			be made before enough engineering (at a project planning phase) has been undertaken to provide a reliable basis for cost estimation which has contributed to the budget being exceeded. Recommendation 2/2025 <i>For significant value asset creation projects in the future, GWC needs to engage appropriately skilled and experienced resources to manage the project development and delivery. This includes more effective contract management by the new GWC staff, from the project planning to the delivery and commissioning of the project.</i>		
2.4	4	Commissioning tests are documented and completed.	A range of commissioning tests were conducted as part of the GISAM project. A master spreadsheet was provided showing the commissioning records for approximately 188 telemetered grower service sites. Separate documents were also provided for commissioning of SCADA and flow meters for the 17 new bores and for commissioning tests on bore headworks.	A	1
2.5	2	Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.	For obligations related to Asset Acquisition, the conditions of contract required the main contractor engaged for the GISAM project to submit an Occupational Health and Safety and Environment plan to the Superintendent for approval prior to commencement of work. The contract also listed various safety and environmental regulations to be complied with. Regular contractor progress reports were submitted to GWC by email and in person at Board meetings. The Water Services Procedure Manual (Draft 2025) at section 7 (Water Service Works) includes Major Works Prerequisites, General Works Prerequisites Work and Works Safety Requirements. The Asset Management Manual lists the DWER abstraction licences (section 2.2), the requirements for bore field monitoring and reporting, the bore field Operating Strategy, understanding of land tenure where the assets are located and the legislative requirements of the Water Services Act 2012 (section 7.3.1).	A	1



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3	4	ASSET DISPOSAL	Overall Rating	A	1
3.1	4	Under-utilised and under-performing assets are identified as part of a regular systematic review process.	The AMP has a tab titled “Asset Disposal” which outlines the disposal of unneeded assets. It assesses the risk and costs associated with disposal of each item. Section 7.2 of the Asset Management Manual is entitled “Asset Disposal” and outlines the process for disposing of GWC assets. There is also a separate Asset Disposal procedure (reviewed May 2025).	A	1
3.2	4	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	This activity is acknowledged in the AMP titled “Asset Disposal”. The Repair Register LogiQC (June 205) included a list of assets repaired and /or disposed off. The Register included assessing the reasons for the performance failure, examination of the asset and consideration of repair, disposal and replacement. Evidence was sighted during the site visit of assets disposed of.	A	1
3.3	4	Disposal alternatives are evaluated.	A risk assessment is undertaken as part of the asset disposal considerations. The Repair Register LogiQC (June 205) included a list of assets repaired and /or disposed of including considering the risks of disposal alternatives. . Evidence was sighted during the site visit of assets disposed of. Section 7.2 of the Asset Management Manual is entitled “Asset Disposal” and outlines the process for disposing of GWC assets. There is also a separate Asset Disposal procedure (reviewed May 2025).	A	1
3.4	4	There is a replacement strategy for assets.	There is no specific asset replacement tab in the AMP. However, there is detailed information in the AMP that outlines anticipated asset lives, describes the planned frequency of condition assessments to determine maintenance or renewal/replacement requirements. Considered adequate.	A	1



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4		ENVIRONMENTAL ANALYSIS	Overall Rating	A	1
4.1	2	Opportunities and threats in the system environment are assessed.	GWC has prepared a risk assessment in the Risk Register which is available on the GWC LogiQC document portal. This assessment assesses strategic, operational, environmental, compliance, governance, legal, human resources, OSH and IT risks, including risk levels, current controls, residual risks and responsibility. The risk assessment is used to inform the operation and maintenance plans of the AMP.	A	1
4.2	4	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved.	The Asset Management Manual (Section 3) outlines the Customer and Service Levels. Service levels are defined for non-potable water including: • Availability • Supply water that is suitable for irrigation purposes; • Provide at least 5 business days' notice to a customer of any planned service interruption; • Provide annual notification to all customers provided with a water supply service that the water supplied is Non-Potable not suitable for drinking; and • Availability of service (pressure and flow ranges) • Service interruption notification and response targets for planned and unplanned events • Failure or complaint response time targets Water quality reporting to customers, interruption to supply notifications and delivery of required flow rates to customers are all linked to the service levels required. There are detailed checklists for fortnightly, monthly and annual monitoring and sampling activities of the infrastructure that are completed and uploaded to LogiQC to manage the assets, reporting and compliance activities. The review confirmed that service standards are being monitored and achieved.	A	1



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4.3	2	Compliance with statutory and regulatory requirements.	Section 2.1 of the Asset Management Manual references that the Gascoyne Irrigation Area is approved by DWER and Department of Primary Industries and Regional Development (DPIRD). Section 7.3.1 refers to the legislative requirements of the <i>Water Services Act 2012</i> as the overarching legislation covering the licensing of water services in Western Australia. There is also reference made to the requirement for groundwater monitoring to check groundwater levels and salinity. Water service compliance obligations are detailed in the Customer Service & Water Services Procedures Manual – 18 June 2021. Updated June 2025 for the new management and legislation changes. Detailed work, health and safety procedures have been developed and implemented as recommended in the previous review. As part of its licence requirements GWC samples annually all the production bores in the Northern borefield and obtains NATA accredited analysis results on the water produced from this borefield. Water Corporation also tests the raw water produced from the Southern borefield reports of which GWC receive as requested. Water sampling, vegetation management and bore production results are kept in the LogiQC Document Portal under “Bore Production and Statutory Data”.	A	1
4.4	4	Achievement of service standards (customer service levels, etc) is measured and achieved.	The Asset Management Manual (Section 3) outlines the Customer and Service Levels. Service levels are defined for non-potable water including: • Availability • Supply water that is suitable for irrigation purposes. This includes the water quality standard in the licence which is monitored and reported monthly.	A	1



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating				
			<table><tr><td>Irrigation Water Quality</td><td>Percentage of customers give 5 days' notice of a planned interruption</td></tr><tr><td><1,200mg/L TDS</td><td>>90</td></tr></table> • Provide at least 5 business days' notice to a customer of any planned service interruption; • Provide annual notification to all customers provided with a water supply service that the water supplied is Non-Potable not suitable for drinking; and • Availability of service (pressure and flow ranges) • Service interruption notification and response targets for planned and unplanned events • Failure or complaint response time targets Water quality reporting to customers, interruption to supply notifications and delivery of required flow rates to customers are all linked to the service levels required. There are detailed checklists for fortnightly, monthly and annual monitoring and sampling activities of the infrastructure that are completed and uploaded to LogiQC to manage the assets, reporting and compliance activities. The review confirmed that service standards are being monitored and achieved.	Irrigation Water Quality	Percentage of customers give 5 days' notice of a planned interruption	<1,200mg/L TDS	>90		
Irrigation Water Quality	Percentage of customers give 5 days' notice of a planned interruption								
<1,200mg/L TDS	>90								
5		ASSET OPERATIONS	Overall Rating	B	2				
5.1	2	Operational policies and procedures are documented and linked to service levels required.	Section 7.4 of the Asset Management Manual (dated May 2025) outlines the policies and procedures for the water production, collection and distribution systems managed by GWC. GWC has in place the Northern Gascoyne Bore Field Operating Strategy (January 2023) as a condition of their water resources licence. The strategy includes administrative requirements, operating rules, monitoring and	A	1				



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			reporting, environmental impact management, contingency program and water use efficiency requirements. The bores and distribution system including customer offtakes are managed by the SCADA system. Monitoring and communication with the Water Corporation who manage the southern bore field is also carried out on a daily basis to ensure sufficient capacity is delivered into the distribution system. Water quality reporting to customers, interruption to supply notifications and delivery of required flow rates to customers are all linked to the service levels required. There are detailed checklists for fortnightly, monthly and annual monitoring and sampling activities of the infrastructure that are completed and uploaded to LogiQC to manage the assets, reporting and compliance activities.		
5.2	4	Risk management is applied to prioritise operations tasks.	The planned operation activities are managed in LogiQC. These include tasks such as the bore field monitoring and compliance activities, condition observations and pipeline surveillance. The completion of the tasks is recorded in LogiQC for review of their completion. Planned expenditure classified as operational has been included in the "Operations" tab of the AMP spreadsheet which includes identification of the risk addressed by the proposed expenditure. The detailed Risk Register identifies operational activities as risk mitigations where appropriate. There are detailed checklists for fortnightly, monthly and annual monitoring and sampling activities of the infrastructure that are completed and uploaded to LogiQC to manage the assets, reporting and compliance activities. These include the risk assessment and priority of the operations tasks.	A	1
5.3	2	Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets'	Three different Asset Registers were provided for review. This included separate spreadsheets for the borefield assets and distribution pipeline assets. The Asset Management Manual also refers to the Financial Fixed Assets Register. A current fixed asset register is provided to Auditors annually for accounting purposes and updated by the contract accountants.	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
		physical/structural condition and accounting data.	With 3 different Asset Registers, it is difficult to adequately and accurately maintain the asset register data and to effectively track the attributes in this criteria. GWC explained they were in the process of consolidating the Asset Registers into the LogiQC system. A sample output of the format of the information loaded into LogiQC so far includes Asset Type (asset category), Location, Description, Model and Make fields. Fields for Materials, Plans, Condition and Accounting data are required to be included to meet the ERA criteria. Some of the breakdown in the existing borefield and distribution pipeline asset registers is very detailed (sometimes identifying components down to the level of number of bolts and washers at a valve site). Some minor items of office equipment have also been included. It is suggested in the process of consolidating the asset registers in LogiQC that the level of detail be considered. The intent is a listing of assets that is meaningful for maintaining condition assessment information and in planning and budgeting for replacement to maintain the water supply. It is noted the existing Asset Registers include the date of construction, remaining life, condition information and estimated replacement cost which should be incorporated into the LogiQC asset register. Recommendation 3/2025 <i>As planned, GWC should complete the consolidation of the Asset Registers into the LogiQC asset register. The information fields should include asset type, location, material, plans of components, and an assessment of assets' physical/structural condition, life expectancy, estimated replacement cost and accounting data. How the location and reference to plans is included in the asset register also needs to be addressed.</i>		



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5.4	4	Accounting data is documented for assets.	The Asset Registers include an estimate of replacement cost. There is an asset register for accounting purposes. The operations and maintenance costs are recorded in the annual financial budget and actual to budget expenses are recorded and reported to the Executive on a monthly basis. This accounting data needs to be included in the consolidated asset register in LogiQC to combine the financial information and other information on each asset for improved monitoring of the replacement of assets and completeness of the asset register. Refer recommendation 3/2025	B	3
5.5	4	Operational costs are measured and monitored.	In the “AMP Budget” tab of the AMP spreadsheet, the annual budget includes planned operations costs at a high level. Operational costs are incorporated into the annual budget (GWC Budget 2025). Forecast and actuals are shown for the current year with notes against variances. A comparison to the previous FY is also shown. Planned expenditure classified as operational has been included in the “Operations” tab of the AMP spreadsheet which includes identification of the risk addressed by the proposed expenditure.	A	1
5.6	2	Staff resources are adequate and staff receive training commensurate with their responsibilities.	The resourcing for routine operating and maintenance activities currently consists of the staff at GWC, Coral Coast Plumbing and an Electrical Contractor who are contracted to undertake inspection, testing, water sample collection and maintenance work. Specialist resources are engaged when required. A specialist company is also called upon at times to manage issues with the SCADA system. The level of staffing is considered adequate for the routine operations, repair and maintenance activities. A number of staff changes have occurred in the past 12 months. Much of the asset management documentation was developed by previous staff and new staff are in the process of determining whether the past asset management approach is still appropriate. Current staff are working towards putting in place systems that improve compliance and reporting. The investment in LogiQC appears to be a good initiative in tracking actions	B	2



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			and linking information to assets (replacing a number of independent spreadsheets). Technically, GWC is reliant on their service providers which is understandable given the small size of the organisation. The close working relationship appears to be working well, with the service providers supporting the reporting tool (LogiQC). <i>The technical reliance is a risk that should be assessed and potential mitigations identified.</i> <i>As identified at 2.3 (Asset Acquisition) staff resources would need to be reviewed/supported should another significant asset acquisition project be taken on by GWC.</i>		
6		ASSET MAINTENANCE	Overall Rating	A	1
6.1	2	Maintenance policies and procedures are documented and linked to service levels required.	Section 7.5 of the Asset Management Manual (AMM) discusses the approach to maintenance which is based on degradation of condition and recommendations of original equipment suppliers. Maintenance is performed on the following asset breakdown: • Vegetation Management – Tree and undergrowth management; • Production Assets – Bore equipment and head works; • Collection System – Pipeline, air valves and valves; • Distribution System – Pipeline, air valve, valves and customer headworks; • Metering – Master and tariff metering; • Control System – SCADA and Communications; • Equipment – Diggers, Vehicles, Compactors, Welders and specialised tooling; and • Buildings and Grounds – Offices and Warehouse Appendix H of the AMM lists asset types and the maintenance strategy for each, which ranges from Run to Failure, Fixed Interval, Performance Based and Condition Based. There are detailed checklists for fortnightly, monthly and annual monitoring and sampling activities of the infrastructure that are completed and uploaded	A	1



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			to LogiQC to manage the assets, reporting and compliance activities. These are linked to the service levels required.		
6.2	2	Regular inspections are undertaken of asset performance and condition.	Appendix H of the AMM lists the inspection interval for different asset types. A sample of condition assessment/inspection records were provided for May and June 2025 for the bores. These are completed by the Plumbing Contractor who provides this service regularly, using a sheet prepared by GWC which defines the condition rating system to be used. The condition assessment information and any notes about issues requiring attention are loaded into LogiQC for action.	A	1
6.3	2	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	LogiQC is used to raise the need to action planned, corrective and urgent maintenance and to record completion of the works. A sample output from LogiQC for repair and maintenance work was provided. Due dates set for tasks reflect the urgency of the action. The status of the tasks is also reported (complete, due this week, due later or overdue). A log of the action history is also maintained.	A	1
6.4	2	Failures are analysed and operational/maintenance plans adjusted where necessary.	Section 7.5.1 and 7.5.2 of the AMM describes yearly reviews with the maintenance service providers which is to include a review of the performance of equipment. Data on equipment failure and repair is also reviewed. This data and discussions with the service providers include options to address performance gaps, and where it is agreed – equipment replacement occurs when other actions are unable to restore performance.	A	1
6.5	2	Risk management is applied to prioritise maintenance tasks.	In the “Risk Model” tab of the AMP spreadsheet, consequence and likelihood tables have been defined which are specific to GWC in assessing level of risk from interruption/failure events. These illustrate an understanding of GWC about risk level that can be managed by maintenance and repair activity including urgency of response. The detailed Risk Register identifies operational activities as mitigations where appropriate. These include the risk assessment and priority of the maintenance tasks..	A	1



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6.6	2	Maintenance costs are measured and monitored.	In the “AMP Budget” tab of the AMP spreadsheet, the annual budget includes maintenance costs at a high level. Repair and Maintenance costs are incorporated into the annual budget (GWC Budget 2025). Forecast and actuals are shown for the current year with notes against variances. A comparison to the previous FY is also shown.	A	1
7		ASSET MANAGEMENT INFORMATION SYSTEM	Overall Rating	A	1
7.1	4	Adequate system documentation for users and IT operators.	The asset management system utilises a combination of related corporate systems, data and processes, as per the Asset Management Plan. These systems include: • SCADA control system with App on mobile devices. • Asset Register (Excel). • Reporting for Operating Licence Performance and Compliance reports compilation. The systems are documented within the system itself and for key functions in detailed operating procedures.	A	1
7.2	4	Input controls include suitable verification and validation of data entered into the system.	Data accuracy is controlled by edit checks of data fields in the key systems and checks by the user when entering manually completed work order requests, updates and other data such as performance standard results. Considered adequate.	A	1
7.3	4	Logical security access controls appear adequate, such as passwords.	Access to systems via Laptop PCs and mobile devices is controlled by passwords, which are required to be changed on a regular basis. The audit sighted the IT and Automation Policy which sets out the overall IT policies including security and restricted access to systems and customer information.	A	1



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7.4	4	Physical security access controls appear adequate.	The physical access restrictions to the office complex in Carnarvon and the control centre at Carnarvon were confirmed during the site visit. All offsite assets (e.g. pump control stations) are located in secure and locked units.	A	1
7.5	4	Data backup procedures appear adequate and backups are tested.	GWC's systems are cloud based with a managed service provider that maintains data backups in the Cloud. There are also backups to an onsite server to prevent the loss of the intellectual property being managed by GWC.	A	1
7.6	4	Key computations related to licensee performance reporting are materially accurate.	From review of source data for the performance reporting, the calculations are considered to be accurate.	A	1
7.7	4	Management reports appear adequate for the licensee to monitor licence obligations.	Service level data from the quarterly/annual drinking water quality reports and annual performance reports is tracked and reviewed on a monthly basis. This information is used in the development of the asset replacement strategy and capital plans, and also in the ongoing review of maintenance plans. The licence compliance obligations including compliance reporting are documented in the Customer Service & Water Services Procedures Manual	A	1
7.8	4	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	Access to all systems is controlled by restricted user access, passwords that are regularly changed and other security monitoring processes. The IT risks and disaster recovery plans are documented in the GWC IT Security and Continuity Tactical Plan (reviewed May 2025). Data is continuously backed up to the Cloud by the managed service provider and to an onsite server. There is also a physical back up of the key data systems used by GWC that is kept at another location. Backups are tested and data backup procedures are sound.	A	1



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8		RISK MANAGEMENT	Overall Rating	A	1
8.1	2	Risk management policies and procedures exist and are being applied to minimise internal and external risks.	The Asset Management Manual (Section 7.7 - Risk Management) sets out the risk management policy in accordance with the Standards Australia ISO 31000:2009 Risk Management standard. This includes “the culture, processes and structures that are directed at realising potential opportunities and managing adverse effects”. The policy includes the responsibilities and processes for: • Management of Corporate responsibilities; • Identification of critical risks and the consequences that the business manages; • Identification of risk areas and the development of plans to manage events; • Facilitation and decision making through prioritisation of planned actions; • Management of the risks through third parties (Insurance); • Establishing the risk level that the business is prepared to operate at; and • Development of Emergency Management procedures and protocols. The reviewer sighted the Risk Register, contingency plans and other documentation that confirmed the policies are being applied to minimise internal and external risks.	A	1
8.2	2	Risks are documented in a risk register and treatment plans are implemented and monitored.	GWC has a detailed Risk Register that includes strategic, financial, regulatory (compliance), management and operational (technical) risks and the likelihood and consequences of failure. The risk assessment is used to inform the operation and maintenance plans of the AMP. The Risk Register was updated in April 2024 and is being reviewed (June 2025). The Register is pending upload to LogiQC for integration with other Registers such as the Compliance Register. <i>The Risk Register does not include the due dates for actions and current status for reporting to the Board, such as on a quarterly basis. The review confirmed that risks are being reviewed and actioned but this relies upon</i>	B	2



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			<i>key staff. An improvement is to document the due dates for actions and the current status for the quarterly reporting to the Board for overall monitoring of the risks and their status.</i>		
8.3	2	Probability and consequences of asset failure are regularly assessed.	The probability and consequences of asset failure are documented in the Risk Register and reviewed annually.	A	1
9		CONTINGENCY PLANNING	Overall Rating	B	3
9.1	4	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	The Asset Management Manual (Section 7.8 – Contingency Planning) sets out the requirement for the business to have a contingency plan that is regularly reviewed and tested. GWC has a detailed Risk Register that includes strategic, financial, regulatory (compliance), management and operational (technical) risks and the likelihood and consequences of failure. The Water Services Procedures Manual documents the procedures for any service interruptions or other events such as low aquifer storage or damage to equipment or roads. The following operational procedures have also been established: - Asset Operations - Contaminant Spill Emergency Response Procedure - Asset Operations - Extreme Weather Event Procedure. For the production, collection and distribution system, the Contingency Plan for Emergency Operation and Disaster Recovery (reviewed May 2025) details the policy and processes used for the management of emergencies and disasters. Scenarios exist within this plan, with detailed actions to be taken and accountabilities identified. The risks and disaster recovery plans are also documented in the GWC IT Security and Continuity Tactical Plan (reviewed May 2025).	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			The contingency control measures detailed in the Contingency Planning Procedures (reviewed May 2025) relate to the Risks identified in the Risk Register. The Asset Management Manual (Section 7.8 – Contingency Planning) sets out the requirement for the business to have a contingency plan that is regularly reviewed and tested. However, there was no evidence of testing of the contingency plan in the review period of 3 years. Recommendation 4/2025 <i>In accordance with the Contingency Plan for Emergency Operation and Disaster Recovery, there should be at least annual testing of the contingency plan with a desktop scenario and interaction with supporting agencies relevant to the incident scenario, such as DWER. The test should be included in the Business Calendar and the results documented with an action plan for any improvements identified .</i>		
10		FINANCIAL PLANNING	Overall Rating	B	3
10.1	4	The financial plan states the financial objectives and strategies and actions to achieve the objectives.	An overview of GWC's financial planning processes is included in the AMP, including objectives, strategies and actions to achieve these objectives. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. A major improvement project known as the Gascoyne Irrigation System Augmentation and Modernisation (GISAM) has been in progress during the review period from May 2022 to April 2025. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025. Recommendation 5/2025 <i>With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), the GWC Financial Plan needs to be updated for at least the next 5 years, including any capital and operating costs, revenue, funding sources and any actions to achieve GWC's financial objectives.</i>	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
10.2	4	The financial plan identifies the source of funds for capital expenditure and recurrent costs.	The AMP (2021) contains tabs (AMP Budget, Strategic and Risk Need and Infrastructure Planning) which describe a future capital works and replacement program. The “Infrastructure Planning” tab outlines the GWC defined “Needs Statements” which summarise the required items and their expected scheduling and costings. As at 30 June 2024 per the externally audited Annual Report, the Consolidated entity had a negative equity balance of \$2,276,043 (2023 positive balance of \$1,385,393) mainly due to the cost of property, plant and equipment during the year of \$6,088,000. The \$6m impairment was the cost of the GISAM project with no further impairment for the 2024 / 2025 financial year. The Directors believe that the Consolidated entity will continue to be able to pay for all its debt and expenditure when they become due. As at 30 June 2024, cash held is \$509,979 (2023: \$4,315,369). The main change was due to the GISM project grants. Management are forecasting annual profits to return in the next financial year and have thus had the financial statements prepared on a going concern basis. The review sighted the Financial Statement prepared by external accountant for the 2024/25 year to date at May 2025 that confirmed a net profit is being maintained. Refer Recommendation 5/2025	B	3
10.3	4	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	The AMP Budget Tab shows the 10 year budget forecast, including the estimated revenue, capital expenditure and operating expenditure from 2022/23 to 2031/32. This has not been updated since 2021. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025. Refer Recommendation 5/2025	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
10.4	4	The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	The AMP Budget Tab shows the 10 year budget forecast, including the estimated revenue, capital expenditure and operating expenditure from 2022/23 to 2031/32. This has not been updated since 2021. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025. Refer Recommendation 5/2025	B	3
10.5	4	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	The Financial Model provided demonstrates life-cycle costs have been considered in some detail for the existing infrastructure – incorporating upfront capital, staged upgrade, operations, maintenance and renewals expenditure. However, the Financial Model has not been updated since 2021. Refer Recommendation 5/2025	B	3
10.6	4	Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary.	An annual operating budget is prepared identifying monthly expenditure. There is evidence of comparison of the annual budget to the previous year's actuals and corrective action being taken. There have been major staffing changes, review and update of procedures and improved monitoring of variances. The review sighted the Financial Statement prepared by external accountant for the 2024/25 year to date at May 2025 that confirmed a net profit is being maintained.	A	1
11		CAPITAL EXPENDITURE PLANNING	Overall Rating	B	3
11.1	4	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.	The AMP contains tabs (AMP Budget, Strategic and Risk Need and Infrastructure Planning) which describe a future capital works and replacement program. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. The "Infrastructure Planning" tab outlines the GWC defined "Needs Statements" which summarise the required items and their expected scheduling and costings for 10 years to 2032. To ensure that the capital	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
			plan remains relevant all works identified in the forward 5-year window should be reviewed yearly. The previous review noted that all projects identified in this document are for a 10-year window. Once the plan has been approved by the Board the work activities for the next two years are planned in detail. The coming years activities are considered to be approved from the cycle from the prior year. No major adjustments are made to the plan unless the Board or the businesses have identified an issue that requires immediate action. As a result of this new activity all expenditure is shifted to accommodate the new work. A business case is to be presented to the Board showing the impact on the spend plan and the risk changes to the business. If additional funding is required to mitigate the change in the businesses risk profile, then this funding will be sought from the Government through a grant, members or from a financial institution. A major improvement project known as the Gascoyne Irrigation System Augmentation and Modernisation (GISAM) has been in progress during the review period from May 2022 to April 2025. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025. Recommendation 6/2025 <i>With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), a Capital Expenditure Plan for the next 10 years needs to be developed, approved by the Board and reviewed on an annual basis. The Plan should cover:</i> • <i>issues to be addressed, actions proposed, responsibilities and dates;</i> • <i>reasons for capital expenditure and timing of expenditure;</i> • <i>asset life and condition assessments; and</i> • <i>annual review and update process.</i>		



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
11.2	4	The plan provides reasons for capital expenditure and timing of expenditure.	The AMP contains tabs (AMP Budget, Strategic and Risk Need and Infrastructure Planning) which describe a future capital works and replacement program. The “Infrastructure Planning” tab outlines the GWC defined “Needs Statements” which summarise the required items and their expected scheduling and costings for 10 years to 2032. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. Refer Recommendation 6/2025.	B	3
11.3	4	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	The reviewer confirmed the Capital Plan is based on review of the condition of the assets and the estimated life of the assets as recorded in the Asset Register. The Financial Model includes the expected capital expenditure to 2032. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. Refer Recommendation 6/2025.	B	3
11.4	4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	The AMP includes review and update as required or if major changes occur. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. Refer Recommendation 6/2025.	B	3
12		REVIEW OF ASSET MANAGEMENT SYSTEM	Overall Rating	B	3
12.1	4	A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.	The reviewer was provided with the GWC Cooperative Limited (GWC) Asset Management Plan (AMP) 2023 – 2027 – document number 6A, dated 11 August 2021. The Asset Management Plan has not been reviewed and updated since August 2021 The Asset Management Manual includes a revision history page. The current version was adopted on 3 August 2021. Refer Recommendation 1/2025	B	3



Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (criteria in Audit Guidelines)	Observations and results (including any potential improvements)	Process and Policy Rating	Performance Rating
12.2		Independent reviews (e.g. internal audit) are performed of the asset management system.	Independent reviews of specific elements of the water activities have been conducted during the review period by external contractors as required. An independent review is performed (by the ERA appointed auditors) every 24 months as required by the licence or longer period as specified by the ERA.	A	1



2.8 Review Recommendations

Table of Current Review Asset System Deficiencies and Recommendations			
A. Resolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
	Nil		
B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
1/2025	Asset Planning <i>1.9 Asset management plan is regularly reviewed and updated.</i> Review of Asset Management System <i>12.1 A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</i> Rating: B3 - Process - requires some improvement/ Performance – corrective action required. The reviewer was provided with the GWC Cooperative Limited (GWC) Asset Management Plan (AMP) 2023 – 2027 – document number 6A, dated 11 August 2021. The Asset Management Plan has not been reviewed and updated since August 2021 The Asset Management Manual includes a revision history page. The current version was adopted on 3 August 2021. The reviewer was advised that the AMP is planned to be reviewed by August 2025.	As planned the Asset Management Plan should be reviewed and updated. The format could be improved by using the Asset Management Manual as the template for the overall plan and referencing supporting documents to replace the Excel format AMP.	Nil



B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
2/2025 C3	Asset Creation/Acquisition <i>2.3 Projects reflect sound engineering and business decisions.</i> Rating: C3 - Process - requires substantial improvement/ Performance – corrective action required. During the site visit, some of the new and existing bores and the flow-controlled customer supply points were inspected. The installations, including bore control cubicles on elevated platforms, bore headworks and customer flow meter points with SCADA, were observed to be in good condition and of a good standard. The new bores and flow-controlled customer supply points were delivered as part of the GISAM project. While the outcome of the GISAM project appeared to be of a good standard and working well, GWC staff were open about some of the delivery issues involved in the project that led to significant budget exceedance. Whilst this review has not undertaken a complete review of the project delivery, a combination of initially underestimating the project cost and the approach to contracting/managing the works are areas that GWC would need to review in taking on a project of this scale in the future. This was acknowledged by GWC staff. It is reiterated that the outcomes of the GISAM project appear to be successful in terms of the assets delivered and the system operation. In terms of the initial cost estimate, the process for requesting funding from the National Water Grid Authority means early cost estimates may need to be made before enough engineering (at a project planning phase) has been undertaken to provide a reliable basis for cost estimation – which has contributed to the budget being exceeded.	For significant value asset creation projects in the future, GWC needs to engage appropriately skilled and experienced resources to manage the project development and delivery. This includes more effective contract management by the new GWC staff, from the project planning to the delivery and commissioning of the project.	Nil



B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
3/2025	Asset Operations <i>5.3 Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition and accounting data.</i> <i>5.4 Accounting data is documented for assets.</i> Rating: B3 - Process - requires some improvement/ Performance – corrective action required. Three different Asset Registers were provided for review. This included separate spreadsheets for the borefield assets and distribution pipeline assets. The Asset Management Manual also refers to the Financial Fixed Assets Register. A current fixed asset register is provided to Auditors annually for accounting purposes and updated by the contract accountants. With 3 different Asset Registers, it is difficult to adequately and accurately maintain the asset register data and to effectively track the attributes in this criteria. GWC explained they were in the process of consolidating the Asset Registers into the LogiQC system. A sample output of the format of the information loaded into LogiQC so far includes Asset Type (asset category), Location, Description, Model and Make fields. Fields for Materials, Plans, Condition and Accounting data are required to be included to meet the ERA criteria. Some of the breakdown in the existing borefield and distribution pipeline asset registers is very detailed (sometimes identifying components down to the level of number of bolts and washers at a valve site). Some minor items of office equipment have also been included. It is suggested in the process of consolidating the asset registers in LogiQC that the level of detail be considered. The intent is a listing of assets that is meaningful for maintaining condition assessment information and in planning and budgeting for replacement to maintain the water supply. It is noted the existing Asset Registers include the date of construction, remaining life, condition information and estimated replacement cost which should be incorporated into the LogiQC asset register.	As planned, GWC should complete the consolidation of the Asset Registers into the LogiQC asset register. The information fields should include asset type, location, material, plans of components, and an assessment of assets' physical/structural condition, life expectancy, estimated replacement cost and accounting data. How the location and reference to plans is included in the asset register also needs to be addressed.	Nil



B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
	The Asset Registers include an estimate of replacement cost. There is an asset register for accounting purposes. The operations and maintenance costs are recorded in the annual financial budget and actual to budget expenses are recorded and reported to the Executive on a monthly basis. This accounting data needs to be included in the consolidated asset register in LogiQC to combine the financial information and other information on each asset for improved monitoring of the replacement of assets and completeness of the asset register.		
4/2025	Contingency Planning <i>9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i> Rating: B3 - Process - requires some improvement/ Performance – corrective action required. For the production, collection and distribution system, the Contingency Plan for Emergency Operation and Disaster Recovery (reviewed May 2025) details the policy and processes used for the management of emergencies and disasters. Scenarios exist within this plan, with detailed actions to be taken and accountabilities identified. The risks and disaster recovery plans are also documented in the GWC IT Security and Continuity Tactical Plan (reviewed May 2025). The contingency control measures detailed in the Contingency Planning Procedures (reviewed May 2025) relate to the Risks identified in the Risk Register. The Asset Management Manual (Section 7.8 – Contingency Planning) sets out the requirement for the business to have a contingency plan that is regularly reviewed and tested. However, there was no evidence of testing of the contingency plan in the review period of 3 years.	In accordance with the Contingency Plan for Emergency Operation and Disaster Recovery, there should be at least annual testing of the contingency plan with a desktop scenario and interaction with supporting agencies relevant to the incident scenario, such as DWER. The test should be included in the Business Calendar and the results documented with an action plan for any improvements identified.	Nil



B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
5/2025	Financial Planning 10.1 The financial plan states the financial objectives and strategies and actions to achieve the objectives. 10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs. 10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets). 10.4 The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period. 10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services. Rating: B3 - Process - requires some improvement/ Performance – corrective action required. An overview of GWC's financial planning processes is included in the AMP, including objectives, strategies and actions to achieve these objectives. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. A major improvement project known as the Gascoyne Irrigation System Augmentation and Modernisation (GISAM) has been in progress during the review period from May 2022 to April 2025. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025.	With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), the GWC Financial Plan needs to be updated for at least the next 5 years, including any capital and operating costs, revenue, funding sources and any actions to achieve GWC's financial objectives.	Nil
6/2025	Capital Expenditure Planning 11.1 There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates. 11.2 The plan provides reasons for capital expenditure and timing of expenditure. 11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.		



B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Performance Rating/Details)	Auditor's Recommendation	Management Action taken by end of review period
	<i>11.4 There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.</i> Rating: B3 - Process - requires some improvement/ Performance – corrective action required. The AMP contains tabs (AMP Budget, Strategic and Risk Need and Infrastructure Planning) which describe a future capital works and replacement program. However, as noted in Asset Planning above, the Asset Management Plan has not been reviewed and updated since August 2021. The “Infrastructure Planning” tab outlines the GWC defined “Needs Statements” which summarise the required items and their expected scheduling and costings for 10 years to 2032. To ensure that the capital plan remains relevant all works identified in the forward 5-year window should be reviewed yearly. The previous review noted that all projects identified in this document are for a 10-year window. Once the plan has been approved by the Board the work activities for the next two years are planned in detail. The coming years activities are considered to be approved from the cycle from the prior year. No major adjustments are made to the plan unless the Board or the businesses have identified an issue that requires immediate action. As a result of this new activity all expenditure is shifted to accommodate the new work. A business case is to be presented to the Board showing the impact on the spend plan and the risk changes to the business. If additional funding is required to mitigate the change in the businesses risk profile, then this funding will be sought from the Government through a grant, members or from a financial institution. A major improvement project known as the Gascoyne Irrigation System Augmentation and Modernisation (GISAM) has been in progress during the review period from May 2022 to April 2025. GWC advised that an Interim 5 year budget is currently being developed after the completion of the major upgrade GISAM project in 2025.	With the completion of the major project, Gascoyne Irrigation System Augmentation and Modernisation (GISAM), a Capital Expenditure Plan for the next 10 years needs to be developed, approved by the Board and reviewed on an annual basis. The Plan should cover: • issues to be addressed, actions proposed, responsibilities and dates; • reasons for capital expenditure and timing of expenditure; • asset life and condition assessments; and • annual review and update process.	Nil



Appendix – Review Methodology

Our approach to meeting the requirements for the asset management system effectiveness review is set out below.

Review Planning

- Conduct an initial meeting with the ERA to confirm the review approach and timing for the review.
- Contact the licensee to gain an understanding of the business, relevant management plans and systems that may affect the risk assessment for planning purposes.
- Prepare a risk assessment including any specific factors or changes relevant to the licensee (in tabular form against each asset management system component).
- Submit a draft **Review Plan**, including the risk assessment, areas of special focus and proposed approach, to the ERA for review and approval.
- Send a **Pre-Visit Checklist** of information and documentation to the licensee to enable staff to prepare for the visit (and where possible, send us information prior to the site visit).

Fieldwork

- Undertake a visit to the licensee and conduct various meetings with stakeholders, including corporate services and works/facilities management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards. ***The on-site visit to Carnarvon on 17 to 18 June 2025 included our Director and Principal Engineer.***
- Obtain copies of the latest asset management plans, performance reporting statistics and relevant correspondence between the licensee and the ERA for the audit period.
- The activities in the **Asset Management System Review** included:
 - review the documented procedures and processes for the planning, analyse construction, operation and maintenance of assets to assess whether they are consistent with regulatory requirements under the licence;
 - increased emphasis on the criteria noted in the areas of special focus.
 - interview key personnel to assess whether they understand and comply with the documented processes and procedures;
 - physically inspect the key assets and infrastructure;
 - assess the effectiveness of the processes and system in place; and
 - review with high priority the areas of special focus.

Review Reporting

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



- The licensee will prepare a Post Review Implementation Plan and submit this to the ERA as a separate document.
- The ERA will arrange responses to the proposed actions in the Post Review Implementation Plan.

Key Documents Reviewed

Regulatory Documents and Reports

- *Water Services Act 2012*
- *Water Services Regulations 2013*
- 2019 Audit and Review Guidelines: Water Licences (updated August 2022)
- Water Compliance Reporting Manual – July 2024 and previous version May 2021.
- Water Services Operating Licence WL38 – Version 8
- Map of Licence Operating Area OWR-OA-177 - E
- Compliance reports to ERA for 2021/22, 2022/23 and 2023/24
- Performance datasheets to ERA for 2021/22, 2022/23 and 2023/24
- Water, Sewerage and Irrigation Licence Performance Reporting Handbook 2024
- Department of Water and Environmental Regulation (DWER) Groundwater Extraction Licence
- Energy & Water Ombudsman membership

Asset Management System Review

- GWC Annual Reports 2023 and 2024
- Asset Management Policy
- Asset Management Manual
- Asset Management Plan 2023-2027
- As Constructed Maps and Drawings
- Bore Monitoring Field sheets – Monthly, Quarterly and Annual
- Bore Checklists
- Repair Register
- Plant Inspection and Risk Assessment
- Asset Register
- Asset Disposal Procedure
- GWC Board Meeting Minutes
- Asset Operations – Contaminant Spills, Emergency Response Procedure
- Monthly Financial Report YTD – May 2025
- Purchasing Policy
- Complaints Register
- Compliance Register – LogiQC
- Contingency Planning Procedures
- GWC Contingency Plan
- Cyclone Contingency Plan GWC
- GWAMCO Northern Bore Field (NBF) Operating Strategy
- Northern Bore Field Annual Reports
- DPIRD Grant Collaboration Agreement and
- Financial Assistance Final Agreement Report
- Water Services Procedures Manual



- Bore Field Expansion – Spur Line and Headworks Construction (detailed documents)
- Gascoyne Irrigation System Augmentation and Modernisation (GISAM) Project (detailed documents)
- IT and Automation Policy
- GWC IT Security and Continuity Tactical Plan
- LogiQC Risk Register
- Communication of Service Interruptions Policy
- E Learning documents
- GWC Water Supply Agreement
- Water Quality and Salinity Reports 2023 to 2025

Key Contacts

The licensee's representatives participating in the review were:

- Paul Shain – Chairperson
- Suzi Kent – Corporate Services Manager
- Lisa Sweetman – Operations Officer
- Dean (Carnarvon Plumbing)

Consultants

NAME AND POSITION	BUDGET HOURS
Geoff White - Director	35
Geoff Hughes – Principal Planning Engineer	25
TOTAL	60

END OF REPORT